1st Quarter 2017
Earnings Results

Matt Ellis
Executive Vice President and Chief Financial Officer

April 20, 2017
“Safe Harbor” Statement

NOTE: In this presentation we have made forward-looking statements. These statements are based on our estimates and assumptions and are subject to risks and uncertainties. Forward-looking statements include the information concerning our possible or assumed future results of operations. Forward-looking statements also include those preceded or followed by the words “anticipates,” “believes,” “estimates,” “hopes” or similar expressions. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. The following important factors, along with those discussed in our filings with the Securities and Exchange Commission (the “SEC”), could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements: adverse conditions in the U.S. and international economies; the effects of competition in the markets in which we operate; material changes in technology or technology substitution; disruption of our key suppliers’ provisioning of products or services; changes in the regulatory environment in which we operate, including any increase in restrictions on our ability to operate our networks; breaches of network or information technology security, natural disasters, terrorist attacks or acts of war or significant litigation and any resulting financial impact not covered by insurance; our high level of indebtedness; an adverse change in the ratings afforded our debt securities by nationally accredited ratings organizations or adverse conditions in the credit markets affecting the cost, including interest rates, and/or availability of further financing; material adverse changes in labor matters, including labor negotiations, and any resulting financial and/or operational impact; significant increases in benefit plan costs or lower investment returns on plan assets; changes in tax laws or treaties, or in their interpretation; changes in accounting assumptions that regulatory agencies, including the SEC, may require or that result from changes in the accounting rules or their application, which could result in an impact on earnings; the inability to implement our business strategies; and the inability to realize the expected benefits of strategic transactions.

As required by SEC rules, we have provided a reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable GAAP measures in materials on our website at www.verizon.com/about/investors.
Important Additional Information and Where to Find It

On April 10, 2017, Yahoo! Inc. ("Yahoo") filed with the Securities and Exchange Commission (the "SEC") Amendment No. 2 to the preliminary proxy statement regarding the proposed sale of Yahoo’s operating business to Verizon Communications Inc. ("Verizon") and related transactions. Yahoo will file with the SEC a definitive version of the proxy statement, which will be sent or provided to Yahoo stockholders when available. The information contained in the preliminary proxy statement is not complete and may be changed. **BEFORE MAKING ANY VOTING DECISION, YAHOO'S STOCKHOLDERS ARE STRONGLY ADVISED TO READ YAHOO'S PROXY STATEMENT IN ITS ENTIRETY (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO WHEN THEY BECOME AVAILABLE) AND ANY OTHER DOCUMENTS FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED TRANSACTIONS OR INCORPORATED BY REFERENCE THEREIN BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTIONS.** Investors and stockholders can obtain a free copy of Yahoo's proxy statement, any amendments or supplements to the proxy statement, and other documents filed by Yahoo with the SEC in connection with the proposed transactions for no charge at the SEC’s website at [www.sec.gov](http://www.sec.gov), on the Investor Relations page of Yahoo's website investor.yahoo.net or by writing to Investor Relations, Yahoo! Inc., 701 First Avenue, Sunnyvale, CA 94089.

Yahoo and its directors and executive officers, as well as Verizon and its directors and executive officers, may be deemed participants in the solicitation of proxies from Yahoo's investors and stockholders in connection with the proposed transactions. Information concerning the ownership of Yahoo securities by Yahoo's directors and executive officers is included in their SEC filings on Forms 3, 4 and 5, and additional information is also available in Yahoo's annual report on Form 10-K for the year ended December 31, 2016, as amended, and Yahoo's proxy statement for its 2016 annual meeting of stockholders filed with the SEC on May 23, 2016. Information about Verizon's directors and executive officers is set forth in Verizon's annual report on Form 10-K for the year ended December 31, 2016 and Verizon's proxy statement for its 2017 annual meeting of stockholders filed with the SEC on March 20, 2017. Information regarding Yahoo's directors, executive officers and other persons who may, under the rules of the SEC, be considered participants in the solicitation of proxies in connection with the proposed transactions, including their respective interests by security holdings or otherwise, also will be set forth in the definitive proxy statement relating to the proposed transactions when it is filed with the SEC. These documents may be obtained free of charge from the sources indicated above.
### Consolidated Consistent earnings performance

<table>
<thead>
<tr>
<th></th>
<th>1Q '17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported EPS</td>
<td>$0.84</td>
</tr>
<tr>
<td><strong>Add:</strong></td>
<td></td>
</tr>
<tr>
<td>Early debt redemption costs</td>
<td>$0.13</td>
</tr>
<tr>
<td><strong>Less:</strong></td>
<td></td>
</tr>
<tr>
<td>Gain on spectrum license transaction</td>
<td>$0.02</td>
</tr>
<tr>
<td><strong>Adjusted EPS</strong>*</td>
<td>$0.95</td>
</tr>
</tbody>
</table>

* Non-GAAP measure. Adjusted for non-operational items.
Note: Amounts may not add due to rounding.
### Strategic Positioning

<table>
<thead>
<tr>
<th>Network Leadership</th>
<th>Customer relationships</th>
<th>New ecosystems</th>
<th>Long-term value creation</th>
</tr>
</thead>
</table>
| • Fiber & densification  
  • Spectral efficiency  
  • New technologies | • High-quality base  
  • Brand loyalty  
  • Scale | • Media  
  • Telematics  
  • IoT | • Cash generation  
  • Profitability  
  • Return on investment |
Consolidated
Generating profitable results

Total revenue of $29.8B, down 7.3% Y/Y in 1Q ’17

• Excluding Telogis, Fleetmatics, XO Communications and divested Wireline properties, total revenue down 4.5% Y/Y in 1Q ’17*

1Q ’17 Adjusted EBITDA of $11.1B**

1Q ’17 Adjusted EBITDA margin of 37.3%**

* Non-GAAP measure.
** Non-GAAP measure. Adjusted for non-operational items.
**Consolidated**

**Strong cash generation**

<table>
<thead>
<tr>
<th>($ in billions)</th>
<th>1Q '16</th>
<th>1Q '17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flow from operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discretionary pension contributions</td>
<td>$7.5</td>
<td>$1.7</td>
</tr>
<tr>
<td><strong>Capital expenditures</strong></td>
<td>$3.4</td>
<td>$3.1</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>$4.1</td>
<td>($1.4)</td>
</tr>
<tr>
<td><strong>Asset-backed long-term borrowings</strong></td>
<td>–</td>
<td>$1.3</td>
</tr>
<tr>
<td><strong>Dividends paid</strong></td>
<td>$2.3</td>
<td>$2.4</td>
</tr>
<tr>
<td><strong>Total debt</strong></td>
<td>$109.9</td>
<td>$116.5</td>
</tr>
<tr>
<td>Total asset-backed long-term borrowings</td>
<td>–</td>
<td>$6.3</td>
</tr>
<tr>
<td><strong>Net debt to adjusted EBITDA</strong></td>
<td>2.4x</td>
<td>2.6x</td>
</tr>
</tbody>
</table>

*Note: Amounts may not add due to rounding.*

* Non-GAAP measure.

** Non-GAAP measure. Adjusted for non-operational items and the impact of divested Wireline properties.
Wireless
Industry leading, high-quality retail base

49K postpaid smartphone net adds
(398K) phone net adds pre-unlimited in 1Q ’17

109K phone net adds post-unlimited in 1Q ’17

Retail postpaid phone churn below 0.9% for past 8 quarters

(307K) retail postpaid net adds in 1Q ’17*

• (255K) tablet net adds in 1Q ’17*

* Excludes acquisitions and adjustments.
Service revenue of $15.8B, down 6.1% Y/Y in 1Q ’17

1Q ’17 segment EBITDA margin on total revenue of 45.1%*

71% of postpaid phone base on unsubsidized pricing

1Q ’17 phone activations on device payment plans were 76%; ~48% of postpaid phone base on device payment plans

* Non-GAAP measure.
Wireline
Fios driving consumer growth

Total Wireline revenue of $7.9B, down 0.6% Y/Y in 1Q ’17

- Consumer Markets revenue grew 0.7% Y/Y in 1Q ’17
- Fios revenue grew 4.7% Y/Y in 1Q ’17
- 35K Fios Internet net adds
- (13K) Fios Video net adds

*Non-GAAP measure.*
New Businesses
Positioning to deliver long-term shareholder value

Media
AOL programmatic ad growth
Integration planning for Yahoo
Unique digital content

Telematics & IoT
1Q ’17 telematics revenue of $214M
1Q ’17 IoT revenue growth
Integrating Fleetmatics and Telogis
Telematics market share leader
Driving long-term strategy

Network Leadership
- Fiber & densification
- Spectral efficiency
- New technologies

Customer relationships
- High-quality base
- Brand loyalty
- Scale

New ecosystems
- Media
- Telematics
- IoT

Long-term value creation
- Cash generation
- Profitability
- Return on investment

Network & Technology
Densification
Network leadership confirmed by third party testing results
Market-leading fiber assets
OneFiber in Boston
Launching 11 pre-commercial 5G fixed wireless pilots in 2Q ’17
Confident in strategy and priorities

Executing in a highly competitive market

Delivering solid financials, a strong balance sheet and dividends

Allocating capital consistently

Positioning for long-term growth

Returning value to shareholders
1Q '17 Supplemental Information
## Selected Metrics

### Wireless

<table>
<thead>
<tr>
<th>Metric</th>
<th>1Q ’17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail postpaid upgrade rate (%)</td>
<td>5.2%</td>
</tr>
<tr>
<td>Postpaid gross adds (M)</td>
<td>3.4</td>
</tr>
<tr>
<td>Postpaid smartphone net adds (000)</td>
<td>49</td>
</tr>
<tr>
<td>Postpaid phone net adds (000)</td>
<td>(289)</td>
</tr>
<tr>
<td>Postpaid tablet net adds (000)</td>
<td>(255)</td>
</tr>
<tr>
<td>Retail postpaid 4G LTE connections (M)</td>
<td>93.2</td>
</tr>
<tr>
<td>% 4G LTE data traffic increase Y/Y</td>
<td>57%</td>
</tr>
</tbody>
</table>

### Wireline

<table>
<thead>
<tr>
<th>Metric</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Fios consumer revenue growth rate Y/Y (%)</td>
<td>4.5%</td>
</tr>
</tbody>
</table>