INVESTOR CONFERENCE CALL

Fran Shammo – Chief Financial Officer
Tony Melone – Executive Vice President - Network

February 17, 2015
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; and the inability to implement our business strategies.
Strategic Overview

- Deliver profitable growth and generate cash
- Consistently invest in networks and platforms
- Monetize non-core assets
- Return value to shareholders
- Strengthen balance sheet

Investing in a financially disciplined manner
Funding Plan

• $9.5B balance for Spectrum net of $900 million deposit
  – Cash on hand
  – Term loan
• $10.6 billion cash on hand at end of 2014
• Cash on hand funded the $5 billion ASR
• Tower proceeds of $5 billion will reduce term loan
• Wireline proceeds in 2016 to pay down debt

Limited need to access capital markets
Network Overview

- Aggressive investment in technology
- Securing necessary spectrum
- Consistent approach to investment

Industry-leading reliability and performance
Capacity Strategy

Spectrum x Capacity Solutions = Capacity

Shifting cost curves between spectrum and capital
Spectrum Strategy

• One Nationwide low frequency band for LTE coverage

• Currently, two frequency bands for additional LTE capacity
  – Mid/high bands good options on top of 700 C coverage layer
  – Close to ubiquitous
  – Well-established bands
  – Wider bandwidths

• Right spectrum combination minimizes device complexity and cost

Strong spectrum position going into Auction 97
Nationwide Spectrum Depth Pre-Auction

VZW Nationwide Spectrum Inventory (MHz)

105 MHz Total
- AWS 36 MHz
- PCS 22 MHz
- 700C 22 MHz
- 850 MHz

Total Spectrum Depth Pre-Auction

Good mix of coverage and capacity spectrum
AWS-3 Auction Objectives

- Acquire spectrum in key markets to reach at least 40 MHz of AWS
- Level nationwide mid-band (PCS+AWS) spectrum depth
- Opportunistically acquire AWS 3 licenses that build contiguity with existing AWS 1 holdings

AWS Spectrum Depth Pre-Auction

VZW Pre-auction AWS Spectrum Depth
- >= 40 MHz
- < 40 MHz

Acquire and manage capacity spectrum depth
AWS-3 Auction Results

**AWS ≥ 40 MHz POP Coverage**

- **Pre-Auction:** 70%
- **Post-Auction:** 95%

**Mid-Band ≥ 60 MHz POP Coverage**

- **Pre-Auction:** 55%
- **Post-Auction:** 84%

**Significant improvement in capacity spectrum depth**

**AWS Spectrum Depth Post-Auction**

VZW Post-auction AWS Spectrum Depth
- > = 40 MHz
- < 40 MHz
## AWS-3 Auction Summary Statistics

<table>
<thead>
<tr>
<th>Spectrum Acquired</th>
<th>Top 25 Markets</th>
<th>Top 50 Markets</th>
<th>Top 100 Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>% of POPs</td>
<td>#</td>
</tr>
<tr>
<td>10 MHz</td>
<td>3</td>
<td>9%</td>
<td>3</td>
</tr>
<tr>
<td>20 MHz</td>
<td>15</td>
<td>56%</td>
<td>28</td>
</tr>
<tr>
<td>30 MHz</td>
<td>1</td>
<td>3%</td>
<td>1</td>
</tr>
<tr>
<td>≥ 40 MHz of AWS</td>
<td>25</td>
<td>100%</td>
<td>46</td>
</tr>
<tr>
<td>≥ 60 MHz of Mid-Band</td>
<td>24</td>
<td>93%</td>
<td>43</td>
</tr>
</tbody>
</table>

*Licenses acquired balanced across top 100 markets*
Nationwide Spectrum Depth Post-Auction

VZW Nationwide Spectrum Inventory (MHz)

116 MHz Total
- AWS 48 MHz
- PCS 22 MHz
- 700C 22 MHz
- 850 MHz

Total Spectrum Depth Post-Auction

Complementary increase in spectrum depth
What’s Ahead

- Network Densification (Small Cells)
- Increased Efficiency (LTE Advanced)
- LTE Unlicensed, 5 GHz, 3.5 GHz
- AWS-3
- 700 C, AWS, PCS

Open to additional primary and secondary spectrum opportunities
Summary

- Achieved auction results in a disciplined manner
- No need for large spectrum acquisitions
- Consistently investing for future growth
- Strengthening balance sheet
- Returning value to shareholders

Focused on return on invested capital
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