2nd Quarter 2010
Earnings Conference Call

July 23, 2010
“Safe Harbor” Statement

NOTE: This presentation contains statements about expected future events and financial results that are forward-looking and subject to risks and uncertainties. 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 could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements: the effects of adverse conditions in the U.S. and international economies; the effects of competition in our markets; materially adverse changes in labor matters, including workforce levels and labor negotiations, and any resulting financial and/or operational impact, in the markets served by us or by companies in which we have substantial investments; the effect of material changes in available technology; any disruption of our suppliers’ provisioning of critical products or services; significant increases in benefit plan costs or lower investment returns on plan assets; the impact of natural or man-made disasters or existing or future litigation and any resulting financial impact not covered by insurance; technology substitution; an adverse change in the ratings afforded our debt securities by nationally accredited ratings organizations or adverse conditions in the credit markets impacting the cost, including interest rates, and/or availability of financing; any changes in the regulatory environments in which we operate, including any loss of or inability to renew wireless licenses, and the final results of federal and state regulatory proceedings and judicial review of those results; the timing, scope and financial impact of our deployment of fiber-to-the-premises broadband technology; changes in our 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; our ability to complete acquisitions and dispositions; our ability to successfully integrate Alltel Corporation into Verizon Wireless’s business and achieve anticipated benefits of the acquisition; and the inability to implement our business strategies.

This presentation includes certain non-GAAP financial measures as defined under SEC rules. As required by those rules we have provided a reconciliation of those measures to the most directly comparable GAAP measures in materials on our website at www.verizon.com/investor.
2Q ’10 Overview

- Exceptionally strong cash flow growth
- Solid Wireless results
- Wireline margin improvement driven by cost reductions
- Business trends show signs of stabilization
- Strategic transactions completed – shareholders received $1.85 per share value from access line spin
### Earnings Summary

**Earnings Per Share**  ($0.07)

<table>
<thead>
<tr>
<th>Non-operational/One-time Items</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Workforce reduction</td>
<td>($0.52)</td>
</tr>
<tr>
<td>Access line spin-off costs</td>
<td>($0.04)</td>
</tr>
<tr>
<td>Alltel integration costs &amp; divestiture tax impact</td>
<td>($0.06)</td>
</tr>
<tr>
<td>Deferred revenue adjustment</td>
<td>($0.03)</td>
</tr>
<tr>
<td><strong>Total impact</strong></td>
<td>($0.65)</td>
</tr>
</tbody>
</table>

### Divested Properties

#### Alltel Trust Properties
- 26 markets on April 26
- 79 markets on June 22
- Over 1,400 employees transferred

#### Access Line Properties
- 4M access lines on July 1
- Over 9,200 employees transferred

Strategic transformation complete
Cash Flow Summary

- Disciplined capital program
  - $4.2B in capital expenditures, down 3.6% Y/Y
- Free cash flow up 76.7% Y/Y
- Net debt reduced by $7.5B YTD
  - Net debt/EBITDA 1.5x*
  - Strong balance sheet

* Adjusted for non-operational/one-time items

Cash from Operations ($B)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2Q '09</th>
<th>1Q '10</th>
<th>2Q '10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$7.5</td>
<td>$7.1</td>
<td>$9.8</td>
</tr>
<tr>
<td>Y/Y Growth</td>
<td></td>
<td></td>
<td>29.8%</td>
</tr>
</tbody>
</table>

Strong cash flow growth
CONSOLIDATED
Revenue

• 0.7% consolidated revenue growth before deferred revenue adjustment

• Growth across all strategic areas Y/Y
  – Wireless service +5.2%
  – Wireless data +23.8%
  – FiOS +33.2%
  – Strategic Enterprise +6.2%

Competing well in all markets
Revenue

**Total Service Revenue ($B)**

- **2Q '09**: $13.3
- **1Q '10**: $13.8
- **2Q '10**: $14.0

5.2% Y/Y Growth

**Total Data Revenue ($B)**

- **2Q '09**: $3.9
- **1Q '10**: $4.6
- **2Q '10**: $4.8

$14.96 $16.71 $17.37

**Data driving revenue growth**

- 6.2% Y/Y service revenue growth excluding Alltel divestiture properties
- Data revenue up $931M or 23.8% Y/Y
- 35% of retail postpaid base have 3G devices
- Substantial data growth opportunities
# Connections

<table>
<thead>
<tr>
<th>(000)</th>
<th>1Q ’10</th>
<th>Net Adds</th>
<th>Divestitures &amp; Other</th>
<th>2Q ’10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail postpaid</td>
<td>82,623</td>
<td>665</td>
<td>(1,715)</td>
<td>81,573</td>
</tr>
<tr>
<td>Retail prepaid</td>
<td>5,188</td>
<td>(211)</td>
<td>(374)</td>
<td>4,603</td>
</tr>
<tr>
<td>Retail</td>
<td>87,811</td>
<td>454</td>
<td>(2,089)</td>
<td>86,176</td>
</tr>
<tr>
<td>Reseller</td>
<td>4,990</td>
<td>896</td>
<td>1</td>
<td>5,887</td>
</tr>
<tr>
<td><strong>Customers</strong></td>
<td>92,801</td>
<td>1,350</td>
<td>(2,088)</td>
<td>92,063</td>
</tr>
<tr>
<td>Other connections</td>
<td>7,315</td>
<td>264</td>
<td>95</td>
<td>7,674</td>
</tr>
<tr>
<td><strong>Total connections</strong></td>
<td>100,116</td>
<td>1,614</td>
<td>(1,993)</td>
<td>99,737</td>
</tr>
</tbody>
</table>

Retail postpaid 89% of total customers
Retail Markets

- Retail postpaid ARPU growth of 1.2% Y/Y
- 9.0% of postpaid base upgraded in 2Q
  - Upgrades were up 7.2% Y/Y
- 40% of direct device sales were smartphones
- More focus on customer retention

### Retail Service Revenue ($B)

<table>
<thead>
<tr>
<th></th>
<th>2Q '09</th>
<th>1Q '10</th>
<th>2Q '10</th>
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</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$13.0</td>
<td>$13.4</td>
<td>$13.5</td>
</tr>
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</table>

**4.2% Y/Y Growth**

### Retail Postpaid ARPU

<table>
<thead>
<tr>
<th></th>
<th>2Q '09</th>
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<th>2Q '10</th>
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<tr>
<td>ARPU</td>
<td>$52.56</td>
<td>$52.61</td>
<td>$53.18</td>
</tr>
</tbody>
</table>

**1.01%** | **1.07%** | **0.94%**

**Retail Postpaid Churn**

Strong focus on retail market
$6.7B EBITDA, up 7.8% Y/Y

Margin expansion driven by:
- Strong execution
- Growing data revenues
- Churn improvement
- Alltel synergy savings

Sustaining strong profitability and cash generation
• FiOS success continues
  – FiOS revenues grew 33.2% Y/Y
  – $145+ FiOS ARPU, up over 7% Y/Y
• Global Enterprise improves
• Global Wholesale impacted by secular pressures and pricing changes

Continued cyclical & secular pressures
Mass Markets

- **FiOS over 43% of consumer revenue**
  - 3.2M subscribers
  - 174K net adds
  - 26% penetration

- **FiOS Internet subscribers**
  - 3.8M subscribers
  - 196K net adds
  - 30% penetration

Broadband & video driving consumer growth
Enterprise & Wholesale Markets

Global Enterprise Revenue ($B)

- Positive sequential and Y/Y growth in Enterprise
- Strong CPE sales in quarter
- Non-CPE sales stabilized in quarter
- Wholesale revenues impacted by continued secular pressures and international pricing changes

Global Wholesale Revenue ($B)

Enterprise strategic services growth of 6.2% Y/Y
Profitability

- Cost reduction initiatives gaining momentum
- EBITDA margin improves 100 bps sequentially
- Force reductions on plan
  - 3,800 off-payroll in 2Q
  - 11K employees volunteer for enhanced incentive offer
- Disciplined capital spending

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**Segment EBITDA ($B)**

<table>
<thead>
<tr>
<th></th>
<th>2Q '09</th>
<th>1Q '10</th>
<th>2Q '10</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>$2.8</td>
<td>$2.4</td>
<td>$2.5</td>
</tr>
<tr>
<td>Margin %</td>
<td>24.5%</td>
<td>21.7%</td>
<td>22.7%</td>
</tr>
</tbody>
</table>

**Wireline Workforce (K)**

<table>
<thead>
<tr>
<th></th>
<th>2Q '09</th>
<th>1Q '10</th>
<th>2Q '10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workforce</td>
<td>125.7</td>
<td>114.4</td>
<td>110.6</td>
</tr>
</tbody>
</table>

Improved performance driven by cost reductions
Summary

• Exceptionally strong cash flow growth
• Solid Wireless results
• Wireline margin improvement driven by cost reductions
• Business trends show signs of stabilization
• Successful completion of strategic transactions
Verizon Profile

Platforms in place for next generation of growth

Revenue Profile

- Improved revenue profile
- Outstanding set of high value assets
- Increased exposure to high growth areas
- Positioned to be stronger competitor

Wireless 59%
Mass Markets 16%
Enterprise 15%
Wholesale 9%
Other 1%
Global Business