



4th Quarter 2007 Earnings Conference Call

January 28, 2008

“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: materially adverse changes in economic and industry conditions and 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 impact on our operations of natural or man-made disasters and any resulting financial impact not covered by insurance; material changes in available technology, including disruption of our suppliers’ provisioning of critical products or services; technology substitution; an adverse change in the ratings afforded our debt securities by nationally accredited ratings organizations; the final results of federal and state regulatory proceedings concerning our provision of retail and wholesale services and judicial review of those results; the effects of competition in our markets; the timing, scope and financial impacts of our deployment of fiber-to-the-premises broadband technology; the ability of Verizon Wireless to continue to obtain sufficient spectrum resources; 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; the ability to complete acquisitions and dispositions; and the extent and timing of our ability to obtain revenue enhancements and cost savings following our business combination with MCI, Inc.

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 measure in materials on our website at www.verizon.com/investor.

2007 Headlines



- **5.8% consolidated revenue growth**
- **17.9% operating income growth**
- **15.1% growth in diluted EPS from continuing operations**
- **6.2% increase in annual dividend**
- **\$2.8B in share repurchases**

Note: Results shown are pro forma and adjusted for special items

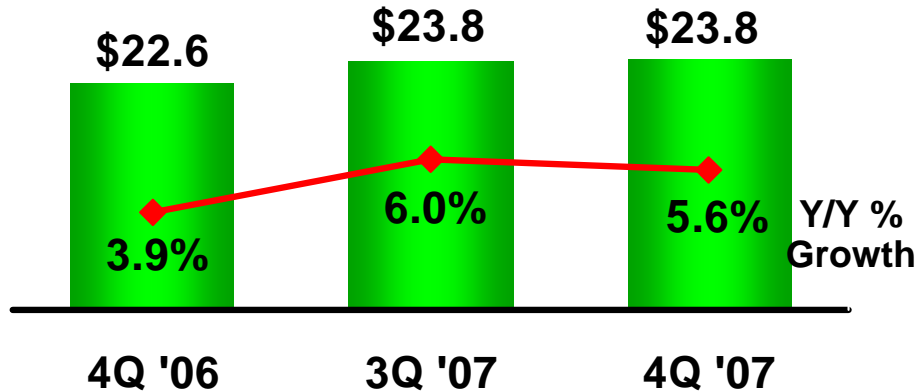
Strong momentum

Consolidated

Revenue and Operating Margin



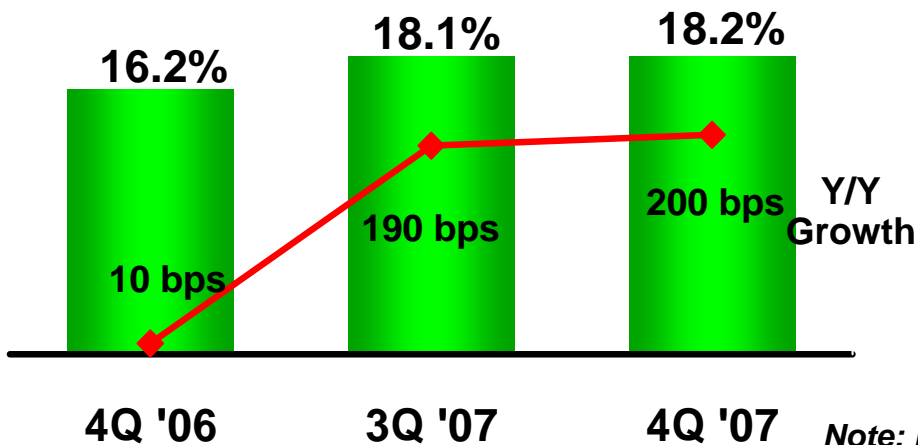
Revenue (\$B)



2007:

- \$5.2B increase in consolidated revenue
- 250 bps improvement in revenue growth
- 180 bps increase in operating income margin

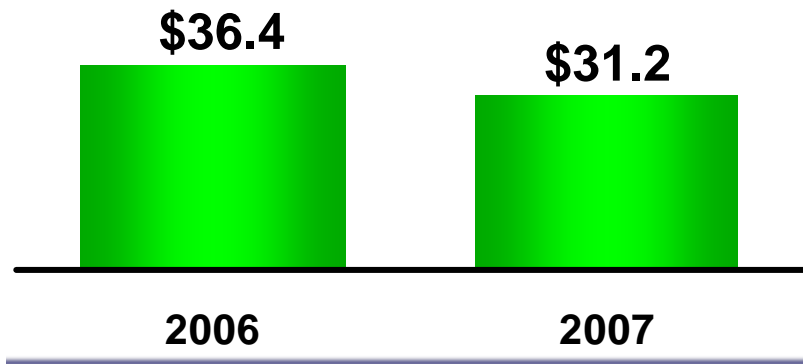
Operating Income Margin



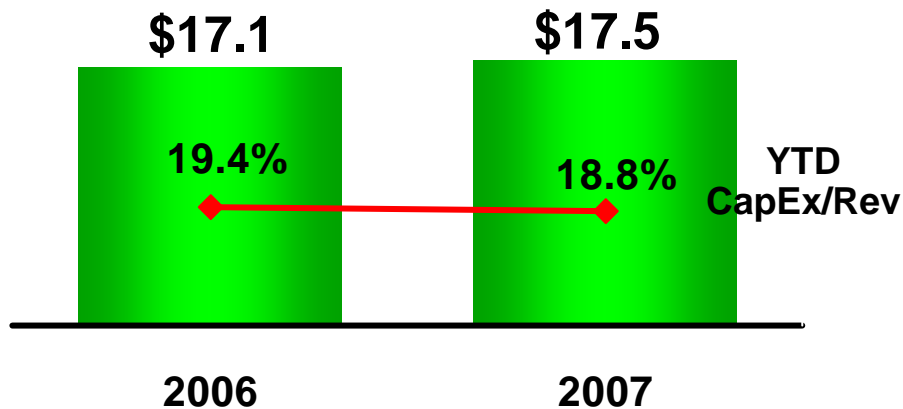
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Revenue growth and margin expansion

Total Debt (\$B)



Capital Expenditures (\$B)



2007:

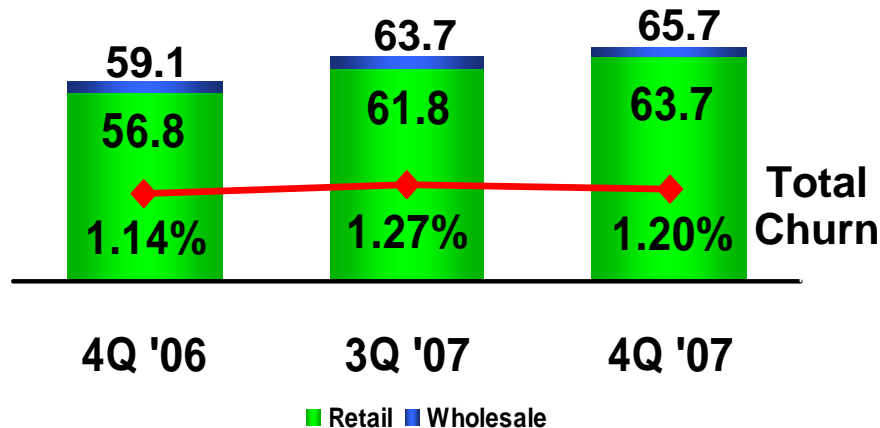
- \$26.3B in cash flow from continuing operations
- 14% increase in cash flow from continuing operations
- 60 bps decline in CapEx/Revenue

Strong financial position

Customer Growth



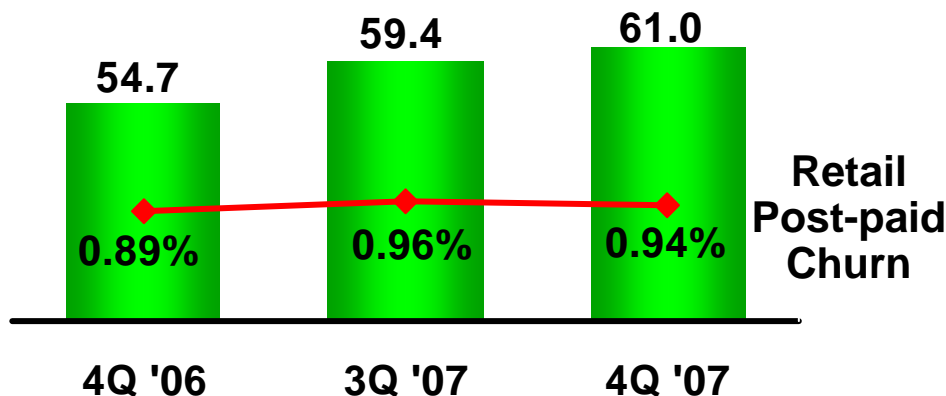
Total Customers (M)



4Q '07:

- 2.0M total net adds
- 1.9M retail net adds
- 1.6M retail post-paid net adds

Retail Post-paid Customers (M)



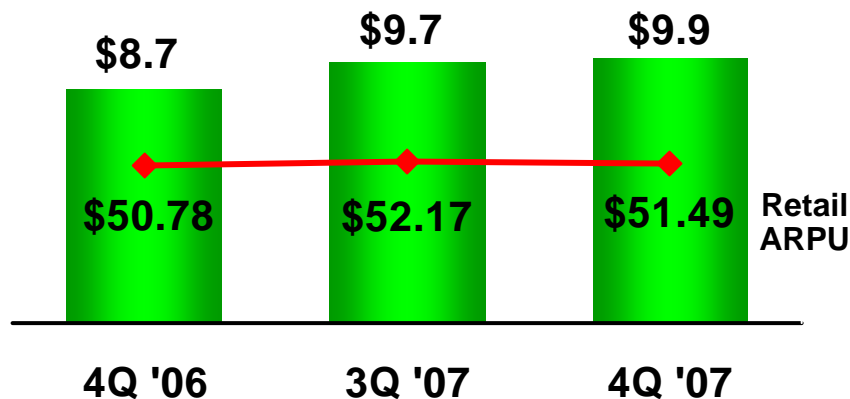
2007:

- 6.7M total net adds
- 6.9M retail net adds
- 6.3M retail post-paid net adds

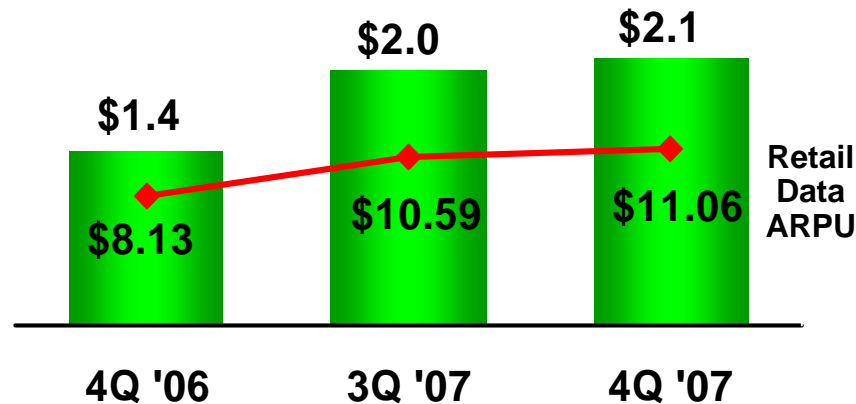
Most customers of any wireless brand

Revenue Growth

Total Service Revenue (\$B)



Total Data Revenue (\$B)

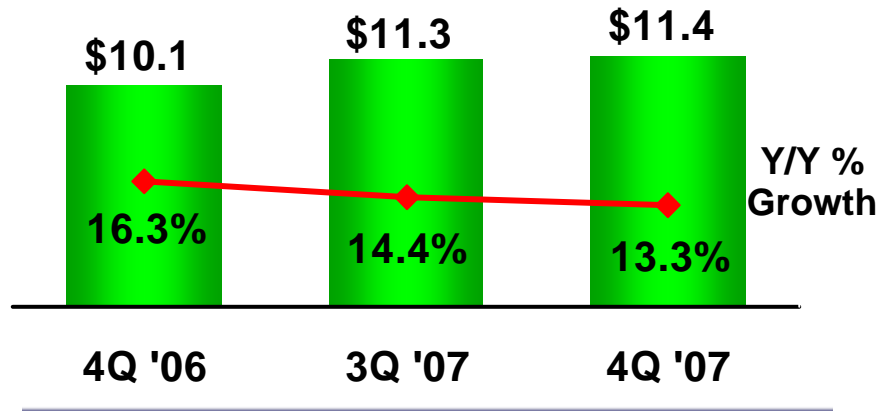


2007:

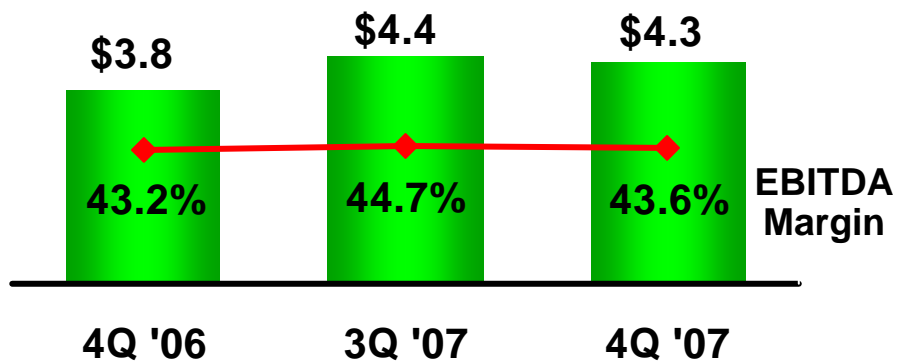
- 15.9% increase in service revenue
- 2.2% increase in retail ARPU
- 65% increase in data revenue
- 44% increase in retail data ARPU

Significant opportunities in wireless data

Total Revenue (\$B)



EBITDA (\$B)



2007:

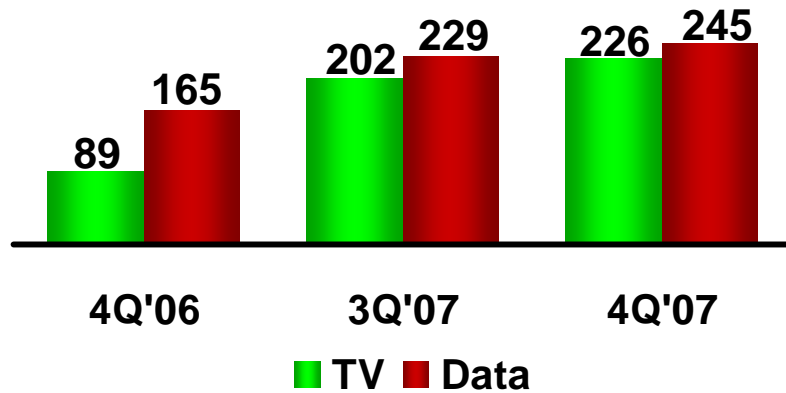
- 15.3% revenue growth
- 44.6% EBITDA margin on service revenue
- \$6.5B in capital expenditures

Proven business model

Customer Growth



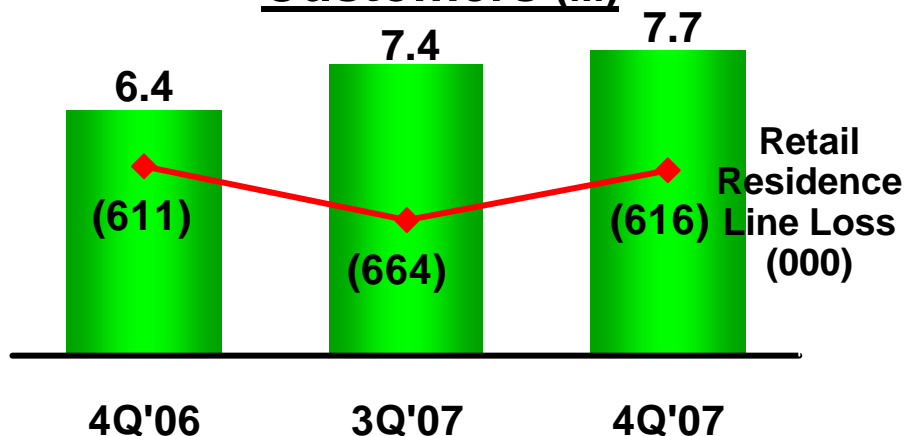
FiOS Net Adds (000)



FiOS Internet:

- 1.5M subs, up 124% Y/Y
- 21% penetration

Retail Residence Bundled Customers (M)



FiOS TV:

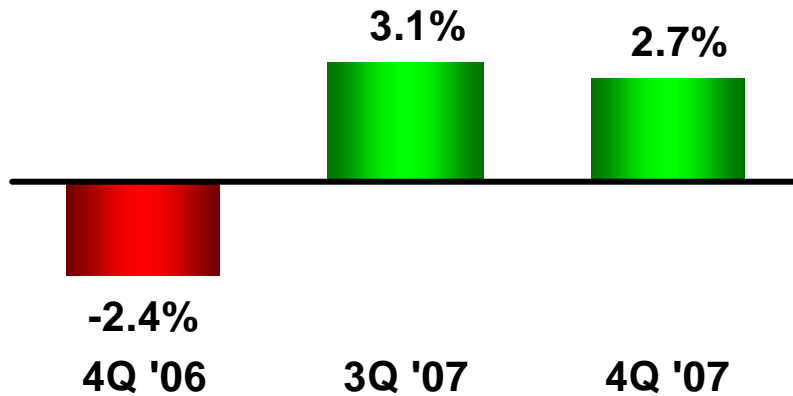
- 943K subs, up 356% Y/Y
- 16% penetration

Expanding broadband and video markets

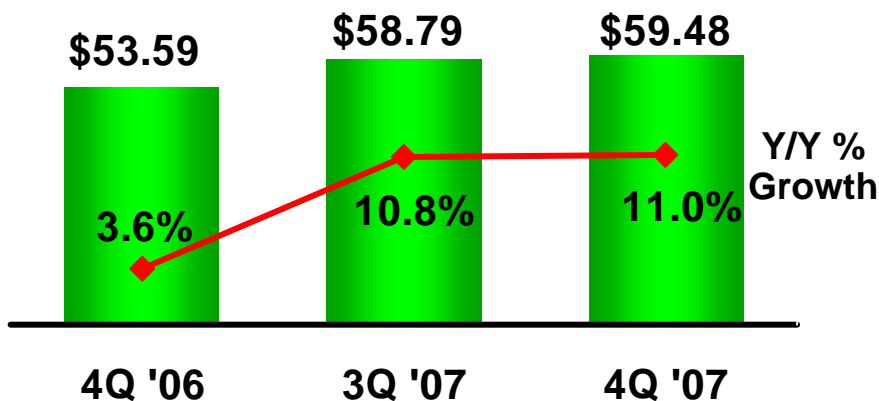
Consumer* Revenue Growth



Consumer Revenue Growth



Consumer Retail ARPU



2007:

- 2.7% growth in consumer revenue
- 11% consumer ARPU growth
- ARPU accretion in all nine regional markets

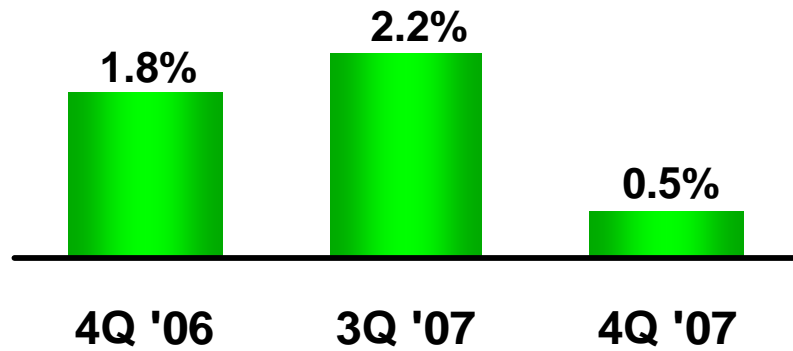
* Legacy Verizon

Broadband and video driving growth

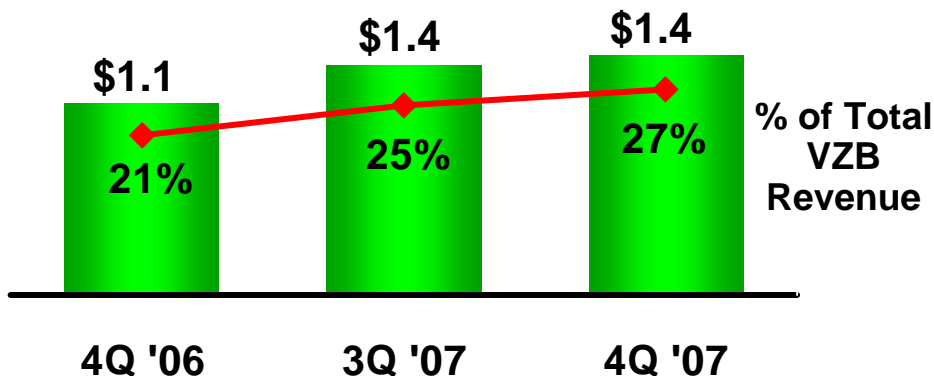
VZ Business Revenue Growth



Revenue Growth



Strategic Services Revenue (\$B)



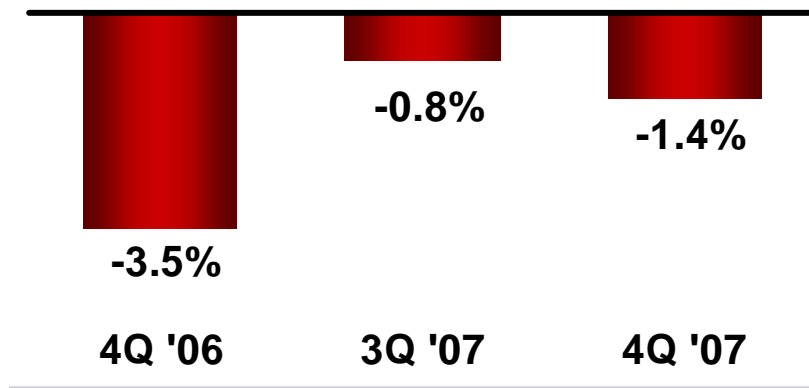
2007:

- 1.8% growth in VZ Business revenue
- 1.9% growth in enterprise revenue
- 1.0% growth in wholesale revenue
- 2.3% growth in international/other revenue

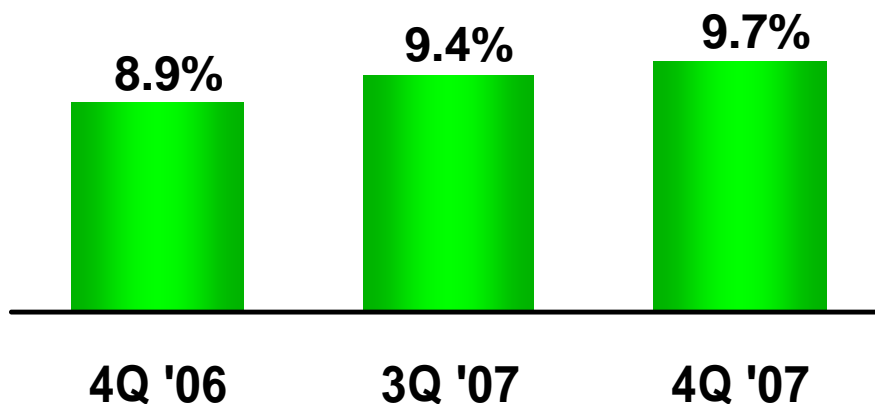
Note: Results shown are pro forma and adjusted for special items

26% growth in strategic services revenue

Revenue Growth



Operating Income Margin



2007:

- (1.3%) decline in wireline revenue
- 11.8% increase in data revenue
- \$0.39 EPS dilution from FiOS
- \$11.0B in capital expenditures

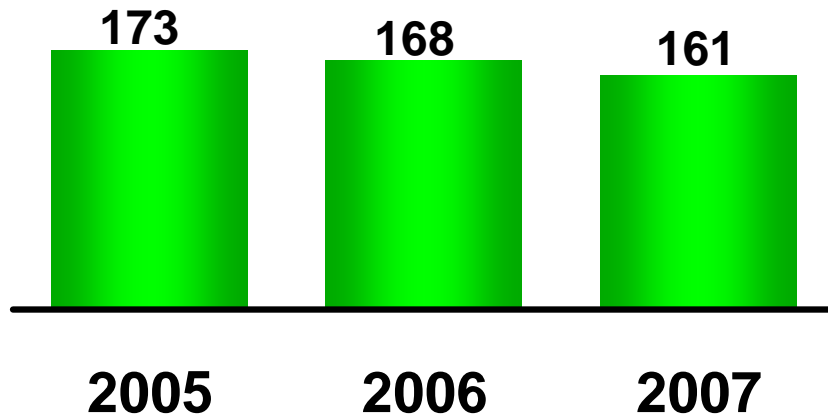
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Continued revenue and margin improvement

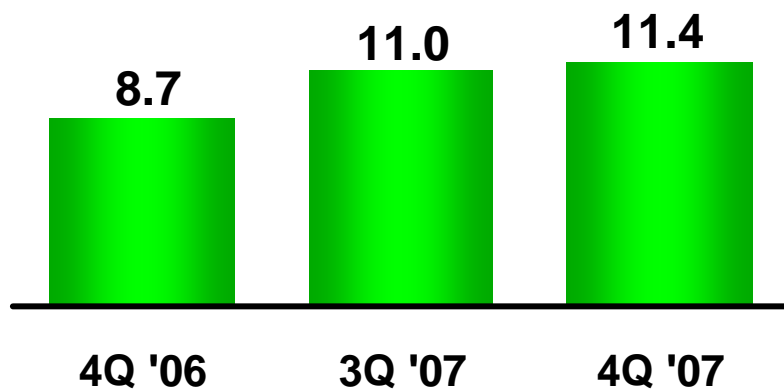
Improving Cost Structure



Wireline Force (000)



On-line Billing Customers (M)



- On-going force reductions
- System consolidations
- Leveraging common platforms and processes
- Increased automation
- Integrated marketing

Significant opportunity to reduce costs

Summary



- **Strong financial and operational results**
- **Aggressive pursuit of revenue growth opportunities**
- **Significant productivity initiatives underway**
- **Investments focused on growth products and new markets**
- **Outlook**

Creating long-term shareholder value