



# **Investor Conference Call 700 MHz Auction Results**

**April 4, 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; material changes in available technology, including disruption of our suppliers' provisioning of critical products and services; the impact on our operations of natural or man-made disasters 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; 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 impact 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.**

# Verizon's strategy...

The Verizon logo, featuring a red checkmark above the word "verizon" in a bold, sans-serif font.

Verizon **FiOS**

**BROADBAND** *in the home*

The Verizon Wireless logo, featuring a red checkmark above the word "verizon" in a bold, sans-serif font, with "wireless" in a smaller, lowercase font to the right.

**BROADBAND** *on-the-go*

The Verizon Business logo, featuring a red checkmark above the word "verizon" in a bold, sans-serif font, with "business" in a smaller, lowercase font to the right.

**BROADBAND** *in the office  
and around the world*

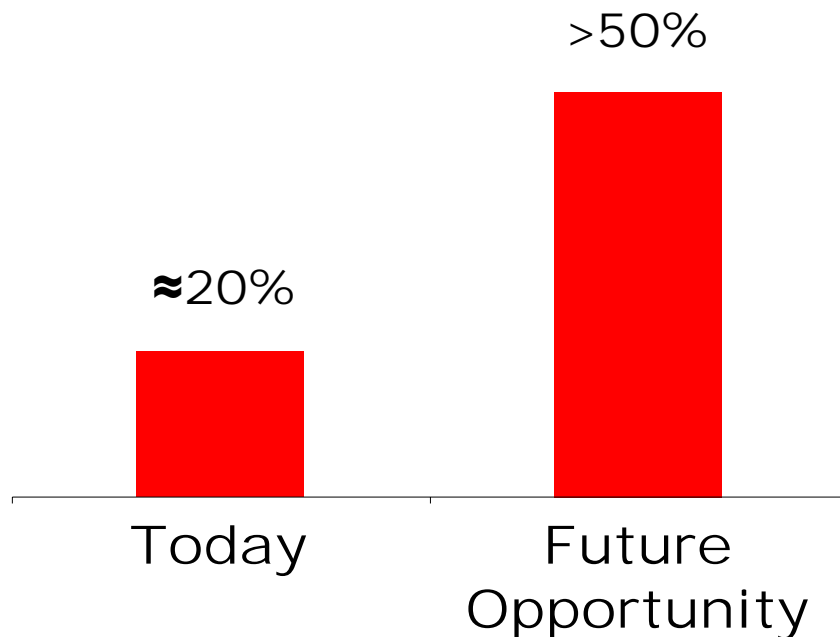
**...is built on Broadband**

# Wireless Data Growth



## Industry Data Revenue

*as a percent of Service Revenue*



- Data's impact on revenue growth in our retail business has only just started
- LTE is the right technology to realize the ever-increasing potential of data
- 700 MHz is the right spectrum to exploit LTE's capabilities
- Open Development Initiative (ODI) will harness external innovation and has the potential to act as a revenue growth multiplier... now and in the future

**We are at the very beginning of explosive data growth**

# Key Wireless Drivers



	Current	Future Opportunity
Focus	Customer acquisition	Revenue growth
Connecting	People	<b>People + anything that can be controlled, monitored, maintained, automated, or managed</b>
Services	Voice Messaging Access Content Location-based Svcs.	Voice/VoIP Messaging Access Content Location-based Svcs.
Constraint	Population	?

## **M2M**

*Medical Device Monitoring  
Supply Chain Management  
Remote Meter Reading  
Plant Floor Automation  
Energy Management  
Retail Kiosks*

## **Digital Lifestyle**

*Laptops & Tablet PCs  
Digital Media Players  
Digital Cameras  
Gaming Devices  
Digital Books*

## **Auto & Telemetry**

*Navigation Systems  
Automobile Systems  
Fleet Monitoring*

**Population is no longer a constraint**

# Key Metrics



## “Connecting places”



Millions

*Landline*

Penetration  
Denominator

- Households
- Businesses

Metrics

- Lines
- Access Line  
Equivalents

## “Connecting people”



Hundreds of Millions

*Wireless*

Population

- ARPU
- Customers
- Churn

## “Networking”



Billions

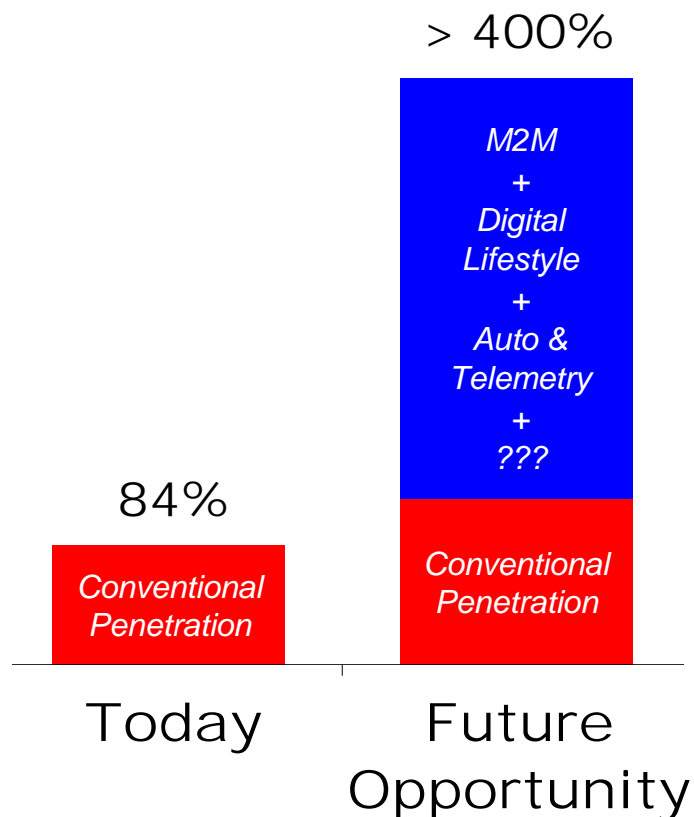
*Future*

“Connections”

- Total Revenue
- Revenue Growth
- Profitability

**The key metrics of the industry will change**

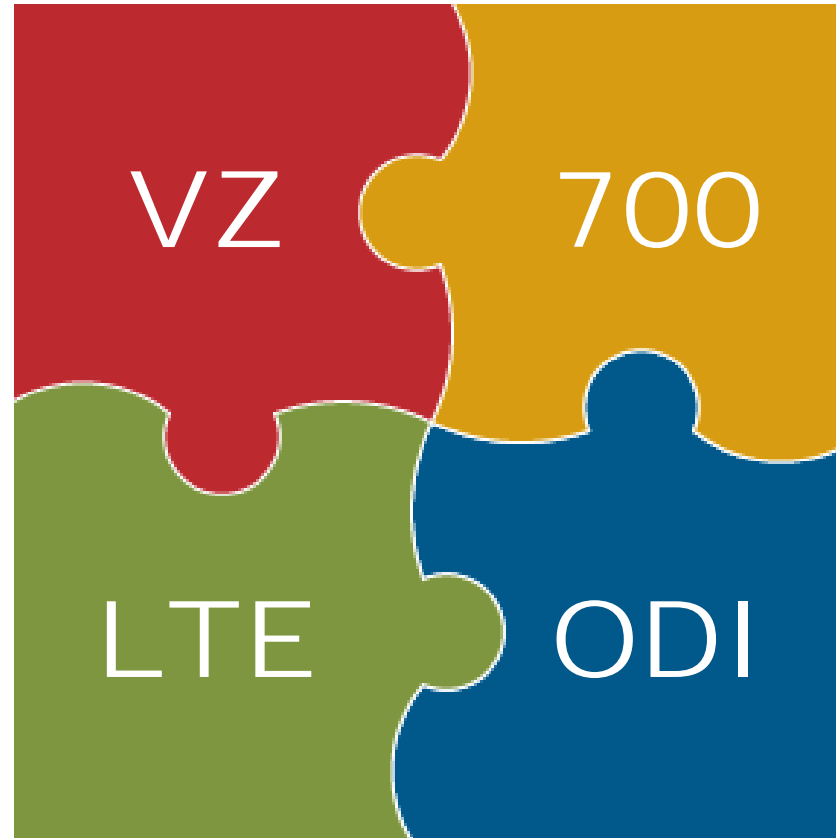
# Penetration to Connections



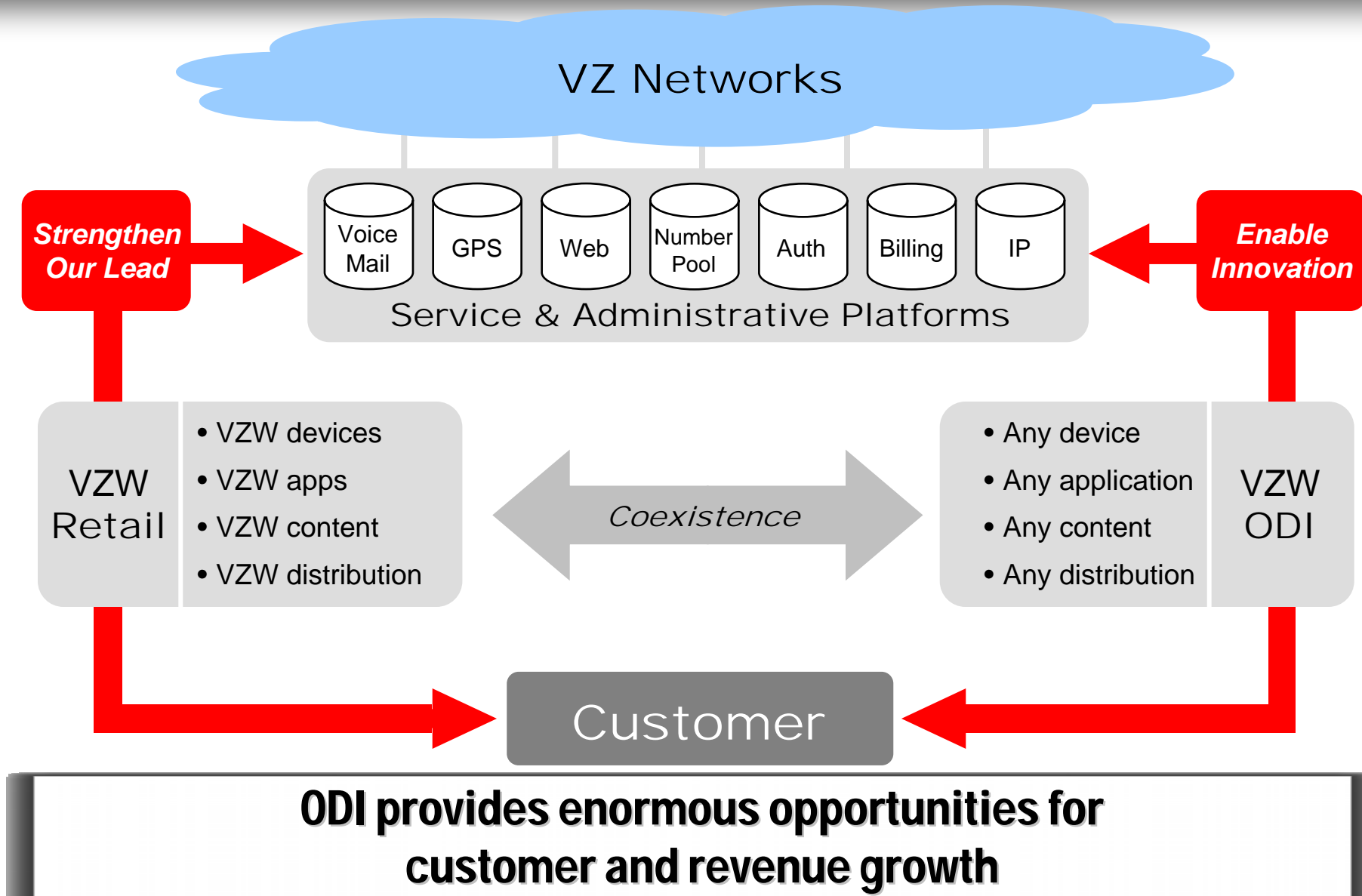
- Conventional population-based penetration will continue to grow
- The opportunity for “connections” will considerably outnumber human beings
- Making conventional population-based penetration less meaningful

**Wireless “connections” will explode well beyond 100%**

# Realizing the Data Opportunity



**Verizon is uniquely positioned to take advantage of the data opportunity**



- **Global standard**
  - Technology of choice
  - Supported by the largest wireless carriers in the world
  
- **Significant throughput increase**
  - Low-latency, IP-based service platform
  - Media-rich capabilities
  
- **Global partnerships**
  - Leverage relationship with Vodafone
  - Global roaming
  
- **Scale economies**
  - Device and infrastructure efficiencies
  - Simplified architecture

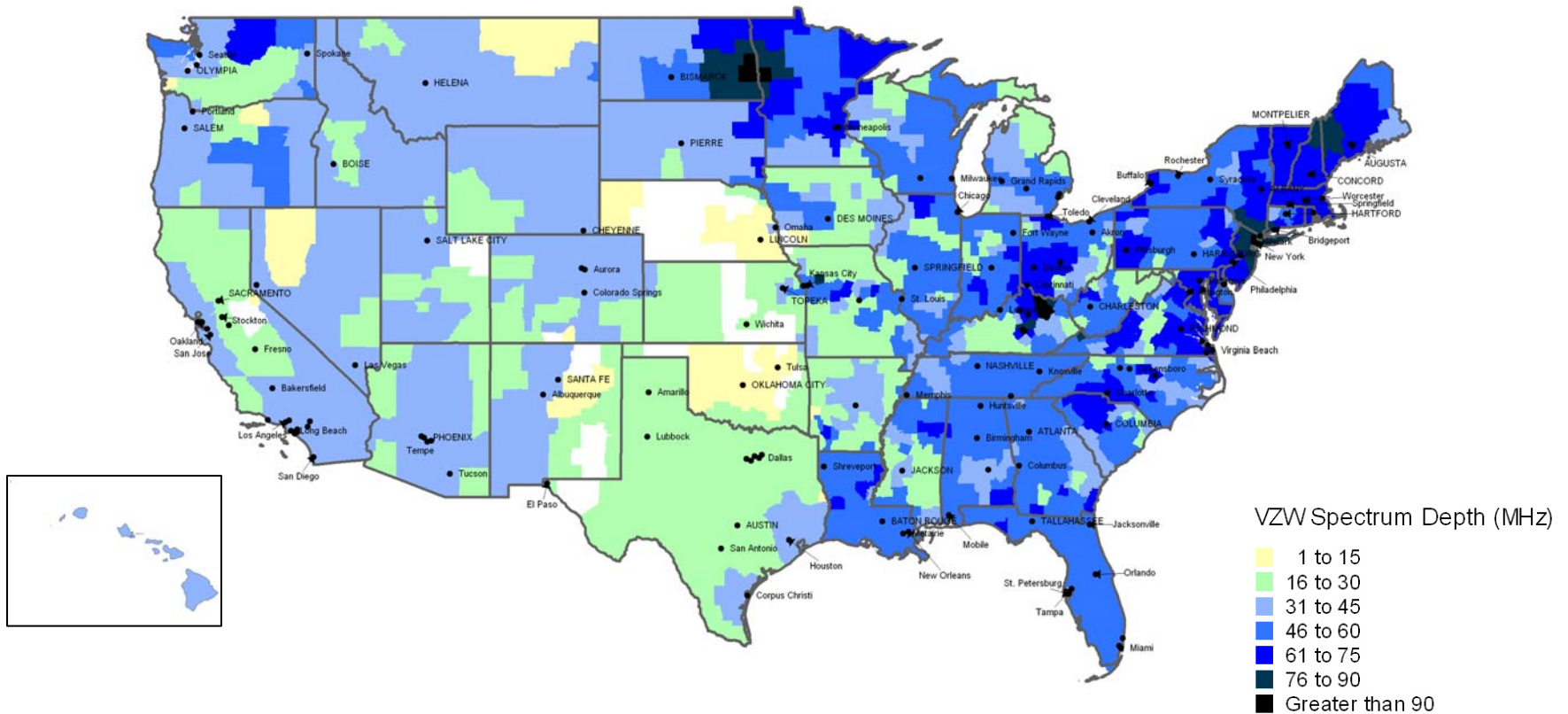


**vodafone**



**LTE is the right technology to fully realize the data opportunity**

# Spectrum Depth: Pre-Auction



**Average Spectrum**  
**Top 100 Markets: 54 MHz**  
**Nationwide: 51 MHz**



700

# 700 MHz Benefits



**verizon**

- **Fewer cell sites**
- **Faster roll-out**
- **Lower build-out and operating costs**
- **Best in-building coverage**
- **Speed/Performance advantage**

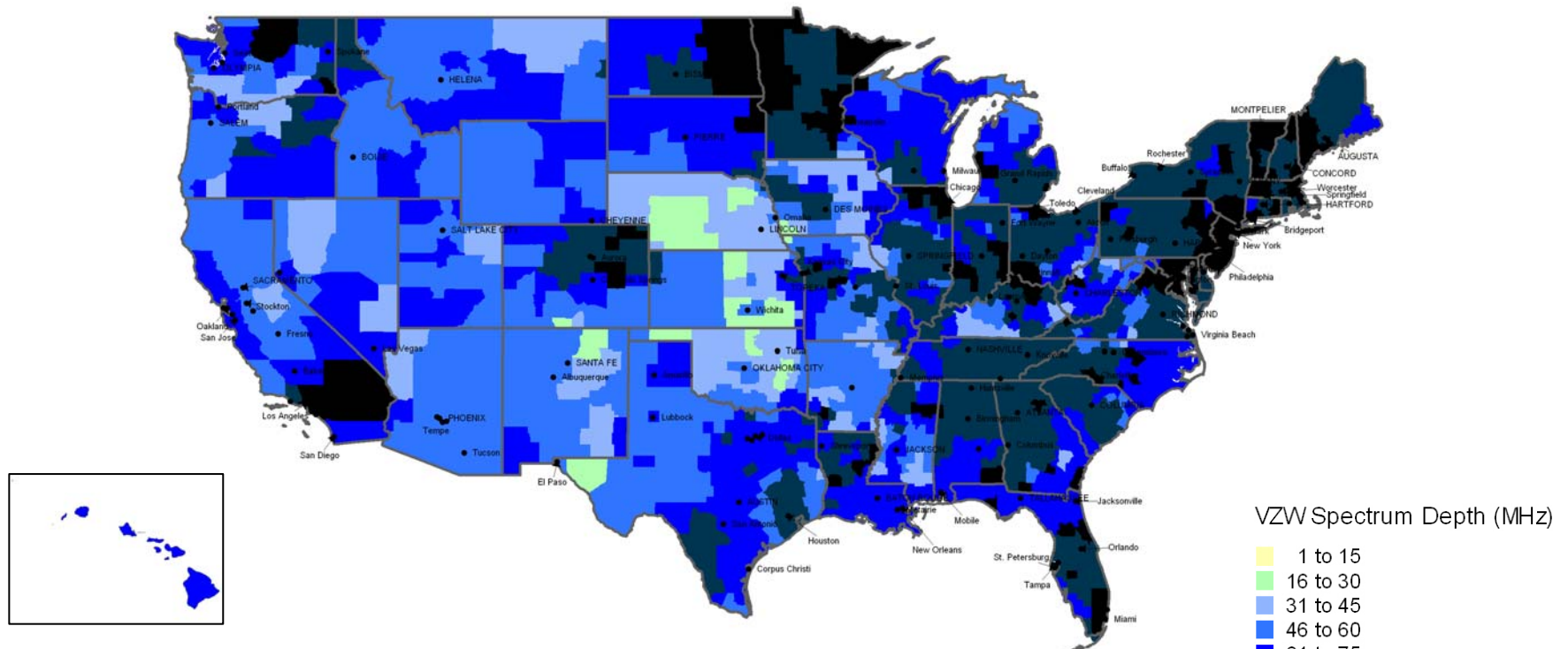
**Best-ever available spectrum**

# Auction Objectives

- ✓ **Nationwide clear spectrum**
- ✓ **Minimum 20 MHz for highest throughput**
- ✓ **Depth in key markets**

**We achieved our objectives**

# Spectrum Depth: Post-Auction

**Average Spectrum**  
**Top 100 Markets: 85 MHz**  
**Nationwide: 82 MHz**

**≈ 60% increase in our spectrum inventory**

# Auction Summary

- **\$9.36B for 507 million total pops**
  - \$1.03 per MHz pop
- **Nationwide C band – 22 MHz**
- **A and B bands**
  - **Additional growth capacity in key markets:**
    - Los Angeles
    - Chicago
    - Philadelphia
    - Wash/Balt
    - Miami
    - Atlanta
    - Dallas
    - Houston

# 700 MHz Plans

2008

- Finalize standards
- Begin field trials
- Begin network preparations

2009

- Advanced device trials
- Select vendors
- Begin network deployment

2010+

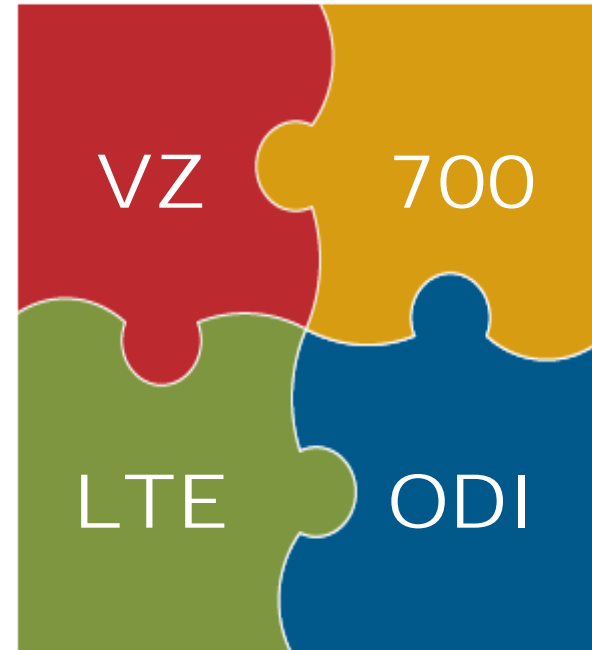
- Launch network
- Rapid coverage acceleration to full deployment

**Moving aggressively to utilize the spectrum and deploy LTE**

# Summary



- Significant data opportunity
- Open Development expands revenue growth through innovation
- LTE is the right technology
- 700 MHz is the best spectrum
- VZ: First stop for innovation



**Verizon is uniquely positioned to take advantage of the data opportunity**