



3rd Quarter 2009 Earnings Conference Call

October 26, 2009

“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.

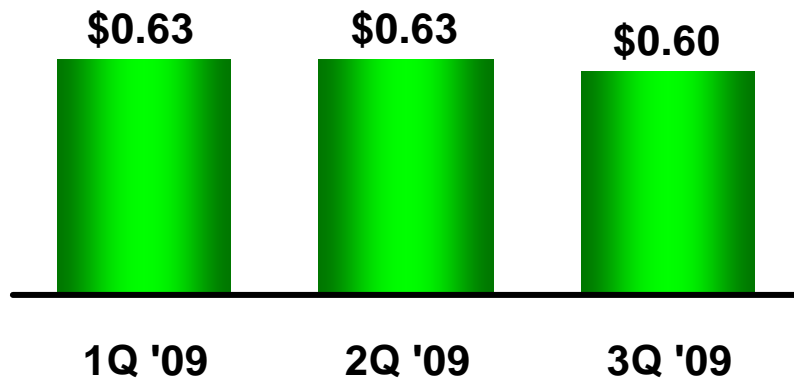
Throughout this presentation, results shown are adjusted for special items. Results reflect the reclassifications of revenues, expenses and operating income in the Wireline segment following the completion, on March 31, 2008, of the spin-off of our local exchange and related business assets in Maine, New Hampshire and Vermont. Reconciliations to generally accepted accounting principles (GAAP) for non-GAAP financial measures included in this presentation can be found on our website at www.verizon.com/investor.

Consolidated

3Q '09 Results

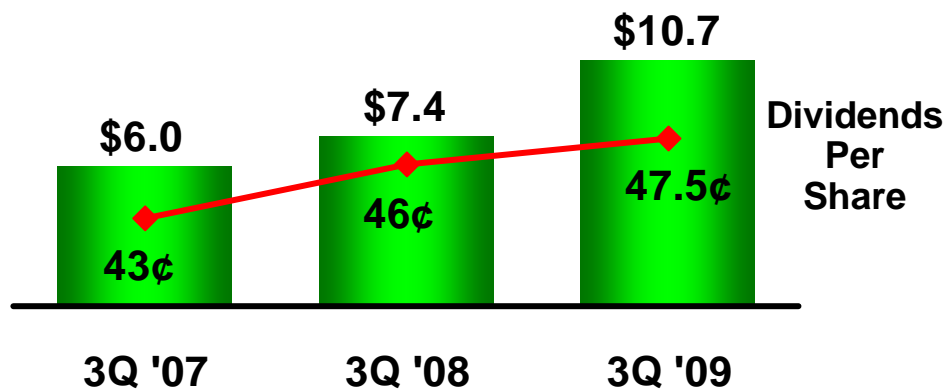


Adjusted Earnings per Share



- **Earnings per share**
 - ✓ \$1.86 YTD, down 3.6%
- **Cash flow growth**
 - ✓ 16% increase in CFFO YTD
 - ✓ 45% FCF growth YTD
- **Disciplined capex**
 - ✓ 1.0% decrease YTD
 - ✓ Capex/revenue 15.4% YTD, down 130 bps*

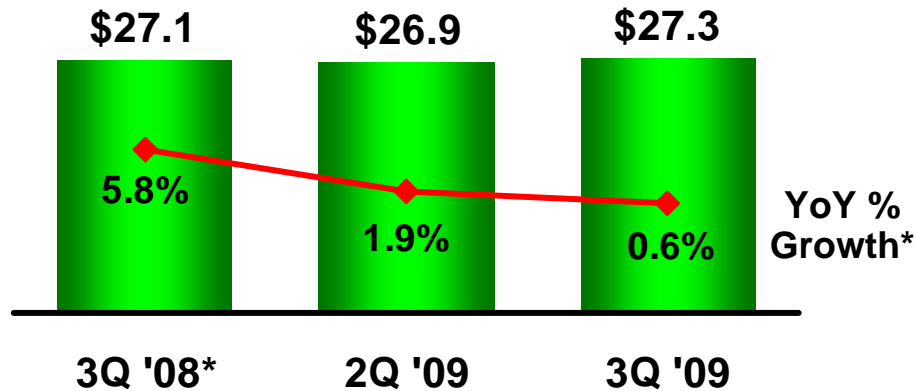
Free Cash Flow YTD (\$B)



* Combined capex used in calculations

Strong cash flow growth & dividend increase

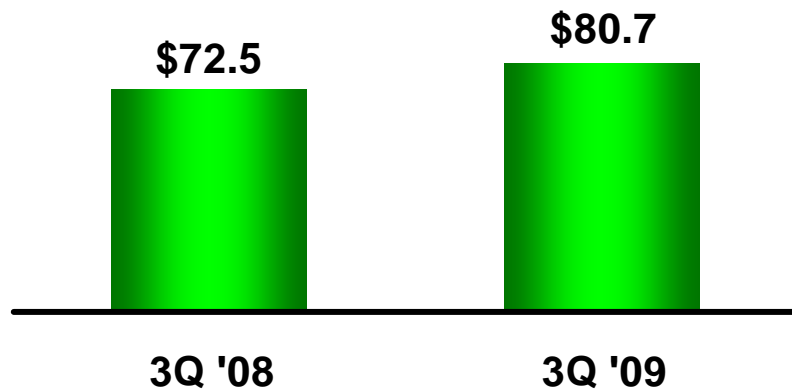
Pro Forma Revenue (\$B)



➤ 3Q'09 growth areas

- ✓ Wireless service* +6.1%
- ✓ Wireless data* +28.9%
- ✓ Consumer +1.2%
- ✓ FiOS +56.0%
- ✓ IP services +8.0%

Total Revenue YTD (\$B)



➤ 3Q'09 economic impacts

- ✓ Global Enterprise (5.3%)
- ✓ Global Wholesale (6.5%)
- ✓ Small Business (7.3%)

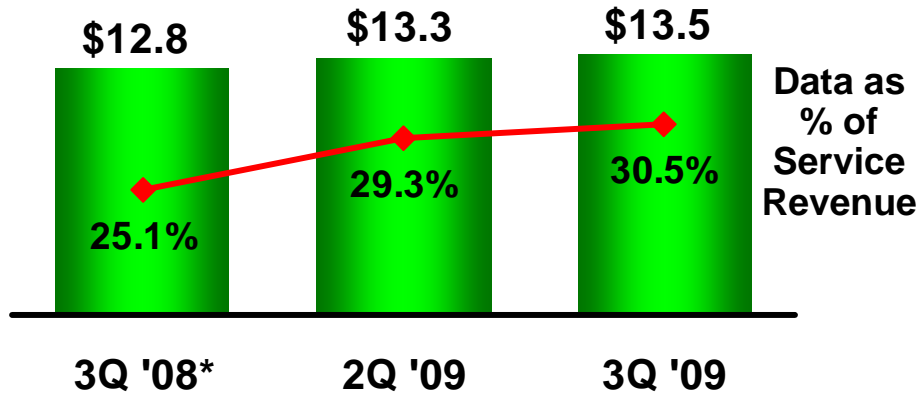
* Results shown are pro forma

Growth in key strategic areas

Revenue & Profitability



Service Revenue (\$B)



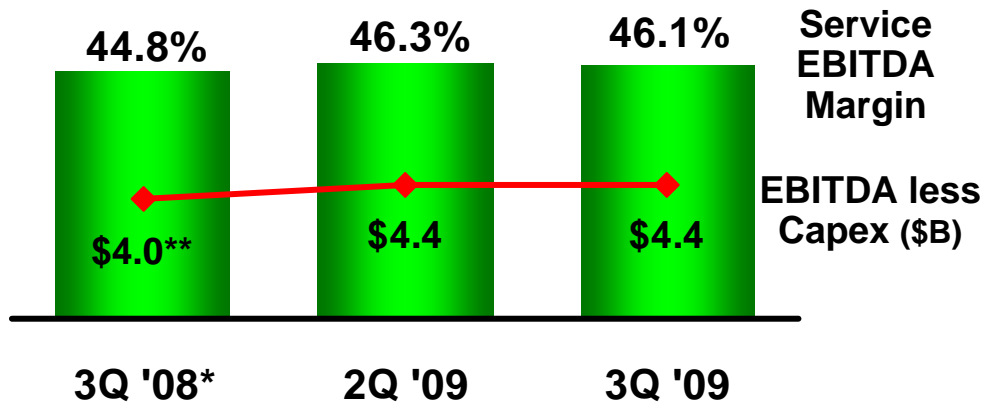
➤ 6.1% service revenue growth*

➤ 46.1% EBITDA service margin

➤ EBITDA less capex \$13.3B YTD

➤ Alltel integration on track

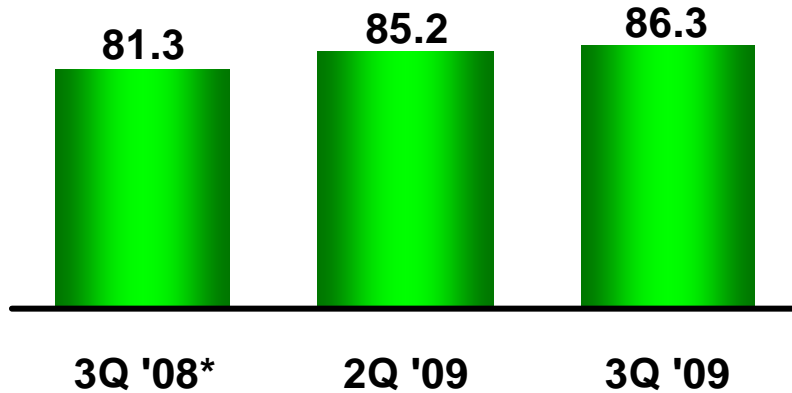
Profitability & Free Cash Flow



* Results shown are pro forma
** Combined capex used in calculation

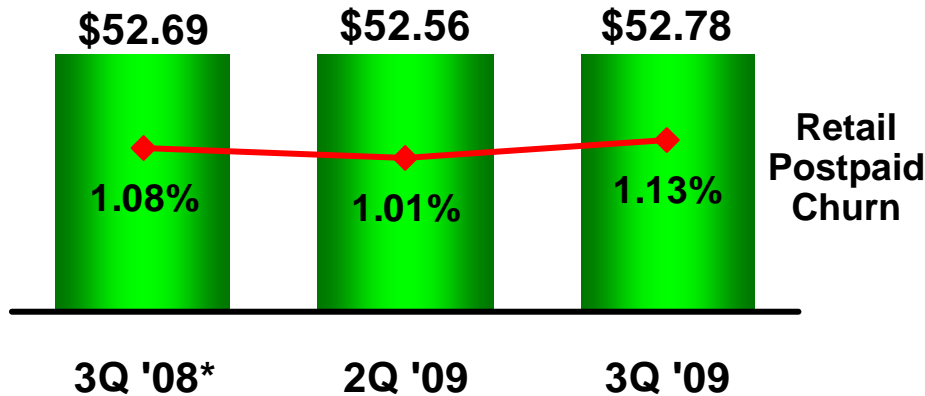
Disciplined wireless performance – growth & profitability

Retail Customers (M)



- 89.0M total customers
- Subscriber growth**
 - ✓ 1.2M total net adds
 - ✓ 943K retail postpaid net adds

Retail Postpaid ARPU



- Average revenue per user
 - ✓ Retail postpaid ARPU up 0.2% YoY*
 - ✓ Total service ARPU down 0.8% YoY*

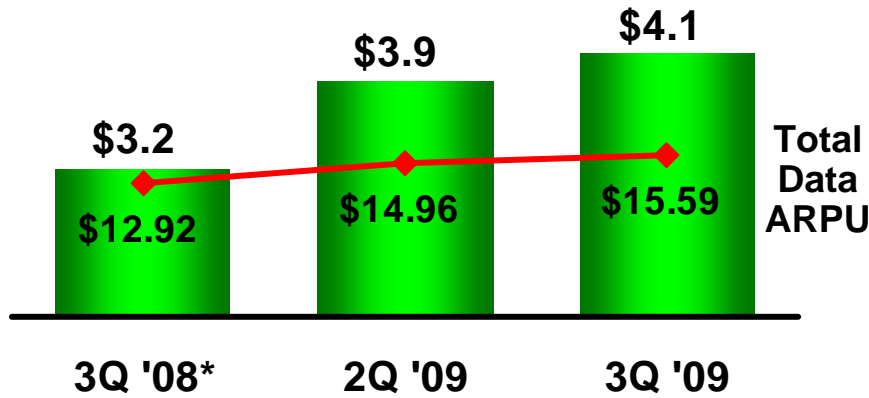
* Results shown are pro forma
** Excludes acquisitions and adjustments

Continued leadership in customer satisfaction

Data Revenue

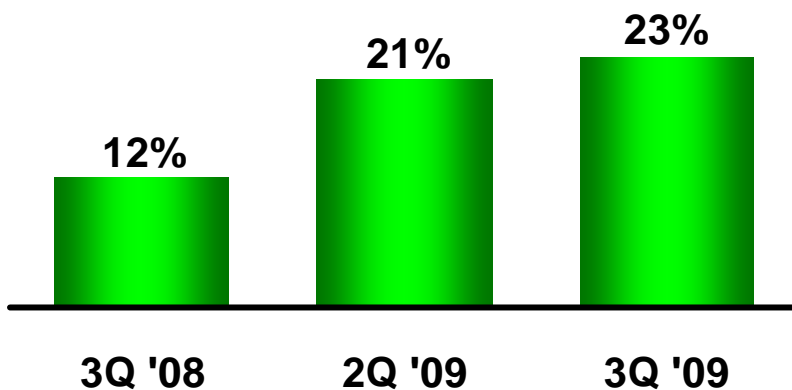


Total Data Revenue (\$B)



- 28.9% data revenue growth*
- 20.7% data ARPU growth*
- Mobile broadband expanding
- Introduced new data tiers for feature phones
 - ✓ \$10 for 25 MB
 - ✓ \$20 for 75 MB

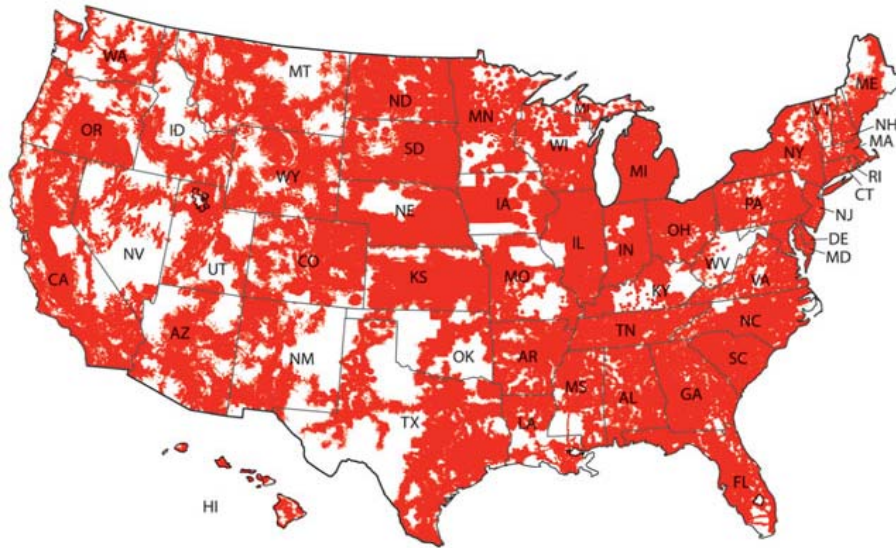
PDA/Smartphones as % of Retail Postpaid Customers



** Results shown are pro forma*

Continued momentum in wireless data services adoption

Today: Largest 3G network



Future: Largest 4G / LTE network with contiguous 700 MHz spectrum

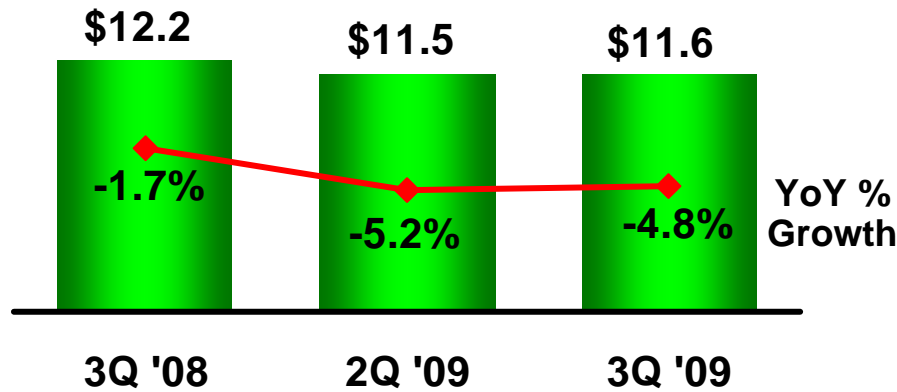
- **New devices in 4Q '09**
 - ✓ Storm2
 - ✓ 2 Android devices
 - ✓ 12 additional devices
- **Applications & Content**
 - ✓ V CAST Apps store
 - ✓ Select RIM devices
 - ✓ Google partnership
- **4G / LTE Deployment**
 - ✓ Wireless broadband
 - ✓ Machine-to-machine
 - ✓ Consumer electronics
 - ✓ Vertical applications

Future wireless growth driven by devices, Apps and 4G / LTE

Revenue and Profitability



Total Revenue (\$B)

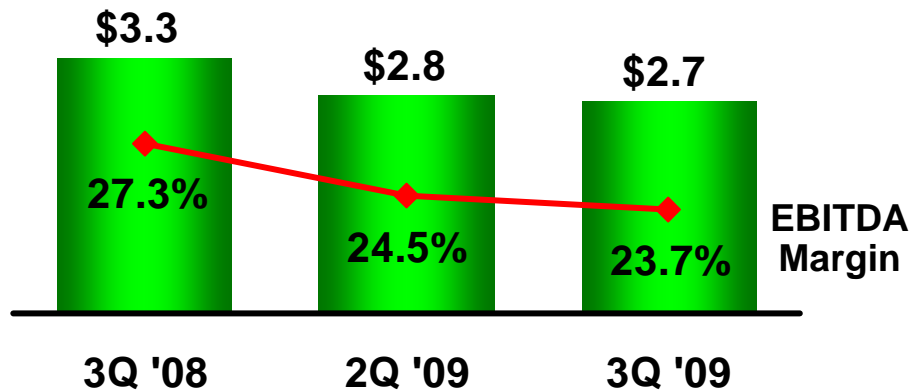


➤ Broadband & video driving consumer revenue growth

➤ FiOS gaining scale

➤ Economic pressure impacting business markets

EBITDA (\$B)



➤ Enterprise securing competitive wins

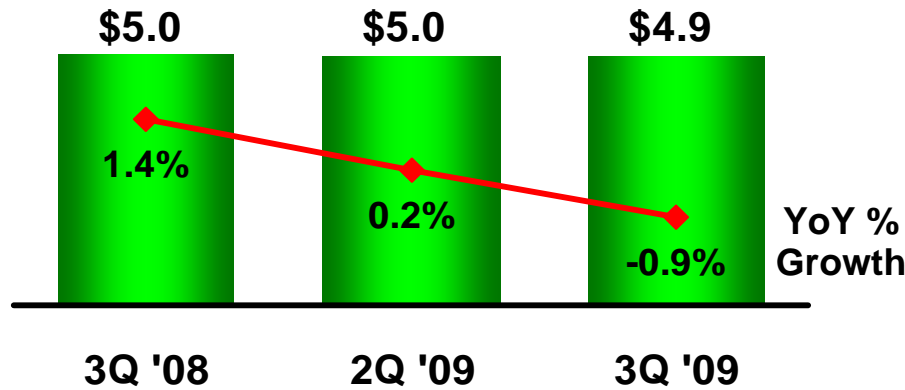
➤ Reorganizing Wireline

Transitioning the business model

Mass Markets Revenue

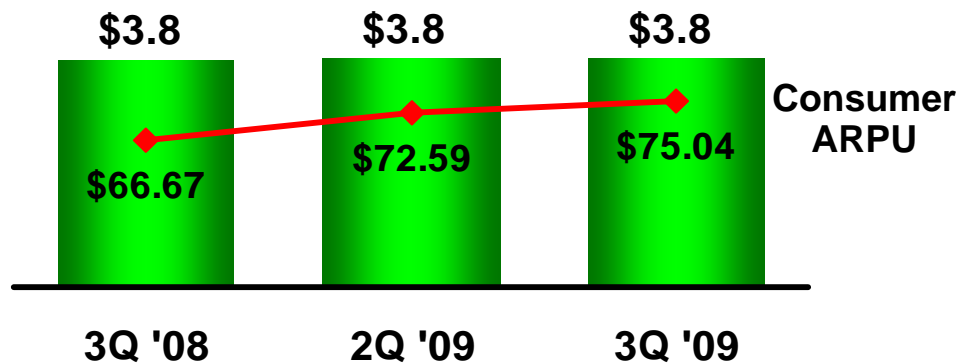


Mass Markets Revenue (\$B)



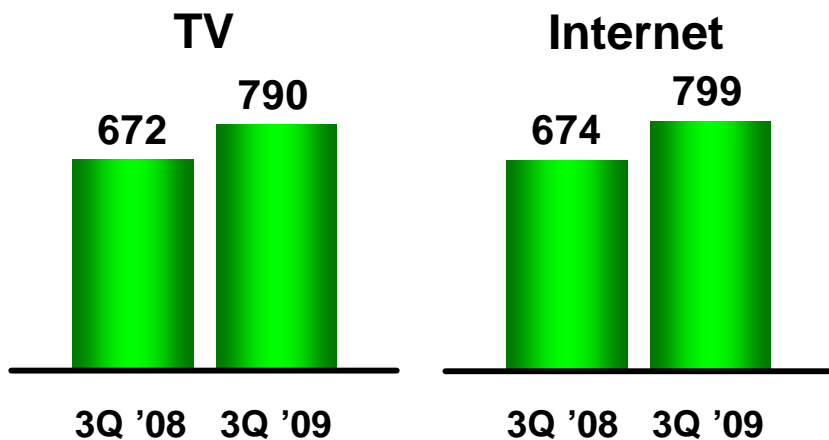
- 1.2% growth in consumer revenue
- 12.6% increase in consumer ARPU
- 56.0% increase in FiOS revenue
- \$137+ FiOS ARPU

Consumer Revenue (\$B)

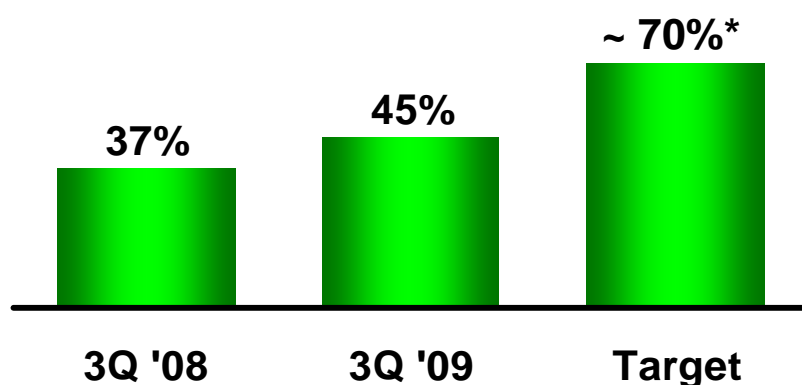


Consumer demand for Verizon broadband & video

FiOS Net Adds YTD (K)



% Premises Passed by FiOS



- **25% TV penetration**
✓ 191K net adds
- **29% Internet penetration**
✓ 198K net adds
- **34% households open for sale with FiOS TV**
- **14.5M FiOS homes passed**
- **Deployment substantially complete in 2010**

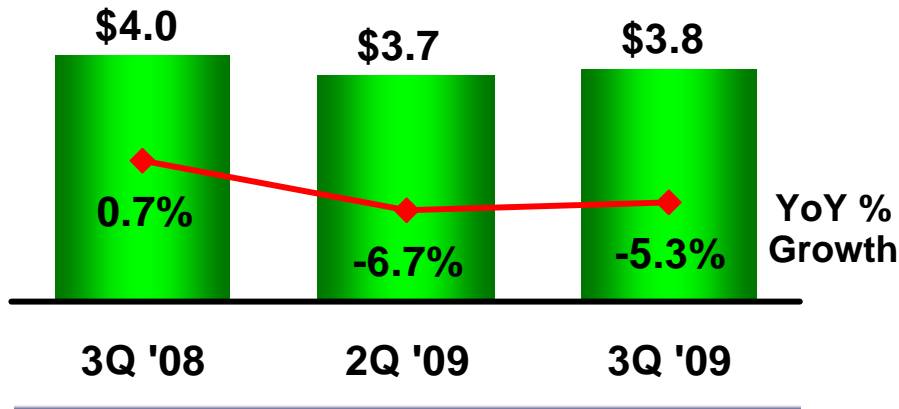
** Projected after Frontier divestitures*

Targeting 1 million FiOS customer additions per year

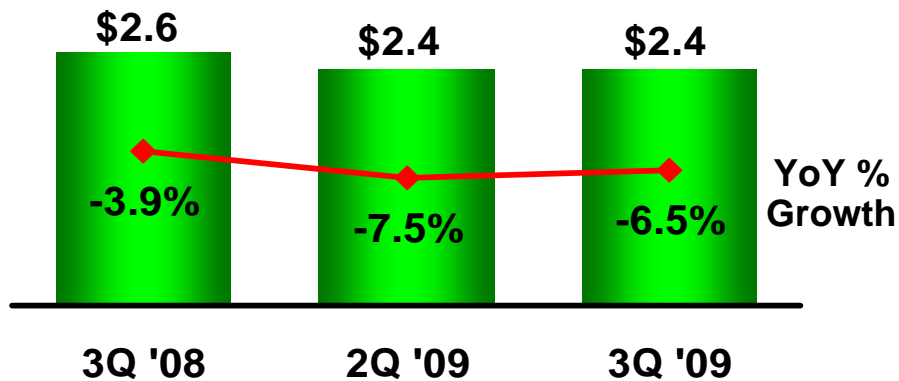
Enterprise & Wholesale Revenue



Global Enterprise Revenue (\$B)



Global Wholesale Revenue (\$B)



➤ Continued cyclical impacts

- ✓ Cumulative unemployment
- ✓ Delayed purchase decisions

➤ 2.5% Enterprise growth sequentially

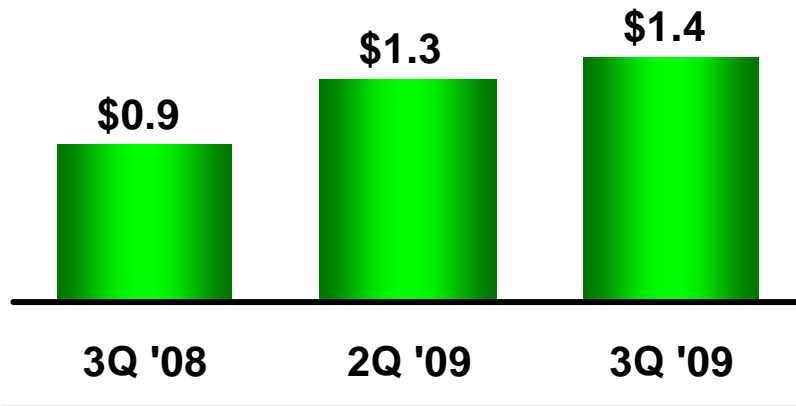
➤ 1.0% Strategic Services revenue growth YoY

Positioned for economic recovery

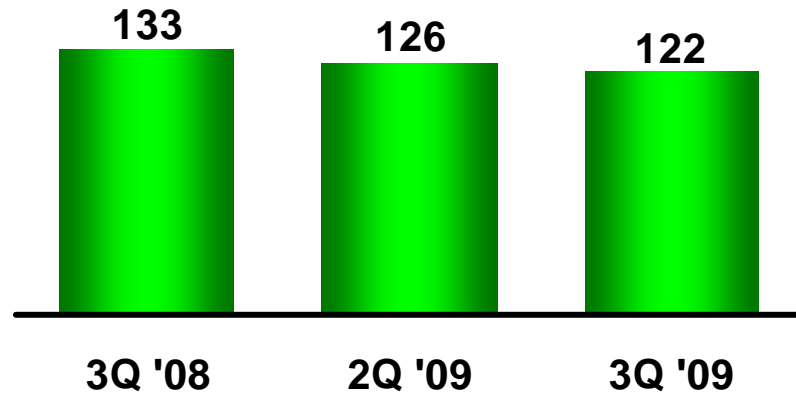
Wireline Transformation



FiOS Revenues (\$B)



Wireline Workforce (K)



- **Growth opportunities**
 - ✓ FiOS
 - ✓ Global IP
- **Operating simplification**
 - ✓ Workforce sizing
 - ✓ Call Center redesign
 - ✓ Network organizations
- **Capital efficiency**
 - ✓ FiOS deployment
 - ✓ Core reductions
- **Strategic divestitures**

Products & organization aligning with markets & productivity targets

3Q '09 Summary



- **Growth in all key strategic areas**
- **Strong cash flow growth**
- **Healthy margins & data growth opportunities at Verizon Wireless**
- **Re-sizing & transforming Wireline business**
- **Alltel integration and access line divestitures on track**

Focused on creating shareholder value