



ACQUISITION OF VODAFONE'S 45% INTEREST IN VERIZON WIRELESS

Fixed Income Investor Presentation
September 2013



“SAFE HARBOR” STATEMENT AND LEGENDS



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“SAFE HARBOR” STATEMENT AND LEGENDS



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This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval nor shall there be any offer or sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended, or pursuant to an exemption from the registration requirements thereof.

IMPORTANT ADDITIONAL INFORMATION WILL BE FILED WITH THE SEC

Verizon Communications Inc. will file with the SEC a registration statement on Form S-4 containing a prospectus with respect to the Verizon securities to be offered in the proposed transaction (the “prospectus”) and a proxy statement (the “proxy statement”) with respect to the special meeting of the Verizon shareholders in connection with the proposed transaction. **VODAFONE SHAREHOLDERS ARE URGED TO READ CAREFULLY THE PROSPECTUS AND VERIZON SHAREHOLDERS ARE URGED TO READ CAREFULLY THE PROXY STATEMENT, EACH TOGETHER WITH OTHER RELEVANT DOCUMENTS TO BE FILED WITH THE SEC, IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND RELATED MATTERS.** Investors and shareholders will be able to obtain free copies of the prospectus, the proxy statement and other documents filed with the SEC by the parties through the website maintained by the SEC at www.sec.gov. In addition, investors and shareholders will be able to obtain free copies of the prospectus, the proxy statement and other documents filed with the SEC by Verizon by contacting Verizon’s Assistant Corporate Secretary, Verizon Communications Inc., 140 West Street, 29th Floor, New York, New York 10007. These materials are also available on Verizon’s website, at www.verizon.com/investor.

Verizon has filed with the SEC a shelf registration statement on Form S-3 containing a prospectus with respect to the offering of securities, including debt securities, of Verizon. Before you invest, you should read the prospectus in that registration statement and other documents Verizon has filed with the SEC for more complete information about Verizon and the offering of such securities. You may obtain free copies of these documents by visiting the SEC Web site at www.sec.gov. Alternatively, Verizon, any underwriter or any dealer participating in the offering of such securities will arrange to send you the prospectus, when available, if you request it by calling 212-395-1525 (collect).

PARTICIPANTS IN THE SOLICITATION

Verizon, Vodafone and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of Verizon in respect of the proposed transactions contemplated by proxy statement. Information regarding the persons who are, under the rules of the SEC, participants in the solicitation of the shareholders of Verizon in connection with the proposed transactions, including a description of their direct or indirect interests, by security holdings or otherwise, will be set forth in the proxy statement when it is filed with the SEC. Information regarding Verizon’s directors and executive officers is contained in Verizon’s Annual Report on Form 10-K for the year ended December 31, 2012 and its Proxy Statement on Schedule 14A, dated March 18, 2013, which are filed with the SEC. Information regarding Vodafone’s directors and executive officers is contained in Vodafone’s Annual Report on Form 20-F for the year ended December 31, 2012, which is filed with the SEC.

As required by SEC rules, Verizon has provided a reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable GAAP measures in materials on our website at www.verizon.com/investor.

STRATEGIC BENEFITS



- Sole ownership drives strategic and financial benefits across entire business
- Accretive to earnings per share at close of transaction
- Access to all of wireless cash flows
 - Special distributions of \$8.3B in 2012 and \$3.15B YTD in 2013
- Favorable capital market environment
- U.S. wireless market in growth phase
- No integration risk

Transaction is a “natural”



KEY TRANSACTION TERMS

- Aggregate value of \$130 billion, primarily in cash and stock
- Consideration structure
 - \$58.9 billion of cash
 - \$60.2 billion of common stock issued directly to Vodafone shareholders
 - \$5.0 billion of notes with Vodafone
 - Sale of minority stake in Omnitel to Vodafone for \$3.5 billion
 - Other net consideration of \$2.5 billion

Balanced mix of cash and stock

FINANCING STRATEGY



- Strong balance sheet and financial flexibility today
- Capacity to execute necessary debt financing
- Incremental free cash flow more than covers funding costs
- Maintaining solid investment grade credit ratings
- Anticipate steadily de-levering and returning to pre-transaction ratings
- Continue to invest in our networks and spectrum

Self-funding transaction



FINANCING AND LIQUIDITY

Fully underwritten Financing Package

- Fully executed Bridge Facility in place
- Target taking out majority of Bridge Facility before deal closes

Significant liquidity post transaction

- \$1.8B cash on hand as of June 30, 2013
- \$6.2B revolver - \$6.1B is available
- Additional \$2B revolver to be added for transaction
- 100% ownership of wireless cash flows

Capacity to support debt financing needs

ROADMAP TO COMPLETION



- Access global capital markets
- Reduce bridge financing as quickly as possible
- Receive regulatory approvals
- Receive shareholder approvals
- Issue new shares and close transaction

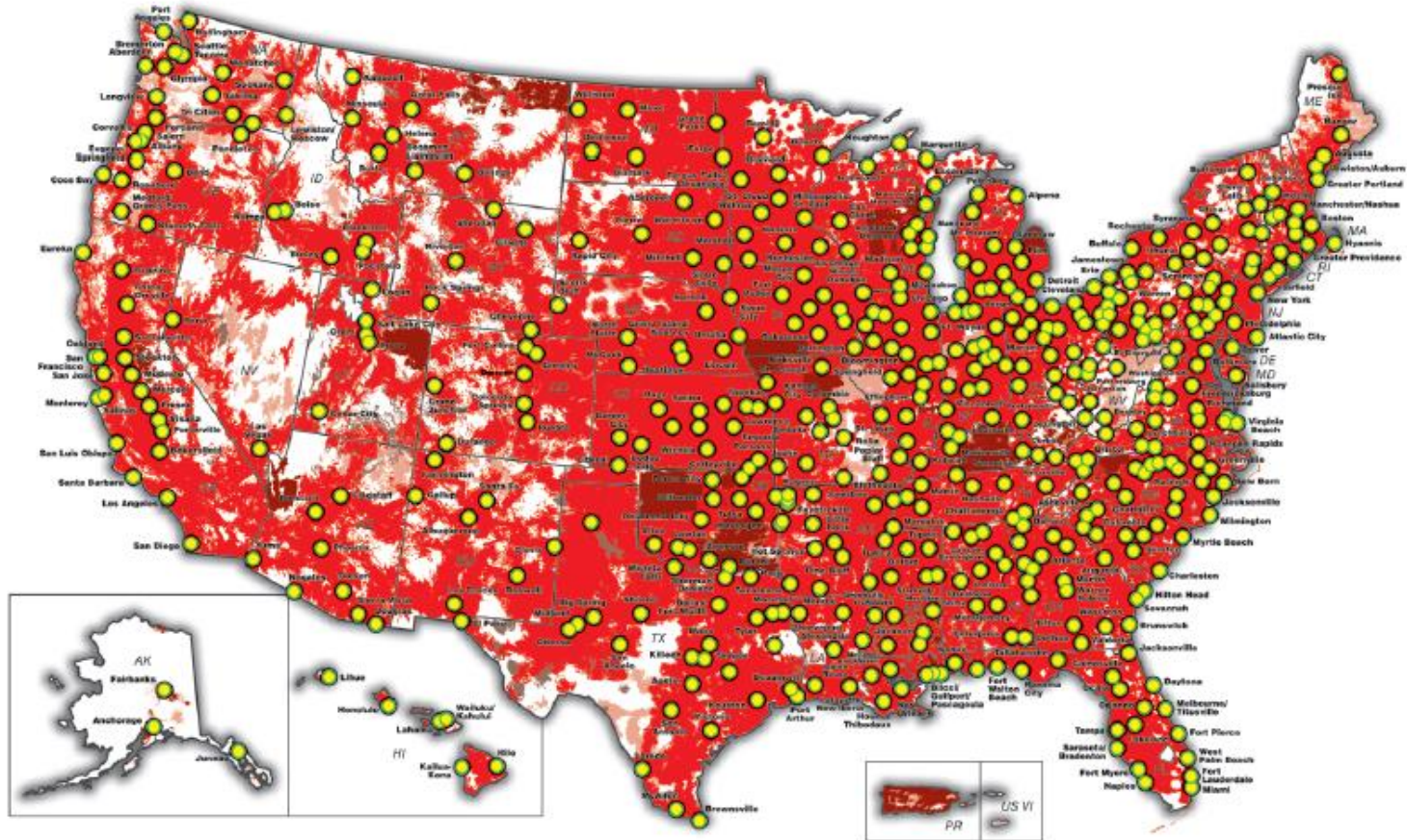
Expect transaction to close in 1Q 2014



KEY CREDIT HIGHLIGHTS

- One of the world's leading providers of communications, information and entertainment products and services
 - LTM revenue of \$118B and adjusted EBITDA of \$39B ending June 30, 2013
 - Over 100M wireless retail connections
 - 5.0M FiOS subscribers
 - 4.8% growth in Enterprise strategic services revenue
- Large and stable cash flow, including during recent recession
 - Controlling cash expense through process improvements
- Revenue base anchored by contracted revenue
 - Wireless churn rate of approximately 1.0%
 - Multi-year Enterprise contracts
- History of delivering on financial commitments
- Track record of de-levering following significant transactions

TRANSACTION FOR THE BEST WIRELESS ASSET IN NORTH AMERICA



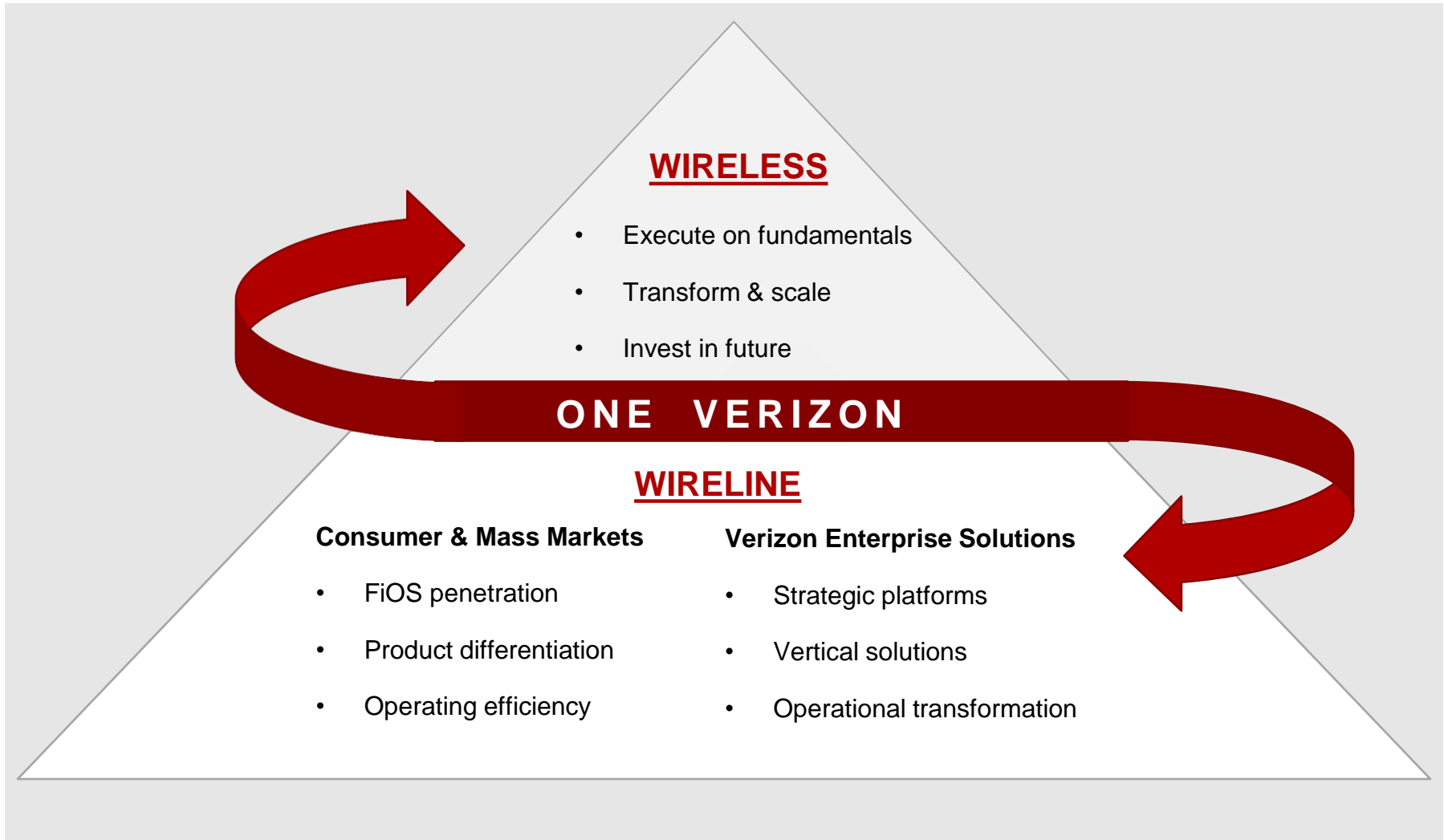
500+
LTE Markets

≈300M
POPs

≈95%
of the US Population

The largest 4G LTE network in the country

TRANSACTION SUPPORTS GROWTH STRATEGY



Positioned for innovation and growth

ONE VERIZON AND FUTURE GROWTH



- Full ownership of wireless enables advancement of One Verizon
- Unique asset portfolio drives continued growth and value
- Powerful growth opportunities with mobile
- Ability to develop more integrated and valuable services for customers

Value-creating transaction



APPENDIX



COMMITMENT TO MAINTAIN STRONG INVESTMENT GRADE RATINGS



Pro forma capitalization (\$B)

	Status quo		Pro forma	
	Amount	LTM EBITDA multiple	Amount	LTM EBITDA multiple
Adjusted EBITDA (LTM ending June 30, 2013)	\$39.3		\$39.3	
Cash and cash equivalents	\$1.8		\$1.8	
Existing debt	\$49.8	1.3x	\$49.8	1.3x
New debt	0.0	0.0x	67.2	1.7x
Total Debt	\$49.8	1.3x	\$116.9	3.0x
Net debt	\$48.0	1.2x	\$115.1	2.9x
New equity issued	\$0.0	0.0x	\$60.2	1.5x
Existing equity	137.7	3.5x	137.7	3.5x
Total equity	\$137.7	3.5x	\$197.9	5.0x
Total capitalization	\$187.5	4.8x	\$314.8	8.0x

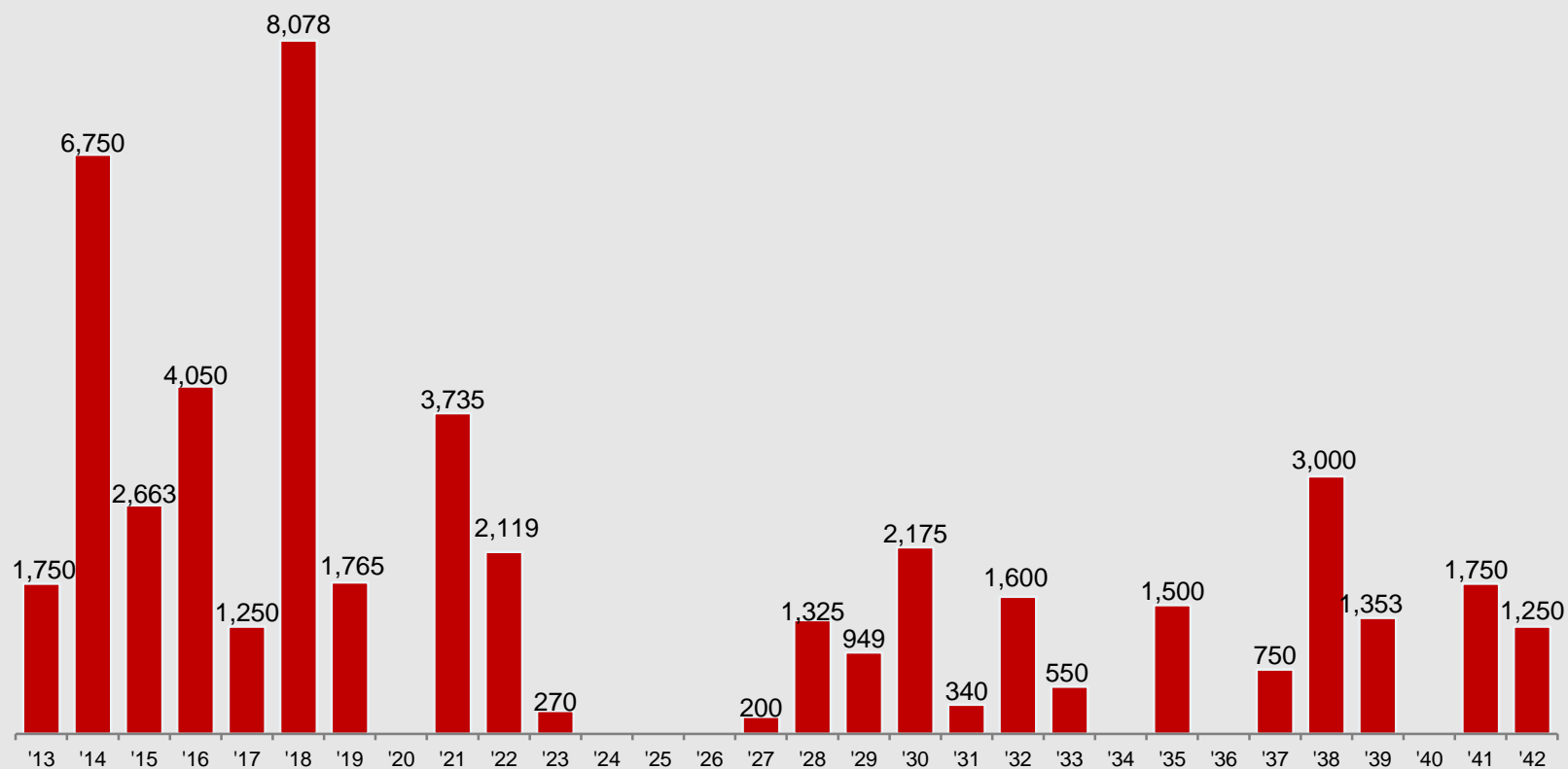
Source: FactSet, company financials

Note: Existing equity valued at Verizon share price of \$47.38 as of 08/30/13; cash and cash equivalents and existing debt based on 06/30/13

CURRENT MATURITY PROFILE



Existing maturity profile (\$M)





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