

# Verizon Telecom

## Who is Verizon Telecom?

Verizon Telecom offers voice, data and video services to consumers, small and medium-sized businesses, and wholesale customers in 28 states and Washington, D.C.

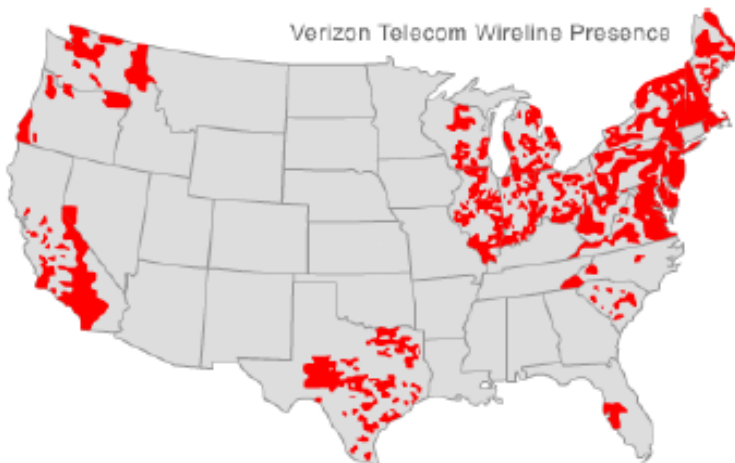
Verizon Telecom's strategy is to be our customers' first choice for communications and entertainment services. We are doing that by deploying the nation's most ambitious fiber optics project, offering Verizon FiOS voice, data and video services over a single high-speed connection.

In January, Verizon Telecom began offering new packages of two, three or four services - including phone, DSL, DIRECTV and Verizon Wireless services. The bundles offer consumers exceptional services with significant savings. Sales of calling packages alone are up nearly 30% to more than 8 million customers in 1Q 2007.

Verizon Telecom is the only major telecom company installing fiber-optic lines directly to customers' homes and businesses across the country, with 6.8 million homes passed at the end of 1Q 2007. Verizon Telecom plans to invest \$18 billion in net capital through 2010 to pass 18 million homes and businesses with fiber.

Verizon Telecom also offers DSL service to about 80% of the areas we serve, providing customers another broadband option.

For video services, Verizon Telecom offers our FiOS TV service as well as a variety of DIRECTV packages that are delivered over satellite systems. Verizon Telecom now has 618,000 customers who receive a DIRECTV bundle.



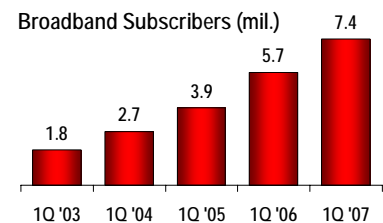
## Fast Facts

With a workforce of 135,800, Verizon Telecom generated over \$8.0 billion in revenues in 1Q 2007, serving the following customer base:

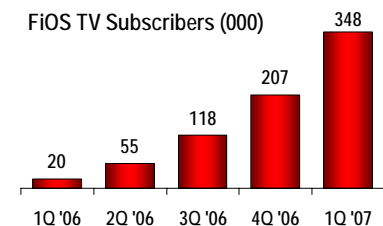
▪ Access lines	44.2 mil.
▪ Wholesale lines	3.3 mil.
▪ DSL	6.5 mil.
▪ FiOS Internet	864,000
▪ FiOS TV	348,000

Verizon Telecom, like other local phone companies, has experienced losses in access lines for the past few years. But Verizon Telecom has enjoyed robust growth in broadband and video services, adding more new broadband connections in 1Q 2007 than were lost in primary residential access lines.

As shown below, Verizon Telecom has steadily gained broadband customers (DSL and FiOS) over the past few years:



Verizon Telecom also has enjoyed accelerating growth in FiOS TV customers, since rolling out the service in late 2005:



# Products and Services

Verizon Telecom offers the following products and services to consumers. Packages, speeds, channel line-ups and pricing may vary by location and are subject to change. Special pricing and promotions can be found at [www.verizon.com](http://www.verizon.com).

Voice Services	Monthly fee
<b>Freedom Value</b>	\$34.99
<ul style="list-style-type: none"> <li>▪ Unlimited local/regional calling</li> <li>▪ Unlimited long distance calling across the U.S., Canada and Puerto Rico</li> </ul>	
<b>Freedom Essentials</b> - all features above, plus:	\$44.99
<ul style="list-style-type: none"> <li>▪ Home voice mail/Caller ID/Call Waiting</li> </ul>	
<b>Freedom</b> - all features above, plus:	\$59.99
<ul style="list-style-type: none"> <li>▪ 3-Way Calling/Speed Dialing</li> </ul>	
<b>Freedom Extra</b> - all features above, plus:	\$64.99
<ul style="list-style-type: none"> <li>▪ 5 additional calling features</li> </ul>	
Data Services	Monthly fee
<b>DSL Starter Plan</b> (1-year contract)	\$14.99 (online offer)
<ul style="list-style-type: none"> <li>▪ Up to 768 Kbps</li> </ul>	
<b>DSL Power Plan</b> (1-year contract)	\$19.99 for first six months, then \$29.99 (online offer)
<ul style="list-style-type: none"> <li>▪ Up to 3.0 Mbps</li> </ul>	
<b>FiOS Internet</b> (1-year contract)	Free installation
<ul style="list-style-type: none"> <li>▪ Up to 5 Mbps download / 2 Mbps upload (up to 10 Mbps/2 Mbps in some markets)</li> <li>▪ Up to 15 Mbps download / 2 Mbps upload (up to 20 Mbps/5 Mbps in some markets)</li> <li>▪ Up to 30 Mbps download / 5 Mbps upload (up to 50 Mbps/5 Mbps in some markets)</li> </ul>	\$39.99
	\$49.99
	\$179.99
Video Services	Monthly fee
<b>FiOS TV</b>	
<ul style="list-style-type: none"> <li>▪ Premier - 200+ digital channels</li> <li>▪ Movies &amp; Sports package - 57 channels</li> <li>▪ HBO/Cinemax package</li> <li>▪ Spanish-language package</li> </ul>	\$42.99 \$15.99 \$25.99 \$11.99
<b>FiOS TV Set-top boxes</b>	
<ul style="list-style-type: none"> <li>▪ Standard Definition</li> <li>▪ High-Definition (HD)</li> <li>▪ Digital video recorder (DVR)</li> <li>▪ Multi-room DVR</li> </ul>	\$4.99 \$9.99 \$12.99 \$19.99
<b>DIRECTV</b> (digital satellite TV service)	
<ul style="list-style-type: none"> <li>▪ Choice - 140 channels</li> <li>▪ Plus DVR - 185 channels</li> <li>▪ Premier - 250 channels w/HD, DVR</li> </ul>	\$49.99 \$59.99 \$99.99
Bundled Services (announced in January)	Monthly fee (*varies by state)
<ul style="list-style-type: none"> <li>▪ <b>Double Freedom</b> - Freedom Essentials with either DSL, DIRECTV or Verizon Wireless</li> <li>▪ <b>Triple Freedom</b> - Freedom Essentials and DSL with DIRECTV or Verizon Wireless</li> <li>▪ <b>Ultimate Freedom</b> - Freedom Essentials, DSL, DIRECTV and Verizon Wireless</li> </ul>	\$64.99 - \$79.99* \$94.99 - \$104.99* \$134.99 - \$144.99*

## FiOS One phone



On January 8, Verizon unveiled the FiOS One phone – an all-in-one voice, data and video center for the home – which features a digital cordless phone mounted on a tablet-sized base.

Expected to be available later this year for Verizon FiOS Internet customers, the new device will handle both traditional and VoIP phone calls, support a total of up to five handsets in the home and connect to a printer.

It also will stream music from the Internet to be replayed over attached stereo speakers and preview images or video from digital cameras or camcorders.

The seven-inch, high-resolution touchscreen provides a one-stop solution for multiple household communications needs. From the FiOS One, customers can:

- Access e-mail and voice mail.
- Log into personal calendars and address books.
- Consult movie listings.
- Check the latest news and weather.

Additional features in the future would allow customers to:

- Access traffic reports.
- Order a pizza or movie tickets online.
- Send memos or text messages to family members.



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