Friday, February 21, 2014

Verizon Now Owns 100 Percent of the Industry-Leading U.S. Wireless Carrier

NEW YORK – Verizon Communications Inc. (NYSE, Nasdaq: VZ) today announced that it has completed its acquisition of Vodafone Group Plc's (London, Nasdaq: VOD) 45 percent indirect interest in Verizon Wireless in a transaction valued at approximately $130 billion. As previously announced, the transaction is immediately accretive to Verizon's earnings per share by approximately 10 percent, excluding any non-operational adjustments.

"This is a great day for Verizon," said Lowell McAdam, Verizon chairman and CEO. "The new Verizon now has full ownership of the U.S. wireless industry leader in network performance, profitability and cash flow. Acquiring Vodafone's stake in Verizon Wireless provides us with opportunities for greater financial flexibility, enhanced operational efficiency and innovations that will benefit customers. We are confident it will fuel further growth in our business."

McAdam continued: "Over the past 14 years, Verizon Wireless has become the largest and most profitable wireless company in the U.S., and this could not have been achieved without the successful partnership between Verizon and Vodafone. We look forward to continuing to provide superior solutions and services to meet our customers' evolving demands and delivering significant value to our shareholders."

As previously announced, pursuant to the stock purchase agreement, Verizon issued 1,274,764,121 common shares to shareholders of Vodafone as the stock portion of the consideration for Vodafone's 45 percent indirect interest in Verizon Wireless. Verizon used proceeds from capital markets transactions occurring in September 2013 and February 2014, as well as $6.6 billion borrowed on Feb. 21, 2014 under its Term Loan Credit Agreement, dated Oct. 1, 2013, for the payment of the cash portion of the consideration to Vodafone and related fees and expenses.

Guggenheim Securities LLC, J.P. Morgan Securities LLC, Morgan Stanley & Co. LLC and Paul J. Taubman served as lead financial advisers to Verizon. Barclays and BofA Merrill Lynch served as financial advisers to Verizon. Wachtell, Lipton, Rosen & Katz and Macfarlanes LLP served as transaction counsel to Verizon, and Debevoise & Plimpton LLP advised Verizon on its debt financings.

Founded in 2000 as a joint venture of Verizon and Vodafone, Verizon Wireless reported $81.0 billion in operating revenues in 2013. Operating income margin was 32.1 percent in 2013.

Investor Webcast Scheduled for Monday

McAdam will provide further comment during an investor presentation on Monday, Feb. 24, the first full day of trading for the new Verizon. Fran Shammo, Verizon executive vice president and CFO, will also participate in the webcast, which will begin at 8:30 a.m. Eastern time. Website access instructions, a news release and presentation slides will be available prior to the presentation on Verizon's Investor Website at www.verizon.com/investor.

Forward-Looking Statements

In this communication we have made forward-looking statements. These statements are based on our estimates and assumptions and are subject to risks and uncertainties. Forward-looking statements include the information concerning our possible or assumed future results of operations. Forward-looking statements also include those preceded or followed by the words "anticipates," "believes," "estimates," "hopes" or similar expressions. 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, along with those discussed in our filings with the Securities and Exchange Commission (the "SEC"), could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements: the ability to realize the expected benefits of our transaction with Vodafone in the timeframe expected or at all; an adverse change in the ratings afforded our debt securities by nationally accredited ratings organizations or adverse conditions in the credit markets affecting the cost, including interest rates, and/or availability of further financing; significantly increased levels of indebtedness as a result of the Vodafone transaction; changes in tax laws or treaties, or in their interpretation; adverse conditions in the U.S. and international economies; material adverse changes in labor matters, including labor negotiations, and any resulting financial and/or operational impact; material changes in technology or technology substitution;

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disruption of our key suppliers' provisioning of products or services; changes in the regulatory environment in which we operate, including any increase in restrictions on our ability to operate our networks; breaches of network or information technology security, natural disasters, terrorist attacks or acts of war or significant litigation and any resulting financial impact not covered by insurance; the effects of competition in the markets in which we operate; changes in 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; significant increases in benefit plan costs or lower investment returns on plan assets; and the inability to implement our business strategies.

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