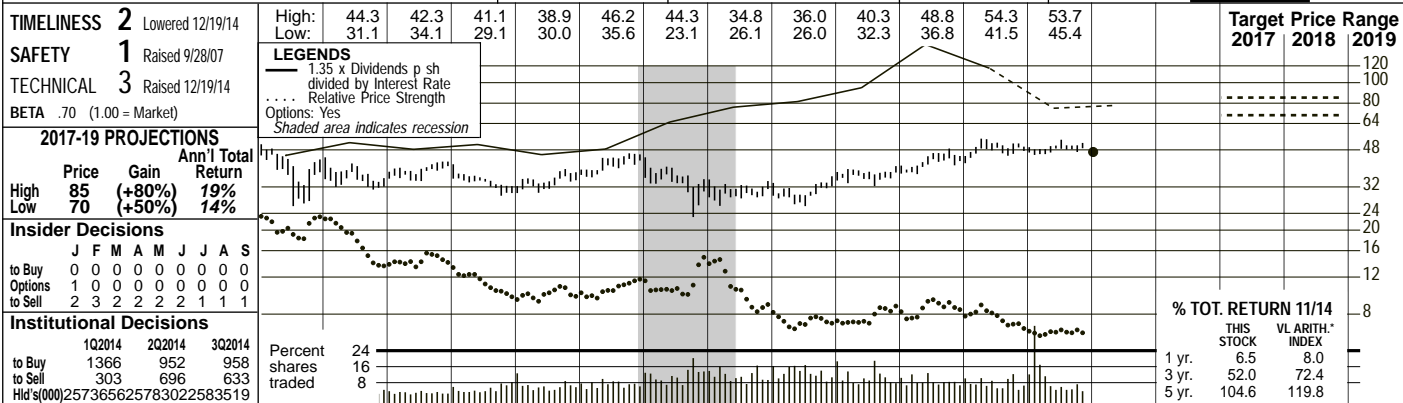


<b>VERIZON</b> NYSE-VZ		RECENT PRICE	46.92	P/E RATIO	13.1 (Trailing: 10.6; Median: 14.0)	RELATIVE P/E RATIO	0.71	DIV'D YLD	4.7%	VALUE LINE
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1998	1999	2000E	2001	2002	2003	2004	2005	2006F	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
20.32	21.39	23.93	24.73	24.63	24.46	25.73	25.59	30.29	32.56	34.27	38.02	37.68	39.10	40.53	29.11	30.45	31.15	Revenues per sh	33.30
6.50	6.99	7.53	8.11	7.93	7.55	7.64	7.24	7.07	7.40	7.65	8.12	8.01	7.96	7.85	6.79	5.45	5.60	"Cash Flow" per sh	6.00
2.72	3.01	2.92	3.00	3.05	2.62	2.59	2.56	2.54	2.34	2.54	2.40	2.21	2.15	2.32	2.84	3.40	3.80	Earnings per sh (A)	4.50
1.54	1.54	1.54	1.54	1.54	1.54	1.54	1.62	1.62	1.65	1.78	1.87	1.93	1.96	2.02	2.08	2.16	2.24	Div'ds Decl'd per sh (B)	2.32
4.79	5.59	6.52	6.39	4.36	4.29	4.79	5.24	5.88	6.11	6.07	6.01	5.82	5.73	5.66	4.01	4.05	5.80	Cap'l Spending per sh	6.05
8.39	10.24	12.79	11.98	11.88	12.08	13.56	13.56	16.68	17.62	14.68	14.67	13.64	12.69	11.60	9.38	12.50	12.50	Book Value per sh	12.80
1553.3	1550.7	2703.6	2717.2	2745.8	2769.4	2770.0	2926.8	2909.9	2871.0	2840.6	2835.7	2828.1	2835.5	2858.3	4141.1	4145.0	4145.0	Common Shs Outst'g (C)	4145.0
17.7	20.1	18.1	17.3	13.0	13.7	14.8	13.2	13.4	17.6	13.7	12.7	13.8	17.1	18.1	12.2			Avg Ann'l P/E Ratio	17.5
.92	1.15	1.18	.89	.71	.78	.78	.70	.72	.93	.82	.85	.88	1.07	1.15	.69			Relative P/E Ratio	1.10
3.2%	2.5%	2.9%	3.0%	3.9%	4.3%	4.0%	4.8%	4.8%	4.0%	5.1%	6.1%	6.3%	5.3%	4.8%	4.3%			Avg Ann'l Div'd Yield	3.0%

<b>CAPITAL STRUCTURE as of 9/30/14</b>										71283	74910	88144	93469	97354	107808	106565	110875	115846	120550	126300	130050	Revenues (\$mill)	138000
<b>Total Debt \$109230 mill. Due in 5 Yrs \$33345 mill.</b>										7261.0	7151.0	6021.0	6854.0	7235.0	6805.0	6256.6	6086.8	5970.4	11497	14095	15750	Net Profit (\$mill)	18830
<b>LT Debt \$107627 mill. LT Interest \$1750 mill.</b>										28.2%	30.9%	33.3%	35.6%	34.4%	33.1%	19.5%	2.7%	2.7%	19.6%	35.0%	36.0%	Income Tax Rate	35.0%
<b>Incl. \$293.0 mill. capitalized leases.</b>										10.2%	9.5%	6.8%	7.3%	7.4%	6.3%	5.9%	5.5%	5.2%	9.5%	11.2%	12.1%	Net Profit Margin	13.6%
<b>(Total interest coverage: 7.1x)</b>										36.3%	32.4%	27.1%	25.4%	37.3%	39.5%	34.2%	36.9%	35.8%	48.4%	31.0%	30.0%	Long-Term Debt Ratio (D)	28.0%
<b>(85% of Total Cap'l.)</b>										38.2%	40.4%	46.0%	45.5%	33.1%	29.8%	29.2%	26.4%	24.9%	21.0%	39.0%	40.0%	Common Equity Ratio	37.0%
<b>Leases, Uncapitalized Annual rentals \$2255 mill.</b>										98287	98303	105518	111072	125864	139418	132164	136211	133151	185074	145000	146500	Total Capital (\$mill) (D)	148000
<b>Pension Assets-12/13 \$1711 mill.</b>										74124	75305	82356	85294	86546	91466	87711	88434	88642	88956	94000	95000	Net Plant (\$mill)	97500
<b>Oblig. \$23023 mill.</b>										10.1%	10.1%	7.9%	8.8%	8.3%	7.2%	7.6%	7.2%	7.5%	9.0%	10.0%	11.0%	Return on Total Cap'l	12.5%
<b>Pfd Stock None</b>										19.3%	18.0%	12.4%	13.6%	17.3%	16.4%	16.2%	16.9%	18.0%	29.6%	12.0%	13.0%	Return on Shr. Equity	13.5%
<b>Common Stock 4,149,723,706 shs.</b>										19.3%	18.0%	12.4%	13.6%	17.3%	16.4%	16.2%	16.9%	18.0%	29.6%	12.0%	13.0%	Return on Com Equity	13.5%
<b>MARKET CAP: \$195 billion (Large Cap)</b>										8.0%	6.9%	2.7%	4.1%	5.4%	3.7%	2.2%	1.5%	2.2%	14.3%	4.5%	5.0%	Retained to Com Eq	5.0%
<b>CURRENT POSITION</b>										59%	62%	78%	70%	69%	77%	87%	91%	88%	52%	64%	59%	All Div'ds to Net Prof	51%

Cal-endar	2012	2013	9/30/14	Full Year
Cash Assets	3563	53528	7218	7218
Other	17672	17466	17555	17555
Current Assets	21235	70994	24773	24773
Accts Payable	16182	16453	17055	17055
Debt Due	4369	3933	1603	1603
Other	6405	6664	8231	8231
Current Liab.	26956	27050	26889	26889

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13	'17-'19
Revenues	4.0%	2.5%	3.0%	3.0%
"Cash Flow"	-0.5%	0.5%	1.5%	1.5%
Earnings	-	2.5%	8.0%	8.0%
Dividends	3.0%	3.5%	2.0%	2.0%
Book Value	-0.5%	-7.0%	5.0%	5.0%

Cal-endar	2011	2012	2013	2014	2015	Full Year
QUARTERLY REVENUES (\$ mill.)	26990	27536	27913	28436	110875	110875
	28242	28552	29007	30045	115846	115846
	29420	29786	30279	31065	120550	120550
	30818	31483	31586	32413	126300	126300
	31850	32250	32450	33500	130050	130050

Cal-endar	2011	2012	2013	2014	2015	Full Year
EARNINGS PER SHARE A	.51	.57	.56	.51	2.15	2.15
	.59	.64	.64	.45	2.32	2.32
	.68	.73	.77	.66	2.84	2.84
	.84	.91	.89	.76	3.40	3.40
	.97	.96	.97	.90	3.80	3.80

Cal-endar	2010	2011	2012	2013	2014	Full Year
QUARTERLY DIVIDENDS PAID B	.475	.475	.487	.488	1.93	1.93
	.488	.488	.488	.50	1.96	1.96
	.50	.50	.50	.515	2.02	2.02
	.515	.515	.515	.53	2.08	2.08
	.53	.53	.55	.55		

(A) Based diluted shares. Excl. n/r gains (losses): '98, \$0.86; '99, \$0.36; '00, \$1.40; '01, (\$2.86); '02, (\$1.56); '03, (\$1.51); '04, \$0.08; '06, (\$0.42). Next earnings report Jan. 22nd.	(B) Div'd paid in early Feb., May, Aug. & Nov. Div'd reinv. plan avail. (C) In mill. (D) Incl. fin. sub. from '88. (E) '00 GTE pro forma. (F) '06 MCI pro forma.	Company's Financial Strength A++ Stock's Price Stability 95 Price Growth Persistence 65 Earnings Predictability 70
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**Verizon's bottom line is likely to come under a bit of pressure in the final stanza of 2014.** Despite posting impressive top- and bottom-line comparisons for the September interim, things are looking a bit less optimistic than we previously expected for the fourth quarter. Indeed, although the company has seen impressive momentum in wireless customer growth and very strong customer demand for 4G smartphones and tablets on its *More Everything* shared data plans, such growth is coming at a price. To wit, recent promotional offers and customer upgrades to new devices (to approximately 9.5% of its post pay base) are likely to put short-term pressure on its fortunes. Thankfully, the Wireline division will offer a bit of a counterbalance, due to solid demand for *FioS*. All told, we have pared our earnings estimate for this year and next by \$0.15 and \$0.05, to \$3.40 and \$3.80 a share, respectively.

**Wall Street has certainly taken notice of the company's recent announcement.** Verizon's stock has fallen about 6% in value since management ratcheted down its fourth-quarter expectations.

**Verizon is in enviable financial shape.** VZ finished the third quarter with just over \$7.2 billion in cash on its ledger and long-term debt of \$107 billion. And going forward, we look for the company to use its cash flow to continue to boost its dividend payout and make additional acquisitions. Indeed, management seems focused on improving Verizon's strategic capabilities and bolstering its spectrum assets.

**Based on recent price and earnings momentum, Verizon stock's Timeliness rank has fallen a notch to 2 (Above Average).** Nevertheless, it is still a worthwhile choice for year-ahead price and earnings momentum.

**This blue chip equity's appreciation potential 3 to 5 years hence has improved of late and is more than double that of the average selection under Value Line review.** Therefore, investors willing to commit funds over the long haul may find this an attractive entry point. Finally, income-seeking types are likely to find VZ's dividend yield rather appealing, as it is currently more than twice that of the *Value Line* median.

Kenneth A. Nugent December 19, 2014