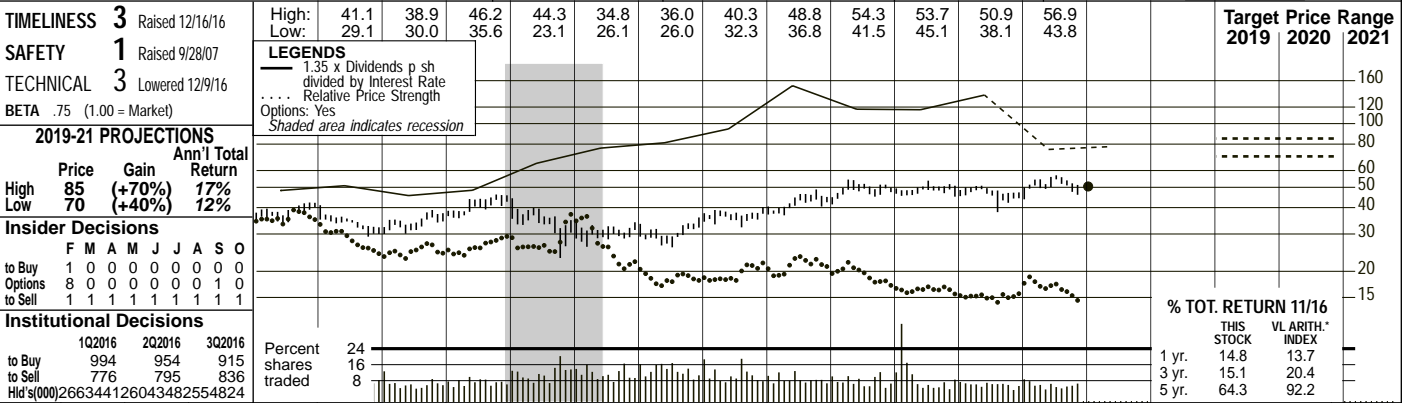


VERIZON NYSE-VZ

RECENT PRICE **50.36** P/E RATIO **12.6** (Trailing: 12.9 Median: 14.0) RELATIVE P/E RATIO **0.64** DIV'D YLD **4.6%**

VALUE LINE



2000 ^F	2001	2002	2003	2004	2005	2006 ^F	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	© VALUE LINE PUB. LLC	19-21
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	30.58	32.31	31.20	32.15	Revenues per sh	34.80
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	7.19	7.94	5.70	5.70	"Cash Flow" per sh	6.15
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	4.00	3.35	3.99	3.95	4.05	Earnings per sh (A)	4.50
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	2.23	2.29	2.35	Div'ds Decl'd per sh (B)	2.44
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	4.14	4.36	4.20	4.25	Cap'l Spending per sh	4.45
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	2.96	4.03	4.00	4.25	Book Value per sh	7.50
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	4155.4	4073.2	4050.0	4000.0	Common Shs Outst'g (C)	3950.0
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	14.5	11.8	14.8	13.7	Avg Ann'l P/E Ratio	17.5
1.18	.89	.71	.78	.78	.70	.72	.93	.82	.85	.88	1.07	1.15	.69	.76	.59	.59	.59	Relative P/E Ratio	1.10
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%	4.4%	4.7%	4.4%	4.7%	Avg Ann'l Div'd Yield	3.1%

CAPITAL STRUCTURE as of 9/30/16		2000	2001	2002	2003	2004	2005	2006 ^F	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Revenues (\$mill)	137500
Total Debt \$106591 mill. Due in 5 Yrs \$32097mill.		88144	93469	97354	107808	106565	110875	115846	120550	127079	131620	126400	128500	Revenues (\$mill)	137500						
LT Debt \$102739 mill. LT Interest \$1795 mill.		6021.0	6854.0	7235.0	6805.0	6256.6	6086.8	5970.4	11497	13337	16324	16000	16200	Net Profit (\$mill)	17775						
Incl. \$302.0 mill. capitalized leases.		33.3%	35.6%	34.4%	33.1%	19.5%	2.7%	--	19.6%	29.9%	34.6%	35.0%	36.0%	Income Tax Rate	35.0%						
(Total interest coverage: 7.1x)		6.8%	7.3%	7.4%	6.3%	5.9%	5.2%	9.5%	10.5%	12.4%	12.6%	12.5%	Net Profit Margin	12.9%							
(82% of Total Cap'l.)		27.1%	25.4%	37.3%	39.5%	34.2%	36.9%	35.8%	48.4%	89.0%	85.3%	85.0%	84.0%	Long-Term Debt Ratio	80.0%						
Leases, Uncapitalized Annual rentals \$2744 mill.		46.0%	45.5%	33.1%	29.8%	29.2%	26.4%	24.9%	21.0%	9.9%	13.5%	15.0%	15.0%	Common Equity Ratio	17.0%						
Pension Assets-12/15 \$16124 mill.		105518	111072	125864	139418	132164	136211	133151	185074	124212	121547	120000	121500	Total Capital (\$mill)	128500						
Oblig. \$22016 mill.		82356	85294	86546	91466	87711	88434	88642	88956	89947	83541	85000	86000	Net Plant (\$mill)	91000						
Pfd Stock None		7.9%	8.8%	8.3%	7.2%	7.6%	7.2%	7.5%	9.0%	11.0%	13.7%	13.5%	13.0%	Return on Total Cap'l	14.0%						
Common Stock 4,076,633,952 shs.		12.4%	13.6%	17.3%	16.4%	16.2%	16.9%	18.0%	29.6%	NMF	NMF	NMF	NMF	Return on Shr. Equity	13.0%						
MARKET CAP: \$205 billion (Large Cap)		12.4%	13.6%	17.3%	16.4%	16.2%	16.9%	18.0%	29.6%	NMF	NMF	NMF	NMF	Return on Com Equity	13.0%						
CURRENT POSITION		2.7%	4.1%	5.4%	3.7%	2.2%	1.5%	2.2%	14.3%	45.0%	47.4%	48.0%	48.0%	Retained to Com Eq	45.0%						
(SMILL)		78%	70%	69%	77%	87%	91%	88%	52%	59%	52%	58%	58%	All Div'ds to Net Prof	54%						

BUSINESS: Verizon Communications was created by the merger of Bell Atlantic and GTE in June of 2000. It is a diversified telecom company with a network that covers a population of about 298 million and provides service to nearly 98.2 million. Acquired MCI, 1/06; Alltel, 1/09; Verizon Wireless, 2/14. Also the largest provider of print and on-line directory information. Has a wireline presence in 28 states & Washington, D.C.; a wireless presence in 50 states & D.C.; operations in 19 countries. 2015 revenue breakdown: wireline (includes telecom & business), 29%; domestic wireless, 71%. Has approximately 177,700 employees. Chairman and CEO: Lowell McAdam, Inc.: Delaware. Addr.: 1095 Avenue of the Americas, NY, NY 10036. Tel.: 212-395-1000. Internet: www.verizon.com.

Verizon's prospects for this year are nothing to write home about. To wit, the company posted third-quarter earnings of \$1.01 a share, two cents below our estimate and three cents off the year-earlier result, on a 6.7% drop in revenues. And this uninspiring performance comes as no great surprise, given the combined effects of the April 1st sale of the company's high-margined wireline operations in California, Florida, and Texas to Frontier Communications, the ongoing shift of wireless customers to device payment plans, and the ramping up of its new business model. All told, we look for 2016 earnings of about \$3.95 a share, with a 2.5% share-net improvement in the cards for next year. **Once again, the company has been active on the acquisition front.** In early November, Verizon completed the \$2.4 billion acquisition of Fleetmatics Group PLC for \$60.00 per share in cash. As a Verizon company, Fleetmatics, which is headquartered in Dublin, Ireland, with North American headquarters in Waltham, MA, is now part of the Verizon Telematics business, which offers comprehensive wireless, software and hardware solutions to consumers, enterprises, automakers, and dealers to power connected vehicle products around the globe. Separately, the \$4.8 billion of Yahoo! is slated to close in the first quarter of the coming year. **Verizon's finances are certainly in sound shape.** Verizon finished the September interim with \$6.441 billion in cash on hand (up from \$3.875 billion a year ago) and long-term debt of \$102.7 billion. And going forward, we look for the company to boost its dividend payout and make additional acquisitions. Indeed, management is committed to improving Verizon's strategic capabilities and bolstering its spectrum assets. **This blue-chip equity's capital appreciation potential 3 to 5 years hence is well above that of the average selection under Value Line review.** Hence, investors willing to commit funds over the long haul may well find this an alluring entry point. What's more, income seeking types will undoubtedly find VZ's dividend yield rather appealing, as it is more than twice that of the Value Line median.

Kenneth A. Nugent December 16, 2016

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	.68	.78	.78	1.76	4.00
2014	.84	.91	.89	.71	3.35
2015	1.02	1.04	1.04	.89	3.99
2016	1.06	.94	1.01	.94	3.95
2017	1.08	.98	1.04	.95	4.05

(A) Based diluted shares. Excl. n/r gains (losses): '00, \$1.40; '01, (\$2.86); '02, (\$1.56); '03, (\$1.51); '04, \$0.08; '06, (\$0.42). Next earnings report January 24th. (B) Div'd paid in early Feb., May, Aug. & Nov. (C) Div'd reinv. plan avail. (D) Incl. fin. sub. from '88. (E) '00 GTE pro forma. (F) '06 MCI pro forma.

© 2016 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

Company's Financial Strength	A++
Stock's Price Stability	100
Price Growth Persistence	45
Earnings Predictability	65

To subscribe call 1-800-VALUELINE