

RECENT PRICE	53.51	P/E RATIO	13.5 (Trailing: 13.6 Median: 14.0)	RELATIVE P/E RATIO	0.72	DIV'D YLD	4.3%	VALUE LINE
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2019-21 PROJECTIONS

Price 85
High Low 70

Gain (+60%)
(+30%)

Ann'l Total Return 15%
10%

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	1	0	0	0	0	0
Options	0	0	0	8	0	0	0	0	0
to Sell	0	0	0	1	1	1	1	1	1

Institutional Decisions

	4Q2015	1Q2016	2Q2016
to Buy	890	994	954
to Sell	828	776	795

Hld's(000) 260399826634412604348

Percent shares traded 24
16
8

% TOT. RETURN 8/16

	THIS STOCK	VL ARITH. INDEX
1 yr.	19.0	10.9
3 yr.	26.5	29.8
5 yr.	80.3	84.5

CAPITAL STRUCTURE as of 6/30/16	88144	93469	97354	107808	106565	110875	115846	120550	127079	131620	126800	128500	Revenues (\$mill)	137500
Total Debt \$99725 mill. Due in 5 Yrs \$32097 mill.	6021.0	6854.0	7235.0	6805.0	6256.6	6086.8	5970.4	11497	13337	16324	16000	16200	Net Profit (\$mill)	17775
LT Debt \$92922 mill. LT Interest \$1795 mill.	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%
Incl. \$302.0 mill. capitalized leases.	6.8%	7.3%	7.4%	6.3%	5.9%	5.5%	5.2%	9.5%	10.5%	12.4%	12.5%	12.5%	Net Profit Margin	12.9%
(Total interest coverage: 7.1x)														
(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	86456	91466	87711	88434	88642	88956	89947	83541	85000	86000	Net Plant (\$mill)	91000
	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%
Pfd Stock None	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%
Common Stock 4,076,301,833 shs.	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%
MARKET CAP: \$218 billion (Large Cap)	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%
CURRENT POSITION 2014 2015 6/30/16	78%	70%	69%	77%	87%	91%	88%	52%	59%	52%	58%	58%	All Div'ds to Net Prof	54%

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '13-'15 to '19-'21
of change (per sh)			
Revenues	2.0%	-3.5%	2.0%
"Cash Flow"	--	-1.5%	NMF
Earnings	4.0%	9.5%	3.0%
Dividends	3.0%	3.0%	2.0%
Book Value	-8.5%	-17.5%	5.5%

Calendar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
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	1.03	.92	3.95
2017	1.06	1.02	1.04	.93	4.05

Calendar	QUARTERLY DIVIDENDS PAID \$				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2012	.50	.50	.50	.515	2.02
2013	.515	.515	.515	.53	2.08
2014	.53	.53	.53	.55	2.16
2015	.55	.55	.565	.565	2.23
2016	.565	.565	.58		

The company has been active on the acquisition trail. Verizon recently inked an agreement to acquire Yahoo!'s operating business for roughly \$4.8 billion in cash, thereby making Verizon a major competitor in mobile media. The addition of Yahoo! would create one of the largest portfolios of owned and partnered global

consider Verizon stock. Indeed, at the recent quotation, the issue's 3- to 5-year appreciation potential is above average. What's more, this blue chip equity could well be the darling of income-seeking investors, as its dividend yield is almost double that of the *Value Line* median.

Kenneth A. Nugent September 16, 2016

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 share net will likely remain stagnant for the next couple of years. Indeed, the company posted June-quarter earnings of \$0.94 a share, four cents shy of our estimate and 10% below the year-earlier figure, on a 5.3% drop in revenues. And this came as no great surprise, as we had warned, in our June review, that the outlook for the next couple of years was none too impressive. This was due to 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 continued shift of wireless customers to device payment plans; and the ramping up of its new business model. Finally, a seven-week work stoppage in the Wireline division certainly did the company no favors, paring about \$0.07 off second-quarter share net.

The company has been active on the acquisition trail. Verizon recently inked an agreement to acquire Yahoo!'s operating business for roughly \$4.8 billion in cash, thereby making Verizon a major competitor in mobile media. The addition of Yahoo! would create one of the largest portfolios of owned and partnered global

brands with exclusive distribution capabilities. The transaction, which we expect will close in the first quarter of 2017, is subject to the typical closing conditions, approval of Yahoo! shareholders, and regulatory acceptance.

Verizon is in enviable financial shape. The company finished the June interim with \$2.9 billion in cash on its ledger and long-term debt of \$92.9 billion, down from \$109.5 million this time last year.

The company's board of directors is certainly dedicated to boosting shareholder value. In keeping with its impressive track record of increasing the annual dividend (see above array), the board recently upped the quarterly dividend by \$0.0125 a share, to \$0.5775, bringing the annual payout to \$2.31 a share.

Long-term investors may wish to consider Verizon stock. Indeed, at the recent quotation, the issue's 3- to 5-year appreciation potential is above average. What's more, this blue chip equity could well be the darling of income-seeking investors, as its dividend yield is almost double that of the *Value Line* median.

Kenneth A. Nugent *September 16, 2016*

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

To subscribe call 1-800-VALUELINE

For more information, call 1-800-742-2626.