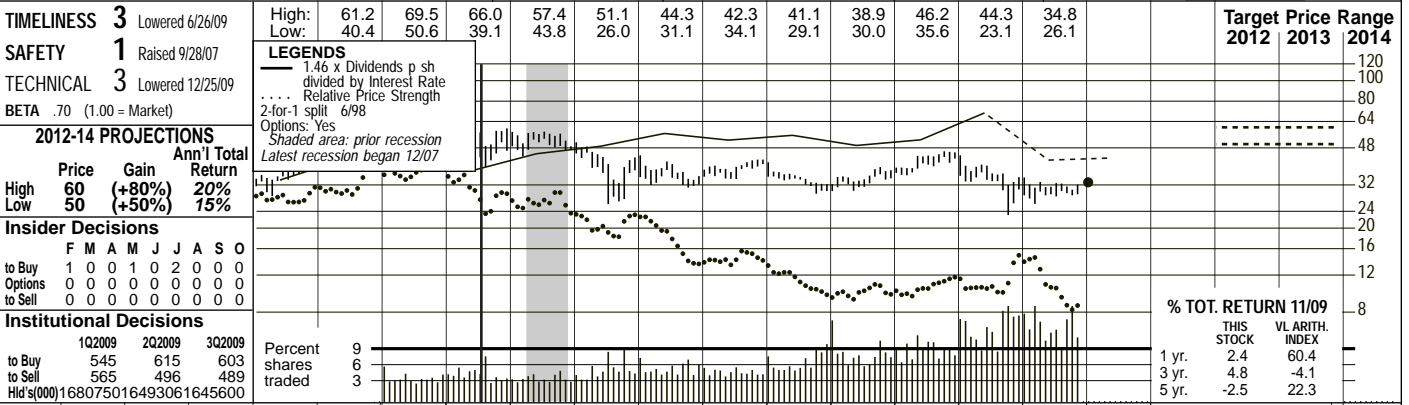


VERIZON NYSE-VZ

RECENT PRICE **33.01** P/E RATIO **13.6** (Trailing: 13.4 Median: 15.0) RELATIVE P/E RATIO **0.80** DIV'D YLD **5.8%** VALUE LINE



Year	1993	1994	1995 ^E	1996	1997 ^F	1998	1999	2000 ^G	2001	2002	2003	2004	2005	2006 ^H	2007	2008	2009	2010	© VALUE LINE PUB., INC.	12-14
Revenues per sh	14.89	15.81	15.34	14.94	19.61	20.32	21.39	23.93	24.73	24.63	24.46	25.73	25.59	30.29	32.56	34.27	38.15	38.70	Revenues per sh	41.20
"Cash Flow" per sh	4.62	4.81	4.94	4.95	5.97	6.50	6.99	7.53	8.11	7.93	7.55	7.64	7.24	7.07	7.40	7.65	7.70	7.75	"Cash Flow" per sh	8.80
Earnings per sh (A)	1.70	1.77	1.94	1.98	2.48	2.72	3.01	2.92	3.00	3.05	2.62	2.59	2.56	2.54	2.36	2.54	2.45	2.50	Earnings per sh (A)	3.10
Div'ds Decl'd per sh (B)	1.34	1.38	1.40	1.43	1.49	1.54	1.54	1.54	1.54	1.54	1.54	1.54	1.62	1.62	1.65	1.78	1.84	1.90	Div'ds Decl'd per sh (B)	1.96
Cap'l Spending per sh	2.89	3.04	3.05	2.92	4.95	4.79	5.59	6.52	6.39	4.36	4.29	4.79	5.24	5.88	6.11	6.07	5.70	5.85	Cap'l Spending per sh	6.00
Book Value per sh	9.43	6.97	7.63	8.48	8.24	8.39	10.24	12.79	11.98	11.88	12.08	13.56	16.68	17.62	14.68	18.10	18.40	18.40	Book Value per sh	18.85
Common Shs Outst'g (C)	872.44	872.60	875.53	875.63	1553.0	1553.3	1550.7	2703.6	2717.2	2745.8	2769.4	2770.0	2926.8	2909.9	2871.0	2840.6	2830.0	2820.0	Common Shs Outst'g (C)	2820.0
Avg Ann'l P/E Ratio	17.0	15.1	14.8	15.8	14.9	17.7	20.1	18.1	17.3	13.0	13.7	14.8	13.2	13.4	17.6	13.7	13.7	13.7	Avg Ann'l P/E Ratio	17.5
Relative P/E Ratio	1.00	.99	.99	.99	.86	.92	1.15	1.18	.89	.71	.78	.78	.70	.72	.93	.82	.82	.82	Relative P/E Ratio	1.15
Avg Ann'l Div'd Yield	4.7%	5.2%	4.9%	4.6%	4.0%	3.2%	2.5%	2.9%	3.0%	3.9%	4.3%	4.0%	4.8%	4.8%	4.0%	5.1%	5.1%	5.1%	Avg Ann'l Div'd Yield	3.6%

Year	1993	1994	1995 ^E	1996	1997 ^F	1998	1999	2000 ^G	2001	2002	2003	2004	2005	2006 ^H	2007	2008	2009	2010	© VALUE LINE PUB., INC.	12-14
Revenues (\$mill)	33174	64707	67190	67625	67752	71283	74910	88144	93469	97354	107900	109200	109200	109200	109200	109200	109200	109200	Revenues (\$mill)	116150
Net Profit (\$mill)	4621.0	8101.0	8391.0	8361.0	7282.0	7261.0	7151.0	6021.0	6854.0	7235.0	6935	7050	7050	7050	7050	7050	7050	7050	Net Profit (\$mill)	8775
Income Tax Rate	37.8%	34.0%	39.8%	30.5%	31.4%	28.2%	30.9%	33.3%	35.6%	34.4%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	Income Tax Rate	35.0%
Net Profit Margin	13.9%	12.5%	12.5%	12.4%	10.7%	10.2%	9.5%	6.8%	7.3%	7.4%	6.4%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	Net Profit Margin	7.6%
Long-Term Debt Ratio (D)	53.1%	43.0%	45.5%	44.1%	40.5%	36.3%	32.4%	27.1%	25.4%	37.3%	30.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	Long-Term Debt Ratio (D)	30.0%
Common Equity Ratio	45.6%	35.0%	32.4%	32.1%	34.4%	38.2%	40.4%	46.0%	45.5%	33.1%	37.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	Common Equity Ratio	37.0%
Total Capital (\$mill) (E)	34801	98899	100345	101548	97227	98287	98303	105518	111072	125864	104100	105250	105250	105250	105250	105250	105250	105250	Total Capital (\$mill) (E)	110750
Net Plant (\$mill)	39299	69504	74419	74496	75316	74124	75305	82356	85294	86546	81500	82000	82000	82000	82000	82000	82000	82000	Net Plant (\$mill)	83250
Return on Total Cap'l	14.9%	12.3%	10.8%	10.9%	10.1%	10.1%	10.1%	7.9%	8.8%	8.3%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	Return on Total Cap'l	8.0%
Return on Shr. Equity	29.1%	23.4%	25.8%	25.6%	21.8%	19.3%	18.0%	12.4%	13.6%	17.3%	12.5%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	Return on Shr. Equity	14.5%
Return on Com Equity	29.1%	23.4%	25.8%	25.6%	21.8%	19.3%	18.0%	12.4%	13.6%	17.3%	12.5%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	Return on Com Equity	14.5%
Retained to Com Eq	14.0%	10.6%	13.0%	12.8%	9.1%	8.0%	6.9%	2.7%	4.1%	5.4%	7.0%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	Retained to Com Eq	9.0%
All Div'ds to Net Prof	52%	55%	50%	50%	58%	59%	62%	78%	70%	69%	75%	76%	76%	76%	76%	76%	76%	76%	All Div'ds to Net Prof	64%

BUSINESS: Verizon Communications was created by the merger of Bell Atlantic and GTE in June of 2000. It is a diversified telecom company serving more than 140.3 million access line equivalents and 72.1 million wireless customers. Acquired MCI in January of 2006. 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. 2008 revenue breakdown: wireline (includes telecom & business), 49%; domestic wireless, 51%. Has approximately 223,900 employees. Chairman & CEO: Ivan Seidenberg. Incorporated: Delaware. Address: 140 West Street, New York, NY 10007. Telephone: 212-395-1000. Internet: www.verizon.com.

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '06-'08
of change (per sh)	10 Yrs.	5 Yrs.	to '12-'14
Revenues	6.0%	5.5%	4.0%
"Cash Flow"	2.5%	-1.5%	3.0%
Earnings	0.5%	-3.0%	4.0%
Dividends	1.5%	2.0%	2.5%
Book Value	7.0%	6.5%	2.5%

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2006	21221	21876	22449	22598	88144
2007	22584	23273	23772	23840	93469
2008	23833	24124	24752	24645	97354
2009	26591	26861	27265	27183	107900
2010	26925	27180	27525	27570	109200

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2006	.60	.64	.68	.62	2.54
2007	.53	.58	.63	.62	2.36
2008	.61	.67	.66	.60	2.54
2009	.63	.63	.60	.59	2.45
2010	.60	.63	.63	.64	2.50

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2005	.405	.405	.405	.405	1.62
2006	.405	.405	.405	.405	1.62
2007	.405	.405	.405	.43	1.65
2008	.43	.43	.46	.46	1.78
2009	.46	.46	.475	.475	

Verizon recently began a restructuring aimed at growth acceleration and productivity enhancement. In early October, the company melded its two wireline business groups, Verizon Telecom and Verizon Business, into one organization, Verizon Wireline, so as to accelerate operational performance by increasing speed to market, stepping up its growth, and paring costs. **In the meantime, we have cut our share-net expectations for this year and next.** Verizon posted earnings of \$0.60 a share for the September interim, well below our estimate and the year-ago result, on a solid 10% top-line improvement. Clearly, margin pressure is taking a toll on the company's bottom line. The January acquisition of Alltel is certainly a contributing factor. Although the deal created the largest wireless company in the United States in terms of total customers and revenues, the final cost of the transaction was much higher than originally expected. As a result, the dime-a-share accretion that was originally expected is not likely. Nevertheless, Verizon Wireless continues to ring up strong results, having

added 1.2 million net customers during the most recent period. Thus, it now has 89.0 million customers, who helped drive the 24.4% year-over-year revenue growth reported in the September interim. Conversely, Verizon's Wireline division posted a 4.8% drop in year-over-year revenues during the period, as it continues to feel the effects of the recent recession. As announced last quarter, management has rolled out additional cost-reduction maneuvers, including paring headcount by some 8,000 positions during the second half of the year. The fruits of these initiatives are not likely to be seen until at least the December period. As a result, we now look for Verizon to post earnings of \$2.45 and \$2.50 for this year and next, down \$0.09 and \$0.15, respectively, from our earlier estimates. **Patient, income-seeking investors may wish to take a look at Verizon stock.** At this juncture, the equity offers worthwhile capital-appreciation potential through the early years of the coming decade. In addition, its dividend payout is rather appealing. *Kenneth A. Nugent* December 25, 2009

(A) Based on average shares out thru '97, then diluted. Excl. n/r gains (losses): '93, \$0.04; '94, (\$2.63); '95, \$0.18; '96, \$0.16; '97, \$0.90; '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 in late Jan. (B) Div'd paid in early Feb., May, Aug. & Nov. Div'd reinv. plan avail. (C) In mill. adj. for split. (D) Incl. fin. sub. from '88. (E) Cell. ops. in revs. before '79/95, then equity income. (F) '97 data NYNEX pro forma. (G) '00 GTE pro forma. (H) '06 MCI pro forma. **Company's Financial Strength** A+ **Stock's Price Stability** 100 **Price Growth Persistence** 15 **Earnings Predictability** 95 **To subscribe call 1-800-833-0046.**