

# Exxon Mobil Corp

**S&P Recommendation** **STRONG BUY** ★★★★★

**Price**  
\$59.53 (as of Jun 4, 2010)

**12-Mo. Target Price**  
\$85.00

**Investment Style**  
Large-Cap Blend

**UPDATE: PLEASE SEE THE ANALYST'S LATEST RESEARCH NOTE IN THE COMPANY NEWS SECTION**

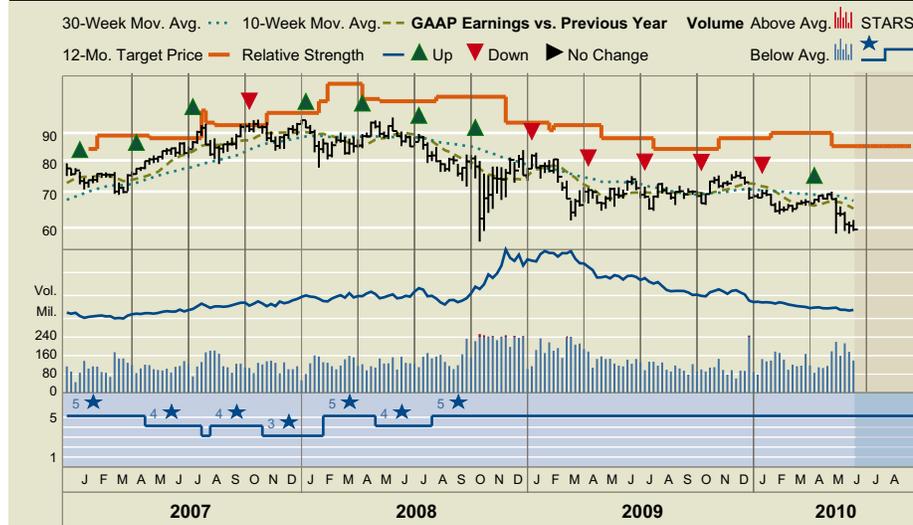
**GICS Sector** Energy  
**Sub-Industry** Integrated Oil & Gas

**Summary** XOM, formed through the merger of Exxon and Mobil in late 1999, is the world's largest publicly owned integrated oil company.

**Key Stock Statistics** (Source S&P, Vickers, company reports)

52-Wk Range	<b>\$76.54–58.46</b>	S&P Oper. EPS 2010E	<b>5.93</b>	Market Capitalization(B)	<b>\$279.652</b>	Beta	<b>0.42</b>
Trailing 12-Month EPS	<b>\$4.39</b>	S&P Oper. EPS 2011E	<b>7.22</b>	Yield (%)	<b>2.96</b>	S&P 3-Yr. Proj. EPS CAGR(%)	<b>24</b>
Trailing 12-Month P/E	<b>13.6</b>	P/E on S&P Oper. EPS 2010E	<b>10.0</b>	Dividend Rate/Share	<b>\$1.76</b>	S&P Credit Rating	<b>AAA</b>
\$10K Invested 5 Yrs Ago	<b>\$11,527</b>	Common Shares Outstg. (M)	<b>4,698.1</b>	Institutional Ownership (%)	<b>48</b>		

**Price Performance**



**Qualitative Risk Assessment**

**LOW**    **MEDIUM**    **HIGH**

Our risk assessment reflects our view of the company's diversified and strong business profile in volatile, cyclical and capital-intensive segments of the energy industry. We consider ExxonMobil's earnings stability and corporate governance practices to be above average.

**Quantitative Evaluations**

**S&P Quality Ranking** **A+**

D    C    B-    B    B+    A-    A    **A+**

**Relative Strength Rank** **MODERATE**

LOWEST = 1    **32**    HIGHEST = 99

**Revenue/Earnings Data**

**Revenue (Million \$)**

	1Q	2Q	3Q	4Q	Year
2010	90,251	--	--	--	--
2009	64,028	74,457	82,260	89,841	310,586
2008	116,854	138,072	137,737	84,696	477,359
2007	87,223	98,350	102,337	116,642	404,552
2006	86,317	96,024	96,268	86,858	377,635
2005	82,051	88,568	100,717	99,662	370,680

**Earnings Per Share (\$)**

	1Q	2Q	3Q	4Q	Year
2010	1.33	E1.46	E1.52	E1.58	E5.93
2009	0.92	0.81	0.98	1.27	3.98
2008	2.03	2.22	2.86	1.55	8.69
2007	1.62	1.83	1.70	2.14	7.28
2006	1.37	1.72	1.77	1.76	6.62
2005	1.22	1.20	1.58	1.71	5.71

Fiscal year ended Dec. 31. Next earnings report expected: Late July. EPS Estimates based on S&P Operating Earnings; historical GAAP earnings are as reported.

**Dividend Data** (Dates: mm/dd Payment Date: mm/dd/yy)

Amount (\$)	Date Decl.	Ex-Div. Date	Stk. of Record	Payment Date
0.420	07/29	08/11	08/13	09/10/09
0.420	10/28	11/09	11/12	12/10/09
0.420	01/27	02/08	02/10	03/10/10
0.440	04/28	05/11	05/13	06/10/10

Dividends have been paid since 1882. Source: Company reports.

Analysis prepared by **Tina J. Vital** on May 03, 2010, when the stock traded at **\$68.16**.

**Highlights**

- ▶ With an extensive portfolio of over 130 major projects, XOM started up eight major projects in 2009, with nine slated for 2010-11 and 35 thereafter. We look for oil and gas production to rise over 6% in 2010, to 4.2 million boe per day, and over 2% per annum between 2008 and 2013. While XOM remains committed to expanding its oil production (e.g., phased development of the Kearl oil sands project), its non-conventional gas prospects were boosted by its agreement to buy XTO Energy (deal closure slated for the second quarter).
- ▶ With the global economic downturn reducing the demand for petroleum products, refining margins have narrowed. However, XOM has a history of continuously rationalizing its units, and we view the company as the low-cost leader among its peers. Using IHS data, we project U.S. Gulf Coast 3-2-1 crack spreads will narrow about 20% in 2010 and 12.8% in 2011, compared with a contraction of about 24% in 2009.
- ▶ We estimate that after-tax operating earnings will rise 45% in 2010 and 22% in 2011, on an improved economic outlook, compared with a drop of 56% in 2009 on reduced demand.

**Investment Rationale/Risk**

- ▶ XOM has enjoyed a superior degree of earnings and dividend growth and stability (as evidenced by its S&P Quality Ranking of A+). We believe the company will benefit from "big-pocket" upstream growth opportunities in deepwater, liquefied natural gas (LNG), onshore unconventional, and ventures with state-owned oil companies. We think XOM's advanced technology permits project development in a timely and cost-efficient manner. In addition, we see its upstream E&P business benefiting from a strong pipeline of long-lived resources, and its downstream unit benefiting over the long term from its complex refineries, which offer feedstock and product flexibility.
- ▶ Risks to our recommendation and target price include deterioration in economic, industry and operating conditions, such as difficulty replacing reserves and increased production costs.
- ▶ Blending our discounted cash flow (\$92 per share, assuming a WACC of 6.9% and terminal growth of 3%) and relative market valuations, our 12-month target price is \$85, representing an expected enterprise value of 6.7X our 2011 EBITDA estimate, a premium to U.S. supermajor oil peers.

Please read the Required Disclosures and Analyst Certification on the last page of this report.

Redistribution or reproduction is prohibited without written permission. Copyright ©2010 The McGraw-Hill Companies, Inc.

# Exxon Mobil Corp

## Business Summary May 03, 2010

**CORPORATE OVERVIEW.** In late 1999, the FTC allowed Exxon and Mobil to reunite, creating Exxon Mobil Corp. ExxonMobil's businesses include oil and natural gas exploration and production (8% of 2009 sales; 81% of 2009 segment earnings); refining and marketing (83%; 8%); chemicals (9%; 11%); and other operations, such as electric power generation, coal and minerals.

Including non-consolidated equity interest, proved oil and gas reserves remained steady at 23.0 billion barrels of oil equivalent (boe; 51% petroleum liquids which included oil sands, 67% developed) in 2009. Oil and gas production rose 0.3%, to 3.93 million boe per day (61% petroleum liquids), in 2009. Using data from John S. Herold, we estimate XOM's three-year (2006-2008) reserve replacement at 128%, above the peer average; three-year finding and development cost at \$8.68 per boe, below the peer average; proved acquisition costs at \$0.44 per boe, below the peer average; and its reserve replacement costs at \$7.63 per boe, below the peer average.

At year-end 2009, the company had an ownership interest in 37 refineries with 6.23 million barrels per day (b/d) of atmospheric distillation capacity (U.S. 32%, Europe 28%, Asia Pacific 27%, Canada 8%, and Middle East/Latin America/Other 5%).

**MANAGEMENT.** We believe XOM is one of the best managed companies in the energy sector. In January 2006, Lee R. Raymond retired, and Rex W. Tillerson became chairman and CEO. We expect Mr. Tillerson to benefit from the strategic plans made by Mr. Raymond, and we see Mr. Tillerson's diplomatic skills as playing an important role in enhancing those plans.

**MARKET PROFILE.** Based on a blend of oil and gas assets and production volumes, we estimate that XOM is the largest publicly traded integrated oil company in the world. It serves customers in over 200 countries, with the U.S. contributing 30% of 2009 sales, Japan 7%, Canada 7%, the U.K. 7%, Belgium 6%, and Germany 5%, and other areas 38%. We believe its global functional organization and substantial diversification help mitigate its exposure to business risk and margin volatility.

XOM maintains the largest portfolio of proved reserves and production in North America, and is the biggest net producer of oil and gas in Europe. Through wholly owned ExxonMobil Canada Ltd. and its 69.6%-owned affiliate Imperial Oil, XOM is one of the largest oil and gas producers in Canada.

XOM believes it is the world's biggest refiner, as well as the largest producer of polyolefins, benzene and paraxylene in the world. Since 1995, XOM has added about 0.5% per annum to its refining capacity, the equivalent of building an average-sized refinery every three years.

In December 2009, XOM agreed to buy XTO Energy, Inc. (XTO \$48, Hold) in an all-stock deal valued at \$41 billion (including \$10 billion of assumed debt). We view the planned deal as fairly valued, and believe XOM's technical expertise will unlock additional XTO resource potential, and XTO's organization should provide a complementary platform for XOM to expand its unconventional natural gas and oil production worldwide.

**CORPORATE GOVERNANCE.** We believe the company's corporate governance practices are sound and above average for companies within the S&P 500 and the S&P Energy sector. Its board of directors is controlled by a supermajority (greater than 75%) of independent outsiders.

**FINANCIAL TRENDS.** XOM's size gives it economies of scale, and its strong earnings have enabled it to build a cash balance of \$13.7 billion, compared with total debt of \$17.1 billion (including our estimate of \$7.6 billion for the present value of operating leases) as of March 31, 2010.

We believe XOM has enjoyed a superior degree of earnings and dividend growth and stability (evidenced by its S&P Quality Ranking of A+), and an above-average return on capital versus peers. For the past 15 years (as of December 31, 2009), XOM's shares have outperformed the S&P 500 on a total return basis, yielding 13.29% annually, compared to 8.04% for the broader market.

To fund growth, capital spending was \$27.1 billion in 2009, and XOM has budgeted \$25 billion to \$30 billion per year through 2014 (about \$28 billion for 2010).

## Corporate Information

**Office**  
5959 Las Colinas Blvd, Irving, TX 75039-2298.

**Telephone**  
972-444-1000.

**Website**  
<http://www.exxonmobil.com>

### Officers

**Chrmn, Pres & CEO**      **Secy**  
R.W. Tillerson              D.S. Rosenthal

**SVP, CFO & Treas**      **General Counsel**  
D. Humphreys              S.J. Balagia

**Chief Acctg Officer & Cntrl**  
P.T. Mulva

### Board Members

M. J. Boskin  
P. Brabeck-Letmathe  
L. R. Faulkner  
K. C. Frazier  
W. W. George  
R. C. King  
M. C. Nelson  
S. J. Palmisano  
S. S. Reinemund  
R. W. Tillerson  
E. E. Whitacre, Jr.

**Domicile**  
New Jersey

**Founded**  
1870

**Employees**  
80,700

**Stockholders**  
546,588

# Exxon Mobil Corp

## Quantitative Evaluations

<b>S&amp;P Fair Value Rank</b>	4+	1	2	3	4	5
		LOWEST		HIGHEST		

Based on S&P's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).

<b>Fair Value Calculation</b>	<b>\$63.90</b>	Analysis of the stock's current worth, based on S&P's proprietary quantitative model suggests that XOM is slightly undervalued by \$4.38 or 7.3%.
-------------------------------	----------------	---

<b>Investability Quotient Percentile</b>	<b>100</b>
LOWEST = 1 HIGHEST = 100	
XOM scored higher than 100% of all companies for which an S&P Report is available.	

<b>Volatility</b>	<b>LOW</b>	AVERAGE	HIGH
-------------------	------------	---------	------

<b>Technical Evaluation</b>	<b>BEARISH</b>	Since May, 2010, the technical indicators for XOM have been BEARISH.
-----------------------------	----------------	--

<b>Insider Activity</b>	<b>UNFAVORABLE</b>	NEUTRAL	FAVORABLE
-------------------------	--------------------	---------	-----------

## Expanded Ratio Analysis

	2009	2008	2007	2006
Price/Sales	1.06	0.87	1.29	1.21
Price/EBITDA	NA	5.28	3.33	3.05
Price/Pretax Income	9.51	5.08	7.31	6.68
P/E Ratio	17.15	9.19	12.87	11.58
Avg. Diluted Shares Outstg (M)	4,848.0	5,203.0	5,577.0	5,970.0

Figures based on calendar year-end price

## Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Sales	-34.94	-4.12	3.00	8.29
Net Income	-57.36	-18.49	-1.88	11.62

## Ratio Analysis (Annual Avg.)

	2009	2008	2007	2006
Net Margin (%)	6.21	8.57	9.19	8.38
% LT Debt to Capitalization	5.50	4.99	4.83	5.08
Return on Equity (%)	NA	NA	35.50	28.73

## Company Financials Fiscal Year Ended Dec. 31

Per Share Data (\$)	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Tangible Book Value	23.39	22.70	22.62	19.87	18.13	15.90	13.69	11.13	10.74	10.21
Cash Flow	6.44	11.08	9.48	8.89	7.34	5.38	4.50	2.84	3.32	3.43
Earnings	3.98	8.69	7.28	6.62	5.71	3.89	3.15	1.61	2.18	2.27
S&P Core Earnings	4.36	8.64	7.40	6.75	5.72	4.01	3.03	1.52	2.03	NA
Dividends	1.66	1.55	1.37	1.28	1.14	1.06	0.98	0.92	0.91	0.88
Payout Ratio	42%	18%	19%	19%	20%	27%	31%	57%	42%	39%
Prices:High	82.73	96.12	95.27	79.00	65.96	52.05	41.13	44.58	45.84	47.72
Prices:Low	61.86	56.51	69.02	56.42	49.25	39.91	31.58	29.75	35.01	34.94
P/E Ratio:High	21	11	13	12	12	13	13	28	21	21
P/E Ratio:Low	16	7	9	9	9	10	10	18	16	15

## Income Statement Analysis (Million \$)

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Revenue	310,586	477,359	404,552	377,635	370,680	298,035	246,738	204,506	213,488	232,748
Operating Income	NA	78,669	156,810	150,107	59,255	45,639	32,230	23,280	29,602	33,309
Depreciation, Depletion and Amortization	11,917	12,379	12,250	11,416	10,253	9,767	9,047	8,310	7,944	8,130
Interest Expense	548	673	957	654	496	638	207	398	293	589
Pretax Income	34,777	81,750	71,479	68,453	60,231	42,017	32,660	17,719	24,688	27,493
Effective Tax Rate	43.5%	44.7%	41.8%	40.8%	38.7%	37.9%	33.7%	36.7%	36.5%	40.3%
Net Income	19,280	45,220	40,610	39,500	36,130	25,330	20,960	11,011	15,105	15,990
S&P Core Earnings	21,109	44,959	41,250	40,263	36,164	26,089	20,214	10,418	14,042	NA

## Balance Sheet & Other Financial Data (Million \$)

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Cash	10,862	32,007	34,500	32,848	28,671	18,531	10,626	7,229	6,547	7,081
Current Assets	55,235	72,266	85,963	75,777	73,342	60,377	45,960	38,291	35,681	40,399
Total Assets	233,323	228,052	242,082	219,015	208,335	195,256	174,278	152,644	143,174	149,000
Current Liabilities	52,061	49,100	58,312	48,817	46,307	42,981	38,386	33,175	30,114	38,191
Long Term Debt	6,761	7,025	7,183	6,645	6,220	5,013	4,756	6,655	7,099	7,280
Common Equity	110,569	112,965	121,762	113,844	111,186	101,756	89,915	74,597	73,161	70,757
Total Capital	123,037	144,274	156,126	141,340	138,284	131,813	118,171	100,504	99,444	97,709
Capital Expenditures	22,491	19,318	15,387	15,462	13,839	11,986	12,859	11,437	9,989	8,446
Cash Flow	31,197	57,599	52,860	50,916	46,383	35,097	30,007	19,321	23,049	24,120
Current Ratio	1.1	1.5	1.5	1.6	1.6	1.4	1.2	1.2	1.2	1.1
% Long Term Debt of Capitalization	Nil	4.9	4.6	4.7	4.4	3.8	4.0	6.6	7.1	7.5
% Return on Assets	8.4	19.2	17.6	18.5	17.9	13.7	12.8	7.4	10.3	10.9
% Return on Equity	NA	38.5	34.5	35.1	33.9	26.4	25.5	14.9	21.0	23.8

Data as orig reptd.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

# Exxon Mobil Corp

## Sub-Industry Outlook

Our fundamental outlook for the Integrated Oil & Gas sub-industry for the next 12 months is positive. With their solid dividend yields and huge global businesses diversified across E&P and refining, we look for the equity values of U.S.-based supermajor oil & gas companies to rise alongside our forecasts for improved global economic growth. As of mid-May, using IHS data, S&P expected global economies to expand 3.7% in 2010 and 3.6% in 2011.

On April 20, the Transocean-owned Deepwater Horizon drilling rig, which had just completed drilling BP's (operator of the well) Macondo prospect in the U.S. Gulf of Mexico, exploded -- killing 11 of its 126-member crew and setting off an oil spill. As a result, we believe the safety practices of U.S. drilling operations will come under close examination, and research and spending will rise for environmental control and cleanup and for alternative and renewable energy. While we have seen significant engineering advances in oil & gas production over the past 20 years, little has changed in the way oil spills are handled. As of late May, efforts to contain the oil spill were ongoing; at water depths of 5,000 feet, these efforts might be more like space than earth science.

On the back of both the Gulf oil spill and reduced spending as a result of the credit crisis, we are pessimistic about future supply trends, which we believe will put upward pressure on oil prices when demand rebounds.

As of May, the U.S. Energy Information Administration (EIA) estimated that global oil demand would expand by 1.57 million b/d to 85.59 million b/d in 2010 and by 1.60 million b/d in 2011. Driven by new OPEC capacity additions, the EIA projected global oil supply would increase by 1.60 million b/d to 85.84 million b/d in 2010, and by 1.07

million b/d in 2011.

As of May 25, using S&P revised estimates based on data from IHS, the EIA and Bloomberg, West Texas Intermediate (WTI) spot oil prices are projected to average about \$81 per barrel in 2010 and \$86 in 2011.

Separately, for U.S. natural gas, as of May 25, using forecasts from IHS Global Insight, S&P expected that Henry Hub spot prices will average \$3.96 per million Btu in 2010 and \$3.74 in 2011.

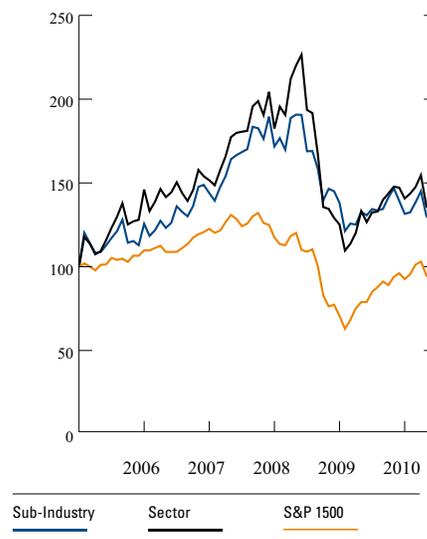
Year to date through May 21, the S&P Integrated Oil & Gas Sub-Industry Index dropped 6.4%, versus a 1.7% decline for the S&P 1500 Composite Index. In 2009, the sub-industry index was down 4.0%, versus a 24.3% advance for the 1500.

--Tina Vital

## Stock Performance

**GICS Sector: Energy**  
**Sub-Industry: Integrated Oil & Gas**

Based on S&P 1500 Indexes  
Month-end Price Performance as of 05/28/10



**NOTE:** All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

## Sub-Industry : Integrated Oil & Gas Peer Group\*: Supermajor Integrated Oil & Gas

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. \$)	Recent Stock Price(\$)	52 Week High/Low(\$)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.(\$)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
<b>Exxon Mobil</b>	<b>XOM</b>	<b>279,652</b>	<b>59.53</b>	<b>76.54/58.46</b>	<b>0.42</b>	<b>3.0</b>	<b>14</b>	<b>63.90</b>	<b>A+</b>	<b>100</b>	<b>6.8</b>	<b>NA</b>
BP p.l.c. ADS	BP	116,338	37.16	62.38/36.20	0.72	9.0	6	51.70	NR	95	6.9	18.7
Chevron Corp	CVX	143,176	71.28	83.41/60.88	0.63	4.0	11	77.40	A-	99	6.3	NA
ConocoPhillips	COP	74,505	50.06	60.53/38.62	1.12	4.4	12	48.40	B	88	3.6	NA
Royal Dutch Shell 'A' ADS	RDS.A	89,443	51.78	63.75/46.19	0.85	5.5	11	NA	NR	88	4.5	18.0
Royal Dutch Shell 'B' ADR	RDS.B	67,826	49.99	62.26/46.40	0.85	6.7	6	54.10	NR	73	8.3	7.1
Total 'B' ADS	TOT	101,072	45.25	67.52/43.07	0.77	6.1	8	NA	NR	72	7.5	27.0

NA-Not Available NM-Not Meaningful NR-Not Rated. \*For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

**Exxon Mobil Corp****S&P Analyst Research Notes and other Company News****May 27, 2010**

02:48 pm ET ... S&P REITERATES STRONG BUY RECOMMENDATION ON SHARES OF EXXON MOBIL CORP. (XOM 61.09\*\*\*\*): XOM's shares are up about 3%, in our view, reflecting confidence that global economic growth remains on track, despite risks by euro-zone debt and Asian overheating. XOM continues to provide assistance to on-going efforts to halt the Gulf oil spill. We see minimal near-term impacts to XOM's oil & gas production from the tragedy (about 6% of XOM's output is in the Gulf of Mexico), and its long-term plans remain intact, but we believe drilling on new Gulf projects (e.g. deepwater Hadrian) will see delays. On a blend of our DCF and relative valuations, we keep our \$85 target price. /T.Vital

**May 27, 2010**

Exxon Mobil Corp. announced that shareholders elected two new members, Peter Brabeck-Letmathe and Jay S. Fishman, to its board of directors. Brabeck-Letmathe is chairman of Nestle S.A. Fishman is chairman and chief executive officer of The Travelers Companies Inc. With the additions, the ExxonMobil board stands at 11 directors, 10 of whom are non-employee directors. Brabeck-Letmathe was appointed to his current position as chairman of Nestle in 2005. He also served as chief executive officer from 1997 to 2008. Fishman was appointed to his current position as chief executive officer of The Travelers Companies in 2004 and assumed the additional role of chairman in 2005.

**April 29, 2010**

XOM posts \$1.33 vs. \$0.92 Q1 EPS. Current EPS includes a charge of about \$200M (-\$0.04 EPS) associated with the recently enacted U.S. health care legislation. Street was looking for \$1.41 EPS.

**April 29, 2010**

11:48 am ET ... S&P MAINTAINS STRONG BUY RECOMMENDATION ON SHARES OF EXXONMOBIL (XOM 69.46\*\*\*\*): XOM posts Q1 operating EPS of \$1.37, vs. \$0.92, on higher oil prices and chemical margins. Results excluded \$0.04 of special charges, and missed our estimate by \$0.08 on lower gas prices and refining margins. Oil & gas production rose 4.5% to 4.36 MMBoe per day; we look for over 6% growth in '10. XTO merger is slated to close in Q2. XOM raised its quarterly dividend 4.8%. We trim our '10 operating EPS est. \$0.03 to \$5.93, '11's by \$0.13 to \$7.22, and '12's by \$0.33 to \$7.68. Blending our DCF with narrowed relative market valuations, we cut our target price by \$2 to \$85. /T.Vital

**April 23, 2010**

03:17 pm ET ... S&P MAINTAINS STRONG BUY RECOMMENDATION ON SHARES OF EXXONMOBIL (XOM 68.64\*\*\*\*): This U.S.-based supermajor oil is slated to post Q1 results on 4/29. We expect XOM will post operating EPS of \$1.45 for the quarter, which we have raised by \$0.01 to reflect higher oil prices. On our revised price and margin forecast, we increase our '10 operating EPS estimate by \$0.01 to \$5.96, but we trim '11's estimate by \$0.31 to \$7.35 on pressured refining margins, and we see '12 at \$8.01. Blending our discounted cash flow with narrowed relative market valuations, we cut our 12-month target price by \$3 to \$87 per share. /T.Vital

**March 23, 2010**

10:15 am ET ... S&P MAINTAINS HOLD RECOMMENDATION ON SHARES OF XTO ENERGY (XTO 47.0\*\*\*\*): On development projects in the East Texas Freestone Trend, Permian Basin, San Juan Region, and Barnett, Woodford and Fayetteville shale plays, XTO grew '09 production 23%, and we see above 10% growth in '10 and '11. Proved reserves were 14.8 Tcfe (84% gas) at year-end '09, up 7%, and a pickup at Haynesville should boost reserves in '10. XOM's acquisition of XTO is expected to be completed in Q2 '10. We expect the shares to trade in line with the implied value of the ExxonMobil (XOM 67\*\*\*\*) deal of \$48 per share, which is our 12-month target price, down \$3 today. /M. Kay

**March 11, 2010**

03:59 pm ET ... S&P REITERATES STRONG BUY RECOMMENDATION ON SHARES OF EXXON MOBIL CORP (XOM 67.07\*\*\*\*): While many peers are slashing capex amid a supply overhang, XOM told analysts at its NYSE meeting today that it will raise its capex to about \$28B in '10, and sees capex of \$25B-\$30B per year thru '14, versus \$27.1B in '09, reflecting its focus on long-term growth prospects. XOM is expanding its unconventional gas platform worldwide, and its bid for XTO is expected to permit the application of new technology and change the way unconventional natural gas is produced - thus, raising returns and volumes. We maintain our 12-month target price of \$90 per share. /T.Vital

**February 1, 2010**

XOM posts \$1.27 vs. \$1.54 Q4 EPS as lower refining and fuels margins and lower natural gas realizations offset 6.1% revenue rise. Street was looking for \$1.19.

**February 1, 2010**

10:20 am ET ... S&P REITERATES STRONG BUY RECOMMENDATION ON SHARES OF EXXONMOBIL (XOM 65.83\*\*\*\*): XOM posts operating EPS of \$1.27 vs. \$1.55 on narrowed refining margins and lower natural gas prices. Results beat our estimate by \$0.14, reflecting favorable tax items. Oil and gas production rose 0.3% to 3.93 MMBoe/d in '09, as lower-than-expected oil production was offset by higher-than-expected natural gas volumes. We look for over 5% growth in '10 on project ramp-ups. On revised margin forecast, we raise our '10 operating EPS estimate by \$0.17 to \$5.95, but keep '11's at \$7.66. Blending our DCF and relative valuations, we maintain our 12-month target price at \$90. /T.Vital

**January 25, 2010**

XOM says its ExxonMobil Iraq unit signed an agreement with the Iraq Ministry of Oil to redevelop and expand the West Qurna-1 field in southern Iraq.

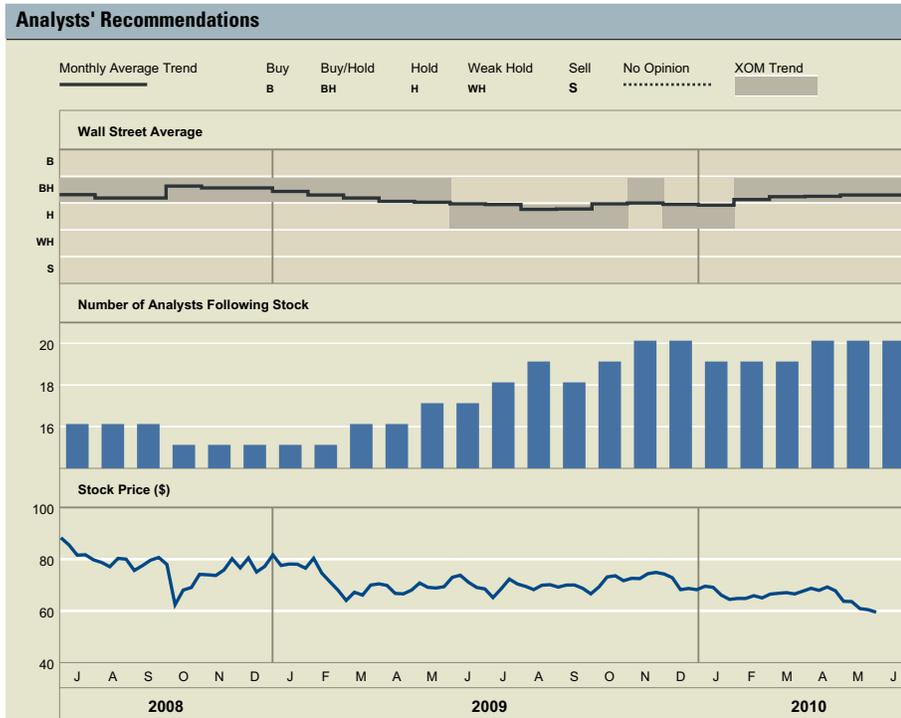
**January 21, 2010**

10:04 am ET ... S&P REITERATES STRONG BUY RECOMMENDATION ON SHARES OF EXXONMOBIL (XOM 67.78\*\*\*\*): XOM is set to post Q4 results on 2/1. We expect this U.S.-based supermajor oil to report Q4 operating EPS of \$1.13, downwardly revised by \$0.01 to reflect our estimate for narrowed refining margins & reduced utilization rates. We expect oil & gas production to rise 0.6% to 3.95 MMBoe/d in '09, but we look for about 2% growth in '10. Our revised price & margin forecast leads us to trim our '10 operating EPS estimate by \$0.18 to \$5.78, but up '11's by \$0.16 to \$7.66. Blending our DCF with relative market valuations, we raise our 12-month target by \$2 to \$90. /T.Vital

**December 14, 2009**

10:30 am ET ... S&P REITERATES STRONG BUY ON SHARES OF EXXON MOBIL CORP (XOM 72.83\*\*\*\*): XOM agreed to buy U.S. unconventional gas producer XTO Energy (XTO 48\*\*\*\*) in an all-stock deal valued at \$41B (including \$10B in debt). Subject to necessary approvals, XTO shareholders expect to get 0.7098 XOM common shares per XTO common share. We like the deal, which we view as fairly valued at \$2.96 per mcf of proved reserves (85% gas), in line with recent deals. We believe XTO assets will compliment XOM's growth plans in unconventional gas, and XOM's technical expertise will unlock additional XTO resource potential. We keep our target for XOM of \$88. /T.Vital

# Exxon Mobil Corp



Of the total 26 companies following XOM, 21 analysts currently publish recommendations.

	No. of Ratings	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	5	24	5	5
Buy/Hold	7	33	7	5
Hold	7	33	7	8
Weak Hold	1	5	1	1
Sell	0	0	0	0
No Opinion	1	5	1	1
<b>Total</b>	<b>21</b>	<b>100</b>	<b>21</b>	<b>20</b>



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2011	7.02	8.75	3.49	22	8.5
2010	5.79	6.72	4.14	22	10.3
<b>2011 vs. 2010</b>	<b>▲ 21%</b>	<b>▲ 30%</b>	<b>▼ -16%</b>	<b>0%</b>	<b>▼ -17%</b>
Q2'11	1.83	2.17	1.63	14	32.5
Q2'10	1.46	1.57	1.24	14	40.8
<b>Q2'11 vs. Q2'10</b>	<b>▲ 25%</b>	<b>▲ 38%</b>	<b>▲ 31%</b>	<b>0%</b>	<b>▼ -20%</b>

A company's earnings outlook plays a major part in any investment decision. Standard & Poor's organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years. This graph shows the trend in analyst estimates over the past 15 months.

### Wall Street Consensus Opinion

**BUY/HOLD**

### Companies Offering Coverage

- Argus Research Corp.
- Barclays Capital
- C. E. Unterberg, Towbin
- Credit Suisse First Boston
- Deutsche Bank
- Dolmen Butler Briscoe-Equity Research
- First Global Stockbroking Ltd.
- Goldman Sachs & Co.
- Griffin Securities, Inc.
- Howard Weil Labouisse Friedric
- ISI Group
- JP Morgan Securities
- Macquarie Research Equities
- Merrill Lynch Research
- Monness, Crespi, Hardt & Co., Inc.
- Morgan Stanley & Company
- Oppenheimer
- RBC Capital Markets (US)
- Raymond James & Assoc, Inc.
- SG Securities
- Sanford C Bernstein & Co., Inc.
- Simmons & Company Int'l
- Smith Barney
- THE Benchmark Company
- UBS Warburg
- Wall Street Strategies

### Wall Street Consensus vs. Performance

For fiscal year 2010, analysts estimate that XOM will earn \$5.79. For the 1st quarter of fiscal year 2010, XOM announced earnings per share of \$1.33, representing 23% of the total annual estimate. For fiscal year 2011, analysts estimate that XOM's earnings per share will grow by 21% to \$7.02.

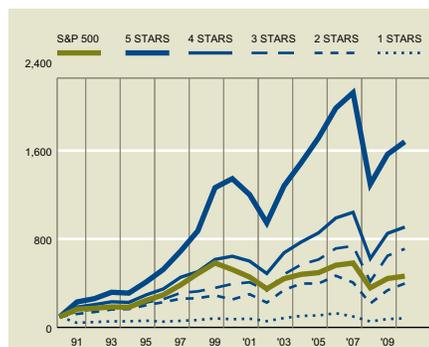
# Exxon Mobil Corp

## Glossary

### S&P STARS

Since January 1, 1987, Standard and Poor's Equity Research Services has ranked a universe of common stocks based on a given stock's potential for future performance. Under proprietary STARS (Stock Appreciation Ranking System), S&P equity analysts rank stocks according to their individual forecast of a stock's future total return potential versus the expected total return of a relevant benchmark (e.g., a regional index (S&P Asia 50 Index, S&P Europe 350 Index or S&P 500 Index)), based on a 12-month time horizon. STARS was designed to meet the needs of investors looking to put their investment decisions in perspective.

### STARS Average Annual Performance



### S&P 12-Month Target Price

The S&P equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics.

### Investment Style Classification

Characterizes the stock as Growth or Value, and indicates its capitalization level. Growth is evaluated along three dimensions (earnings, sales and internal growth), while Value is evaluated along four dimensions (book-to-price, cash flow-to-price, dividend yield and sale-to-price). Growth stocks score higher than the market average on growth dimensions and lower on value dimensions. The reverse is true for Value stocks. Certain stocks are classified as Blend, indicating a mixture of growth and value characteristics and cannot be classified as purely growth or value.

### Qualitative Risk Assessment

The S&P equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The Qualitative Risk Assessment is a relative ranking to the S&P U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices.

### Quantitative Evaluations

In contrast to our qualitative STARS recommendations, which are assigned by S&P analysts, the quantitative evaluations described below are derived from proprietary arithmetic models. These computer-driven evaluations may at times contradict an analyst's qualitative assessment of a stock. One primary reason for this is that different measures are used to determine each. For instance, when designating STARS, S&P analysts assess many factors that cannot be reflected in a model, such as risks and opportunities, management changes, recent competitive shifts, patent expiration, litigation risk, etc.

### S&P Quality Ranking

Growth and stability of earnings and dividends are deemed key elements in establishing S&P's Quality Rankings for common stocks, which are designed to encapsulate the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+ Highest	B Below Average
A High	B- Lower
A- Above Average	C Lowest
B+ Average	D In Reorganization
NR Not Ranked	

### S&P Fair Value Rank

Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stocks with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following: 5-Stock is significantly undervalued; 4-Stock is moderately undervalued; 3-Stock is fairly valued; 2-Stock is modestly overvalued; 1-Stock is significantly overvalued.

### S&P Fair Value Calculation

The price at which a stock should trade at, according to S&P's proprietary quantitative model that incorporates both actual and estimated variables (as opposed to only actual variables in the case of S&P Quality Ranking). Relying heavily on a company's actual return on equity, the S&P Fair Value model places a value on a security based on placing a formula-derived price-to-book multiple on a company's consensus earnings per share estimate.

### Insider Activity

Gives an insight as to insider sentiment by showing whether directors, officers and key employees who have proprietary information not available to the general public, are buying or selling the company's stock during the most recent six months.

### Funds From Operations FFO

FFO is Funds from Operations and equal to a REIT's net income, excluding gains or losses from sales of property, plus real estate depreciation.

### Investability Quotient (IQ)

The IQ is a measure of investment desirability. It serves as an indicator of potential medium-to-long term return and as a caution against downside risk. The measure takes into account variables such as technical indicators, earnings estimates, liquidity, financial ratios and selected S&P proprietary measures.

### S&P's IQ Rationale:

Exxon Mobil	Raw Score	Max Value
Proprietary S&P Measures	115	115
Technical Indicators	33	40
Liquidity/Volatility Measures	17	20
Quantitative Measures	60	75
<b>IQ Total</b>	<b>225</b>	<b>250</b>

### Volatility

Rates the volatility of the stock's price over the past year.

### Technical Evaluation

In researching the past market history of prices and trading volume for each company, S&P's computer models apply special technical methods and formulas to identify and project price trends for the stock.

### Relative Strength Rank

Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

### Global Industry Classification Standard (GICS)

An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 68 Industries, and 154 Sub-Industries.

### S&P Issuer Credit Rating

A Standard & Poor's Issuer Credit Rating is a current opinion of an obligor's overall financial capacity (its creditworthiness) to pay its financial obligations. This opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation, as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, it does not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation. The Issuer Credit Rating is not a recommendation to purchase, sell, or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor. Issuer Credit Ratings are based on current information furnished by obligors or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any Issuer Credit Rating and may, on occasion, rely on unaudited financial information. Issuer Credit Ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances.

### Exchange Type

ASE - American Stock Exchange; NNM - Nasdaq National Market; NSC - Nasdaq SmallCap; NYSE - New York Stock Exchange; BB - OTC Bulletin Board; OT - Over-the-Counter; TO - Toronto Stock Exchange.

### S&P Equity Research Services

Standard & Poor's Equity Research Services U.S. includes Standard & Poor's Investment Advisory Services LLC; Standard & Poor's Equity Research Services Europe includes Standard & Poor's LLC-London; Standard & Poor's Equity Research Services Asia includes Standard & Poor's LLC's offices in Hong Kong, Singapore and Tokyo, Standard & Poor's Malaysia Sdn Bhd, and Standard & Poor's Information Services (Australia) Pty Ltd.

### Abbreviations Used in S&P Equity Research Reports

**CAGR**- Compound Annual Growth Rate; **CAPEX**- Capital Expenditures; **CY**- Calendar Year; **DCF**- Discounted Cash Flow; **EBIT**- Earnings Before Interest and Taxes; **EBITDA**- Earnings Before Interest, Taxes, Depreciation and Amortization; **EPS**- Earnings Per Share; **EV**- Enterprise Value; **FCF**- Free Cash Flow; **FFO**- Funds From Operations; **FY**- Fiscal Year; **P/E**- Price/Earnings; **PEG Ratio**- P/E-to-Growth Ratio; **PV**- Present Value; **R&D**- Research & Development; **ROE**- Return on Equity; **ROI**- Return on Investment; **ROIC**- Return on Invested Capital; **ROA**- Return on Assets; **SG&A**- Selling, General & Administrative Expenses; **WACC**- Weighted Average Cost of Capital

**Dividends on American Depository Receipts (ADRs) and American Depository Shares (ADSs) are net of taxes (paid in the country of origin).**

**Exxon Mobil Corp****Required Disclosures****S&P Global STARS Distribution**

**In North America:** As of March 31, 2010, research analysts at Standard & Poor's Equity Research Services U.S. have recommended 35.9% of issuers with buy recommendations, 52.8% with hold recommendations and 11.3% with sell recommendations.

**In Europe:** As of March 31, 2010, research analysts at Standard & Poor's Equity Research Services Europe have recommended 37.9% of issuers with buy recommendations, 39.3% with hold recommendations and 22.8% with sell recommendations.

**In Asia:** As of March 31, 2010, research analysts at Standard & Poor's Equity Research Services Asia have recommended 42.9% of issuers with buy recommendations, 49.1% with hold recommendations and 8.0% with sell recommendations.

**Globally:** As of March 31, 2010, research analysts at Standard & Poor's Equity Research Services globally have recommended 36.9% of issuers with buy recommendations, 50.1% with hold recommendations and 13.0% with sell recommendations.

★★★★★ **5-STARS (Strong Buy):** Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

★★★★☆ **4-STARS (Buy):** Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.

★★★☆☆ **3-STARS (Hold):** Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.

★★☆☆☆ **2-STARS (Sell):** Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain.

★☆☆☆☆ **1-STARS (Strong Sell):** Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis.

**Relevant benchmarks:** In North America the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are generally the S&P Europe 350 Index and the S&P Asia 50 Index.

**For All Regions:** All of the views expressed in this research report accurately reflect the research analyst's personal views regarding any and all of the subject securities or issuers. No part of analyst compensation was, is, or will be directly or indirectly, related to the specific recommendations or views expressed in this research report.

**Additional information is available upon request.****Other Disclosures**

This report has been prepared and issued by Standard & Poor's and/or one of its affiliates. In the United States, research reports are prepared by Standard & Poor's Investment Advisory Services LLC ("SPIAS"). In the United States, research reports are issued by Standard & Poor's ("S&P"), in the United Kingdom by Standard & Poor's LLC ("S&P LLC"), which is authorized and regulated by the Financial Services Authority; in Hong Kong by Standard & Poor's LLC which is regulated by the Hong Kong Securities Futures Commission, in Singapore by Standard & Poor's LLC, which is regulated by the Monetary Authority of Singapore; in Japan by Standard & Poor's LLC, which is regulated by the Kanto Financial Bureau; in Malaysia by Standard & Poor's Malaysia Sdn Bhd ("S&PM") which is regulated by the Securities Commission and in Australia by Standard & Poor's Information Services (Australia) Pty Ltd ("SPIS") which is regulated by the Australian Securities & Investments Commission; and in Korea by SPIAS, which is also registered in Korea as a cross-border investment advisory company.

The research and analytical services performed by SPIAS, S&P LLC, S&PM, and SPIS are each conducted separately from any other analytical activity of Standard & Poor's.

Standard & Poor's or an affiliate may license certain intellectual property or provide pricing or other services to, or otherwise have a financial interest in, certain issuers of securities, including exchange-traded investments whose investment objective is to substantially replicate the returns of a proprietary Standard & Poor's index, such as the S&P 500. In cases where Standard & Poor's or an affiliate is paid fees that are tied to the amount of assets that are invested in the fund or the volume of trading activity in the fund, investment in the fund will generally result in Standard & Poor's or an affiliate earning compensation in addition to the subscription fees or other compensation for services rendered by Standard & Poor's. A reference to a particular investment or security by Standard & Poor's and one of its affiliates is not a recommendation to buy, sell, or hold such investment or security, nor is it considered to be investment advice.

Standard & Poor's and its affiliates provide a wide range of services to, or relating to, many organizations, including issuers of securities, investment advisers, broker-dealers, investment banks, other financial institutions and financial intermediaries, and accordingly may receive fees or other economic benefits from those organizations, including organizations whose securities or services they may recommend, rate, include in model portfolios, evaluate or otherwise address.

S&P and/or one of its affiliates has performed services for and received compensation from this company during the past twelve months.

**Disclaimers**

This material is based upon information that we consider to be reliable, but neither S&P nor its affiliates warrant its completeness, accuracy or adequacy and it should not be relied upon as such. With respect to reports issued by S&P LLC-Japan and in the case of inconsistencies between the English and Japanese version of a report, the English version prevails. Neither S&P LLC nor S&P guarantees the accuracy of the translation. Assumptions, opinions and estimates constitute our judgment as of the date of this material and are subject to change without notice. Neither S&P nor its affiliates are responsible for any errors or omissions or for results obtained from the use of this information. Past performance is not necessarily indicative of future results.

This material is not intended as an offer or solicitation for the purchase or sale of any security or other financial instrument. Securities, financial instruments or strategies mentioned herein may not be suitable for all investors. Any opinions expressed herein are given in good faith, are subject to change without notice, and are only correct as of the stated date of their issue. Prices, values, or income from any securities or investments mentioned in this report may fall against the interests of the investor and the investor may get back less than the amount invested. Where an investment is described as being likely to yield income, please note that the amount of income that the investor will receive from such an investment may fluctuate. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. The information contained in this report does not constitute advice on the tax consequences of making any particular investment decision. This material is not intended for any specific investor and does not take into account your particular investment objectives, financial situations or needs and is not intended as a recommendation of particular securities, financial instruments or strategies to you. Before acting on any recommendation in this material, you should consider whether it is suitable for your particular circumstances and, if necessary, seek professional advice.

For residents of the U.K. - This report is only directed at and should only be relied on by persons outside of the United Kingdom or persons who are inside the United Kingdom and who have professional experience in matters relating to investments or who are high net worth persons, as defined in Article 19(5) or Article 49(2) (a) to (d) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, respectively.

For residents of Singapore - Anything herein that may be construed as a recommendation is intended for general circulation and does not take into account the specific investment objectives, financial situation or particular needs of any particular person. Advice should be sought from a financial adviser regarding the suitability of an investment, taking into account the specific investment objectives, financial situation or particular needs of any person in receipt of the recommendation, before the person makes a commitment to purchase the investment product.

For residents of Malaysia - All queries in relation to this report should be referred to Alexander Chia, Desmond Ch'ng, or Ching Wah Tam.

This investment analysis was prepared from the following sources: S&P MarketScope, S&P Compustat, S&P Industry Reports, I/B/E/S International, Inc.; Standard & Poor's, 55 Water St., New York, NY 10041.