

# EXXON MOBIL CORP

BUY				HOLD			SELL				<b>HOLD</b>	RATING SINCE	05/06/2009			
A+	A	A-	B+	B	B-	C+	C	C-	D+	D				D-	E+	E
Annual Dividend Rate <b>\$1.68</b>				Annual Dividend Yield <b>2.72%</b>			Beta <b>0.47</b>			Market Capitalization <b>\$288.2 Billion</b>			52-Week Range <b>\$58.46-\$76.54</b>		Price as of 6/3/2010 <b>\$61.56</b>	

 Sector: **Energy** | Sub-Industry: **Integrated Oil & Gas** | Source: **GICS**
**XOM BUSINESS DESCRIPTION**

Exxon Mobil Corporation engages in the exploration, production, transportation, and sale of crude oil and natural gas. It also involves in the manufacture, transportation, and sale of petroleum products.

**STOCK PERFORMANCE (%)**

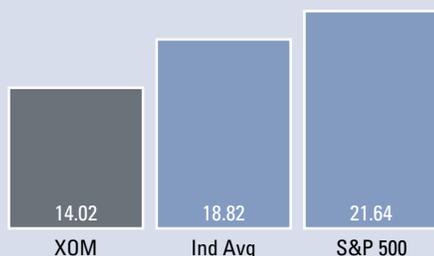
	3 Mo.	1 Yr.	3 Yr (Ann)
Price Change	-5.92	-14.60	-9.92

**GROWTH (%)**

	Last Qtr	12 Mo.	3 Yr CAGR
Revenues	42.68	-20.44	-3.50
Net Income	38.46	-45.92	-19.54
EPS	44.56	-41.70	-13.87

**RETURN ON EQUITY (%)**

	XOM	Ind Avg	S&P 500
Q1 2010	18.69	19.35	10.37
Q1 2009	36.34	22.91	4.28
Q1 2008	34.29	26.16	13.07

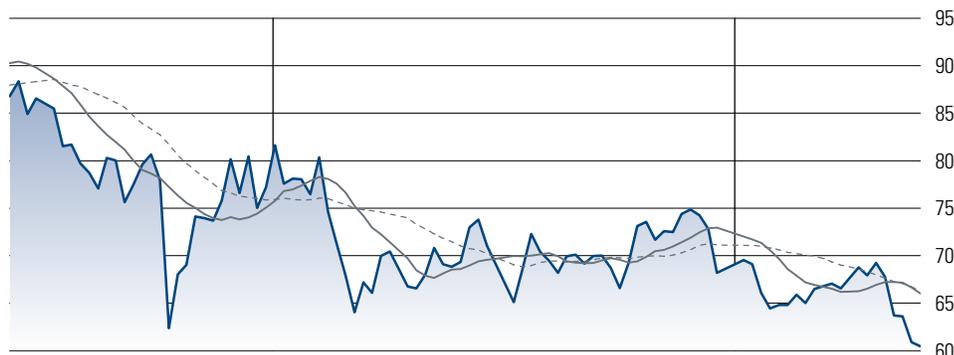
**P/E COMPARISON**

**EPS ANALYSIS' (\$)**

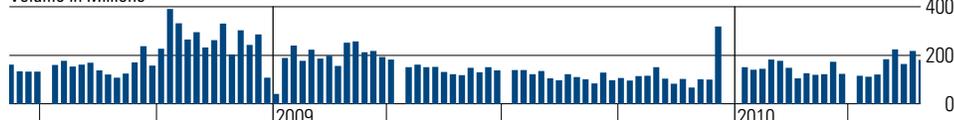

NA = not available NM = not meaningful

1 Compustat fiscal year convention is used for all fundamental data items.

Weekly Price: (US\$) | SMA (50) — SMA (100) ---

1 Year | 2 Years


**Rating History**

**Volume in Millions**


COMPUSTAT for Price and Volume, TheStreet.com Ratings, Inc. for Rating History

**RECOMMENDATION**

We rate EXXON MOBIL CORP (XOM) a HOLD. The primary factors that have impacted our rating are mixed - some indicating strength, some showing weaknesses, with little evidence to justify the expectation of either a positive or negative performance for this stock relative to most other stocks. The company's strengths can be seen in multiple areas, such as its revenue growth, attractive valuation levels and good cash flow from operations. However, as a counter to these strengths, we also find weaknesses including poor profit margins, a generally disappointing performance in the stock itself and disappointing return on equity.

**HIGHLIGHTS**

The revenue growth came in higher than the industry average of 20.8%. Since the same quarter one year prior, revenues rose by 42.7%. Growth in the company's revenue appears to have helped boost the earnings per share.

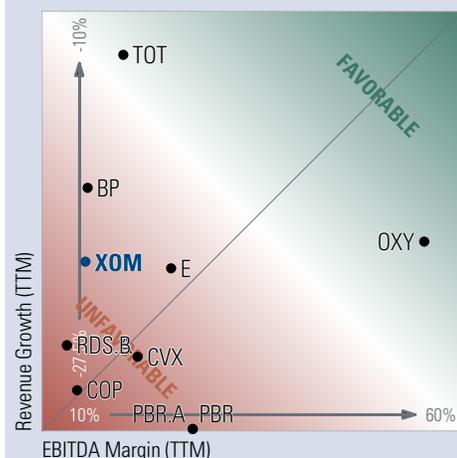
XOM's debt-to-equity ratio is very low at 0.08 and is currently below that of the industry average, implying that there has been very successful management of debt levels. Although the company had a strong debt-to-equity ratio, its quick ratio of 0.74 is somewhat weak and could be cause for future problems.

XOM has underperformed the S&P 500 Index, declining 14.60% from its price level of one year ago. The fact that the stock is now selling for less than others in its industry in relation to its current earnings is not reason enough to justify a buy rating at this time.

The gross profit margin for EXXON MOBIL CORP is rather low; currently it is at 20.40%. It has decreased from the same quarter the previous year. Along with this, the net profit margin of 7.90% trails that of the industry average.

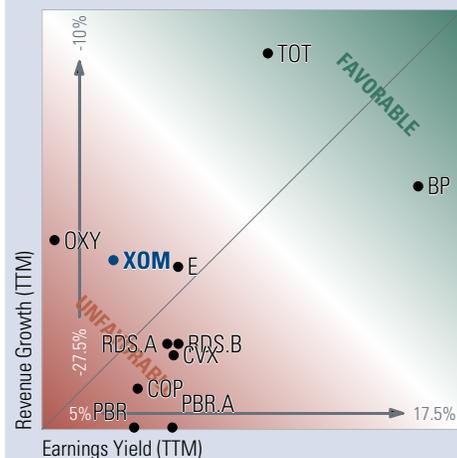
Sector: Energy | Integrated Oil &amp; Gas | Source: GICS

Annual Dividend Rate <b>\$1.68</b>	Annual Dividend Yield <b>2.72%</b>	Beta <b>0.47</b>	Market Capitalization <b>\$288.2 Billion</b>	52-Week Range <b>\$58.46-\$76.54</b>	Price as of 6/3/2010 <b>\$61.56</b>
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**PEER GROUP ANALYSIS**
**REVENUE GROWTH AND EBITDA MARGIN\***


Companies with higher EBITDA margins and revenue growth rates are outperforming companies with lower EBITDA margins and revenue growth rates. Companies for this scatter plot have a market capitalization between \$67.3 Billion and \$288.2 Billion. Companies with NA or NM values do not appear.

\*EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortization.

**REVENUE GROWTH AND EARNINGS YIELD**


Companies that exhibit both a high earnings yield and high revenue growth are generally more attractive than companies with low revenue growth and low earnings yield. Companies for this scatter plot have revenue growth rates between -27.4% and -11.8%. Companies with NA or NM values do not appear.

**INDUSTRY ANALYSIS**
**PEER GROUP: Oil, Gas & Consumable Fuels**

Ticker	Company Name	Recent Price (\$)	Market Cap (\$M)	Price/Earnings	Net Sales TTM (\$M)	Net Income TTM (\$M)
<b>XOM</b>	<b>EXXON MOBIL CORP</b>	<b>61.56</b>	<b>288,211</b>	<b>14.02</b>	<b>299,564.00</b>	<b>21,030.00</b>
COP	CONOCOPHILLIPS	51.98	77,363	12.74	149,936.00	6,116.00
E	ENI SPA	38.13	76,362	11.05	119,280.94	6,258.78
OXY	OCCIDENTAL PETROLEUM CORP	82.92	67,345	18.59	17,101.00	3,611.00
RDS.A	ROYAL DUTCH SHELL PLC	54.06	166,079	11.45	306,028.00	14,511.00
RDS.B	ROYAL DUTCH SHELL PLC	52.11	166,079	11.04	306,028.00	14,511.00
PBR	PETROBRAS-PETROLEO BRASILIER	36.89	153,141	12.90	88,006.00	12,527.00
PBR.A	PETROBRAS-PETROLEO BRASILIER	32.19	153,141	11.26	88,006.00	12,527.00
CVX	CHEVRON CORP	73.91	148,459	11.22	170,885.00	13,198.00
BP	BP PLC	39.27	123,376	6.17	265,047.00	20,095.00
TOT	TOTAL	48.08	112,912	8.52	171,818.13	12,603.82

The peer group comparison is based on Major Integrated Oil & Gas companies of comparable size.

Sector: Energy | Integrated Oil &amp; Gas | Source: GICS

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**COMPANY DESCRIPTION**

Exxon Mobil Corp.'s principal business is energy, involving exploration for, and production of, crude oil and natural gas, manufacture of petroleum products and transportation and sale of crude oil, natural gas and petroleum products. The company, its divisions and affiliates operate or market products in the U.S. and about 200 other countries and territories. ExxonMobil manufactures and markets commodity petrochemicals, including olefins, aromatics, polyethylene and polypropylene plastics and a wide variety of specialty products. ExxonMobil also holds interests in electric power generation facilities. Affiliates of ExxonMobil conduct extensive research programs in support of these businesses. During 2005, the company's activities were conducted, either directly or through affiliated companies, by ExxonMobil Exploration Company, by ExxonMobil Development Company, by ExxonMobil Production Company and by ExxonMobil Gas & Power Marketing Company. Some of its exploration, development, production and gas marketing activities were also conducted in Canada by the Resources Division of Imperial Oil Limited, which is 69.6% owned by ExxonMobil. The numbers of wells operated at year-end 2005 were 17,351 gross wells and 14,028 net wells, located in the U.S., Europe, Canada, Africa, Asia Pacific/Middle East, Russia/Caspian and South America. Net developed acreage in the U.S. totaled 5,260 (thousands of acres), Canada 2,238, Europe 4,687, Africa 545, Asia Pacific/Middle East 1,570, Russia/Caspian 116, and South America 232. Specifically at year-end 2005, the company's acreage within the U.S. totaled 11.7 million net acres, of which 3.0 million net acres were offshore. ExxonMobil was active in areas onshore and offshore in the lower 48 states and in Alaska. During 2005, 514.3 net exploration and development wells were completed in the inland lower 48 states and 9.0 net development wells were completed offshore in the Pacific. Participation in Alaska production and development continued and a total of 23.7 net exploration and development wells were drilled. Net acreage in the Gulf of Mexico at year-end 2005 was 2.8 million acres. A total of 16.2 net exploration and development wells were completed during the year. Year-end 2005 acreage holdings in Canada totaled 7.1 million net acres, of which 3.1 million net acres were offshore. A total of 266.7 net exploration and development wells were completed during the year. In eastern Canada, work continued on the Sable Compression project.

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**STOCK-AT-A-GLANCE**

Below is a summary of the major fundamental and technical factors we consider when determining our overall recommendation of XOM shares. It is provided in order to give you a deeper understanding of our rating methodology as well as to paint a more complete picture of a stock's strengths and weaknesses. It is important to note, however, that these factors only tell part of the story. To gain an even more comprehensive understanding of our stance on the stock, these factors must be assessed in combination with the stock's valuation. Please refer to our Valuation section on page 5 for further information.

FACTOR	SCORE					
<b>Growth</b>	<b>1.5 out of 5 stars</b>	★	★	☆	☆	☆
Measures the growth of both the company's income statement and cash flow. On this factor, XOM has a growth score better than 20% of the stocks we rate.		weak				strong
<b>Total Return</b>	<b>1.0 out of 5 stars</b>	★	☆	☆	☆	☆
Measures the historical price movement of the stock. The stock performance of this company has beaten 10% of the companies we cover.		weak				strong
<b>Efficiency</b>	<b>5.0 out of 5 stars</b>	★	★	★	★	★
Measures the strength and historic growth of a company's return on invested capital. The company has generated more income per dollar of capital than 90% of the companies we review.		weak				strong
<b>Price volatility</b>	<b>3.0 out of 5 stars</b>	★	★	★	☆	☆
Measures the volatility of the company's stock price historically. The stock is less volatile than 50% of the stocks we monitor.		weak				strong
<b>Solvency</b>	<b>5.0 out of 5 stars</b>	★	★	★	★	★
Measures the solvency of the company based on several ratios. The company is more solvent than 90% of the companies we analyze.		weak				strong
<b>Income</b>	<b>4.5 out of 5 stars</b>	★	★	★	★	☆
Measures dividend yield and payouts to shareholders. The company's dividend is higher than 80% of the companies we track.		weak				strong

**THESTREET.COM RATINGS RESEARCH METHODOLOGY**

TheStreet.com Ratings' stock model projects a stock's total return potential over a 12-month period including both price appreciation and dividends. Our Buy, Hold or Sell ratings designate how we expect these stocks to perform against a general benchmark of the equities market and interest rates. While our model is quantitative, it utilizes both subjective and objective elements. For instance, subjective elements include expected equities market returns, future interest rates, implied industry outlook and forecasted company earnings. Objective elements include volatility of past operating revenues, financial strength, and company cash flows.

Our model gauges the relationship between risk and reward in several ways, including: the pricing drawdown as compared to potential profit volatility, i.e. how much one is willing to risk in order to earn profits; the level of acceptable volatility for highly performing stocks; the current valuation as compared to projected earnings growth; and the financial strength of the underlying company as compared to its stock's valuation as compared to projected earnings growth; and the financial strength of the underlying company as compared to its stock's performance. These and many more derived observations are then combined, ranked, weighted, and scenario-tested to create a more complete analysis. The result is a systematic and disciplined method of selecting stocks.

Sector: Energy | Integrated Oil &amp; Gas | Source: GICS

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**Consensus EPS Estimates<sup>2</sup> (\$)**

IBES consensus estimates are provided by Thomson Financial


**INCOME STATEMENT**

	Q1 FY10	Q1 FY09
Net Sales (\$mil)	80,222.00	56,222.00
EBITDA (\$mil)	12,189.00	8,850.00
EBIT (\$mil)	8,909.00	6,057.00
Net Income (\$mil)	6,300.00	4,550.00

**BALANCE SHEET**

	Q1 FY10	Q1 FY09
Cash & Equiv. (\$mil)	13,827.00	25,140.00
Total Assets (\$mil)	242,748.00	222,491.00
Total Debt (\$mil)	9,450.00	9,204.00
Equity (\$mil)	112,541.00	107,003.00

**PROFITABILITY**

	Q1 FY10	Q1 FY09
Gross Profit Margin	20.43%	22.50%
EBITDA Margin	15.19%	15.74%
Operating Margin	11.11%	10.77%
Sales Turnover	1.23	1.69
Return on Assets	8.66%	17.47%
Return on Equity	18.69%	36.34%

**DEBT**

	Q1 FY10	Q1 FY09
Current Ratio	1.07	1.31
Debt/Capital	0.08	0.08
Interest Expense	55.00	107.00
Interest Coverage	161.98	56.61

**SHARE DATA**

	Q1 FY10	Q1 FY09
Shares outstanding (mil)	4,698	4,880
Div / share	0.42	0.40
EPS	1.33	0.92
Book value / share	23.95	21.93
Institutional Own %	NA	NA
Avg Daily Volume	29,949,185	29,843,622

<sup>2</sup> Sum of quarterly figures may not match annual estimates due to use of median consensus estimates.

**FINANCIAL ANALYSIS**

EXXON MOBIL CORP's gross profit margin for the first quarter of its fiscal year 2010 has decreased when compared to the same period a year ago. The company has grown sales and net income significantly, outpacing the average growth rates of competitors within its industry. EXXON MOBIL CORP has weak liquidity. Currently, the Quick Ratio is 0.74 which shows a lack of ability to cover short-term cash needs. The company's liquidity has decreased from the same period last year.

During the same period, stockholders' equity ("net worth") has increased by 5.17% from the same quarter last year. Overall, the key liquidity measurements indicate that the company is in a position in which financial difficulties could develop in the future.

# EXXON MOBIL CORP

Sector: Energy | Integrated Oil &amp; Gas | Source: GICS

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## RATINGS HISTORY

Our rating for EXXON MOBIL CORP has not changed since 5/6/2009. As of 6/3/2010, the stock was trading at a price of \$61.56 which is 19.6% below its 52-week high of \$76.54 and 5.3% above its 52-week low of \$58.46.

### 2 Year Chart



## MOST RECENT RATINGS CHANGES

Date	Price	Action	From	To
5/6/09	\$68.58	Downgrade	Buy	Hold
6/3/08	\$85.71	No Change	Buy	Buy

Price reflects the closing price as of the date listed, if available

## RATINGS DEFINITIONS & DISTRIBUTION OF THESTREET.COM RATINGS

(as of 6/3/2010)

**25.97% Buy** - We believe that this stock has the opportunity to appreciate and produce a total return of more than 10% over the next 12 months.

**39.67% Hold** - We do not believe this stock offers conclusive evidence to warrant the purchase or sale of shares at this time and that its likelihood of positive total return is roughly in balance with the risk of loss.

**34.36% Sell** - We believe that this stock is likely to decline by more than 10% over the next 12 months, with the risk involved too great to compensate for any possible returns.

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## VALUATION

**HOLD.** This stock's P/E ratio indicates a discount compared to an average of 18.82 for the Oil, Gas & Consumable Fuels industry and a discount compared to the S&P 500 average of 21.64. To use another comparison, its price-to-book ratio of 2.57 indicates a premium versus the S&P 500 average of 2.07 and a discount versus the industry average of 2.89. The price-to-sales ratio is below the S&P 500 average and is well below the industry average, indicating a discount. Upon assessment of these and other key valuation criteria, EXXON MOBIL CORP proves to trade at a discount to investment alternatives within the industry.

Price/Earnings	1	2	3	4	5
					premium

**XOM 14.02** Peers **18.82**

- Discount. A lower P/E ratio than its peers can signify a less expensive stock or lower growth expectations.
- XOM is trading at a significant discount to its peers.

Price/Projected Earnings	1	2	3	4	5
					premium

**XOM 8.73** Peers **12.88**

- Discount. A lower price-to-projected earnings ratio than its peers can signify a less expensive stock or lower future growth expectations.
- XOM is trading at a discount to its peers.

Price/Book	1	2	3	4	5
					premium

**XOM 2.57** Peers **2.89**

- Discount. A lower price-to-book ratio makes a stock more attractive to investors seeking stocks with lower market values per dollar of equity on the balance sheet.
- XOM is trading at a discount to its peers.

Price/Sales	1	2	3	4	5
					premium

**XOM 0.97** Peers **6.55**

- Discount. In the absence of P/E and P/B multiples, the price-to-sales ratio can display the value investors are placing on each dollar of sales.
- XOM is trading at a significant discount to its industry on this measurement.

Price/CashFlow	1	2	3	4	5
					premium

**XOM 8.84** Peers **8.11**

- Average. The P/CF ratio, a stock's price divided by the company's cash flow from operations, is useful for comparing companies with different capital requirements or financing structures.
- XOM is trading at a valuation on par to its peers.

Price to Earnings/Growth	1	2	3	4	5
					premium

**XOM 0.30** Peers **0.66**

- Discount. The PEG ratio is the stock's P/E divided by the consensus estimate of long-term earnings growth. Faster growth can justify higher price multiples.
- XOM trades at a significant discount to its peers.

Earnings Growth	1	2	3	4	5
					lower

**XOM -41.70** Peers **-2.98**

- Lower. Elevated earnings growth rates can lead to capital appreciation and justify higher price-to-earnings ratios.
- However, XOM is expected to significantly trail its peers on the basis of its earnings growth rate.

Sales Growth	1	2	3	4	5
					lower

**XOM -20.44** Peers **-16.72**

- Lower. A sales growth rate that trails the industry implies that a company is losing market share.
- XOM significantly trails its peers on the basis of sales growth

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