

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For The Quarterly Period Ended September 30, 1994

OR

() TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 1-2256

EXXON CORPORATION

(Exact name of registrant as specified in its charter)

NEW JERSEY

13-5409005

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification Number)

225 E. John W. Carpenter Freeway, Irving, Texas 75062-2298

(Address of principal executive offices)

(Zip Code)

(214) 444-1000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No__.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of September 30, 1994
Common stock, without par value	1,241,455,701

EXXON CORPORATION

FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 1994

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

EXXON CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF INCOME
(millions of dollars)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1994	1993	1994	1993
REVENUE				
Sales and other operating revenue, including excise taxes	\$29,237	\$27,380	\$81,963	\$81,881
Earnings from equity interests and other revenue	326	540	883	1,253
Total revenue	<u>29,563</u>	<u>27,920</u>	<u>82,846</u>	<u>83,134</u>
COSTS AND OTHER DEDUCTIONS				
Crude oil and product purchases	12,353	11,614	34,096	35,163
Operating expenses	3,101	3,035	9,315	9,300
Selling, general and administrative expenses	1,783	1,676	5,134	5,046
Depreciation and depletion	1,187	1,210	3,709	3,640
Exploration expenses, including dry holes	147	173	420	449
Interest expense	126	193	534	534
Excise taxes	3,190	2,925	8,787	8,585
Other taxes and duties	5,639	4,993	15,577	14,559
Income applicable to minority and preferred interests	97	64	189	187
Total costs and other deductions	<u>27,623</u>	<u>25,883</u>	<u>77,761</u>	<u>77,463</u>
INCOME BEFORE INCOME TAXES	1,940	2,037	5,085	5,671
Income taxes	785	677	1,885	1,891
NET INCOME	<u>\$ 1,155</u>	<u>\$ 1,360</u>	<u>\$ 3,200</u>	<u>\$ 3,780</u>
	=====	=====	=====	=====
Net income per common share*	\$ 0.92	\$ 1.09	\$ 2.54	\$ 3.01
Dividends per common share	\$ 0.72	\$ 0.72	\$ 2.16	\$ 2.16
Average number common shares outstanding (millions)	1,241.4	1,241.6	1,241.6	1,241.7

* Computed as income less dividends on preferred stock divided by the weighted average number of common shares outstanding.

EXXON CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEET
(millions of dollars)

	Sept. 30, 1994	Dec. 31, 1993
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,700	\$ 983
Other marketable securities	725	669
Notes and accounts receivable - net	7,315	6,860
Inventories		
Crude oil, products and merchandise	4,703	4,616
Materials and supplies	862	856
Prepaid taxes and expenses	1,145	875
	<u>16,450</u>	<u>14,859</u>
Property, plant and equipment - net	63,454	61,962
Investments and other assets	7,886	7,324
	<u>\$87,790</u>	<u>\$84,145</u>
	=====	=====
LIABILITIES		
Current liabilities		
Notes and loans payable	\$ 4,195	\$ 4,109
Accounts payable and accrued liabilities	12,832	12,122
Income taxes payable	2,226	2,359
	<u>19,253</u>	<u>18,590</u>
Long-term debt	8,936	8,506
Annuity reserves, deferred credits and other liabilities	23,085	22,257
	<u>51,274</u>	<u>49,353</u>
	=====	=====
SHAREHOLDERS' EQUITY		
Preferred stock, without par value:		
Authorized: 200 million shares		
Issued: 16 million shares (Convertible, Class A)		
Outstanding: 9 million shares at Sept. 30, 1994	583	
11 million shares at Dec. 31, 1993		668
Guaranteed LESOP obligation	(614)	(716)
Common stock, without par value:		
Authorized: 2,000 million shares		
Issued: 1,813 million shares	2,822	2,822
Earnings reinvested	49,860	49,365
Cumulative foreign exchange translation adjustment	889	(370)
Common stock held in treasury:		
571 million shares at Sept. 30, 1994	(17,024)	
571 million shares at Dec. 31, 1993		(16,977)
	<u>36,516</u>	<u>34,792</u>
	=====	=====
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	<u>\$87,790</u>	<u>\$84,145</u>
	=====	=====

The number of shares of common stock issued and outstanding at September 30, 1994 and December 31, 1993 were 1,241,455,701 and 1,241,737,220, respectively.

EXXON CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(millions of dollars)

	Nine Months Ended	
	Sept. 30,	Sept. 30,
	1994	1993
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$3,200	\$3,780
Depreciation and depletion	3,709	3,640
Changes in operational working capital, excluding cash and debt	(312)	1,051
All other items - net	504	6
	<u>7,101</u>	<u>8,477</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions and additions to property,		

plant and equipment	(4,646)	(4,841)
Sales of subsidiaries and property, plant and equipment	787	934
Other investing activities - net	118	(118)
Net Cash Used In Investing Activities	(3,741)	(4,025)
NET CASH GENERATION BEFORE FINANCING ACTIVITIES	3,360	4,452
CASH FLOWS FROM FINANCING ACTIVITIES		
Additions to long-term debt	883	1,261
Reductions in long-term debt	(336)	(158)
Additions/(reductions) in short-term debt - net	(60)	(1,268)
Cash dividends to Exxon shareholders	(2,717)	(2,723)
Cash dividends to minority interests	(370)	(202)
Additions/(reductions) to minority interests and sales/(redemptions) of affiliate preferred stock	31	(533)
Acquisitions of Exxon shares - net	(132)	(154)
Net Cash Used In Financing Activities	(2,701)	(3,777)
Effects Of Exchange Rate Changes On Cash	58	(21)
Increase/(Decrease) In Cash And Cash Equivalents	717	654
Cash And Cash Equivalents At Beginning Of Period	983	898
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$1,700	\$1,552
	=====	=====
SUPPLEMENTAL DISCLOSURES		
Income taxes paid	\$1,765	\$1,409
Cash interest paid	\$ 517	\$ 502

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS:

These condensed consolidated financial statements should be read in the context of the consolidated financial statements and notes thereto filed with the S.E.C. in the corporation's 1993 Annual Report on Form 10-K. In the opinion of the corporation, the information furnished herein reflects all known accruals and adjustments necessary for a fair statement of the results for the periods reported herein. All such adjustments are of a normal recurring nature. The corporation's exploration and production activities are accounted for under the "successful efforts" method.

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EXXON CORPORATION

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FUNCTIONAL EARNINGS SUMMARY	Third Quarter		First Nine Months	
	1994	1993	1994	1993
Petroleum and natural gas				
Exploration and production		(millions of dollars)		
United States	\$ 208	\$ 273	\$ 659	\$ 763
Non-U.S.	408	549	1,395	1,716
Refining and marketing				
United States	87	121	125	255
Non-U.S.	330	474	881	1,084
Total petroleum and natural gas	1,033	1,417	3,060	3,818
Chemicals				
United States	80	46	282	183
Non-U.S.	118	22	255	94
Other operations	89	19	211	115
Corporate and financing	(165)	(144)	(608)	(430)
NET INCOME	\$1,155	\$ 1,360	\$3,200	\$3,780
	=====	=====	=====	=====

THIRD QUARTER 1994 COMPARED WITH THIRD QUARTER 1993

Exxon Corporation estimated third quarter 1994 net income at \$1,155 million, equal to \$0.92 per share, compared with \$1,360 million, or \$1.09 per share, in the same period last year.

Earnings in the third quarter of 1993 included \$306 million of credits for asset sales and tax adjustments. Excluding those special items, this quarter's earnings are up ten percent relative to the third quarter of 1993.

In the third quarter of 1994, Exxon's liquids production, natural gas sales, refinery throughput, petroleum product sales, chemical sales

and coal sales were all above the levels achieved in the comparable quarter of 1993. Worldwide crude oil prices were slightly higher, but industry refining margins were narrower than in the third quarter of last year.

Exxon's chemical product sales in the third quarter were the highest in over two years, and margins also improved. As a result, chemical earnings more than doubled from a year ago. In addition, earnings from Exxon's other operating segments improved, as coal production increased and copper prices rose.

OTHER COMMENTS ON THIRD QUARTER COMPARISON

Relative to the prior year, third quarter 1994 worldwide production earnings benefited from a modest improvement in crude prices. However, natural gas earnings were negatively impacted by lower gas realizations in the U.S. Third quarter earnings from U.S. exploration and production operations were \$208 million, while earnings from operations outside the U.S. were \$408 million. Excluding special items, comparable 1993 earnings were \$176 million for U.S. operations and \$397 million for operations outside the U.S.

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EXXON CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

OTHER COMMENTS ON THIRD QUARTER COMPARISON (Continued)

Crude production in the third quarter 1994 was 1,670 kbd (thousand barrels per day) up from 1,620 kbd the prior year. Production from new developments in the U.S. and the North Sea provided most of the increase. Worldwide natural gas production of 4,660 mcf (million cubic feet per day) was up 41 mcf from the prior year as reductions in European sales were offset by new production from Exxon's Mobile Bay development in the U.S. and growth in Pacific Rim demand.

Petroleum product margins were lower in this year's third quarter, as product prices did not keep pace with higher crude supply costs, while in the 1993 third quarter product margins benefited from declining crude supply costs. Worldwide petroleum product sales of 5,043 kbd rose 120 kbd compared to the third quarter of last year, with increases in U.S., Europe, Far East and Latin American volumes. Third quarter 1994 earnings from refining and marketing operations in the U.S. were \$87 million, compared with \$121 million in the third quarter 1993. Earnings from refining and marketing operations outside the U.S. totaled \$330 million, versus \$474 million in the third quarter last year.

Earnings from chemical operations in the third quarter of this year benefited from improved margins and increased sales. Product sales volumes of 3,307 kt (thousand tons) were up 219 kt over last year's quarter. Third quarter 1994 worldwide chemical earnings were \$198 million compared with \$68 million last year.

Earnings from other operating segments totaled \$89 million, compared with \$19 million in third quarter 1993. Coal production increased and copper realizations rose substantially.

Corporate and financing expenses in the third quarter 1994 were \$165 million, compared with \$144 million last year.

Net income in the third quarter of 1993 included \$306 million of tax credits and gains on asset sales; there were no similar credits in the third quarter 1994.

During the third quarter 1994, a Federal District Court jury in Anchorage, Alaska, returned compensatory and punitive damage verdicts in the civil litigation resulting from the accidental grounding of the Exxon Valdez in 1989. See Exxon's Current Report on Form 8-K dated September 21, 1994. During the quarter, Exxon filed motions to overturn or reduce these verdicts, which are being reviewed by the trial court and may be the subject of appeals to higher courts. Since it is impossible to estimate what the ultimate earnings impact will be, no charge was taken in the third quarter related to these events.

EXXON CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS (Continued)

OTHER COMMENTS ON THIRD QUARTER COMPARISON (Continued)

Revenue for the third quarter totaled \$29,563 million. This was an increase from \$27,920 million in the third quarter 1993. Capital and exploration expenditures of \$1,925 million compared to \$2,010 million in the third quarter 1993.

During the third quarter of this year, Exxon purchased 0.6 million shares of its stock for the treasury at a cost of \$34 million.

FIRST NINE MONTHS 1994 COMPARED WITH FIRST NINE MONTHS 1993

Net income of \$3,200 million for the first nine months of 1994 compared with \$3,780 million in 1993. Net income in 1993 included \$563 million of net special credits, while the first nine months of 1994 included \$66 million of tax related credits.

Although worldwide crude prices improved in the third quarter, through nine months of 1994 prices were weaker, down over \$2.00 per barrel on average from 1993. Worldwide crude production of 1,704 kbd was up from 1,648 kbd in 1993, principally as a result of increased production from new developments in the North Sea and Alaska. Natural gas production of 5,757 mcfd rose by six percent versus 1993, largely due to increased U.S. and Pacific Rim production. Excluding special items, earnings from U.S. exploration and production operations were \$659 million, compared with \$666 million in the first nine months of last year. Outside the U.S., earnings from exploration and production operations were \$1,329 million versus \$1,462 million in 1993.

Petroleum product margins for the first nine months of 1994 were on average weaker than the prior year, negatively impacting refining and marketing earnings. In addition, an increase in refining maintenance activities this year reduced earnings. Worldwide petroleum product sales of 4,985 kbd were up from 4,875 kbd in the first nine months of 1993, with increases in clean product sales in most major markets. Through the first nine months of this year, U.S. refining and marketing earnings were \$125 million, compared with \$255 million the prior year. Earnings from refining and marketing operations outside the U.S. were \$881 million, versus \$1,084 million in 1993.

Earnings from worldwide chemical operations totaled \$537 million for the first nine months of 1994, nearly double the earnings level of the prior year. Product margins were higher than in 1993 and sales volume this year totaled 9,879 kt, up from 9,480 kt in the first nine months of 1993.

EXXON CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS (Continued)

FIRST NINE MONTHS 1994 COMPARED WITH FIRST NINE MONTHS 1993 (Continued)

Earnings from other operating segments totaled \$211 million in the first nine months of 1994, up from \$115 million in 1993. Coal and copper production increased, and copper prices were significantly higher. Corporate and financing charges of \$608 million compared with \$430 million in the first nine months of 1993, which benefited from \$220 million of tax credits.

Net cash generation before financing activities was \$3,360 million in the first nine months of 1994 versus \$4,452 million in the same period last year. Operating activities provided net cash of \$7,101 million, a decrease of \$1,376 million from 1993's first nine months, due mainly to lower net income and changes in operational working capital. Investing activities used net cash of \$3,741 million, or \$284 million less than a year ago.

Net cash used in financing activities was \$2,701 million in the first nine months of 1994 versus \$3,777 million for the year-ago period. The decrease of \$1,076 million mainly reflects the absence of the redemption of preferred securities by an affiliate in 1993 and increased borrowings. Net outlays for treasury share acquisitions were \$132 million versus \$154 million in the same period last year. During the first nine months of 1994, a total of 2.9 million shares were acquired at a cost of \$181 million. Purchases are made in the open market and through negotiated transactions. Purchases may be discontinued at any time.

Capital and exploration expenditures of \$5,461 million in the first nine months of 1994 compared to \$5,724 million in the same period last year.

Total debt of \$13.1 billion at September 30, 1994 was \$0.5 billion higher than the level at year-end 1993. The corporation's debt to capital ratio was 25.3 percent at the end of the first nine months of 1994, unchanged from year-end 1993.

Over the twelve months ended September 30, 1994, return on average shareholders' equity was 13.2 percent. Return on average capital employed, which includes debt, was 10.6 percent over the same time period.

Although the corporation accesses financial markets from time to time, internally generated funds cover the majority of its financial requirements.

The corporation, as part of its ongoing asset management program, continues to evaluate its mix of assets for potential upgrade. Because of the ongoing nature of this program, dispositions will continue to be made from time to time which will result in either gains or losses.

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EXXON CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS (Concluded)

SPECIAL ITEMS

Third Quarter		First Nine Months	
1994	1993	1994	1993
<hr/>		<hr/>	
(millions of dollars)			

EXPLORATION & PRODUCTION

United States				
Primarily asset dispositions	-	\$182	-	\$182
Primarily tax related	-	(85)	-	(85)
Non-U.S.				
Primarily asset dispositions	-	(26)	-	(6)
Primarily tax related	-	178	\$66	260

REFINING AND MARKETING

United States				
Primarily asset dispositions	-	-	-	43
Primarily tax related	-	(17)	-	(17)
Non-U.S.				
Primarily asset dispositions	-	-	-	(32)
Primarily tax related	-	23	-	23

CHEMICALS

Primarily tax related	-	(26)	-	(26)
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OTHER OPERATIONS

Primarily asset dispositions	-	(12)	-	(12)
Primarily tax related	-	-	-	13

CORPORATE & FINANCING

Primarily tax related	-	89	-	220
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TOTAL	-	\$306	\$ 66	\$563
	===	=====	=====	=====

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PART II - OTHER INFORMATION

EXXON CORPORATION

FOR THE QUARTER ENDED SEPTEMBER 30, 1994

Item 1. Legal Proceedings

On September 30, 1994, the U.S. Environmental Protection Agency issued a Complaint to the registrant proposing civil penalties totaling \$258,000 for a number of alleged violations of the Clean Air Act and the Clean Water Act at the registrant's Baton Rouge Chemical Plant. The registrant plans to request a hearing concerning the Complaint.

See also the registrant's Current Report on Form 8-K dated September 21, 1994 for developments in the legal proceedings arising out of the release of crude oil from the tanker Exxon Valdez in 1989.

Item 6. Exhibits and Reports on Form 8-K

a) Exhibits

Exhibit 27, Financial Data Schedule, is included only in the electronic filing of this document.

b) Reports on Form 8-K

The registrant filed a Form 8-K on September 21, 1994.

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EXXON CORPORATION

FORM 10-Q

FOR THE QUARTER ENDED SEPTEMBER 30, 1994

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

EXXON CORPORATION

Date: November 11, 1994

W. B. Cook

W. B. Cook, Vice President, Controller
and Principal Accounting Officer

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AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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