

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 March 31, 1995

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 (I.R.S. Employer
incorporation or organization) 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 March 31, 1995
Common stock, without par value	1,242,233,354

EXXON CORPORATION

FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 1995

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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 March 31,	
	1995	1994
REVENUE		
Sales and other operating revenue, including excise taxes	\$29,197	\$25,624
Earnings from equity interests and other revenue	582	340
Total revenue	29,779	25,964
COSTS AND OTHER DEDUCTIONS		
Crude oil and product purchases	12,240	10,255
Operating expenses	3,042	3,070
Selling, general and administrative expenses	1,731	1,616
Depreciation and depletion	1,336	1,289
Exploration expenses, including dry holes	168	138
Interest expense	143	301
Excise taxes	3,070	2,741
Other taxes and duties	5,464	4,792
Income applicable to minority and preferred interests	74	54
Total costs and other deductions	27,268	24,256
INCOME BEFORE INCOME TAXES	2,511	1,708
Income taxes	851	548
NET INCOME	\$ 1,660	\$ 1,160
Net income per common share*	\$ 1.33	\$ 0.92
Dividends per common share	\$ 0.75	\$ 0.72
Average number common shares outstanding (millions)	1,241.9	1,241.9

* 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)

	March 31, 1995	Dec. 31, 1994
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,770	\$ 1,157
Other marketable securities	404	618
Notes and accounts receivable - net	8,431	8,073
Inventories		
Crude oil, products and merchandise	4,704	4,717
Materials and supplies	818	824
Prepaid taxes and expenses	1,325	1,071
Total current assets	18,452	16,460
Property, plant and equipment - net	64,535	63,425
Investments and other assets	8,284	7,977
TOTAL ASSETS	\$91,271	\$87,862
LIABILITIES		
Current liabilities		
Notes and loans payable	\$ 3,581	\$ 3,858
Accounts payable and accrued liabilities	13,925	13,391
Income taxes payable	2,459	2,244
Total current liabilities	19,965	19,493
Long-term debt	9,178	8,831
Annuity reserves, deferred credits and other liabilities	22,946	22,123
TOTAL LIABILITIES	52,089	50,447
SHAREHOLDERS' EQUITY		
Preferred stock, without par value:		
Authorized: 200 million shares		
Outstanding: 9 million shares at Mar. 31, 1995	526	
9 million shares at Dec. 31, 1994		554
Guaranteed LESOP obligation	(613)	(613)
Common stock, without par value:		
Authorized: 2,000 million shares		
Issued: 1,813 million shares	2,822	2,822
Earnings reinvested	51,542	50,821
Cumulative foreign exchange translation adjustment	1,915	848
Common stock held in treasury:		
571 million shares at Mar. 31, 1995	(17,010)	
571 million shares at Dec. 31, 1994		(17,017)
TOTAL SHAREHOLDERS' EQUITY	39,182	37,415
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$91,271	\$87,862

The number of shares of common stock issued and outstanding at March 31, 1995 and December 31, 1994 were 1,242,233,354 and 1,241,744,053, respectively.

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

	Three Months Ended	
	March 31,	March 31,
	1995	1994
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$1,660	\$1,160

Depreciation and depletion	1,336	1,289
Changes in operational working capital, excluding cash and debt	212	(145)
All other items - net	74	59
Net Cash Provided By Operating Activities	<u>3,282</u>	<u>2,363</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions and additions to property, plant and equipment	(1,399)	(1,328)
Sales of subsidiaries and property, plant and equipment	115	331
Other investing activities - net	490	432
Net Cash Used In Investing Activities	<u>(794)</u>	<u>(565)</u>
NET CASH GENERATION BEFORE FINANCING ACTIVITIES	<u>2,488</u>	<u>1,798</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Additions to long-term debt	527	584
Reductions in long-term debt	(82)	(256)
Additions/(reductions) in short-term debt-net	(399)	(410)
Cash dividends to Exxon shareholders	(942)	(906)
Cash dividends to minority interests	(76)	(102)
Additions/(reductions) to minority interests and sales/(redemptions) of affiliate preferred stock	14	27
Acquisitions of Exxon shares - net	(21)	(48)
Net Cash Used In Financing Activities	<u>(979)</u>	<u>(1,111)</u>
Effects Of Exchange Rate Changes On Cash	<u>104</u>	<u>(22)</u>
Increase/(Decrease) In Cash And Cash Equivalents	<u>1,613</u>	<u>665</u>
Cash And Cash Equivalents At Beginning Of Period	1,157	983
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$2,770</u> =====	<u>\$1,648</u> =====
SUPPLEMENTAL DISCLOSURES		
Income taxes paid	\$ 441	\$ 799
Cash interest paid	\$ 224	\$ 139

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 1994 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

	First Quarter	
	1995	1994
	<u>1995</u>	<u>1994</u>
	(millions of dollars)	
Petroleum and natural gas		
Exploration and production		
United States	\$ 209	\$ 245
Non-U.S.	757	590
Refining and marketing		
United States	16	39
Non-U.S.	184	349
Total petroleum and natural gas	<u>1,166</u>	<u>1,223</u>
Chemicals		
United States	230	92
Non-U.S.	317	57
Other operations	113	58
Corporate and financing	(166)	(270)
NET INCOME	<u>\$1,660</u> =====	<u>\$1,160</u> =====

FIRST QUARTER 1995 COMPARED WITH FIRST QUARTER 1994

Exxon Corporation estimated first quarter 1995 net income at \$1,660 million, or \$1.33 per share, compared with \$1,160 million, or \$0.92 per share, in the same period last year.

Exxon's earnings of over \$1.6 billion in the first quarter were significantly above the first quarter of last year as a result of improvements in the operating performance of most business segments. Relative to the first quarter of last year, crude, chemicals and copper prices were considerably stronger, and Exxon increased liquids and copper production, as well as sales of petroleum and chemicals products. Chemical earnings rose to record levels in the first quarter, more than tripling the results of a year ago. Improvements in crude prices and liquids production more than offset the effect of unseasonably warm weather which reduced natural gas sales, particularly in Europe, and further depressed natural gas prices in the U.S. Downstream results, however, were disappointing as petroleum product prices did not keep pace with rising crude supply costs. This, coupled with an industry wide over supply situation, exerted strong downward pressure on refining margins in all major markets.

During the quarter, Exxon maintained its active investment program spending over \$1.7 billion on capital and exploration projects and advancing several large initiatives, including projects in Azerbaijan, China and Russia.

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EXXON CORPORATION

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

OTHER COMMENTS ON FIRST QUARTER COMPARISON

During the first quarter, worldwide production earnings benefited from crude prices that were on average more than \$3.00 per barrel above the prior year. Natural gas prices in Europe also moved higher, benefiting from improved contract terms. However, unseasonably warm weather resulted in lower natural gas sales, particularly in Europe, and lower natural gas prices in the U.S.

Worldwide crude production was 1,776 kbd (thousand barrels per day) up from 1,742 kbd in 1994. The increase in production came from developments in Malaysia and the North Sea, and the highest U.S. quarterly production in three years. Worldwide natural gas production of 7,159 mcf (million cubic feet per day) was down 118 mcf from the first quarter of last year as increased production in the Asia-Pacific region was offset by lower demand in Europe and the U.S.

Exploration and production earnings in the U.S. were \$209 million, down from \$245 million in the first quarter of last year, as the benefit of higher crude prices was offset by lower natural gas prices. Earnings from exploration and production operations outside the U.S. were \$757 million, up from \$590 million in last year's first quarter, as improved crude and natural gas realizations offset the negative impact of lower European natural gas sales.

Worldwide petroleum product sales of 5,031 kbd rose 70 kbd from last year's first quarter on the strength of a 3 percent increase in clean product volumes. Refining and marketing earnings benefited from lower

scheduled maintenance activities this year, but were negatively affected by depressed refining margins, particularly in the U.S. and Europe. First quarter refining and marketing earnings in the U.S. were \$16 million, down from \$39 million the prior year. Earnings from refining and marketing operations outside the U.S. were \$184 million, compared with \$349 million in the same period a year ago.

Worldwide chemical earnings rose sharply to a quarterly record \$547 million, compared to \$149 million in the first quarter of 1994. Higher product margins and sales volumes, along with lower operating expenses, produced the upturn in chemical earnings. Chemical prime product sales were a quarterly record 3,369 kt (thousand metric tons), an increase of 3 percent from the first quarter 1994.

Earnings from other operating segments, including coal, minerals and power were \$113 million, nearly double the \$58 million earned in the first quarter of 1994. Earnings this year benefited from higher copper prices and production.

Corporate and financing expenses of \$166 million were down from the first quarter of last year due to a reduction in foreign exchange effects and lower interest costs.

Revenue totaled \$29,779 million compared with \$25,964 million in the first quarter of 1994.

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EXXON CORPORATION

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

OTHER COMMENTS ON FIRST QUARTER COMPARISON (Continued)

Net cash generation before financing activities was \$2,488 million in the first three months of 1995 versus \$1,798 million in the same period last year. Operating activities provided net cash of \$3,282 million, an increase of \$919 million from 1994's first three months, influenced mainly by higher net income and changes in operational working capital. Investing activities used net cash of \$794 million, or \$229 million more than a year ago primarily due to lower proceeds from asset dispositions.

Net cash used in financing activities was \$979 million in the first quarter of 1995 versus \$1,111 million in the same quarter last year. During the first quarter of 1995, a total of 1.0 million shares were acquired at a cost of \$64 million. Purchases are made in both the open market and through negotiated transactions. Purchases may be discontinued at any time.

Capital and exploration expenditures totaled \$1,762 million in the first quarter 1995 versus \$1,577 million in the first quarter of 1994. Capital and exploration expenditures in 1995 should exceed the 1994 level as Exxon maintains its focus on profitable growth opportunities.

Total debt of \$12.8 billion at March 31, 1995 was essentially unchanged from year-end 1994. The corporation's debt to total capital ratio was 23.6 percent at the end of the first quarter of 1995, down from 24.3 percent at year-end 1994, primarily due to increases in shareholders' equity.

Over the twelve months ended March 31, 1995, return on average shareholder's equity was 15.0 percent. Return on average capital employed, which includes debt, was 11.7 percent over the same time period.

Although the corporation issues long-term debt from time to time and maintains a revolving commercial paper program, 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

First Quarter

1995 1994

(millions of dollars)

EXPLORATION & PRODUCTION

Non-U.S.		
Primarily tax related	-	\$66
TOTAL	<u>-</u>	<u>\$66</u>
	===	===

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PART II - OTHER INFORMATION

EXXON CORPORATION

FOR THE QUARTER ENDED MARCH 31, 1995

Item 1. Legal Proceedings

The U.S. Environmental Protection Agency (the "EPA") has indicated that it may issue an Administrative Order or otherwise seek unspecified civil penalties against Esso Virgin Islands, Inc., a subsidiary of the registrant, in connection with alleged violations under the Clean Air Act involving failure to conduct performance testing on a timely basis and underestimations of daily throughput of gasoline in an emissions permit application.

As reported in the registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1993, the Texas Natural Resource Conservation Commission (the "TNRCC") proposed penalties totaling \$847,460 with respect to a number of alleged water and waste violations at the registrant's Baytown Refinery. On March 20, 1995, the registrant and the TNRCC settled the alleged violations by entering into an Agreed Order that included penalties totaling \$600,000, \$460,000 of which has been paid and \$140,000 of which was deferred pending the registrant's completion of a number of environmental projects. If the registrant completes these projects, the deferred portion of the penalties will not have to be paid.

As reported in the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1994 and its Annual Report on Form 10-K for the year ended December 31, 1994, in December 1994, the EPA proposed a penalty of \$144,000 with respect to an alleged violation by the

registrant of certain new source performance standards under the Clean Air Act applicable to a volatile organic compound storage tank. The EPA has subsequently increased the proposed penalty to \$152,600 due to a calculation error.

Item 6. Exhibits and Reports on Form 8-K

a) Exhibits

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

b) Reports on Form 8-K

The registrant has not filed any reports on Form 8-K during the quarter.

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EXXON CORPORATION

FORM 10-Q

FOR THE QUARTER ENDED MARCH 31, 1995

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: May 11, 1995

/s/ W. BRUCE COOK

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

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THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM EXXON'S CONDENSED CONSOLIDATED BALANCE SHEET AT MARCH 31, 1995, AND EXXON'S CONDENSED CONSOLIDATED STATEMENT OF INCOME FOR THE FIRST QUARTER 1995, THAT ARE CONTAINED IN EXXON'S FORM 10-Q FOR THE QUARTERLY PERIOD ENDED MARCH 31, 1995. THE SCHEDULE IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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