

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 June 30, 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
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 June 30, 1995
Common stock, without par value	1,241,765,493

EXXON CORPORATION

FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 1995

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

	Page Number
Item 1. Financial Statements	
Condensed Consolidated Statement of Income Three and six months ended June 30, 1995 and 1994	3
Condensed Consolidated Balance Sheet As of June 30, 1995 and December 31, 1994	4
Condensed Consolidated Statement of Cash Flows	5

Six months ended June 30, 1995 and 1994

Notes to Condensed Consolidated Financial Statements 5

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations 6-10

PART II. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders 11

Item 6. Exhibits and Reports on Form 8-K 12

Signature 13

-2-

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	1995	1994	1995	1994
REVENUE				
Sales and other operating revenue, including excise taxes	\$31,084	\$27,102	\$60,281	\$52,726
Earnings from equity interests and other revenue	583	217	1,165	557
Total revenue	<u>31,667</u>	<u>27,319</u>	<u>61,446</u>	<u>53,283</u>
COSTS AND OTHER DEDUCTIONS				
Crude oil and product purchases	13,186	11,488	25,426	21,743
Operating expenses	3,217	3,144	6,259	6,214
Selling, general and administrative expenses	1,755	1,735	3,486	3,351
Depreciation and depletion	1,328	1,233	2,664	2,522
Exploration expenses, including dry holes	167	135	335	273
Interest expense	176	107	319	408
Excise taxes	3,238	2,856	6,308	5,597
Other taxes and duties	5,840	5,146	11,304	9,938
Income applicable to minority and preferred interests	86	38	160	92
Total costs and other deductions	<u>28,993</u>	<u>25,882</u>	<u>56,261</u>	<u>50,138</u>
INCOME BEFORE INCOME TAXES	<u>2,674</u>	<u>1,437</u>	<u>5,185</u>	<u>3,145</u>
Income taxes	1,044	552	1,895	1,100
NET INCOME	<u>\$ 1,630</u>	<u>\$ 885</u>	<u>\$ 3,290</u>	<u>\$ 2,045</u>
Net income per common share*	\$ 1.30	\$ 0.70	\$ 2.63	\$ 1.62
Dividends per common share	\$ 0.75	\$ 0.72	\$ 1.50	\$ 1.44
Average number common shares				

outstanding (millions) 1,242.5 1,241.6 1,242.2 1,241.7

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

-3-

EXXON CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEET
(millions of dollars)

	June 30, 1995	Dec. 31, 1994
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,577	\$ 1,157
Other marketable securities	157	618
Notes and accounts receivable - net	8,066	8,073
Inventories		
Crude oil, products and merchandise	5,069	4,717
Materials and supplies	828	824
Prepaid taxes and expenses	1,289	1,071
Total current assets	<u>17,986</u>	<u>16,460</u>
Property, plant and equipment - net	64,653	63,425
Investments and other assets	8,519	7,977
TOTAL ASSETS	<u>\$91,158</u> =====	<u>\$87,862</u> =====
LIABILITIES		
Current liabilities		
Notes and loans payable	\$ 3,308	\$ 3,858
Accounts payable and accrued liabilities	13,750	13,391
Income taxes payable	2,403	2,244
Total current liabilities	<u>19,461</u>	<u>19,493</u>
Long-term debt	8,550	8,831
Annuity reserves, deferred credits and other liabilities	23,148	22,123
TOTAL LIABILITIES	<u>51,159</u>	<u>50,447</u>
SHAREHOLDERS' EQUITY		
Preferred stock, without par value:		
Authorized: 200 million shares		
Outstanding: 8 million shares at June 30, 1995	501	
9 million shares at Dec. 31, 1994		554
Guaranteed LESOP obligation	(501)	(613)
Common stock, without par value:		
Authorized: 2,000 million shares		
Issued: 1,813 million shares	2,822	2,822
Earnings reinvested	52,234	50,821
Cumulative foreign exchange translation adjustment	2,057	848
Common stock held in treasury:		
571 million shares at June 30, 1995	(17,114)	
571 million shares at Dec. 31, 1994		(17,017)
TOTAL SHAREHOLDERS' EQUITY	<u>39,999</u>	<u>37,415</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$91,158</u> =====	<u>\$87,862</u> =====

The number of shares of common stock issued and outstanding at June 30, 1995 and December 31, 1994 were 1,241,765,493 and 1,241,744,053, respectively.

-4-

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

	Six Months Ended June 30,
	<u>1995</u> <u>1994</u>

CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$3,290	\$2,045
Depreciation and depletion	2,664	2,522
Changes in operational working capital, excluding cash and debt	(8)	(64)
All other items - net	384	(85)
Net Cash Provided By Operating Activities	<u>6,330</u>	<u>4,418</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions and additions to property, plant and equipment.	(3,046)	(2,998)
Sales of subsidiaries and property, plant and equipment	258	667
Other investing activities - net	667	653
Net Cash Used In Investing Activities	<u>(2,121)</u>	<u>(1,678)</u>
NET CASH GENERATION BEFORE FINANCING ACTIVITIES	<u>4,209</u>	<u>2,740</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Additions to long-term debt	787	735
Reductions in long-term debt	(615)	(301)
Additions/(reductions) in short-term debt - net	(947)	(121)
Cash dividends to Exxon shareholders	(1,884)	(1,812)
Cash dividends to minority interests	(156)	(301)
Additions/(reductions) to minority interests and sales/(redemptions) of affiliate preferred stock	6	40
Acquisitions of Exxon shares - net	(150)	(103)
Net Cash Used In Financing Activities	<u>(2,959)</u>	<u>(1,863)</u>
Effects Of Exchange Rate Changes On Cash	<u>170</u>	<u>19</u>
Increase/(Decrease) In Cash And Cash Equivalents	<u>1,420</u>	<u>896</u>
Cash And Cash Equivalents At Beginning Of Period	<u>1,157</u>	<u>983</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$2,577</u>	<u>\$1,879</u>
	=====	=====
SUPPLEMENTAL DISCLOSURES		
Income taxes paid	\$1,103	\$1,272
Cash interest paid	\$ 423	\$ 330

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS:

These unaudited 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.

-5-

EXXON CORPORATION

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

FUNCTIONAL EARNINGS SUMMARY

	Second Quarter		First Six Months	
	1995	1994	1995	1994
	(millions of		dollars)	
Petroleum and natural gas				
Exploration and production				
United States	\$ 281	\$ 206	\$ 490	\$ 451
Non-U.S.	570	397	1,327	987
Refining and marketing				
United States	61	(1)	77	38
Non-U.S.	224	202	408	551
Total petroleum and natural gas	<u>1,136</u>	<u>804</u>	<u>2,302</u>	<u>2,027</u>
Chemicals				
United States	266	110	496	202
Non-U.S.	305	80	622	137
Other operations	109	64	222	122
Corporate and financing	(186)	(173)	(352)	(443)
NET INCOME	<u>\$1,630</u>	<u>\$ 885</u>	<u>\$3,290</u>	<u>\$2,045</u>
	=====	=====	=====	=====

Exxon Corporation estimated second quarter 1995 earnings of \$1,630 million, an increase of 84 percent from \$885 million in the second quarter of 1994. On a per share basis, net income was \$1.30, up from \$0.70 in the second quarter last year.

As a result of improvements in all major operating segments, Exxon earned net income of \$1.6 billion, the highest ever achieved in a second quarter. Crude oil prices were volatile during the quarter, strengthening early in the period but then weakening by the end of the quarter. However, relative to the second quarter of last year, average crude prices were stronger. While Exxon increased liquids production, unseasonably warm weather resulted in a reduction in gas sales in Europe and lower natural gas prices in the U.S. Downstream earnings improved from last year's very low level, but remain disappointing due primarily to depressed industry refining margins. Exxon increased sales of motor gasoline and specialty products, but heating oil sales were down due to warm weather. Chemical earnings tripled compared to a year ago, establishing a new quarterly earnings record. Worldwide chemical product sales were increased and margins improved. Earnings from other operations grew significantly, primarily due to improvements in copper and coal results.

Exxon continues to increase capital and exploration spending as attractive investment opportunities are developed in each of the major operating segments.

-6-

EXXON CORPORATION

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

OTHER COMMENTS ON SECOND QUARTER COMPARISON

During the second quarter 1995, worldwide production earnings benefited from crude oil prices that were on average more than \$2.00 per barrel above the prior year's quarter. However, by the end of the quarter crude oil prices had weakened, falling back to the levels of a year ago. Natural gas prices in the U.S. were negatively impacted by unseasonably warm weather.

Worldwide crude production was 1,742 kbd (thousand barrels per day) in the second quarter, up from 1,694 kbd in 1994. The increase in production came mainly from developments in the U.S. and Malaysia. Worldwide natural gas production of 5,094 mcf (million cubic feet per day) was down 270 mcf from the second quarter of last year principally as a result of the unusually warm weather this year and correspondingly lower demand in Europe and North America.

Exploration and production earnings in the U.S. were \$281 million, up from \$206 million in the second quarter last year. Exploration and production earnings from operations outside the U.S. were \$570 million, up from \$397 million in the second quarter 1994. Both areas benefited from higher average crude oil prices which more than offset the negative effects of lower natural gas realizations and sales.

Worldwide petroleum product sales of 4,882 kbd were down from 4,940 kbd in the second quarter 1994. The decline resulted primarily from lower weather related demand for distillates, particularly in Europe and the U.S. However, motor gasoline sales were higher this year with increases in the U.S., Latin America and Asia-Pacific markets.

Refining and marketing earnings in the U.S. were \$61 million, up from essentially break even in last year's second quarter. Refining and marketing earnings from operations outside the U.S. were \$224 million, compared with \$202 million in last year's second quarter. Petroleum product margins remained very weak as higher average crude supply costs coupled with an industry-wide over supply situation exerted downward pressure on refining margins. Earnings outside the U.S. were also impacted by a higher level of scheduled refinery maintenance activity this year.

Worldwide chemical earnings were \$571 million, up sharply from \$190 million in the second quarter 1994. Higher product margins and record prime product sales of 3,429 kt (thousand metric tons) contributed to the improved results.

Earnings from other operating segments, including coal, minerals and power,

totalled \$109 million, an increase from \$64 million in the second quarter 1994. Earnings this year benefited from higher coal and copper prices and an increase in copper production. Results also benefited from continued growth in Exxon's power generation investment base.

-7-

EXXON CORPORATION

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

OTHER COMMENTS ON SECOND QUARTER COMPARISON (Continued)

Corporate and financing expenses of \$186 million were comparable to \$173 million in the second quarter last year.

Revenue totaled \$31,667 million compared with \$27,319 million in the second quarter last year. Capital and exploration expenditures of \$2,019 million compared to \$1,959 million in the second quarter 1994.

There was essentially no change in the number of Exxon shares outstanding at quarter end after the purchase of 3.7 million shares for the treasury.

FIRST SIX MONTHS 1995 COMPARED WITH FIRST SIX MONTHS 1994

Net income of \$3,290 million in the first half 1995 compared with \$2,045 million in 1994.

Worldwide crude prices during the first half 1995 were on average about \$2.50 per barrel above the prior year. Liquids production of 1,757 kbd was up from 1,718 kbd in 1994, principally as a result of increased production from new developments in the U.S., the North Sea and Malaysia. Despite increases in natural gas production in Canada and the Asia-Pacific region, worldwide natural gas production of 6,116 mcf/d was down 199 mcf/d from 1994 as a result of unseasonably warm temperatures in both the U.S. and Europe. Overall, earnings from U.S. exploration and production operations were \$490 million in 1995, up from \$451 million in the first half 1994. Outside the U.S., 1995 earnings from exploration and production operations were \$1,327 million, versus \$987 million in 1994.

Petroleum product margins were weaker in the first half of 1995 than in the comparable 1994 period as a result of higher average crude supply costs and an industry-wide oversupply situation. Worldwide petroleum product sales of 4,960 kbd in 1995 compared to 4,950 kbd in the first half of last year, as an increase in motor gasoline sales was nearly offset by weather-related declines in distillate sales. U.S. refining and marketing earnings were \$77 million in the first half of this year, up from \$38 million in 1994. The impact of weaker product margins was offset by an increase in motor gasoline sales and lower refinery maintenance expense this year. Outside the U.S., refining and marketing earnings of \$408 million were down from \$551 million in the first half 1994, principally due to extremely weak refining margins in Europe, and an increase in scheduled refinery maintenance expenses.

Earnings from worldwide chemical operations totaled \$1,118 million in the first half of 1995, more than triple the earnings of the 1994 period. Higher product margins, increased product sales volumes and lower operating expenses combined to produce the earnings improvement.

Earnings from other operating segments, including coal, minerals, and power, were \$222 million in the first half of this year. This was up from \$122 million in 1994, as earnings benefited from higher copper prices and production, as well as an increase in Exxon's power generation asset base.

-8-

EXXON CORPORATION

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

FIRST SIX MONTHS 1995 COMPARED WITH FIRST SIX MONTHS 1994 (Continued)

Corporate and financing expenses of \$352 million in 1995 were down from \$443 million in the first half of last year. A reduction in foreign exchange effects and lower tax expense offset the impact of higher interest costs.

Net cash generation before financing activities was \$4,209 million in the first half of 1995 versus \$2,740 million in the same period last year. Operating activities provided net cash of \$6,330 million, an increase of \$1,912 million from 1994's first half, due mainly to higher net income. Investing activities used net cash of \$2,121 million, or \$443 million more than a year ago, primarily due to lower proceeds from asset dispositions.

Net cash used in financing activities was \$2,959 million in the first half of 1995 versus \$1,863 million for the year-ago period. The increase of \$1,096 million mainly reflects reductions in short-term and long-term debt. During the first half of 1995, a total of 4.7 million shares of Exxon common stock were acquired for the treasury at a cost of \$322 million. Purchases are made in both the open market and through negotiated transactions. Purchases may be discontinued at any time.

Capital and exploration expenditures of \$3,781 million in this year's first half were up \$245 million from a year ago as spending increased outside the U.S. Capital and exploration expenditures in 1995 should exceed the 1994 level as Exxon maintains its focus on profitable growth opportunities.

Total debt of \$11.9 billion at June 30, 1995 was \$0.8 billion lower than the level at year-end 1994. The corporation's debt to capital ratio was 21.9 percent at the end of the first six months of 1995, down from 24.3 percent at year-end 1994 due to a lower debt level and increased shareholders' equity.

Over the twelve months ended June 30, 1995, return on average shareholders' equity was 16.7 percent. Return on average capital employed, which includes debt, was 13.2 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.

-9-

EXXON CORPORATION

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

SPECIAL ITEMS

	Second Quarter		First Six Months	
	1995	1994	1995	1994
	(millions of dollars)			
EXPLORATION & PRODUCTION				
Non-U. S. Primarily tax related	-	-	-	\$66
TOTAL	-	-	-	\$66
	===	===	===	===

PART II. OTHER INFORMATION

EXXON CORPORATION

FOR THE QUARTER ENDED JUNE 30, 1995

Item 4. Submission of Matters to a Vote of Security Holders

At the annual meeting of shareholders on April 26, 1995, the following proposals were voted upon:

Concerning Election of Directors

Nominees for Director	Votes Cast for	Votes Withheld
Randolph W. Bromery	1,034,752,103	7,232,718
D. Wayne Calloway	1,035,720,374	6,264,447
Jess Hay	1,034,765,998	7,218,823
James R. Houghton	1,035,594,866	6,389,955
William R. Howell	1,035,654,911	6,329,910
Philip E. Lippincott	1,035,652,554	6,332,267
Marilyn Carlson Nelson	1,035,401,499	6,583,322
Lee R. Raymond	1,035,020,597	6,964,224
Charles R. Sitter	1,035,613,522	6,371,299
John H. Steele	1,035,435,452	6,549,369
Robert E. Wilhelm	1,035,855,467	6,129,354
Joseph D. Williams	1,034,759,752	7,225,069

Concerning Ratification of Appointment of Independent Accountants

Votes Cast For:	1,033,639,714
Votes Cast Against:	4,363,032
Abstentions:	3,982,075
Broker Non-Votes:	N/A

Concerning the Annual Meeting Date

Votes Cast For:	41,586,383
Votes Cast Against:	856,017,461
Abstentions:	23,756,991
Broker Non-Votes:	120,623,986

Concerning Mining Operations

Votes Cast For:	47,476,705
Votes Cast Against:	825,962,374
Abstentions:	47,941,357

See also pages 4 through 8 and pages 15 through 17 of the registrant's definitive proxy statement dated March 10, 1995.

-11-

PART II. OTHER INFORMATION

EXXON CORPORATION

FOR THE QUARTER ENDED JUNE 30, 1995

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.

-12-

EXXON CORPORATION

FORM 10-Q

FOR THE QUARTER ENDED JUNE 30, 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: August 10, 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 JUNE 30, 1995, AND EXXON'S CONDENSED CONSOLIDATED STATEMENT OF INCOME FOR THE SECOND QUARTER 1995, THAT ARE CONTAINED IN EXXON'S FORM 10-Q FOR THE QUARTERLY PERIOD ENDED JUNE 30, 1995. THE SCHEDULE IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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