

EXXON MOBIL CORP
Form 10-Q
August 03, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2016

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 MOBIL CORPORATION

(Exact name of registrant as specified in its charter)

NEW JERSEY

(State or other jurisdiction of
incorporation or organization)

13-5409005

(I.R.S. Employer
Identification Number)

5959 LAS COLINAS BOULEVARD, IRVING, TEXAS 75039-2298

(Address of principal executive offices) (Zip Code)

(972) 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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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

Class
Common stock, without par
value

Outstanding as of June 30, 2016
4,146,650,051

EXXON MOBIL CORPORATION
FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2016

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PART I. FINANCIAL INFORMATION**Item 1. Financial Statements**

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

| | Three Months Ended | | Six Months Ended | |
|--|---------------------------|-------------|-------------------------|-------------|
| | June 30, | | June 30, | |
| | 2016 | 2015 | 2016 | 2015 |
| Revenues and other income | | | | |
| Sales and other operating revenue <i>(1)</i> | 56,360 | 71,360 | 103,465 | 136,118 |
| Income from equity affiliates | 1,124 | 2,081 | 2,375 | 4,342 |
| Other income | 210 | 672 | 561 | 1,271 |
| Total revenues and other income | 57,694 | 74,113 | 106,401 | 141,731 |
| Costs and other deductions | | | | |
| Crude oil and product purchases | 27,130 | 37,312 | 47,837 | 70,010 |
| Production and manufacturing expenses | 8,076 | 9,235 | 15,637 | 17,965 |
| Selling, general and administrative expenses | 2,646 | 2,831 | 5,239 | 5,544 |
| Depreciation and depletion | 4,821 | 4,451 | 9,586 | 8,751 |
| Exploration expenses, including dry holes | 445 | 370 | 800 | 681 |
| Interest expense | 75 | 85 | 152 | 173 |
| Sales-based taxes <i>(1)</i> | 5,435 | 5,965 | 10,250 | 11,495 |
| Other taxes and duties | 6,670 | 6,910 | 12,774 | 13,523 |
| Total costs and other deductions | 55,298 | 67,159 | 102,275 | 128,142 |
| Income before income taxes | 2,396 | 6,954 | 4,126 | 13,589 |
| Income taxes | 715 | 2,692 | 664 | 4,252 |
| Net income including noncontrolling interests | 1,681 | 4,262 | 3,462 | 9,337 |
| Net income attributable to noncontrolling interests | (19) | 72 | (48) | 207 |
| Net income attributable to ExxonMobil | 1,700 | 4,190 | 3,510 | 9,130 |
| | | | | |
| Earnings per common share <i>(dollars)</i> | 0.41 | 1.00 | 0.84 | 2.17 |
| | | | | |
| Earnings per common share - assuming dilution <i>(dollars)</i> | 0.41 | 1.00 | 0.84 | 2.17 |
| | | | | |
| Dividends per common share <i>(dollars)</i> | 0.75 | 0.73 | 1.48 | 1.42 |
| | | | | |
| <i>(1) Sales-based taxes included in sales and other operating revenue</i> | 5,435 | 5,965 | 10,250 | 11,495 |

The information in the Notes to Condensed Consolidated Financial Statements is an integral part of these statements.

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

| | Three Months Ended | | Six Months Ended | |
|--|-------------------------------|-------------|-------------------------|-------------|
| | June 30, | | June 30, | |
| | 2016 | 2015 | 2016 | 2015 |
| Net income including noncontrolling interests | 1,681 | 4,262 | 3,462 | 9,337 |
| Other comprehensive income (net of income taxes) | | | | |
| Foreign exchange translation adjustment | (727) | 997 | 2,613 | (4,356) |
| Postretirement benefits reserves adjustment (excluding amortization) | 110 | (186) | (9) | 627 |
| Amortization and settlement of postretirement benefits reserves adjustment included in net periodic benefit costs | 292 | 357 | 581 | 708 |
| Unrealized change in fair value of stock investments | - | 17 | - | 19 |
| Realized (gain)/loss from stock investments included in net income | - | 4 | - | 12 |
| Total other comprehensive income | (325) | 1,189 | 3,185 | (2,990) |
| Comprehensive income including noncontrolling interests | 1,356 | 5,451 | 6,647 | 6,347 |
| Comprehensive income attributable to noncontrolling interests | 16 | 159 | 370 | (247) |
| Comprehensive income attributable to ExxonMobil | 1,340 | 5,292 | 6,277 | 6,594 |

The information in the Notes to Condensed Consolidated Financial Statements is an integral part of these statements.

EXXON MOBIL CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEET
(millions of dollars)

| | June 30, 2016 | Dec. 31, 2015 |
|---|--------------------------|--------------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 4,358 | 3,705 |
| Notes and accounts receivable – net | 21,827 | 19,875 |
| Inventories | | |
| Crude oil, products and merchandise | 11,543 | 12,037 |
| Materials and supplies | 4,332 | 4,208 |
| Other current assets | 3,768 | 2,798 |
| Total current assets | 45,828 | 42,623 |
| Investments, advances and long-term receivables | 34,182 | 34,245 |
| Property, plant and equipment – net | 254,062 | 251,605 |
| Other assets, including intangibles – net | 8,401 | 8,285 |
| Total assets | 342,473 | 336,758 |
| Liabilities | | |
| Current liabilities | | |
| Notes and loans payable | 14,972 | 18,762 |
| Accounts payable and accrued liabilities | 33,801 | 32,412 |
| Income taxes payable | 2,731 | 2,802 |
| Total current liabilities | 51,504 | 53,976 |
| Long-term debt | 29,499 | 19,925 |
| Postretirement benefits reserves | 21,583 | 22,647 |
| Deferred income tax liabilities | 36,012 | 36,818 |
| Long-term obligations to equity companies | 5,320 | 5,417 |
| Other long-term obligations | 21,680 | 21,165 |
| Total liabilities | 165,598 | 159,948 |
| Commitments and contingencies (Note 3) | | |
| Equity | | |
| Common stock without par value | | |
| (9,000 million shares authorized, 8,019 million shares issued) | 12,019 | 11,612 |
| Earnings reinvested | 409,767 | 412,444 |
| Accumulated other comprehensive income | (20,744) | (23,511) |
| Common stock held in treasury | | |
| (3,872 million shares at June 30, 2016 and 3,863 million shares at December 31, 2015) | (230,451) | (229,734) |
| ExxonMobil share of equity | 170,591 | 170,811 |
| Noncontrolling interests | 6,284 | 5,999 |
| Total equity | 176,875 | 176,810 |
| Total liabilities and equity | 342,473 | 336,758 |

The information in the Notes to Condensed Consolidated Financial Statements is an integral part of these statements.

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

| | Six Months Ended | |
|---|-------------------------|-------------|
| | June 30, | |
| | 2016 | 2015 |
| Cash flows from operating activities | | |
| Net income including noncontrolling interests | 3,462 | 9,337 |
| Depreciation and depletion | 9,586 | 8,751 |
| Changes in operational working capital, excluding cash and debt | (1,725) | (1,533) |
| All other items – net | (1,992) | 235 |
| Net cash provided by operating activities | 9,331 | 16,790 |
| Cash flows from investing activities | | |
| Additions to property, plant and equipment | (8,872) | (13,953) |
| Proceeds associated with sales of subsidiaries, property, plant and equipment, and sales and returns of investments | 1,206 | 1,113 |
| Additional investments and advances | (311) | (363) |
| Other investing activities – net | 481 | 360 |
| Net cash used in investing activities | (7,496) | (12,843) |
| Cash flows from financing activities | | |
| Additions to long-term debt | 11,964 | 8,000 |
| Reductions in long-term debt | - | (13) |
| Additions/(reductions) in short-term debt – net | (257) | (414) |
| Additions/(reductions) in commercial paper, and debt with three months or less maturity <i>(1)</i> | (5,966) | (2,773) |
| Cash dividends to ExxonMobil shareholders | (6,187) | (5,976) |
| Cash dividends to noncontrolling interests | (85) | (88) |
| Common stock acquired | (727) | (2,784) |
| Common stock sold | 7 | - |
| Net cash used in financing activities | (1,251) | (4,048) |
| Effects of exchange rate changes on cash | 69 | (172) |
| Increase/(decrease) in cash and cash equivalents | 653 | (273) |
| Cash and cash equivalents at beginning of period | 3,705 | 4,616 |
| Cash and cash equivalents at end of period | 4,358 | 4,343 |
| Supplemental Disclosures | | |
| Income taxes paid | 2,144 | 4,072 |
| Cash interest paid | 334 | 263 |

(1) Includes a net addition of commercial paper with a maturity of over three months of \$0.1 billion in 2016 and \$2.3 billion in 2015. The gross amount of commercial paper with a maturity of over three months issued was \$1.5 billion in 2016 and \$4.9 billion in 2015, while the gross amount repaid was \$1.4 billion in 2016 and \$2.6 billion in 2015.

The information in the Notes to Condensed Consolidated Financial Statements is an integral part of these statements.

EXXON MOBIL CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(millions of dollars)

| | ExxonMobil Share of Equity | | | | | | Total Equity |
|--|-----------------------------------|----------------------------|-----------------------------------|--------------------------------------|-----------------------------------|----------------------------------|---------------------|
| | Common Stock | Earnings Reinvested | Other Comprehensive Income | Common Stock Held in Treasury | ExxonMobil Share of Equity | Non-controlling Interests | |
| Balance as of December 31, 2014 | 10,792 | 408,384 | (18,957) | (225,820) | 174,399 | 6,665 | 181,064 |
| Amortization of stock-based awards | 429 | - | - | - | 429 | - | 429 |
| Tax benefits related to stock-based awards | 6 | - | - | - | 6 | - | 6 |
| Other | (3) | - | - | - | (3) | - | (3) |
| Net income for the period | - | 9,130 | - | - | 9,130 | 207 | 9,337 |
| Dividends – common shares | - | (5,976) | - | - | (5,976) | (88) | (6,064) |
| Other comprehensive income | - | - | (2,536) | - | (2,536) | (454) | (2,990) |
| Acquisitions, at cost | - | - | - | (2,784) | (2,784) | - | (2,784) |
| Dispositions | - | - | - | 3 | 3 | - | 3 |
| Balance as of June 30, 2015 | 11,224 | 411,538 | (21,493) | (228,601) | 172,668 | 6,330 | 178,998 |
| Balance as of December 31, 2015 | 11,612 | 412,444 | (23,511) | (229,734) | 170,811 | 5,999 | 176,810 |
| Amortization of stock-based awards | 403 | - | - | - | 403 | - | 403 |
| Tax benefits related to stock-based awards | 8 | - | - | - | 8 | - | 8 |
| Other | (4) | - | - | - | (4) | - | (4) |
| Net income for the period | - | 3,510 | - | - | 3,510 | (48) | 3,462 |
| Dividends – common shares | - | (6,187) | - | - | (6,187) | (85) | (6,272) |
| Other comprehensive income | - | - | 2,767 | - | 2,767 | 418 | 3,185 |
| Acquisitions, at cost | - | - | - | (727) | (727) | - | (727) |
| Dispositions | - | - | - | 10 | 10 | - | 10 |
| Balance as of June 30, 2016 | 12,019 | 409,767 | (20,744) | (230,451) | 170,591 | 6,284 | 176,875 |

| <u>Common Stock Share Activity</u> | Six Months Ended June 30, 2016 | | | Six Months Ended June 30, 2015 | | |
|---|---------------------------------------|-----------------|--------------------|---------------------------------------|-----------------|--------------------|
| | Held in | | | Held in | | |
| | Issued | Treasury | Outstanding | Issued | Treasury | Outstanding |
| | <i>(millions of shares)</i> | | | <i>(millions of shares)</i> | | |
| Balance as of December 31 | 8,019 | (3,863) | 4,156 | 8,019 | (3,818) | 4,201 |
| Acquisitions | - | (9) | (9) | - | (32) | (32) |
| Dispositions | - | - | - | - | - | - |
| Balance as of June 30 | 8,019 | (3,872) | 4,147 | 8,019 | (3,850) | 4,169 |

The information in the Notes to Condensed Consolidated Financial Statements is an integral part of these statements.

EXXON MOBIL CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Financial Statement Preparation

These unaudited condensed consolidated financial statements should be read in the context of the consolidated financial statements and notes thereto filed with the Securities and Exchange Commission in the Corporation's 2015 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. Prior data has been reclassified in certain cases to conform to the current presentation basis.

The Corporation's exploration and production activities are accounted for under the "successful efforts" method.

2. Recently Issued Accounting Standards

In May 2014, the Financial Accounting Standards Board issued a new standard, *Revenue from Contracts with Customers*. The standard establishes a single revenue recognition model for all contracts with customers, eliminates industry specific requirements, and expands disclosure requirements. The standard is required to be adopted beginning January 1, 2018.

“Sales and other operating revenue” on the Consolidated Statement of Income includes sales, excise and value-added taxes on sales transactions. When the Corporation adopts the standard, revenue will exclude sales-based taxes collected on behalf of third parties. This change in reporting will not impact earnings.

The Corporation continues to evaluate other areas of the standard and its effect on the Corporation's financial statements.

In February 2016, the Financial Accounting Standards Board issued a new standard, *Leases*. The standard requires all leases with an initial term greater than one year be recorded on the balance sheet as an asset and a lease liability. The standard is required to be adopted beginning January 1, 2019. ExxonMobil is evaluating the standard and its effect on the Corporation's financial statements.

3. Litigation and Other Contingencies

Litigation

A variety of claims have been made against ExxonMobil and certain of its consolidated subsidiaries in a number of pending lawsuits. Management has regular litigation reviews, including updates from corporate and outside counsel, to assess the need for accounting recognition or disclosure of these contingencies. The Corporation accrues an undiscounted liability for those contingencies where the incurrence of a loss is probable and the amount can be reasonably estimated. If a range of amounts can be reasonably estimated and no amount within the range is a better estimate than any other amount, then the minimum of the range is accrued. The Corporation does not record liabilities when the likelihood that the liability has been incurred is probable but the amount cannot be reasonably estimated or when the liability is believed to be only reasonably possible or remote. For contingencies where an unfavorable outcome is reasonably possible and which are significant, the Corporation discloses the nature of the contingency and, where feasible, an estimate of the possible loss. For purposes of our contingency disclosures, "significant" includes material matters as well as other matters which management believes should be disclosed. ExxonMobil will continue to defend itself vigorously in these matters. Based on a consideration of all relevant facts and circumstances, the Corporation does not believe the ultimate outcome of any currently pending lawsuit against ExxonMobil will have a material adverse effect upon the Corporation's operations, financial condition, or financial statements taken as a whole.

Other Contingencies

The Corporation and certain of its consolidated subsidiaries were contingently liable at June 30, 2016, for guarantees relating to notes, loans and performance under contracts. Where guarantees for environmental remediation and other similar matters do not include a stated cap, the amounts reflect management's estimate of the maximum potential exposure. These guarantees are not reasonably likely to have a material effect on the Corporation's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

| | Equity Company Obligations (1) | As of June 30, 2016 Other Third Party Obligations (millions of dollars) | Total |
|--------------|---|--|--------------|
| Guarantees | | | |
| Debt-related | 104 | 38 | 142 |
| Other | 2,512 | 4,307 | 6,819 |
| Total | 2,616 | 4,345 | 6,961 |

(1) ExxonMobil share

Additionally, the Corporation and its affiliates have numerous long-term sales and purchase commitments in their various business activities, all of which are expected to be fulfilled with no adverse consequences material to the Corporation's operations or financial condition. The Corporation's outstanding unconditional purchase obligations at June 30, 2016, were similar to those at the prior year-end period. Unconditional purchase obligations as defined by accounting standards are those long-term commitments that are noncancelable or cancelable only under certain conditions, and that third parties have used to secure financing for the facilities that will provide the contracted goods or services.

The operations and earnings of the Corporation and its affiliates throughout the world have been, and may in the future be, affected from time to time in varying degree by political developments and laws and regulations, such as forced divestiture of assets; restrictions on production, imports and exports; price controls; tax increases and retroactive tax claims; expropriation of property; cancellation of contract rights and environmental regulations. Both the likelihood of such occurrences and their overall effect upon the Corporation vary greatly from country to country and are not predictable.

In accordance with a nationalization decree issued by Venezuela's president in February 2007, by May 1, 2007, a subsidiary of the Venezuelan National Oil Company (PdVSA) assumed the operatorship of the Cerro Negro Heavy Oil Project. This Project had been operated and owned by ExxonMobil affiliates holding a 41.67 percent ownership interest in the Project. The decree also required conversion of the Cerro Negro Project into a "mixed enterprise" and an

increase in PdVSA's or one of its affiliate's ownership interest in the Project, with the stipulation that if ExxonMobil refused to accept the terms for the formation of the mixed enterprise within a specified period of time, the government would "directly assume the activities" carried out by the joint venture. ExxonMobil refused to accede to the terms proffered by the government, and on June 27, 2007, the government expropriated ExxonMobil's 41.67 percent interest in the Cerro Negro Project.

On September 6, 2007, affiliates of ExxonMobil filed a Request for Arbitration with the International Centre for Settlement of Investment Disputes (ICSID). The ICSID Tribunal issued a decision on June 10, 2010, finding that it had jurisdiction to proceed on the basis of the Netherlands-Venezuela Bilateral Investment Treaty. On October 9, 2014, the ICSID Tribunal issued its final award finding in favor of the ExxonMobil affiliates and awarding \$1.6 billion as of the date of expropriation, June 27, 2007, and interest from that date at 3.25% compounded annually until the date of payment in full. The Tribunal also noted that one of the Cerro Negro Project agreements provides a mechanism to prevent double recovery between the ICSID award and all or part of an earlier award of \$908 million to an ExxonMobil affiliate, Mobil Cerro Negro, Ltd., against PdVSA and a PdVSA affiliate, PdVSA CN, in an arbitration under the rules of the International Chamber of Commerce.

On June 12, 2015, the Tribunal rejected in its entirety Venezuela's October 23, 2014, application to revise the ICSID award. The Tribunal also lifted the associated stay of enforcement that had been entered upon the filing of the application to revise.

Still pending is Venezuela's February 2, 2015, application to ICSID seeking annulment of the ICSID award. That application alleges that, in issuing the ICSID award, the Tribunal exceeded its powers, failed to state reasons on which the ICSID award was based, and departed from a fundamental rule of procedure. A separate stay of the ICSID award was entered following the filing of the annulment application. On July 7, 2015, the ICSID Committee considering the annulment application heard arguments

from the parties on whether to lift the stay of the award associated with that application. On July 28, 2015, the Committee issued an order that would lift the stay of enforcement unless, within 30 days, Venezuela delivered a commitment to pay the award if the application to annul is denied. On September 17, 2015, the Committee ruled that Venezuela had complied with the requirement to submit a written commitment to pay the award and so left the stay of enforcement in place. A hearing on Venezuela's application for annulment was held March 8-9, 2016.

The United States District Court for the Southern District of New York entered judgment on the ICSID award on October 10, 2014. Motions filed by Venezuela to vacate that judgment on procedural grounds and to modify the judgment by reducing the rate of interest to be paid on the ICSID award from the entry of the court's judgment, until the date of payment, were denied on February 13, 2015, and March 4, 2015, respectively. On March 9, 2015, Venezuela filed a notice of appeal of the court's actions on the two motions. Oral arguments on this appeal were held before the United States Court of Appeals for the Second Circuit on January 7, 2016.

The District Court's judgment on the ICSID award is currently stayed until such time as ICSID's stay of the award entered following Venezuela's filing of its application to annul has been lifted. The net impact of these matters on the Corporation's consolidated financial results cannot be reasonably estimated. Regardless, the Corporation does not expect the resolution to have a material effect upon the Corporation's operations or financial condition.

An affiliate of ExxonMobil is one of the Contractors under a Production Sharing Contract (PSC) with the Nigerian National Petroleum Corporation (NNPC) covering the Erha block located in the offshore waters of Nigeria. ExxonMobil's affiliate is the operator of the block and owns a 56.25 percent interest under the PSC. The Contractors are in dispute with NNPC regarding NNPC's lifting of crude oil in excess of its entitlement under the terms of the PSC. In accordance with the terms of the PSC, the Contractors initiated arbitration in Abuja, Nigeria, under the Nigerian Arbitration and Conciliation Act. On October 24, 2011, a three-member arbitral Tribunal issued an award upholding the Contractors' position in all material respects and awarding damages to the Contractors jointly in an amount of approximately \$1.8 billion plus \$234 million in accrued interest. The Contractors petitioned a Nigerian federal court for enforcement of the award, and NNPC petitioned the same court to have the award set aside. On May 22, 2012, the court set aside the award. The Contractors appealed that judgment to the Court of Appeal, Abuja Judicial Division. On July 22, 2016, the Court of Appeal upheld the decision of the lower court setting aside the award. ExxonMobil expects that the Contractors will appeal the decision to the Supreme Court of Nigeria. In June 2013, the Contractors filed a lawsuit against NNPC in the Nigerian federal high court in order to preserve their ability to seek enforcement of the PSC in the courts if necessary. In October 2014, the Contractors filed suit in the United States District Court for the Southern District of New York to enforce, if necessary, the arbitration award against NNPC assets residing within that jurisdiction. NNPC has moved to dismiss the lawsuit. Proceedings in the Southern District of New York are currently stayed. At this time, the net impact of this matter on the Corporation's consolidated financial results cannot be reasonably estimated. However, regardless of the outcome of enforcement proceedings, the Corporation does not expect the proceedings to have a material effect upon the Corporation's operations or financial condition.

4. Other Comprehensive Income Information

| <u>ExxonMobil Share of Accumulated Other Comprehensive Income</u> | Cumulative Foreign Exchange Translation Adjustment | Post-retirement Benefits Reserves Adjustment | Unrealized Change in Stock Investments | Total |
|---|---|---|---|--------------|
| | | <i>(millions of dollars)</i> | | |
| Balance as of December 31, 2014 | (5,952) | (12,945) | (60) | (18,957) |
| Current period change excluding amounts reclassified | | | | |
| from accumulated other comprehensive income | (3,873) | 620 | 19 | (3,234) |
| Amounts reclassified from accumulated other comprehensive income | - | 686 | 12 | 698 |
| Total change in accumulated other comprehensive income | (3,873) | 1,306 | 31 | (2,536) |
| Balance as of June 30, 2015 | (9,825) | (11,639) | (29) | (21,493) |
| Balance as of December 31, 2015 | (14,170) | (9,341) | - | (23,511) |
| Current period change excluding amounts reclassified | | | | |
| from accumulated other comprehensive income | 2,209 | (6) | - | 2,203 |
| Amounts reclassified from accumulated other comprehensive income | - | 564 | - | 564 |
| Total change in accumulated other comprehensive income | 2,209 | 558 | - | 2,767 |
| Balance as of June 30, 2016 | (11,961) | (8,783) | - | (20,744) |
| | | Three Months Ended | Six Months Ended | |
| | | June 30, | June 30, | |
| <u>Amounts Reclassified Out of Accumulated Other Comprehensive Income - Before-tax Income/(Expense)</u> | | 2016 | 2015 | 2016 |
| | | <i>(millions of dollars)</i> | | 2015 |
| Amortization and settlement of postretirement benefits reserves adjustment included in net periodic benefit costs (1) | | (419) | (507) | (833) |
| Realized change in fair value of stock investments included in net income (Statement of Income line: Other income) | | - | (6) | - |
| | | | | (18) |

(1) These accumulated other comprehensive income components are included in the computation of net periodic pension cost. (See Note 6 – Pension and Other Postretirement Benefits for additional details.)

Six Months Ended

| Income Tax (Expense)/Credit For Components of Other Comprehensive Income | Three Months Ended June 30, | | June 30, | |
|---|--|--------------|-----------------|--------------|
| | 2016 | 2015 | 2016 | 2015 |
| | <i>(millions of dollars)</i> | | | |
| Foreign exchange translation adjustment | 14 | (25) | 3 | 65 |
| Postretirement benefits reserves adjustment (excluding amortization) | (49) | 75 | 31 | (302) |
| Amortization and settlement of postretirement benefits reserves adjustment included in net periodic benefit costs | (127) | (150) | (252) | (310) |
| Unrealized change in fair value of stock investments | - | (10) | - | (11) |
| Realized change in fair value of stock investments included in net income | - | (2) | - | (6) |
| Total | (162) | (112) | (218) | (564) |

5. Earnings Per Share

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--|-------------|--------------------------------------|-------------|
| | 2016 | 2015 | 2016 | 2015 |
| Earnings per common share | | | | |
| Net income attributable to ExxonMobil (<i>millions of dollars</i>) | 1,700 | 4,190 | 3,510 | 9,130 |
| Weighted average number of common shares outstanding (<i>millions of shares</i>) | 4,178 | 4,200 | 4,178 | 4,205 |