

CONOCOPHILLIPS
Form 10-Q
November 04, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2014

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: 001-32395

ConocoPhillips

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)

01-0562944
(I.R.S. Employer
Identification No.)

600 North Dairy Ashford, Houston, TX 77079
(Address of principal executive offices) (Zip Code)
281-293-1000

(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

The registrant had 1,230,912,872 shares of common stock, \$.01 par value, outstanding at September 30, 2014.

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	Millions of Dollars			
	Three Months Ended		Nine Months Ended	
	September 30 2014	2013	September 30 2014	2013
Revenues and Other Income				
Sales and other operating revenues	\$ 12,080	13,643	41,316	41,159
Equity in earnings of affiliates	764	709	2,008	1,565
Gain on dispositions	4	1,069	20	1,222
Other income	69	49	322	317
Total Revenues and Other Income	12,917	15,470	43,666	44,263
Costs and Expenses				
Purchased commodities	4,703	5,708	17,325	17,063
Production and operating expenses	2,041	1,962	5,966	5,321
Selling, general and administrative expenses	203	249	603	607
Exploration expenses	459	313	1,272	911
Depreciation, depletion and amortization	2,096	1,902	6,058	5,541
Impairments	108	1	126	31
Taxes other than income taxes	493	664	1,756	2,198
Accretion on discounted liabilities	120	106	357	317
Interest and debt expense	149	151	475	420
Foreign currency transaction (gains) losses	(8)	9	17	(34)
Total Costs and Expenses	10,364	11,065	33,955	32,375
Income from continuing operations before income taxes	2,553	4,405	9,711	11,888
Provision for income taxes	904	1,966	3,880	5,359
Income From Continuing Operations	1,649	2,439	5,831	6,529
Income from discontinued operations*	1,078	57	1,131	183
Net income	2,727	2,496	6,962	6,712
Less: net income attributable to noncontrolling interests	(23)	(16)	(54)	(43)
Net Income Attributable to ConocoPhillips	\$ 2,704	2,480	6,908	6,669
Amounts Attributable to ConocoPhillips Common Shareholders:				
Income from continuing operations	\$ 1,626	2,423	5,777	6,486
Income from discontinued operations	1,078	57	1,131	183
Net income	\$ 2,704	2,480	6,908	6,669

Net Income Attributable to ConocoPhillips Per Share of

Common Stock (dollars)

Basic					
Continuing operations	\$	1.31	1.96	4.67	5.26
Discontinued operations		0.87	0.05	0.91	0.15
Net Income Attributable to ConocoPhillips Per Share of Common Stock	\$	2.18	2.01	5.58	5.41
Diluted					
Continuing operations	\$	1.31	1.95	4.63	5.23
Discontinued operations		0.86	0.05	0.91	0.15
Net Income Attributable to ConocoPhillips Per Share of Common Stock	\$	2.17	2.00	5.54	5.38
Dividends Paid Per Share of Common Stock (dollars)	\$	0.73	0.69	2.11	2.01

Average Common Shares Outstanding (in thousands)

Basic		1,238,234	1,231,054	1,236,431	1,230,027
Diluted		1,247,436	1,240,365	1,246,788	1,238,943

**Net of provision (benefit) for income taxes on discontinued operations of:
See Notes to Consolidated Financial Statements.*

	\$	(6)	136	16	215
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	Millions of Dollars				
	Three Months Ended September 30 2014		Nine Months Ended September 30 2014		
	2013	2013	2013	2013	
Net Income	\$	2,727	2,496	6,962	6,712
Other comprehensive income (loss)					
Defined benefit plans					
Reclassification adjustment for amortization of prior service credit included in net income		(2)	(1)	(5)	(4)
Net actuarial gain arising during the period			301		302
Reclassification adjustment for amortization of net actuarial losses included in net income		32	106	98	220
Nonsponsored plans*				5	1
Income taxes on defined benefit plans		(11)	(155)	(34)	(197)
Defined benefit plans, net of tax		19	251	64	322
Foreign currency translation adjustments		(1,947)	623	(1,501)	(1,705)
Reclassification adjustment for loss included in net income					(4)
Income taxes on foreign currency translation adjustments		15	(2)	20	12
Foreign currency translation adjustments, net of tax		(1,932)	621	(1,481)	(1,697)
Other Comprehensive Income (Loss), Net of Tax		(1,913)	872	(1,417)	(1,375)
Comprehensive Income		814	3,368	5,545	5,337
Less: comprehensive income attributable to noncontrolling interests		(23)	(16)	(54)	(43)
Comprehensive Income Attributable to ConocoPhillips	\$	791	3,352	5,491	5,294

*Plans for which ConocoPhillips is not the primary obligor primarily those administered by equity affiliates.

See Notes to Consolidated Financial Statements.

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Consolidated Balance Sheet

ConocoPhillips

Millions of Dollars
September 30 December 31