

## Frequently used terms

Listed below are definitions of several of ExxonMobil's key business and financial performance measures and other terms. These definitions are provided to facilitate understanding of the terms and their calculation. In the case of financial measures that we believe constitute "non-GAAP financial measures" under Securities and Exchange Commission Regulation G, we provide a reconciliation to the most comparable Generally Accepted Accounting Principles (GAAP) measure and other information required by that rule.

**Total shareholder return (TSR)** ▪ Measures the change in value of an investment in stock over a specified period of time, assuming dividend reinvestment. We calculate shareholder return over a particular measurement period by: dividing (1) the sum of (a) the cumulative value of dividends received during the measurement period, assuming reinvestment, plus (b) the difference between the stock price at the end and at the beginning of the measurement period; by (2) the stock price at the beginning of the measurement period. For this purpose, we assume dividends are reinvested in stock at market prices at approximately the same time actual dividends are paid. Shareholder return is usually quoted on an annualized basis.

**Capital and exploration expenditures (Capex)** ▪ Represents the combined total of additions at cost to property, plant and equipment, and exploration expenses on a before-tax basis from the Summary statement of income. ExxonMobil's Capex includes its share of similar costs for equity companies. Capex excludes assets acquired in nonmonetary exchanges (effective 2013), the value of ExxonMobil shares used to acquire assets, and depreciation on the cost of exploration support equipment and facilities recorded to property, plant and equipment when acquired. While ExxonMobil's management is responsible for all investments and elements of net income, particular focus is placed on managing the controllable aspects of this group of expenditures.

**Heavy oil and oil sands** ▪ Heavy oil includes heavy oil, extra heavy oil, and bitumen, as defined by the World Petroleum Congress in 1987 based on American Petroleum Institute (API) gravity and viscosity at reservoir conditions. Heavy oil has an API gravity between 10 and 22.3 degrees. The API gravity of extra heavy oil and bitumen is less than 10 degrees. Extra heavy oil has a viscosity less than 10,000 centipoise, whereas the viscosity of bitumen is greater than 10,000 centipoise. The term "oil sands" is used to indicate heavy oil (generally bitumen) that is recovered in a mining operation.

**Proved reserves** ▪ Proved reserve figures are determined in accordance with SEC definitions in effect at the end of each applicable year. In statements covering reserve replacement for years prior to 2009, reserves include oil sands and equity company reserves, which at the time were excluded from SEC reserves.

**Proved reserves replacement ratio** ▪ The reserves replacement ratio is calculated for a specified period utilizing the applicable proved oil-equivalent reserves additions divided by oil-equivalent production. See "Proved reserves" above.

**Resources, resource base, and recoverable resources** ▪ Along with similar terms used, these refer to the total remaining estimated quantities of oil and natural gas that are expected to be ultimately recoverable. ExxonMobil refers to new discoveries and acquisitions of discovered resources as resource additions. The resource base includes quantities of oil and natural gas that are not yet classified as proved reserves, but that are expected to be ultimately moved into the proved reserves category and produced in the future. The term "resource base" is not intended to correspond to SEC definitions such as "probable" or "possible" reserves. The term "in-place" refers to those quantities of oil and natural gas estimated to be contained in known accumulations and includes recoverable and unrecoverable amounts.

**Volume effects ▪ Entitlements – net interest** are changes to ExxonMobil's share of production volumes caused by non-operational changes to volume-determining factors. These factors consist of net interest changes specified in Production Sharing Contracts (PSCs) which typically occur when cumulative investment returns or production volumes achieve defined thresholds, changes in equity upon achieving pay-out in partner investment carry situations, equity redeterminations as specified in venture agreements, or as a result of the termination or expiry of a concession. Once a net interest change has occurred, it typically will not be reversed by subsequent events, such as lower crude oil prices.

**Volume effects ▪ Entitlements – price, spend and other** are changes to ExxonMobil's share of production volumes resulting from temporary changes to non-operational volume-determining factors. These factors include changes in oil and gas prices or spending levels from one period to another. According to the terms of contractual arrangements or government royalty regimes, price or spending variability can increase or decrease royalty burdens and/or volumes attributable to ExxonMobil. For example, at higher prices, fewer barrels are required for ExxonMobil to recover its costs. These effects generally vary from period to period with field spending patterns or market prices for oil and natural gas. Such factors can also include other temporary changes in net interest as dictated by specific provisions in production agreements.

Frequently used terms, continued

**Volume effects ▪ Quotas** are changes in ExxonMobil's allowable production arising from production constraints imposed by countries which are members of the Organization of the Petroleum Exporting Countries (OPEC). Volumes reported in this category would have been readily producible in the absence of the quota.

**Volume effects ▪ Divestments** are reductions in ExxonMobil's production arising from commercial arrangements to fully or partially reduce equity in a field or asset in exchange for financial or other economic consideration.

**Volume effects ▪ Growth and other** factors comprise all other operational and non-operational factors not covered by the above definitions that may affect volumes attributable to ExxonMobil. Such factors include, but are not limited to, production enhancements from project and work program activities, acquisitions including additions from asset exchanges, downtime, market demand, natural field decline, and any fiscal or commercial terms that do not affect entitlements.

<b>Proved reserves replacement costs</b>	<b>2017</b>	2016	2015	2014	2013
<b>Costs incurred</b> (millions of dollars)					
Property acquisition costs	<b>14,023</b>	270	477	1,472	5,186
Exploration costs	<b>2,524</b>	1,700	2,245	3,472	2,972
Development costs	<b>9,105</b>	10,811	20,629	26,848	27,807
Total costs incurred	<b>25,652</b>	12,781	23,351	31,792	35,965
<b>Proved oil-equivalent reserves additions</b> (millions of barrels)					
Revisions	<b>925</b>	(3,809)	(584)	1,011	770
Improved recovery	<b>8</b>	–	2	–	–
Extensions/discoveries	<b>970</b>	454	1,405	584	726
Purchases	<b>929</b>	135	246	64	170
Total oil-equivalent reserves additions	<b>2,832</b>	(3,220)	1,069	1,659	1,666
Proved reserves replacement costs (dollars per barrel)	<b>9.06</b>	–	21.84	19.16	21.59

Proved reserves replacement costs per oil-equivalent barrel is a performance measure ratio and includes costs incurred in property acquisition and exploration, plus costs incurred in development activities, divided by proved oil-equivalent reserves additions, excluding sales. ExxonMobil reports these costs based on proved reserves in accordance with current SEC definitions. See "Proved reserves."

<b>Exploration resource addition cost</b>	<b>2017</b>	2016	2015	2014	2013
Exploration portion of Upstream Capex (millions of dollars)	<b>6,271</b>	1,826	2,680	3,689	7,155
Exploration resource additions (millions of oil-equivalent barrels)	<b>3,375</b>	2,318	1,138	2,942	5,703
Exploration resource addition cost per OEB (dollars)	<b>1.86</b>	0.79	2.36	1.25	1.25

Exploration resource addition cost per oil-equivalent barrel is a performance measure that is calculated using the Exploration portion of Upstream capital and exploration expenditures (Capex) divided by exploration resource additions (in oil-equivalent barrels – OEB). ExxonMobil refers to new discoveries, and the non-proved portion of discovered resources that were acquired, as exploration resource additions. Exploration resource additions include quantities of oil and natural gas that are not yet classified as proved reserves, but which ExxonMobil believes will likely be moved into the proved reserves category and produced in the future. The impact of the nonmonetary portion of asset exchanges is excluded in 2014, 2016, and 2017.

<b>PP&amp;E adds/investments &amp; advances</b>	<b>2017</b>	2016	2015	2014	2013
(millions of dollars)					
Additions to property, plant and equipment	<b>15,402</b>	16,163	26,490	32,952	33,669
Additional investments and advances	<b>5,507</b>	1,417	607	1,631	4,435
Other investing activities including collection of advances	<b>(2,076)</b>	(902)	(842)	(3,346)	(1,124)
PP&E Adds/Investments & Advances	<b>18,833</b>	16,678	26,255	31,237	36,980

PP&E add/investments & advances derived from the Summary statement of cash flows.

Frequently used terms, continued

<b>Cash flow from operations and asset sales</b>	<b>2017</b>	2016	2015	2014	2013
<i>(millions of dollars)</i>					
Net cash provided by operating activities	<b>30,066</b>	22,082	30,344	45,116	44,914
Proceeds associated with sales of subsidiaries, property, plant and equipment, and sales and returns of investments	<b>3,103</b>	4,275	2,389	4,035	2,707
<b>Cash flow from operations and asset sales</b>	<b>33,169</b>	26,357	32,733	49,151	47,621

Cash flow from operations and asset sales is the sum of the net cash provided by operating activities and proceeds associated with sales of subsidiaries, property, plant and equipment, and sales and returns of investments from the Summary statement of cash flows. This cash flow reflects the total sources of cash from both operating the Corporation's assets and from the divesting of assets. The Corporation employs a long-standing and regular disciplined review process to ensure all assets are contributing to the Corporation's strategic objectives. Assets are divested when they are no longer meeting these objectives or are worth considerably more to others. Because of the regular nature of this activity, we believe it is useful for investors to consider proceeds associated with asset sales together with cash provided by operating activities when evaluating cash available for investment in the business and financing activities, including shareholder distributions.

<b>Operating costs</b>	<b>2017</b>	2016	2015	2014	2013
<i>(millions of dollars)</i>					
<b>Reconciliation of operating costs</b>					
From ExxonMobil's Consolidated statement of income					
Total costs and other deductions	<b>225,689</b>	200,145	227,282	333,851	352,747
Less:					
Crude oil and product purchases	<b>128,217</b>	104,171	130,003	225,972	244,156
Interest expense	<b>601</b>	453	311	286	9
Other taxes and duties	<b>30,104</b>	29,020	30,309	35,170	36,022
Subtotal	<b>66,767</b>	66,501	66,659	72,423	72,560
ExxonMobil's share of equity company expenses	<b>9,016</b>	7,409	8,309	11,072	14,531
<b>Total operating costs</b>	<b>75,783</b>	73,910	74,968	83,495	87,091

**Components of operating costs**

From ExxonMobil's Consolidated statement of income					
Production and manufacturing expenses	<b>34,128</b>	31,927	35,587	40,859	40,525
Selling, general and administrative expenses	<b>10,956</b>	10,799	11,501	12,598	12,877
Depreciation and depletion	<b>19,893</b>	22,308	18,048	17,297	17,182
Exploration expenses, including dry holes	<b>1,790</b>	1,467	1,523	1,669	1,976
Subtotal	<b>66,767</b>	66,501	66,659	72,423	72,560
ExxonMobil's share of equity company expenses	<b>9,016</b>	7,409	8,309	11,072	14,531
<b>Total operating costs</b>	<b>75,783</b>	73,910	74,968	83,495	87,091

Operating costs are the costs during the period to produce, manufacture, and otherwise prepare the company's products for sale – including energy, staffing, and maintenance costs. They exclude the cost of raw materials, taxes, and interest expense and are on a before-tax basis. While ExxonMobil's management is responsible for all revenue and expense elements of net income, operating costs, as defined above, represent the expenses most directly under management's control, and therefore are useful for investors and ExxonMobil management in evaluating management's performance.

Frequently used terms, continued

<b>Free cash flow</b>	<b>2017</b>	2016	2015	2014	2013
<i>(millions of dollars)</i>					
Net cash provided by operating activities	<b>30,066</b>	22,082	30,344	45,116	44,914
Additions to property, plant and equipment	<b>(15,402)</b>	(16,163)	(26,490)	(32,952)	(33,669)
Proceeds associated with sales of subsidiaries, property, plant and equipment, and sales and returns of investments	<b>3,103</b>	4,275	2,389	4,035	2,707
Additional investments and advances	<b>(5,507)</b>	(1,417)	(607)	(1,631)	(4,435)
Other investing activities including collection of advances	<b>2,076</b>	902	842	3,346	1,124
<b>Free cash flow</b>	<b>14,336</b>	9,679	6,478	17,914	10,641

Free cash flow is cash flow from operations and asset sales less additions to property, plant and equipment, and additional investments and advances, plus other investing activities, including collection of advances. This measure is useful when evaluating cash available for financing activities, including shareholder distributions, after investment in the business.

<b>Distributions to shareholders</b>	<b>2017</b>	2016	2015	2014	2013
<i>(millions of dollars)</i>					
Dividends paid to ExxonMobil shareholders	<b>13,001</b>	12,453	12,090	11,568	10,875
Cost of shares acquired to reduce shares outstanding	<b>-</b>	-	3,000	12,000	15,000
<b>Distributions to ExxonMobil shareholders</b>	<b>13,001</b>	12,453	15,090	23,568	25,875
Memo: Gross cost of shares acquired to offset shares or units settled in shares issued under benefit plans and programs	<b>747</b>	977	1,039	1,183	998

The Corporation distributes cash to shareholders in the form of both dividends and share purchases. Shares are acquired to reduce shares outstanding and offset shares or units settled in shares issued in conjunction with company benefit plans and programs. For purposes of calculating distributions to shareholders, the Corporation only includes the cost of those shares acquired to reduce shares outstanding.

<b>Capital employed at year end</b>	<b>2017</b>	2016	2015	2014	2013
<i>(millions of dollars)</i>					
<b>Business uses: asset and liability perspective</b>					
Total assets	<b>348,691</b>	330,314	336,758	349,493	346,808
Less liabilities and noncontrolling interests share of assets and liabilities					
Total current liabilities excluding notes and loans payable	<b>(39,841)</b>	(33,808)	(35,214)	(47,165)	(55,916)
Total long-term liabilities excluding long-term debt	<b>(72,014)</b>	(79,914)	(86,047)	(92,143)	(87,698)
Noncontrolling interests share of assets and liabilities	<b>(8,298)</b>	(8,031)	(8,286)	(9,099)	(8,935)
Add ExxonMobil share of debt-financed equity company net assets	<b>3,929</b>	4,233	4,447	4,766	6,109
<b>Total capital employed</b>	<b>232,467</b>	212,794	211,658	205,852	200,368
<b>Total corporate sources: debt and equity perspective</b>					
Notes and loans payable	<b>17,930</b>	13,830	18,762	17,468	15,808
Long-term debt	<b>24,406</b>	28,932	19,925	11,653	6,891
ExxonMobil share of equity	<b>187,688</b>	167,325	170,811	174,399	174,003
Less noncontrolling interests share of total debt	<b>(1,486)</b>	(1,526)	(2,287)	(2,434)	(2,443)
Add ExxonMobil share of equity company debt	<b>3,929</b>	4,233	4,447	4,766	6,109
<b>Total capital employed</b>	<b>232,467</b>	212,794	211,658	205,852	200,368

Capital employed is a measure of net investment. When viewed from the perspective of how the capital is used by the businesses, it includes ExxonMobil's net share of property, plant and equipment, and other assets, less liabilities, excluding both short-term and long-term debt. When viewed from the perspective of the sources of capital employed in total for the Corporation, it includes ExxonMobil's share of total debt and equity. Both of these views include ExxonMobil's share of amounts applicable to equity companies, which the Corporation believes should be included to provide a more comprehensive measure of capital employed.

Frequently used terms, continued

<b>Return on average capital employed (ROCE)</b>	<b>2017</b>	2016	2015	2014	2013
<i>(millions of dollars)</i>					
Net income attributable to ExxonMobil	<b>19,710</b>	7,840	16,150	32,520	32,580
Financing costs (after tax)					
Gross third-party debt	<b>(709)</b>	(683)	(362)	(140)	(163)
ExxonMobil share of equity companies	<b>(204)</b>	(225)	(170)	(256)	(239)
All other financing costs – net	<b>515</b>	423	88	(68)	83
Total financing costs	<b>(398)</b>	(485)	(444)	(464)	(319)
Earnings excluding financing costs	<b>20,108</b>	8,325	16,594	32,984	32,899
Average capital employed	<b>222,631</b>	212,226	208,755	203,110	191,575
Return on average capital employed – corporate total	<b>9.0%</b>	3.9%	7.9%	16.2%	17.2%

<b>ROCE (continued)</b>	2012	2011	2010	2009	2008
<i>(millions of dollars)</i>					
Net income attributable to ExxonMobil	44,880	41,060	30,460	19,280	45,220
Financing costs (after tax)					
Gross third-party debt	(401)	(153)	(803)	(303)	(343)
ExxonMobil share of equity companies	(257)	(219)	(333)	(285)	(325)
All other financing costs – net	100	116	35	(483)	1,485
Total financing costs	(558)	(256)	(1,101)	(1,071)	817
Earnings excluding financing costs	45,438	41,316	31,561	20,351	44,403
Average capital employed	179,094	170,721	145,217	125,050	129,683
Return on average capital employed – corporate total	25.4%	24.2%	21.7%	16.3%	34.2%

ROCE is a performance measure ratio. From the perspective of the business segments, ROCE is annual business segment earnings divided by average business segment capital employed (average of beginning and end-of-year amounts). These segment earnings include ExxonMobil's share of segment earnings of equity companies, consistent with our capital employed definition, and exclude the cost of financing. The Corporation's total ROCE is net income attributable to ExxonMobil, excluding the after-tax cost of financing, divided by total corporate average capital employed. The Corporation has consistently applied its ROCE definition for many years and views it as the best measure of historical capital productivity in our capital-intensive, long-term industry, both to evaluate management's performance and to demonstrate to shareholders that capital has been used wisely over the long term. Additional measures, which are more cash-flow based, are used to make investment decisions.

<b>Total taxes including sales-based taxes</b>	<b>2017</b>	2016	2015	2014	2013
<i>(millions of dollars)</i>					
Income taxes	<b>(1,174)</b>	(406)	5,415	18,015	24,263
Total other taxes and duties	<b>32,459</b>	31,375	32,834	38,399	39,188
Total taxes	<b>31,285</b>	30,969	38,249	56,414	63,451
Sales-based taxes	<b>19,725</b>	17,980	19,634	26,458	27,797
Total taxes including sales-based taxes	<b>51,010</b>	48,949	57,883	82,872	91,248

Total taxes including sales-based taxes is a broader indicator of the total tax burden on the Corporation's products and earnings, including certain sales and value-added taxes imposed on and concurrent with revenue-producing transactions with customers and collected on behalf of governmental authorities ("sales-based taxes"). It combines "Income taxes" and "Total other taxes and duties" with sales-based taxes, which are reported net in the income statement. We believe it is useful for the Corporation and its investors to understand the total tax burden imposed on the Corporation's products and earnings.

## Functional earnings<sup>(1)</sup>

(millions of dollars)

	2017 quarters				2017	2016	2015	2014	2013
	First	Second	Third	Fourth					
<b>Earnings (U.S. GAAP)</b>									
<b>Upstream</b>									
United States	(18)	(183)	(238)	7,061	6,622	(4,151)	(1,079)	5,197	4,191
Non-U.S.	2,270	1,367	1,805	1,291	6,733	4,347	8,180	22,351	22,650
Total	2,252	1,184	1,567	8,352	13,355	196	7,101	27,548	26,841
<b>Downstream</b>									
United States	292	347	391	918	1,948	1,094	1,901	1,618	2,199
Non-U.S.	824	1,038	1,141	646	3,649	3,107	4,656	1,427	1,250
Total	1,116	1,385	1,532	1,564	5,597	4,201	6,557	3,045	3,449
<b>Chemical</b>									
United States	529	481	403	777	2,190	1,876	2,386	2,804	2,755
Non-U.S.	642	504	689	493	2,328	2,739	2,032	1,511	1,073
Total	1,171	985	1,092	1,270	4,518	4,615	4,418	4,315	3,828
<b>Corporate and Financing</b>									
	(529)	(204)	(221)	(2,806)	(3,760)	(1,172)	(1,926)	(2,388)	(1,538)
<b>Net income attributable to ExxonMobil (U.S. GAAP)</b>									
	4,010	3,350	3,970	8,380	19,710	7,840	16,150	32,520	32,580

## Average capital employed<sup>(2)</sup> by business

(millions of dollars)

	2017	2016	2015	2014	2013
<b>Upstream</b>					
United States	64,896	62,114	64,086	62,403	59,898
Non-U.S.	109,778	107,941	105,868	102,562	93,071
Total	174,674	170,055	169,954	164,965	152,969
<b>Downstream</b>					
United States	7,936	7,573	7,497	6,070	4,757
Non-U.S.	14,578	14,231	15,756	17,907	19,673
Total	22,514	21,804	23,253	23,977	24,430
<b>Chemical</b>					
United States	10,672	9,018	7,696	6,121	4,872
Non-U.S.	16,844	15,826	16,054	16,076	15,793
Total	27,516	24,844	23,750	22,197	20,665
<b>Corporate and Financing</b>					
	(2,073)	(4,477)	(8,202)	(8,029)	(6,489)
<b>Corporate total</b>					
	222,631	212,226	208,755	203,110	191,575
<b>Average capital employed applicable to equity companies included above</b>					
	35,941	34,190	34,248	35,403	35,234

## Return on average capital employed by business

(percent)

	2017	2016	2015	2014	2013
<b>Upstream</b>					
United States	10.2	(6.7)	(1.7)	8.3	7.0
Non-U.S.	6.1	4.0	7.7	21.8	24.3
Total	7.6	0.1	4.2	16.7	17.5
<b>Downstream</b>					
United States	24.5	14.4	25.4	26.7	46.2
Non-U.S.	25.0	21.8	29.6	8.0	6.4
Total	24.9	19.3	28.2	12.7	14.1
<b>Chemical</b>					
United States	20.5	20.8	31.0	45.8	56.5
Non-U.S.	13.8	17.3	12.7	9.4	6.8
Total	16.4	18.6	18.6	19.4	18.5
<b>Corporate and Financing</b>					
	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Corporate total</b>					
	9.0	3.9	7.9	16.2	17.2

(1) Unless indicated, references to earnings and Upstream, Downstream, Chemical, and Corporate and Financing segment earnings are ExxonMobil's share after excluding amounts attributable to noncontrolling interests.

(2) Average capital employed is the average of beginning-of-year and end-of-year business segment capital employed, including ExxonMobil's share of amounts applicable to equity companies.