



# Financial Priorities & Performance

**Steve Crowe**  
Vice President and  
Chief Financial Officer



## Key Financial Priorities



Fund capital program



Maintain AA credit rating



Increase dividends annually



Repurchase shares

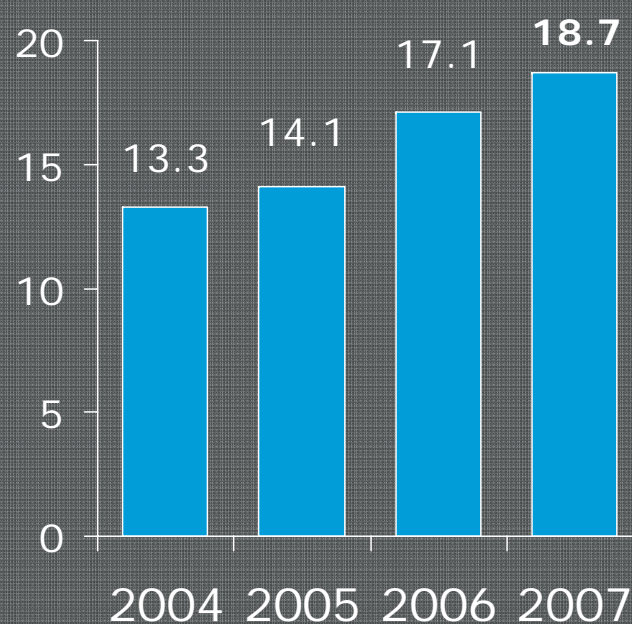


## Record Earnings Again

\$ Billions

	2006	2007
Upstream	13.1	14.8
Downstream	4.0	3.5
Chemical	0.5	0.4
Other	(0.5)	0.0
<b>Net Income</b>	<b>17.1</b>	<b>18.7</b>

\$ Billions



# A Diversified Portfolio

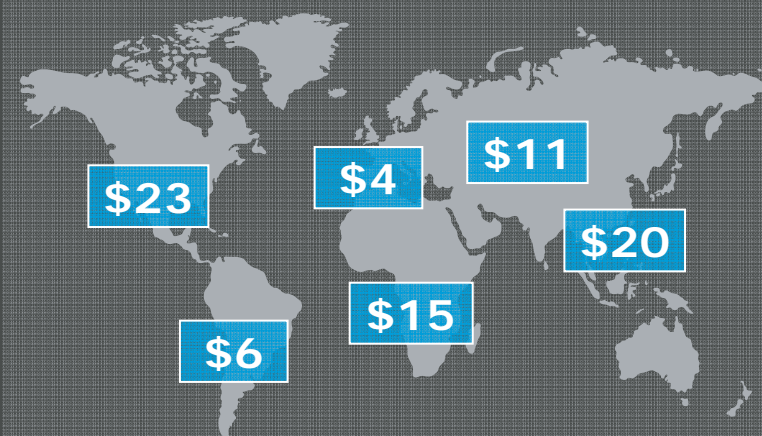
## Strong Returns Across the Segments



\$ Billions 2007

	Capital Employed	ROCE
Upstream <sup>1</sup>	53	30% <sup>3</sup>
Downstream	24	16%
Chemical	2	17%
Other	5	n/a
	<b>\$84</b>	<b>23%</b>

### Capital Employed



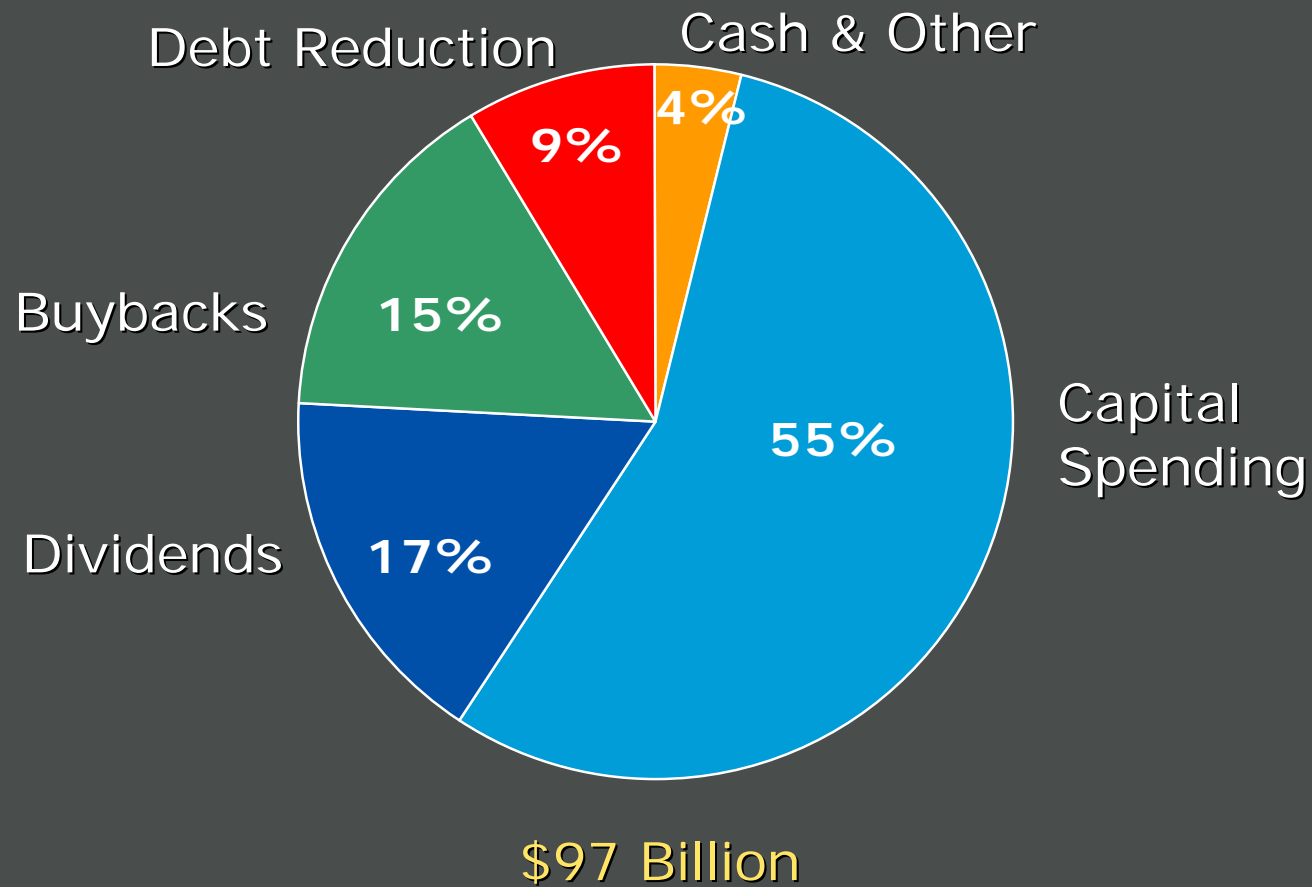
Ranked #2 in peer group <sup>2</sup>

<sup>1</sup> Upstream includes Goodwill of \$5 Billion

<sup>2</sup> Peer group includes: BP, COP, RDS, and XOM

<sup>3</sup> Updated March 26<sup>th</sup>, 2008

# 2004–2007 Uses of Cash From Operations and Divestments

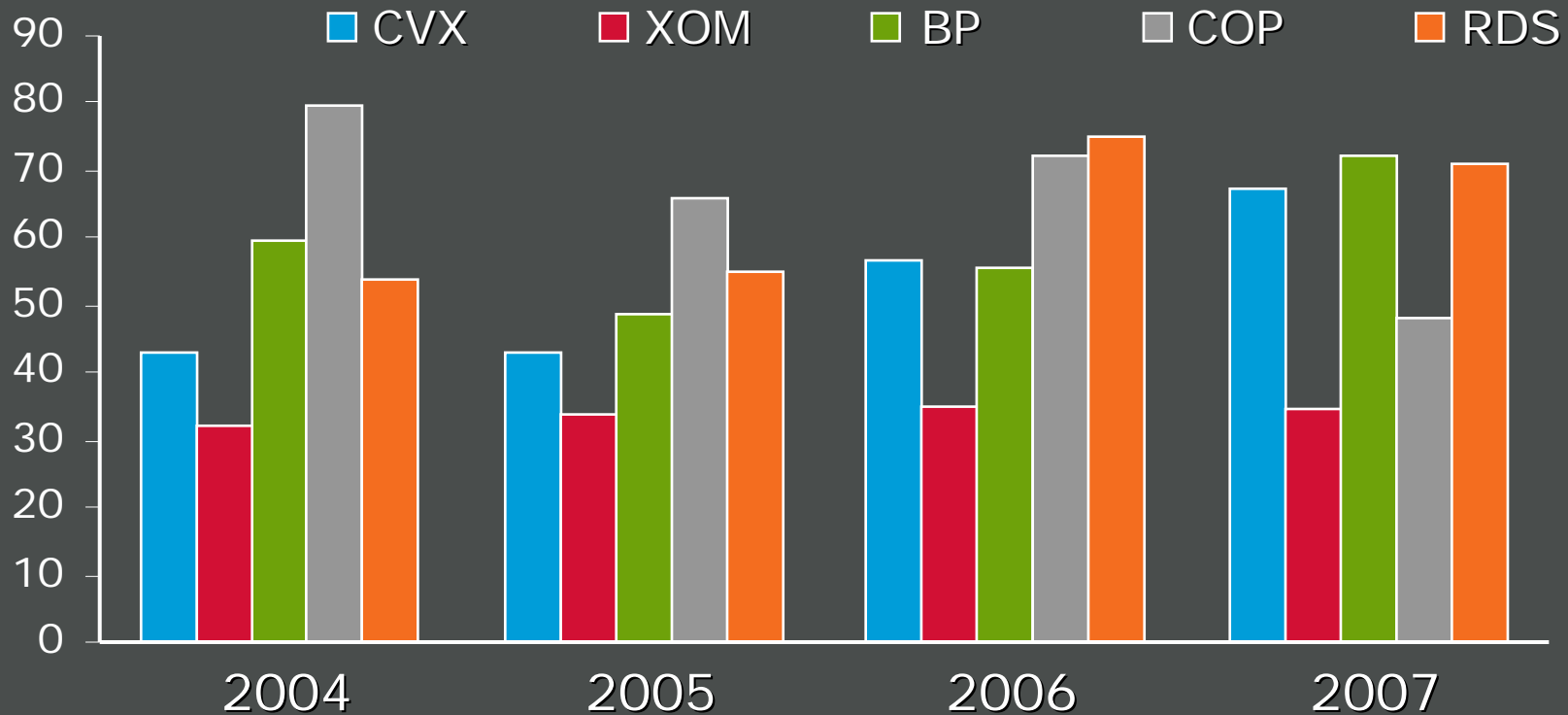


# Capital Spending Reflects Our Growth Opportunities



## Reinvestment Ratios \*

Percent



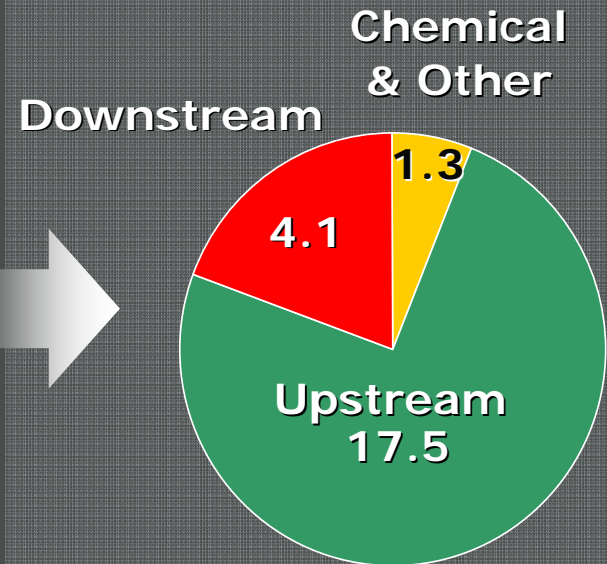
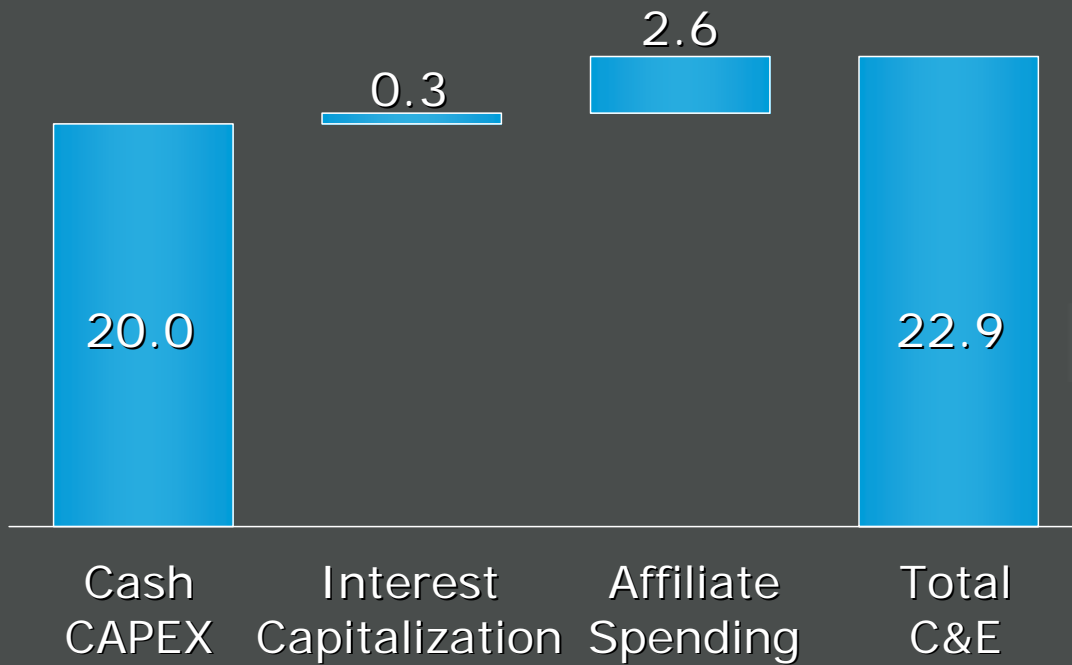
\* Capital expenditures/net cash provided by operating activities per statement of cash flows

# Investing for the Future

## 2008 Capital & Exploratory Expenditures



\$ Billions

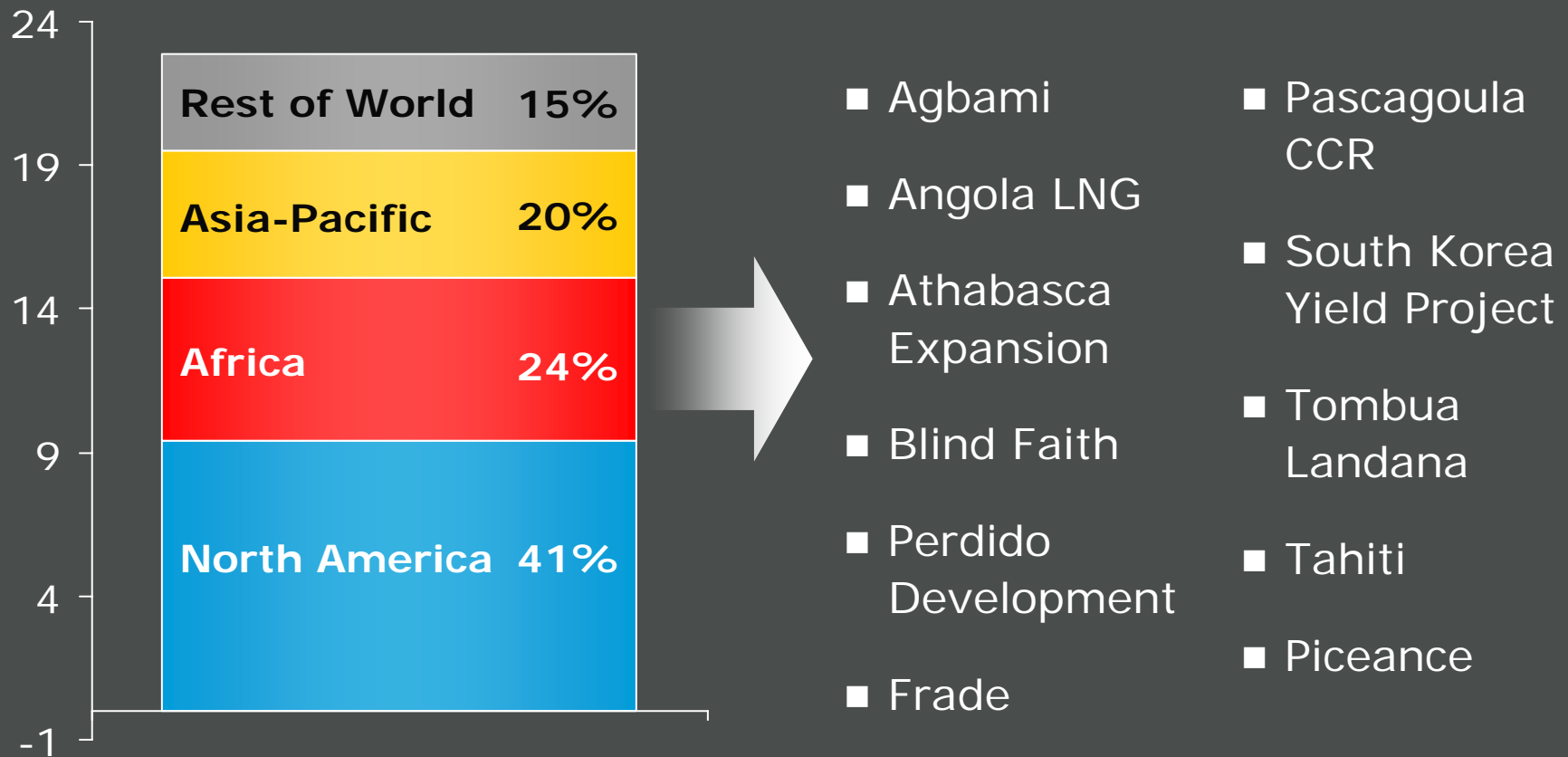


# Discipline in Selecting and Executing Value-Creating Projects



2008 Total Capital & Exploratory Expenditures: \$22.9 Billion\*

\$ Billion

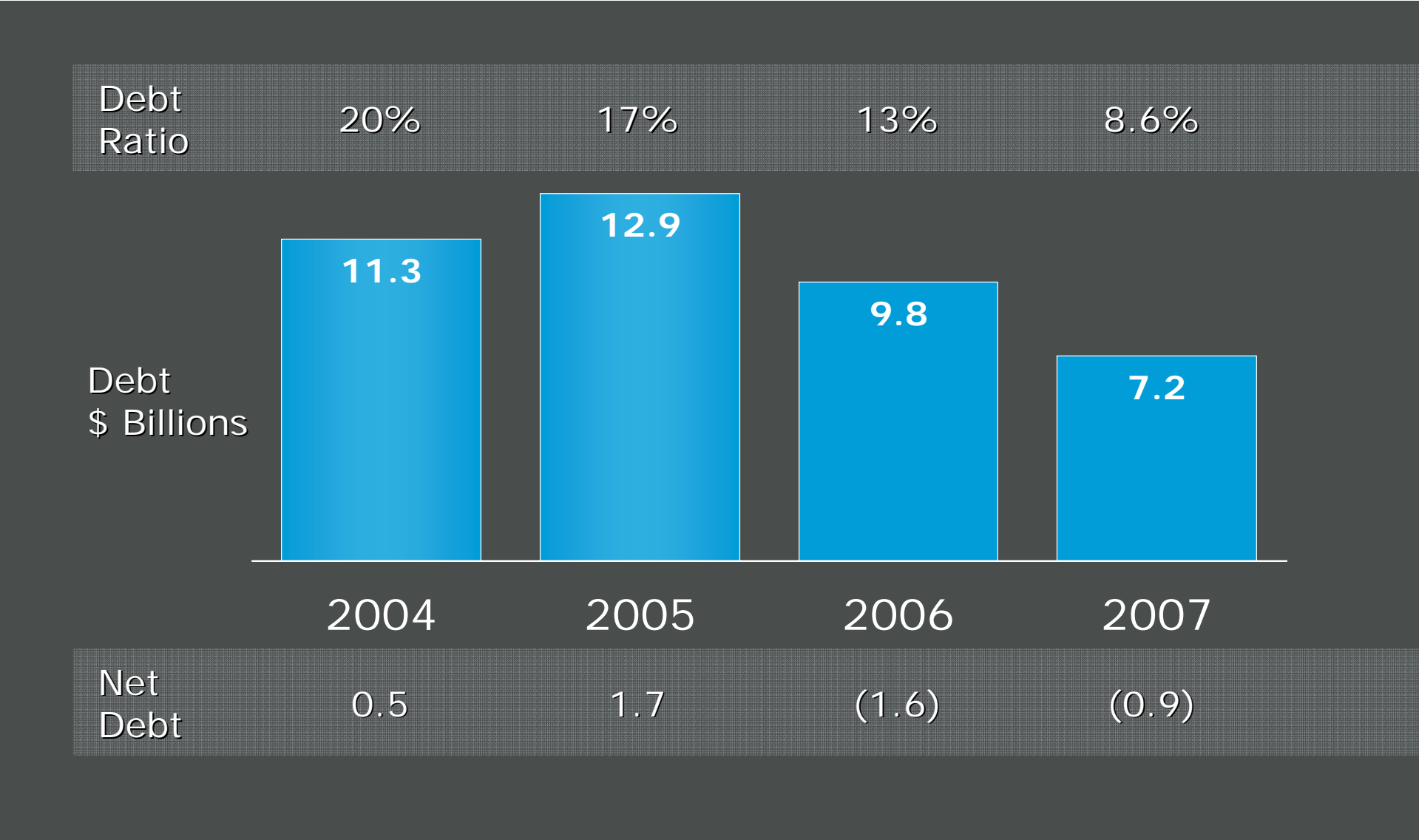


\* Includes Chevron's share of affiliates' expenditures, which does not require cash outlay by Chevron



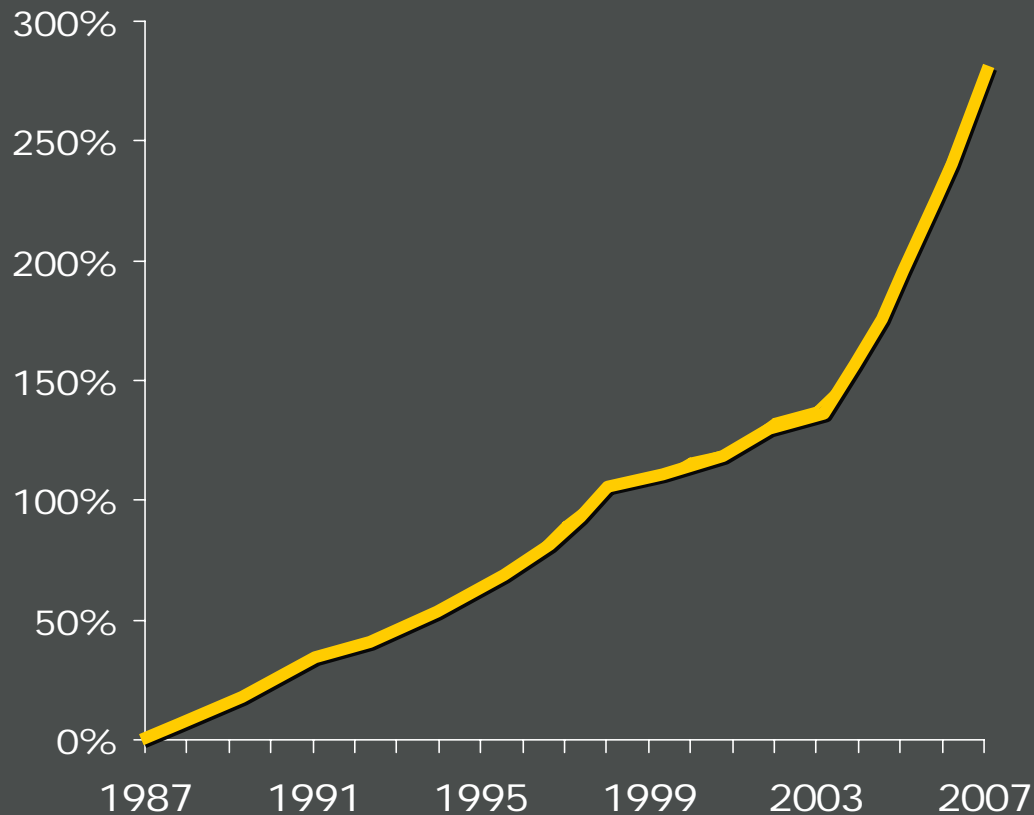


# Exceptionally Strong Balance Sheet





## Consistent Dividend Growth



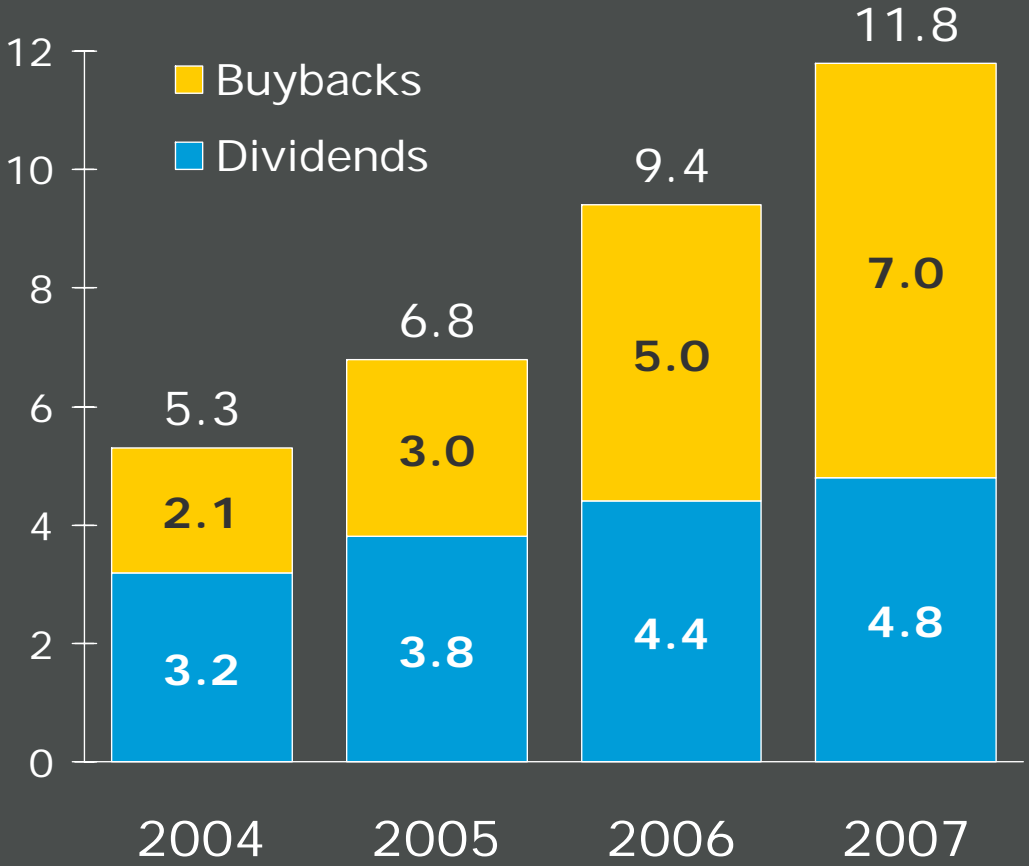
- 20 consecutive annual increases
- Growth rate
  - 6.9% since 1987
  - 10.1% since 2002
- Current yield ~3%



# Delivering Shareholder Value

## Cash Returned to Shareholders

\$ Billions



2004 – 2007

### Buybacks

- \$17.1 Billion
- \$66.07/Share
- 259 Million Shares

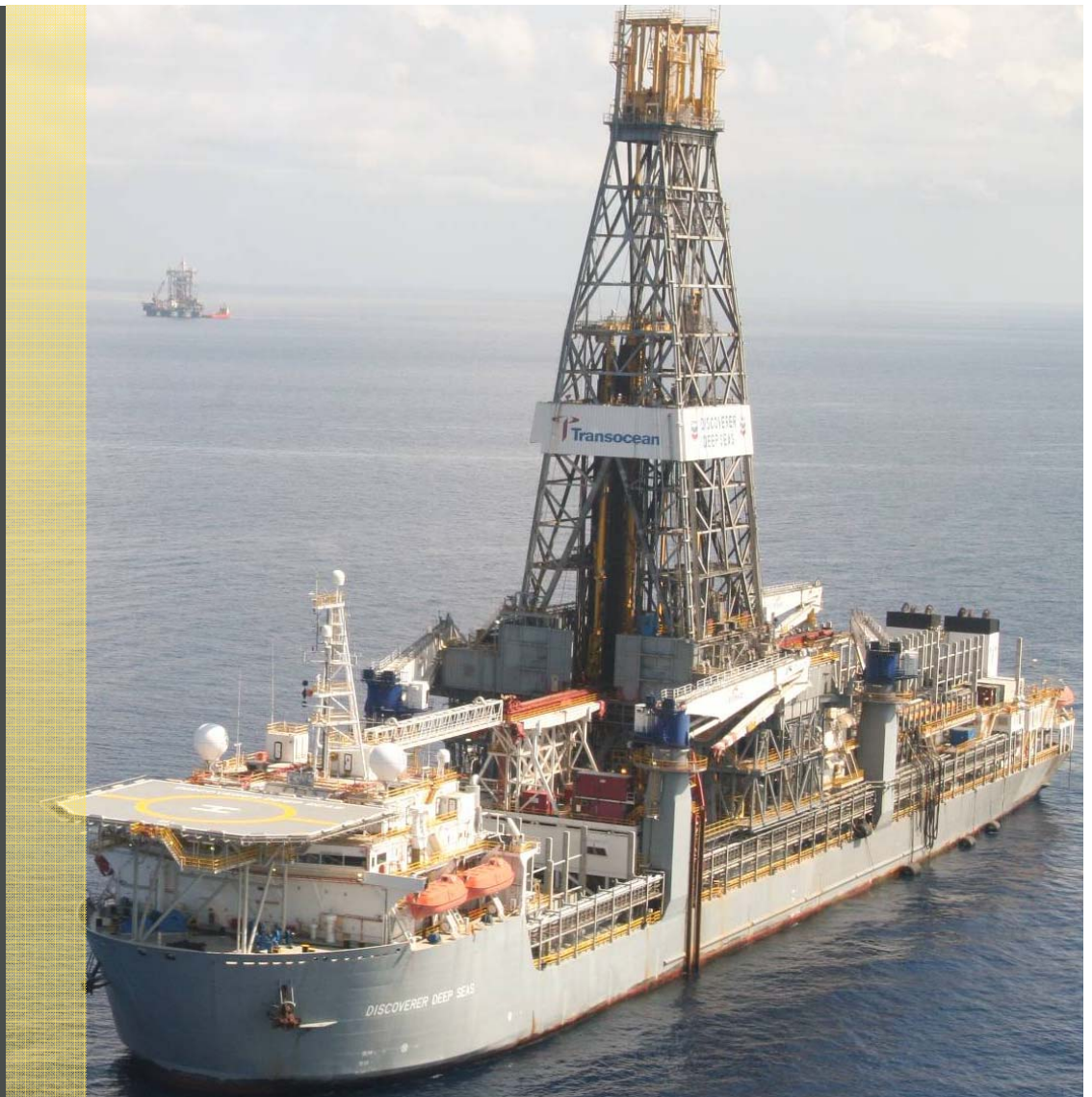
### Dividends

- \$16.2 Billion



# Disciplined Cost Management

- Safe and Reliable Operations
- Energy Efficiency
- Rig Strategy
- Application of Technology



# Balancing Earnings Growth With Current Profitability



## Earnings Growth

- Disciplined project selection
- World-class project execution
- Exploration success
- Excellent project queue
- Technical/financial resources

## Current Profitability

- Reliable and safe operations
- Attentive to cost structure
- Base business capability
- Earnings/returns mindset