

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): July 30, 2003

ConocoPhillips
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	000-49987 (Commission File Number)	01-0562944 (I.R.S. Employer Identification No.)
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600 North Dairy Ashford
Houston, Texas 77079
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (281) 293-1000

Item 7. Financial Statements and Exhibits

(c) Exhibits

- 99.1 -- Press release issued by ConocoPhillips on July 30, 2003.
- 99.2 -- Financial and operational tables.
- 99.3 -- Supplemental financial information.

Item 12. Results of Operations and Financial Condition

On July 30, 2003, ConocoPhillips issued a press release announcing the company's financial and operating results for the quarter ended June 30, 2003. A copy of the press release is furnished as Exhibit 99.1 hereto and incorporated herein by reference. Additional financial and operating information about the quarter is furnished as Exhibits 99.2 and 99.3 to this report and incorporated by reference herein.

SIGNATURES

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 hereunto duly authorized.

CONOCOPHILLIPS

/s/ John A. Carrig

John A. Carrig
Executive Vice President, Finance
and Chief Financial Officer

July 30, 2003

EXHIBIT INDEX

Exhibit No.	Description
99.1	-- Press release issued by ConocoPhillips on July 30, 2003.
99.2	-- Financial and operational tables.
99.3	-- Supplemental financial information.

ConocoPhillips Reports Second Quarter Net Income of \$1.1 Billion;
Solid Operating Performance Drives Debt Reduction

HOUSTON--(BUSINESS WIRE)--July 30, 2003--ConocoPhillips (NYSE:COP)

Earnings at a glance

	Second Quarter		Six Months	
	2003	2002	2003	2002
Income from continuing operations	\$1,079 million	\$312 million	\$2,349 million	\$214 million
Income from discontinued operations	\$59	39	\$81	35
Cumulative effect of change in accounting principle	\$-	-	\$145	-
Net income	\$1,138	351	\$2,575	249
Diluted income per share				
Income from continuing operations	\$1.58	0.81	\$3.44	0.55
Net income	\$1.66	0.91	\$3.77	0.65
Revenues	\$25.6 billion	\$10.5 billion	\$52.7 billion	\$18.9 billion

ConocoPhillips (NYSE:COP) today reported second quarter net income of \$1,138 million, or \$1.66 per share, compared with \$351 million, or 91 cents per share, for the same quarter in 2002, which was prior to the ConocoPhillips merger. Total revenues were \$25.6 billion, versus \$10.5 billion a year ago. Income from continuing operations for the second quarter was \$1,079 million, or \$1.58 per share, compared with \$312 million, or 81 cents per share, for the same period a year ago.

After-tax items impacting second quarter income from continuing operations included charges of \$135 million for merger-related expenses and contingency accruals, as well as \$25 million related to marketing lease-loss accruals. Also included were the benefits of an \$87 million net gain from changes in certain international tax laws and \$55 million related to the Bayu-Undan project in the Timor Sea.

"We are pleased with our operating and financial performance during the second quarter," said Jim Mulva, president and chief executive officer. "Operationally, upstream production was 1.64 million barrels-of-oil-equivalent (BOE) per day during the quarter and 1.63 million BOE for the first half of 2003. Our refining and marketing business also had another solid quarter as our refineries ran at 96 percent of capacity.

"This operating performance combined with solid commodity prices, disciplined capital spending, asset sales, and the financial benefits of our synergy initiatives contributed to continued strong earnings and allowed us to reduce our debt by \$2.2 billion so far this year."

For the first six months of 2003, net income was \$2,575 million, or \$3.77 per share, versus \$249 million, or 65 cents per share, for 2002. Income from continuing operations was \$2,349 million, or \$3.44 per share, compared with \$214 million, or 55 cents per share, for the same period a year ago. Total revenues were \$52.7 billion, versus \$18.9 billion a year ago.

The ConocoPhillips merger was consummated on Aug. 30, 2002, and used purchase accounting to recognize the fair value of the Conoco assets and liabilities. While the results of the second quarter and first six months of 2003 reflect the operations of the combined company, the second quarter of 2002, as well as the first six months of 2002, reflect only Phillips' results, restated for discontinued operations. Definitive sales agreements for all asset dispositions required by the Federal Trade Commission (FTC) have now been executed and, pending FTC approval, these agreements are expected to close by the end of the third quarter.

The results of ConocoPhillips' business segments follow.

Exploration & Production (E&P)

Second quarter financial results: E&P income from continuing operations in the second quarter was \$1,070 million, down from \$1,137 million in the first quarter of 2003 and up from \$339 million in the second quarter of 2002. The decrease from the first quarter was primarily the result of lower realized crude oil and natural gas prices and foreign currency exchange losses, partially offset by tax law changes in certain jurisdictions and increased production. Improved results from the second quarter of 2002 were due to higher realized crude oil and natural gas prices, benefits from tax law changes in certain jurisdictions, and increased production resulting from the addition of the Conoco assets. Additionally, improvements from prior periods reflect progress made on the implementation of synergy initiatives.

ConocoPhillips' daily production for the quarter was slightly above the first quarter, averaging 1.64 million BOE per day, including Canadian Syncrude. Increased production primarily in Venezuela was partially offset by seasonal declines in Alaska and the North Sea.

ConocoPhillips' second quarter 2003 average worldwide crude oil sales price was \$25.19 per barrel, down from \$30.73 in the first quarter of 2003. The company's U.S. Lower 48 and worldwide natural gas prices averaged \$4.72 and \$3.93 per thousand cubic feet, respectively, compared with \$5.47 and \$4.49 in the first quarter of 2003.

In June, the Norway Removal Grant Act (1986) was repealed. This resulted in a net after-tax benefit of \$87 million in the second quarter. Also in the second quarter, in connection with the Bayu-Undan project, Australia and Timor-Leste ratified the treaty between the two nations governing fiscal and other arrangements in the Timor Sea, and the company received final approvals from the relevant authorities to proceed with the gas development phase of the project. The company recognized a \$55 million benefit related to restructuring of ownership interest and other matters associated with the Bayu-Undan project.

Six months financial results: E&P income from continuing operations for the first six months of 2003 was \$2,207 million, up from \$481 million in 2002, primarily due to additional volumes from the Conoco operations, higher realized worldwide crude oil and natural gas prices, and tax law changes.

ConocoPhillips' average worldwide crude oil price was \$27.82 per barrel for the first six months of 2003, compared with \$21.90 for 2002. The company's U.S. Lower 48 and worldwide natural gas prices averaged \$5.10 and \$4.21 per thousand cubic feet, respectively, versus \$2.26 and \$2.27 in 2002.

Midstream

Second quarter financial results: Midstream income from continuing operations was \$25 million, down from \$31 million in the first quarter of 2003 and up from \$12 million in the second quarter of 2002. The decrease from the first quarter was due primarily to lower natural gas liquids prices. The increase over the second quarter of 2002 was primarily due to higher natural gas liquids prices for Duke Energy Field Services, LLC (DEFS).

Six months financial results: Midstream operating results increased to \$56 million, from \$24 million in 2002. Contributing to the increase were higher equity earnings from DEFS and the addition of the Conoco midstream operations.

Refining and Marketing (R&M)

Second quarter financial results: R&M income from continuing operations was \$301 million, down from \$371 million in the previous quarter and improved from \$68 million in the second quarter of 2002.

The decline in second quarter R&M earnings compared with the first quarter of 2003 was primarily driven by lower worldwide refining margins. These lower margins were partially offset by higher sales volumes, higher U.S. and international marketing margins, and lower utility and turnaround costs. The improved results over the second quarter of 2002 were attributable to the addition of the Conoco assets, higher refining and marketing margins, and business improvements, which included the benefits from progress made on implementing synergy initiatives. These improvements were partially offset by higher refining utility costs and marketing lease-loss accruals.

The refinery crude oil capacity utilization rate averaged 96 percent, compared with 92 percent last quarter. After-tax turnaround costs were \$26 million and \$40 million in the second quarter and first quarter of 2003, respectively.

Six months financial results: R&M income from continuing operations for the first six months of 2003 increased to \$672 million, compared with a loss of \$19 million in the first half of 2002. The addition of the Conoco assets, as well as increased refining and

marketing margins, contributed to the increase. These increases were partly offset by higher utility costs and lease-loss accruals on the company's marketing operations.

Chemicals

Second quarter financial results: The Chemicals segment, which reflects the company's 50 percent interest in Chevron Phillips Chemical Company LLC, reported income from continuing operations of \$12 million, compared with a loss of \$23 million in the first quarter of 2003 and income of \$7 million in the second quarter of 2002. Improvements from the first quarter were the result of higher margins as feedstock and utility costs trended downward. Second quarter 2003 results included approximately \$6 million of after-tax charges related to severance and contingency accruals. The increase from the second quarter of 2002 primarily reflects higher margins, particularly in olefins and polyolefins.

Six months financial results: During the first six months of 2003, the Chemicals segment had a loss from continuing operations of \$11 million, compared with a loss of \$4 million for the same period a year ago. The increased loss was primarily due to higher feedstock and utility costs in 2003, especially in the first quarter.

Emerging Businesses

The Emerging Businesses segment had a loss from continuing operations of \$23 million in the second quarter of 2003, compared with losses of \$34 million in the first quarter of 2003 and \$3 million in the second quarter of 2002. The improvement from the first quarter was primarily attributable to a reduction in carbon fibers expenses, as well as reduced costs associated with a gas-to-liquids plant. The increased costs from the second quarter of 2002 resulted from the addition of the Conoco assets.

Corporate and Other

Second quarter after-tax Corporate expenses from continuing operations were \$306 million, compared with \$212 million in the previous quarter and \$111 million in the second quarter of 2002. Contributing to the increase over the first quarter was a \$39 million charge to accelerate the recognition of certain pension costs, which was required by accounting rules due to the number of employee retirements associated with the merger. In addition, Corporate expenses increased due to a \$35 million charge for restructuring accruals and \$41 million of additional merger-related expenses. Corporate charges were reduced by lower interest expense and gains on foreign currency transactions. The increase over the second quarter of 2002 included expenses associated with the addition of the Conoco assets, pension charges and other merger-related expenses.

Total debt at the end of the second quarter was \$17.6 billion, \$600 million lower than the end of the previous quarter and \$2.2 billion below year-end 2002. This improvement resulted from strong operating performance, solid commodity prices, disciplined capital spending and asset sales. At the end of the second quarter, the company's debt-to-capital ratio was 35 percent, down from 36 percent at the end of the first quarter.

The company's second quarter effective tax rate of 38.4 percent was lower than that of the first quarter primarily due to the impact of changes in tax legislation in Norway and a higher proportion of income from lower-tax-rate jurisdictions in the second quarter.

Discontinued Operations

Second quarter 2003 earnings from discontinued operations were \$59 million, compared with \$22 million in the first quarter. The improvement was primarily related to higher marketing margins. Both first and second quarter earnings were negatively impacted by approximately \$25 million due to lease-loss accruals on the company's downstream marketing operations.

Outlook

Mr. Mulva concluded:

"A strong operating performance during the first half of the year, combined with above-average crude oil and natural gas prices and solid refining and marketing margins, allowed us to generate net cash from operating activities of \$5.4 billion. This enabled us to fund \$2.9 billion in capital expenditures, reduce debt by \$2.2 billion, and pay \$540 million in dividends. During this period, we improved our debt-to-capital ratio from 39 percent to 35 percent. As previously

reported, implementation of two new accounting rules in the third quarter will increase our balance sheet debt by about \$3 billion, however we expect our off-balance-sheet debt and minority interest to concurrently decrease by a similar amount. Our debt targets remain unchanged, and we still plan to reduce our debt-to-capital ratio to 30 percent over the next several years.

"We continue to strengthen our upstream portfolio through legacy project advancement and planned asset dispositions, as well as through efforts aimed at growing our worldwide natural gas business. For example, we announced a major integrated liquefied natural gas project in Qatar, and the Mackenzie Delta participants submitted a Preliminary Information Package, in connection with a pipeline, required for the ultimate development of this area.

"Downstream, we continue to make progress toward achieving higher mid-cycle margin returns through cost reduction and integration efforts. We are also looking to optimize capital spending required for clean fuels projects through implementing best practices. As announced, we reached an agreement to sell certain retail and dealer marketing sites in the Northeast, and are on track with our plan to rationalize a substantial portion of our U.S. retail marketing assets."

ConocoPhillips is an integrated petroleum company with interests around the world. Headquartered in Houston, the company had approximately 55,800 employees, \$81 billion of assets, and \$105 billion of annualized revenues as of June 30, 2003. For more information, go to www.conocophillips.com.

ConocoPhillips' quarterly conference call is scheduled for noon Central today. To listen to the conference call and to view related presentation materials, go to www.conocophillips.com and click on the "Second Quarter Earnings" link.

For financial and operational tables, go to www.conocophillips.com/news/nr/earnings/highlights/2q03earnings.html.

For detailed supplemental information, go to www.conocophillips.com/news/nr/earnings/detail/2q03summary.xls.

CAUTIONARY STATEMENT FOR THE PURPOSES OF THE "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This update contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. The forward-looking statements, such as "however we expect our off-balance-sheet debt and minority interest to concurrently decrease by a similar amount" and "we still plan to reduce our debt-to-capital ratio to 30 percent over the next several years" involve certain risks, uncertainties and assumptions that are difficult to predict. Further, certain forward-looking statements are based on assumptions as to future events that may not prove to be accurate. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. Economic, business, competitive and regulatory factors that may affect ConocoPhillips' business are generally as set forth in ConocoPhillips' filings with the Securities and Exchange Commission (SEC). ConocoPhillips is under no obligation (and expressly disclaims any such obligation) to update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

Cautionary Note to U.S. Investors -- The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. Production is distinguished from oil and gas production because SEC regulations define Syncrude as mining-related and not part of conventional oil and natural gas reserves. We use certain terms in this release, such as "including Canadian Syncrude" that the SEC's guidelines strictly prohibit us from including in filings with the SEC. U.S. investors are urged to consider closely the disclosure in the company's periodic filings with the SEC, available from the company at 600 North Dairy Ashford Road, Houston, Texas 77079. This information can also be obtained from the SEC by calling 1-800-SEC-0330.

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ConocoPhillips
Houston, Texas 77079

FINANCIAL HIGHLIGHTS

	Millions of Dollars			
	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2003	2002**	2003	2002**
Revenues				
Sales and other operating revenues*	\$25,347	10,414	52,289	18,845
Equity in earnings of affiliates	156	29	205	49
Other income	92	22	178	51
	-----	-----	-----	-----
	25,595	10,465	52,672	18,945
Costs and expenses				
Purchased crude oil and products	16,377	7,154	34,063	12,793
Production and operating expenses	1,847	882	3,496	1,799
Selling, general and administrative expenses	675	207	1,184	471
Exploration expenses	142	67	258	230
Depreciation, depletion and amortization	847	395	1,696	791
Property impairments	146	8	174	18
Taxes other than income taxes*	3,624	977	7,046	1,891
Accretion on discounted contingent liabilities	35	6	68	11
Interest and debt expense	184	106	393	213
Foreign currency transaction gains	(20)	(6)	(23)	(5)
Preferred dividend requirements of capital trusts and minority interests	13	12	27	25
	-----	-----	-----	-----
	23,870	9,808	48,382	18,237
Income from continuing operations before income taxes and subsidiary equity transactions				
	1,725	657	4,290	708
Gain on subsidiary equity transactions	28	-	28	-
	-----	-----	-----	-----
Income from continuing operations before income taxes	1,753	657	4,318	708
Provision for income taxes	674	345	1,969	494
	-----	-----	-----	-----
Income from continuing operations	1,079	312	2,349	214
Income from discontinued operations, net of income taxes	59	39	81	35
	-----	-----	-----	-----
Income before cumulative effect of change in accounting principle	1,138	351	2,430	249
Cumulative effect of change in accounting principle	-	-	145	-
	-----	-----	-----	-----
Net income	\$1,138	351	2,575	249
	=====	=====	=====	=====
Income per share of common stock				
Basic				
Continuing operations	\$1.59	0.81	3.46	0.56
Discontinued operations	0.08	0.10	0.12	0.09
Before cumulative effect of change in accounting principle	1.67	0.91	3.58	0.65
Cumulative effect of change in accounting principle	-	-	0.21	-
Net income	\$1.67	0.91	3.79	0.65
Diluted				
Continuing operations	\$1.58	0.81	3.44	0.55
Discontinued operations	0.08	0.10	0.12	0.10
Before cumulative effect of change in accounting principle	1.66	0.91	3.56	0.65
Cumulative effect of change in accounting principle	-	-	0.21	-

Net income	\$1.66	0.91	3.77	0.65
Average common shares outstanding (in thousands)				
Basic	680,028	383,913	679,784	383,130
Diluted	684,188	386,711	683,867	385,927
*Includes excise taxes on petroleum products sales:	\$3,387	819	6,535	1,583
**Restated for discontinued operations.				

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ConocoPhillips
Houston, Texas 77079

SELECTED FINANCIAL DATA

	Millions of Dollars			
	Three Months Ended		Six Months Ended	
	June 30 2003	2002	June 30 2003	2002
INCOME/(LOSS) FROM CONTINUING OPERATIONS BEFORE ACCOUNTING CHANGE				
E&P				
United States	\$516	280	1,192	435
International	554	59	1,015	46
Total E&P	1,070	339	2,207	481
Midstream	25	12	56	24
R&M				
United States	227	73	484	(19)
International	74	(5)	188	-
Total R&M	301	68	672	(19)
Chemicals	12	7	(11)	(4)
Emerging Businesses	(23)	(3)	(57)	(8)
Corporate and other	(306)	(111)	(518)	(260)
Consolidated	\$1,079	312	2,349	214
CUMULATIVE EFFECT OF ACCOUNTING CHANGE				
E&P				
United States	\$-	-	161	-
International	-	-	(15)	-
Total E&P	-	-	146	-
Midstream	-	-	-	-
R&M				
United States	-	-	(1)	-
International	-	-	-	-
Total R&M	-	-	(1)	-
Chemicals	-	-	-	-
Emerging Businesses	-	-	-	-
Corporate and other	-	-	-	-
Consolidated	\$-	-	145	-
INCOME FROM DISCONTINUED OPERATIONS				
Corporate and other	59	39	81	35
SUMMARY OF NET INCOME/(LOSS)				
E&P				
United States	\$516	280	1,353	435
International	554	59	1,000	46
Total E&P	1,070	339	2,353	481

Midstream	25	12	56	24
R&M				
United States	227	73	483	(19)
International	74	(5)	188	-
Total R&M	301	68	671	(19)
Chemicals	12	7	(11)	(4)
Emerging Businesses	(23)	(3)	(57)	(8)
Corporate and other	(247)	(72)	(437)	(225)
Net income/(loss)	\$1,138	351	2,575	249

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SELECTED FINANCIAL DATA

	Three Months Ended June 30		Six Months Ended June 30	
	2003	2002	2003	2002
INCOME/(LOSS) FROM CONTINUING OPERATIONS				
Effective tax rate %	38.4 %	52.5	45.6	69.8
Millions of Dollars				
FOREIGN CURRENCY GAINS/(LOSSES) AFTER-TAX				
E&P	\$(24)	(7)	(14)	(5)
Midstream	-	-	-	-
R&M	10	2	11	5
Chemicals	-	-	-	-
Emerging Businesses	1	-	-	-
Corporate and other	18	12	19	8
	-----	-----	-----	-----
	\$5	7	16	8
	=====	=====	=====	=====
CASH FLOWS FROM OPERATING ACTIVITIES				
Income from continuing operations	\$1,079	312	2,349	214
Depreciation, depletion and amortization	847	395	1,696	791
Property impairments	146	8	174	18
Dry hole costs and leasehold impairment	54	32	94	141
Accretion on discounted liabilities	35	6	68	11
Deferred taxes	(1)	146	235	65
Other	(149)	(27)	(82)	120
Working capital changes	91	(385)	803	(301)
	-----	-----	-----	-----
Net cash provided by continuing operations	2,102	487	5,337	1,059
Net cash provided by discontinued operations	158	43	102	50
	-----	-----	-----	-----
Net cash provided by operating activities	\$2,260	530	5,439	1,109
	=====	=====	=====	=====
CAPITAL EXPENDITURES AND INVESTMENTS				
E&P				
United States	\$381	257	707	526
Foreign	786	444	1,472	692
	-----	-----	-----	-----
	1,167	701	2,179	1,218
Midstream	2	-	4	-
R&M	257	130	460	234
Chemicals	-	9	-	19
Emerging Businesses	98	-	164	-
Corporate and other	50	34	76	48
	-----	-----	-----	-----
	\$1,574	874	2,883	1,519
	=====	=====	=====	=====
OTHER				
	At June 30, 2003		At December 31, 2002	
Total debt	\$17,569		19,766	
Common stockholders' equity	\$32,032		29,517	

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OPERATING HIGHLIGHTS

BY SEGMENT

	Three Months Ended June 30		Six Months Ended June 30	
	2003	2002	2003	2002
	Thousands of Barrels Daily			
E&P				
Crude oil produced				
United States				
Alaska	331	339	334	346
Lower 48	57	31	58	32
	-----	-----	-----	-----
	388	370	392	378
Norway	214	119	220	118
United Kingdom	82	18	85	18
Canada	31	1	32	1
Nigeria	39	23	38	25
China	27	11	25	12
Indonesia	17	-	19	-
Other	52	4	54	4
	-----	-----	-----	-----
Total consolidated	850	546	865	556
Equity affiliates	117	4	86	5
	-----	-----	-----	-----
Total Worldwide	967	550	951	561
	=====	=====	=====	=====
Syncrude	19	-	18	-
	=====	=====	=====	=====
Natural gas liquids produced				
United States				
Alaska*	23	25	24	26
Lower 48	21	1	20	1
	-----	-----	-----	-----
	44	26	44	27
Norway	7	4	8	5
Canada	11	-	11	-
Other	5	4	4	3
	-----	-----	-----	-----
Total Worldwide	67	34	67	35
	=====	=====	=====	=====
*Includes reinjected volumes sold lease-to-lease.	14	14	14	15
	=====	=====	=====	=====
	Millions of Cubic Feet Daily			
Natural gas produced*				
United States				
Alaska	162	160	175	164
Lower 48	1,311	689	1,324	711
	-----	-----	-----	-----
	1,473	849	1,499	875
Norway	273	131	289	133
United Kingdom	952	189	977	181
Canada	424	22	430	21
Indonesia	246	-	235	-
Other	117	95	115	107
	-----	-----	-----	-----
Total consolidated	3,485	1,286	3,545	1,317
Equity affiliates	11	-	11	-
	-----	-----	-----	-----
Total Worldwide	3,496	1,286	3,556	1,317
	=====	=====	=====	=====

*Represents quantities available for sale. Excludes gas equivalent of NGL shown above.

Liquefied natural gas sales	91	114	111	116
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OPERATING HIGHLIGHTS

	Three Months Ended June 30		Six Months Ended June 30	
	2003	2002	2003	2002
E&P (continued)	Per Unit			
Average sales prices				
Crude oil (per barrel)				
United States				
Alaska	\$27.19	24.40	29.32	21.55
Lower 48	27.34	24.53	29.44	21.64
Total U.S.	27.21	24.41	29.34	21.55
International	25.62	24.58	28.30	22.74
Total consolidated	26.33	24.46	28.76	21.93
Equity affiliates	16.85	21.06	18.02	17.91
Total Worldwide	25.19	24.44	27.82	21.90
Natural gas-lease (per MCF)				
United States				
Alaska	1.88	1.80	1.92	1.94
Lower 48	4.72	2.56	5.10	2.26
Total U.S.	4.58	2.51	4.96	2.25
International	3.47	2.20	3.70	2.31
Total consolidated	3.92	2.40	4.21	2.27
Equity affiliates	4.89	-	4.85	-
Total Worldwide	3.93	2.40	4.21	2.27

Midstream*

	Thousands of Barrels Daily			
Natural gas liquids extracted				
Consolidated				
United States	53	-	52	-
International	35	-	41	-
Equity affiliates				
United States*	110	119	112	118
International	11	-	11	-
	-----	-----	-----	-----
	209	119	216	118
	=====	=====	=====	=====

*Represents 30.3 percent interest in Duke Energy Field Services LLC (DEFS)

	Per Barrel			
U.S. product prices				
Weighted average NGL**				
Consolidated	\$20.99	-	23.29	-
DEFS	20.53	15.59	22.53	14.21

* Prices are based on index prices from the Mont Belvieu and Conway market hubs that are weighted by natural-gas-liquids component and location mix.

ConocoPhillips
Houston, Texas 77079

	Three Months Ended June 30		Six Months Ended June 30	
	2003	2002	2003	2002
	Thousands of Barrels Daily			
R&M				
United States				
Crude oil capacity	2,168	1,660	2,168	1,651
Crude oil runs	2,128	1,576	2,068	1,496
Refinery production	2,357	1,732	2,305	1,654
International*				
Crude oil capacity	442	72	442	72
Crude oil runs	376	67	386	66
Refinery production	407	63	421	63
U.S. Petroleum products outside sales				
Gasoline	1,381	1,159	1,356	1,122
Distillates	590	424	595	432
Aviation fuels	164	185	164	174
Other products	493	341	501	368
	-----	-----	-----	-----
	2,628	2,109	2,616	2,096
International	448	50	438	52
	-----	-----	-----	-----
	3,076	2,159	3,054	2,148
	=====	=====	=====	=====
			Per Gallon	
U.S. Average sales prices**				
Automotive gasoline-wholesale	\$1.02	0.87	1.06	0.77
Automotive gasoline-retail	1.34	1.00	1.35	0.91
Distillates-wholesale	0.85	0.69	0.95	0.64

* Includes ConocoPhillips' share of equity affiliates.

** Excludes excise taxes.

SUMMARY OF NET INCOME (LOSS) BY SEGMENT

Millions of Dollars

	2002					2003				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Income from Continuing Operations Before Accounting Change										
U.S. E&P	155	280	306	415	1,156	676	516			1,192
International E&P	(13)	59	154	393	593	461	554			1,015
Total E&P	142	339	460	808	1,749	1,137	1,070			2,207
Midstream	12	12	11	20	55	31	25			56
U.S. R&M	(92)	73	44	113	138	257	227			484
International R&M	5	(5)	13	(8)	5	114	74			188
Total R&M	(87)	68	57	105	143	371	301			672
Chemicals	(11)	7	3	(13)	(14)	(23)	12			(11)
Emerging Businesses	(5)	(3)	(262)	(40)	(310)	(34)	(23)			(57)
Corporate and Other	(149)	(111)	(343)	(322)	(925)	(212)	(306)			(518)
Consolidated	(98)	312	(74)	558	698	1,270	1,079			2,349
Cumulative Effect of Accounting Change										
U.S. E&P	-	-	-	-	-	161	-			161
International E&P	-	-	-	-	-	(15)	-			(15)
Total E&P	-	-	-	-	-	146	-			146
Midstream	-	-	-	-	-	-	-			-
U.S. R&M	-	-	-	-	-	(1)	-			(1)
International R&M	-	-	-	-	-	-	-			-
Total R&M	-	-	-	-	-	(1)	-			(1)
Chemicals	-	-	-	-	-	-	-			-
Emerging Businesses	-	-	-	-	-	-	-			-
Corporate and Other	-	-	-	-	-	-	-			-
Consolidated	-	-	-	-	-	145	-			145
Income (Loss) from Discontinued Operations										
Corporate and Other	(4)	39	(42)	(986)	(993)	22	59			81
Net Income (Loss)										
U.S. E&P	155	280	306	415	1,156	837	516			1,353
International E&P	(13)	59	154	393	593	446	554			1,000
Total E&P	142	339	460	808	1,749	1,283	1,070			2,353
Midstream	12	12	11	20	55	31	25			56

U.S. R&M	(92)	73	44	113	138	256	227	483
International R&M	5	(5)	13	(8)	5	114	74	188
Total R&M	(87)	68	57	105	143	370	301	671
Chemicals	(11)	7	3	(13)	(14)	(23)	12	(11)
Emerging Businesses	(5)	(3)	(262)	(40)	(310)	(34)	(23)	(57)
Corporate and Other	(153)	(72)	(385)	(1,308)	(1,918)	(190)	(247)	(437)
Consolidated	(102)	351	(116)	(428)	(295)	1,437	1,138	2,575

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INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES

Millions of Dollars

	2002					2003				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Income from Continuing Operations Before Income Taxes										
U.S. E&P	223	419	450	536	1,628	1,048	799			1,847
International E&P	167	260	555	949	1,931	1,280	960			2,240
Total E&P	390	679	1,005	1,485	3,559	2,328	1,759			4,087
Midstream	20	20	23	35	98	51	42			93
U.S. R&M	(140)	118	75	175	228	411	361			772
International R&M	5	(5)	19	(25)	(6)	150	94			244
Total R&M	(135)	113	94	150	222	561	455			1,016
Chemicals	(18)	3	(1)	(16)	(32)	(44)	15			(29)
Emerging Businesses	(8)	(5)	(274)	(62)	(349)	(51)	(34)			(85)
Corporate and Other	(198)	(153)	(535)	(471)	(1,357)	(280)	(484)			(764)
Consolidated	51	657	312	1,121	2,141	2,565	1,753			4,318

Income from Continuing Operations Effective Tax Rates

U.S. E&P	30.5%	33.2%	32.0%	22.6%	29.0%	35.5%	35.4%			35.5%
International E&P	107.8%	77.3%	72.3%	58.6%	69.3%	64.0%	42.3%			54.7%
Total E&P	63.6%	50.1%	54.2%	45.6%	50.9%	51.2%	39.2%			46.0%

Midstream	40.0%	40.0%	52.2%	42.9%	43.9%	39.2%	40.5%	39.8%
U.S. R&M	34.3%	38.1%	41.3%	35.4%	39.5%	37.5%	37.1%	37.3%
International R&M	0.0%	0.0%	31.6%	68.0%	183.3%	24.0%	21.3%	23.0%
Total R&M	35.6%	39.8%	39.4%	30.0%	35.6%	33.9%	33.8%	33.9%
Chemicals	38.9%	133.3%	400.0%	18.8%	56.3%	47.7%	20.0%	62.1%
Emerging Businesses	37.5%	40.0%	4.4%	35.5%	11.2%	33.3%	32.4%	32.9%
Corporate and Other	24.7%	27.5%	35.9%	31.6%	31.8%	24.3%	36.8%	32.2%
Consolidated	292.2%	52.5%	123.7%	50.2%	67.4%	50.5%	38.4%	45.6%

CERTAIN ITEMS AFFECTING NET INCOME (AFTER-TAX)

Millions of Dollars

	2002					2003				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
U.S. E&P										
Asset sales	-	-	(5)	-	(5)	2	17			19
Property impairments	-	(3)	(5)	-	(8)	-	(14)			(14)
Dry hole charges	(9)	(2)	(1)	(38)	(50)	(10)	(1)			(11)
Total	(9)	(5)	(11)	(38)	(63)	(8)	2			(6)
International E&P										
Asset sales	-	-	-	17	17	(1)	(3)			(4)
Property impairments	(7)	(2)	-	(14)	(23)	(12)	(32)			(44)
Foreign currency transaction gains (losses)	2	(7)	(6)	(23)	(34)	10	(24)			(14)
Dry hole charges	(2)	(7)	(1)	(48)	(58)	(5)	(6)			(11)
Total	(7)	(16)	(7)	(68)	(98)	(8)	(65)			(73)
Total E&P	(16)	(21)	(18)	(106)	(161)	(16)	(63)			(79)
Midstream										
Asset sales	-	-	-	-	-	-	-			-
Property impairments	-	-	-	-	-	-	-			-
Total	-	-	-	-	-	-	-			-
U.S. R&M										
Asset sales	-	-	-	-	-	-	1			1
Impairments and lease loss accruals	-	-	-	(88)	(88)	(25)	(25)			(50)
Maintenance turnaround expense	(46)	(19)	(29)	(16)	(110)	(39)	(23)			(62)
Total	(46)	(19)	(29)	(104)	(198)	(64)	(47)			(111)
International R&M										
Asset sales	-	-	-	-	-	-	-			-
Maintenance turnaround expense	-	-	-	(1)	(1)	(1)	(3)			(4)
Foreign currency transaction gains (losses)	3	2	3	1	9	1	10			11
Property impairments	-	-	-	-	-	-	-			-
Total	3	2	3	-	8	-	7			7
Total R&M	(43)	(17)	(26)	(104)	(190)	(64)	(40)			(104)
Chemicals										
Asset sales	-	-	-	-	-	-	-			-
Property impairments	-	-	-	-	-	-	-			-
Total	-	-	-	-	-	-	-			-

Emerging Businesses								
Asset sales	-	-	-	-	-	-	-	-
Foreign currency transaction gains (losses)	-	-	-	-	-	(1)	1	-

Total	-	-	-	-	-	(1)	1	-

Corporate and Other Discontinued operations								
Impairments and lease loss accruals	-	-	(69)	(1,008)	(1,077)	(25)	(24)	(49)
Other results	(4)	39	27	22	84	47	83	130
Asset sales	-	-	-	-	-	-	-	-
Foreign currency transaction gains (losses)	(4)	12	5	8	21	1	18	19
Merger-related expenses	(2)	(1)	(221)	(83)	(307)	(27)	(115)	(142)
Premium on early debt retirement	-	(15)	-	(1)	(16)	(10)	(9)	(19)

Total	(10)	35	(258)	(1,062)	(1,295)	(14)	(47)	(61)

The above financial information represents certain items of a recurring nature that are included in the reporting segments' net income. These items often result in variability in the company's revenues or expenses. Non-recurring items that may affect comparability between periods, such as the company's write-off of in-process research and development costs of \$246 million in the third quarter of 2002, are not included above.

CASH FLOW INFORMATION

Millions of Dollars

	2002							2003				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD		
DD&A (including property impairments) included in net cash provided by operating activities	406	402	557	1,035	2,400	877	993			1,870		
Net Cash Provided by Operating Activities	579	530	1,878	1,982	4,969	3,179	2,260			5,439		
Cash Flows from Investing Activities												
Capital expenditures and investments:												
E&P	(517)	(701)	(715)	(1,343)	(3,276)	(1,012)	(1,167)			(2,179)		
Midstream	-	-	(2)	(3)	(5)	(2)	(2)			(4)		
R&M	(104)	(130)	(191)	(415)	(840)	(203)	(257)			(460)		
Chemicals	(10)	(9)	(10)	(31)	(60)	-	-			-		
Emerging Businesses	-	-	(35)	(87)	(122)	(66)	(98)			(164)		
Corporate and Other	(14)	(34)	(7)	(30)	(85)	(26)	(50)			(76)		
Total capital expend. & investments	(645)	(874)	(960)	(1,909)	(4,388)	(1,309)	(1,574)			(2,883)		
Acquisitions, net of cash acquired	-	-	1,242	(62)	1,180	-	-			-		
Proceeds from asset dispositions	45	36	19	715	815	121	373			494		
Long-term advances to affiliates and other investments	(12)	14	(83)	(11)	(92)	(28)	(8)			(36)		
Discontinued operations	(12)	(12)	(23)	(52)	(99)	(17)	(1)			(18)		
Net Cash Used for Investing Activities	(624)	(836)	195	(1,319)	(2,584)	(1,233)	(1,210)			(2,443)		
Cash Flows from Financing Activities												
Net issuance (repayment) of debt	204	725	(1,432)	(587)	(1,090)	(1,556)	(626)			(2,182)		
Redemption of preferred stock	-	(300)	-	-	(300)	-	-			-		
Dividends	(138)	(137)	(138)	(271)	(684)	(271)	(272)			(543)		
Other	7	(7)	(131)	(15)	(146)	(3)	36			33		
Net Cash Provided by (Used for) Financing Activities	73	281	(1,701)	(873)	(2,220)	(1,830)	(862)			(2,692)		
Net Change in Cash and Cash Equivalents	28	(25)	372	(210)	165	116	188			304		
Cash and cash equivalents at beginning of period	142	170	145	517	142	307	423			307		
Cash and Cash Equivalents at End of Period	170	145	517	307	307	423	611			611		

TOTAL E&P

	2002					2003				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
E&P Net Income (\$ Millions)	142	339	460	808	1,749	1,283	1,070			2,353
Production Total, Including Equity Affiliates and Canadian Syncrude (MBOE/D)	833	798	1,046	1,623	1,077	1,622	1,636			1,629
Crude Oil and Condensate (MB/D)										
Consolidated	566	546	620	854	647	880	850			865
Equity affiliates	5	4	44	87	35	55	117			86
Total	571	550	664	941	682	935	967			951
Sales of crude oil produced (MB/D)	566	557	664	918	677	911	996			954
Natural Gas Liquids (MB/D)	37	34	43	70	46	67	67			67
Natural Gas (MMCF/D)										
Consolidated	1,349	1,286	1,982	3,529	2,043	3,605	3,485			3,545
Equity affiliates	-	-	4	13	4	12	11			11
Total	1,349	1,286	1,986	3,542	2,047	3,617	3,496			3,556
Canadian Syncrude (MB/D)	-	-	8	22	8	17	19			18
Industry Prices (Platt's)										
Crude Oil (\$/bbl)										
WTI spot	21.56	26.27	28.31	28.20	26.09	34.06	29.02			31.54
Brent dated	21.14	25.04	26.94	26.78	24.98	31.51	26.03			28.77
Natural Gas--Henry Hub 1st of month (\$/mcf)	2.34	3.38	3.16	3.97	3.21	6.58	5.40			5.99
Average Realized Prices										
Crude Oil and Condensate (\$/bbl)										
Consolidated	19.41	24.46	26.38	26.12	24.38	31.27	26.33			28.76
Equity affiliates	15.86	21.06	20.29	17.50	18.41	20.97	16.85			18.02
Total	19.37	24.44	25.97	25.31	24.07	30.73	25.19			27.82
Natural Gas Liquids (\$/bbl)	16.00	20.36	19.42	19.32	18.93	24.73	19.17			21.86
Natural Gas (\$/mcf)										
Consolidated	2.15	2.40	2.49	3.27	2.77	4.49	3.92			4.21
Equity affiliates	-	-	1.78	3.00	2.71	4.82	4.89			4.85
Total	2.15	2.40	2.49	3.27	2.77	4.49	3.93			4.21
Exploration Charges (\$ Millions)										
Dry Holes	16	17	4	124	161	20	30			50
Lease Impairments	93	16	15	22	146	20	24			44
Total Non-Cash Charges	109	33	19	146	307	40	54			94
Other (G&G and Lease Rentals)	54	34	66	131	285	76	88			164

Total Exploration Charges	163	67	85	277	592	116	142	258

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Depreciation, Depletion & Amortization								
Producing operations (\$								
millions)	274	278	398	666	1,616	641	628	1,269

U.S. E&P

	2002					2003				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
U.S. E&P Net Income (\$ Millions)	155	280	306	415	1,156	837	516			1,353
Alaska (\$ Millions)	123	223	246	278	870	525	301			826
Lower 48 (\$ Millions)	32	57	60	137	286	312	215			527
Production Total U.S. (MBOE/D)	564	538	562	684	587	696	678			686
Crude Oil and Condensate (MB/D)										
Alaska	353	339	310	323	331	337	331			334
Lower 48	33	31	38	58	40	60	57			58
Total	386	370	348	381	371	397	388			392
Sales of crude oil produced (MB/D)	383	374	360	370	372	391	389			390
Natural Gas Liquids (MB/D)*										
Alaska	27	25	21	24	24	25	23			24
Lower 48	1	1	9	21	8	19	21			20
Total	28	26	30	45	32	44	44			44
*Includes reinjection volumes sold lease-to-lease:	15	14	13	15	14	15	14			14
Natural Gas (MMCF/D)										
Alaska	168	160	183	186	175	189	162			175
Lower 48	734	689	922	1,362	928	1,338	1,311			1,324
Total	902	849	1,105	1,548	1,103	1,527	1,473			1,499
Average Realized Prices Crude Oil and Condensate (\$/bbl)										
Alaska North Slope	13.58	18.96	20.42	21.10	18.42	25.95	21.70			23.81
West Coast	18.72	24.40	25.83	26.43	23.75	31.47	27.19			29.32
Lower 48	18.86	24.53	26.87	26.00	24.48	31.48	27.34			29.44
Total U.S.	18.73	24.41	25.94	26.36	23.83	31.47	27.21			29.34
Natural Gas Liquids (\$/bbl)										
Alaska	18.67	24.40	25.68	26.48	23.48	31.32	27.24			29.32
Lower 48	12.75	16.74	14.62	16.17	15.66	21.91	15.89			18.68
Total U.S.	18.13	23.61	20.17	19.27	20.00	25.13	19.33			22.11

Natural Gas (\$/mcf)								
Alaska	2.13	1.80	1.58	1.95	1.85	1.97	1.88	1.92
Lower 48	1.99	2.56	2.65	3.43	2.79	5.47	4.72	5.10
Total U.S.	1.99	2.51	2.60	3.38	2.75	5.34	4.58	4.96
Kenai, Alaska LNG Sales								
Volume (MMCF/D)	117	114	128	128	122	130	91	111
Sales price per MCF	4.00	3.74	4.21	4.30	4.07	4.38	4.56	4.45
U.S. Exploration Charges (\$ Millions)								
Dry Holes	14	3	1	61	79	16	3	19
Lease Impairments	13	12	10	14	49	13	12	25
Total Non-Cash Charges	27	15	11	75	128	29	15	44
Other (G&G and Lease Rentals)	17	10	20	39	86	28	22	50
Total U.S. Exploration Charges	44	25	31	114	214	57	37	94
Alaska Only	27	12	11	45	95	25	10	35
Depreciation, Depletion & Amortization								
Producing operations (\$ millions)								
Alaska	156	157	136	140	589	110	122	232
Lower 48	54	48	93	149	344	148	148	296
Total U.S.	210	205	229	289	933	258	270	528

(\$/bbl)									
Norway	12.88	15.48	15.64	20.69	16.51	21.85	18.13		19.90
Canada	-	-	29.12	18.42	20.39	26.11	20.78		23.49
Other	12.58	13.29	13.74	20.51	15.29	23.40	16.73		19.88
Total	12.76	14.58	18.42	19.39	17.47	24.22	18.96		21.54

Natural Gas (\$/mcf)

Consolidated

Norway	3.22	3.02	3.16	3.33	3.20	3.66	3.86		3.75
United Kingdom	3.18	2.55	2.22	3.20	2.92	3.55	3.17		3.36
Canada	2.23	2.21	2.32	3.37	3.03	5.42	4.34		4.89
Indonesia	-	-	4.18	4.11	4.12	4.66	4.16		4.40
Other	0.41	0.39	0.41	0.45	0.42	0.48	0.48		0.48
Equity affiliates	-	-	1.78	3.00	2.71	4.82	4.89		4.85
Total	2.41	2.20	2.37	3.20	2.79	3.92	3.48		3.70

International Exploration Charges (\$
Millions)

Dry Holes	2	14	3	63	82	4	27		31
Lease Impairments	80	4	5	8	97	7	12		19

Total Non-Cash Charges 82 18 8 71 179 11 39 50

Other (G&G and Lease Rentals) 37 24 46 92 199 48 66 114

Total International
Exploration Charges

119 42 54 163 378 59 105 164

Depreciation, Depletion & Amortization

Producing operations (\$ millions)	64	73	169	377	683	383	358		741
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R&M

	2002					2003				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
R&M Net Income (Loss) (\$ Millions)	(87)	68	57	105	143	370	301			671
United States (\$ Millions)	(92)	73	44	113	138	256	227			483
International (\$ Millions)	5	(5)	13	(8)	5	114	74			188
Market Indicators										
U.S. East Coast Crack Spread (\$/bbl)	2.90	2.86	3.06	4.58	3.35	6.16	3.46			4.81
U.S. Gulf Coast Crack Spread (\$/bbl)	2.78	3.70	2.79	3.74	3.25	5.64	3.65			4.64
U.S. Group Central Spread (\$/bbl)	3.88	5.07	5.16	5.69	4.95	6.12	6.96			6.54
U.S. West Coast Crack Spread (\$/bbl)	9.67	9.53	8.58	8.40	9.04	12.79	11.39			12.09
NW Europe Crack Spread (\$/bbl)	0.74	1.38	1.70	2.72	1.64	5.68	3.17			4.42
Realized Margins										
Refining Margin (\$/bbl)										
U.S.	n/a	n/a	n/a	5.07	n/a	6.50	5.34			5.90
International	n/a	n/a	n/a	2.98	n/a	5.63	3.98			4.82
Marketing Margin (\$/gal)										
U.S.	n/a	n/a	n/a	0.04	n/a	0.04	0.06			0.05
International	n/a	n/a	n/a	0.16	n/a	0.17	0.22			0.19
Depreciation, Depletion & Amortization (\$ Millions)	102	98	119	167	486	162	171			333
Consolidated EASTERN U.S. Charge Barrels Input (MB/D)										
Crude Oil	348	404	338	399	372	415	435			425
Other Feed and Blending Stocks	53	47	16	61	44	51	53			52
Total	401	451	354	460	416	466	488			477
Percentage Utilization	81%	94%	79%	93%	87%	97%	101%			99%
Refined Products Production (MB/D)										
Gasoline	214	247	187	260	227	244	249			246
Distillates	111	114	88	116	107	138	131			135
Aviation Fuel	35	37	37	37	36	32	29			30
Other	46	52	36	51	47	55	85			71
Total	406	450	348	464	417	469	494			482
U.S. GULF COAST Charge Barrels Input (MB/D)										
Crude Oil	414	428	509	652	501	668	702			685

Other Feed and Blending								
Stocks	80	67	87	101	85	103	95	99

Total	494	495	596	753	586	771	797	784
=====								
Percentage Utilization	90%	92%	93%	91%	92%	93%	98%	96%

Refined Products Production

(MB/D)								
Gasoline	213	211	236	300	240	289	277	283
Distillates	146	144	172	247	177	242	249	245
Aviation Fuel	37	39	52	62	48	70	63	67
Other	102	116	148	181	137	221	242	231

Total	498	510	608	790	602	822	831	826
=====								

CENTRAL U.S.

Charge Barrels Input

(MB/D)								
Crude Oil	348	424	466	633	469	631	663	647
Other Feed and Blending								
Stocks	34	32	39	46	37	32	24	28

Total	382	456	505	679	506	663	687	675
=====								
Percentage Utilization	84%	98%	90%	92%	91%	92%	96%	94%

Refined Products Production

(MB/D)								
Gasoline	200	235	269	389	274	367	375	371
Distillates	64	74	76	148	91	144	152	148
Aviation Fuel	50	49	58	64	55	59	57	58
Other	61	98	99	91	87	96	110	103

Total	375	456	502	692	507	666	694	680
=====								

n/a = not available.

R&M (continued)

	2002					2003				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
WESTERN U.S.										
Charge Barrels Input (MB/D)										
Crude Oil	306	320	330	320	319	294	328			311
Other Feed and Blending Stocks	(3)	16	13	16	11	9	13			11
Total	303	336	343	336	330	303	341			322
Percentage Utilization	92%	96%	99%	96%	96%	88%	99%			93%
Refined Products Production (MB/D)										
Gasoline	137	148	175	174	159	160	176			168
Distillates	71	77	78	81	77	66	83			75
Aviation Fuel	27	31	33	30	30	29	24			26
Other	61	60	51	48	55	42	55			48
Total	296	316	337	333	321	297	338			317
TOTAL UNITED STATES										
Charge Barrels Input (MB/D)										
Crude Oil	1,416	1,576	1,643	2,004	1,661	2,008	2,128			2,068
Other Feed and Blending Stocks	164	162	155	224	177	195	185			190
Total	1,580	1,738	1,798	2,228	1,838	2,203	2,313			2,258
Percentage Utilization	86%	95%	90%	93%	91%	93%	98%			95%
Refined Products Production (MB/D)										
Gasoline	764	841	867	1,123	900	1,060	1,077			1,068
Distillates	392	409	414	592	452	590	615			603
Aviation Fuel	149	156	180	193	169	190	173			181
Other	270	326	334	371	326	414	492			453
Total	1,575	1,732	1,795	2,279	1,847	2,254	2,357			2,305
UNITED KINGDOM and IRELAND										
Charge Barrels Input (MB/D)										
Crude Oil	65	67	126	177	109	262	244			253
Other Feed and Blending Stocks	-	-	15	30	11	39	42			41
Total	65	67	141	207	120	301	286			294
Percentage Utilization	90%	92%	85%	58%	73%	86%	80%			83%
Refined Products Production (MB/D)										
Gasoline	15	16	42	64	34	99	91			95
Distillates	26	26	56	76	46	125	118			122
Aviation Fuel	-	-	4	6	3	14	7			10
Other	21	21	32	77	38	54	59			56
Total	62	63	134	223	121	292	275			283
Equity Affiliates - Net Share										

International*

Charge Barrels Input
(MB/D)

Crude Oil	-	-	42	130	43	134	132	133
Other Feed and Blending Stocks	-	-	1	3	1	2	3	2

Total	-	-	43	133	44	136	135	135
=====								
Percentage Utilization	-	-	95%	95%	95%	98%	97%	98%

Refined Products Production

(MB/D)								
Gasoline	-	-	13	41	14	43	41	42
Distillates	-	-	18	58	19	58	59	58
Aviation Fuel	-	-	4	7	3	10	8	9
Other	-	-	9	19	7	33	24	29

Total	-	-	44	125	43	144	132	138
=====								

* Represents 18.75 percent interest in a refinery complex at Karlsruhe, Germany; 16.33 percent interest in two refineries in Kralupy and Litvinov, Czech Republic; and 47 percent interest in a refinery at Melaka, Malaysia.

R&M (continued)

	2002					2003				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Worldwide - Including Share of Equity Affiliates										
Charge Barrels Input (MB/D)										
Crude Oil	1,481	1,643	1,811	2,311	1,813	2,404	2,504			2,454
Other Feed and Blending Stocks	164	162	171	257	189	236	230			233
Total	1,645	1,805	1,982	2,568	2,002	2,640	2,734			2,687
Percentage Utilization	86%	95%	90%	89%	90%	92%	96%			94%
Refined Products Production (MB/D)										
Gasoline	779	857	922	1,228	948	1,202	1,209			1,205
Distillates	418	435	488	726	517	773	792			783
Aviation Fuel	149	156	188	206	175	214	188			200
Other	291	347	375	467	371	501	575			538
Total	1,637	1,795	1,973	2,627	2,011	2,690	2,764			2,726
U.S. PETROLEUM PRODUCTS SALES (MB/D)*										
Gasoline	1,084	1,159	1,195	1,478	1,230	1,331	1,381			1,356
Distillates	439	424	449	692	502	600	590			595
Aviation Fuel	162	185	219	172	185	164	164			164
Other	398	341	350	403	372	509	493			501
Total	2,083	2,109	2,213	2,745	2,289	2,604	2,628			2,616
*2002 amounts restated.										
INTERNATIONAL PETROLEUM PRODUCTS SALES (MB/D)										
Gasoline	12	12	78	163	67	202	190			196
Distillates	20	21	84	147	69	181	199			190
Aviation Fuel	-	-	2	6	2	5	7			6
Other	22	17	37	24	24	40	52			46
Total	54	50	201	340	162	428	448			438
SPECIALTIES										
Base Oil Production(MB/D)										
United States - Equity Affiliate	-	-	3	10	3	10	7			8
Petroleum Coke Sales (MMT)*										
United States										
Fuel coke	297	311	500	565	1,673	683	653			1,336
Specialty coke	56	57	196	292	601	276	282			558
International										
Fuel coke	-	-	12	54	66	57	50			107
Specialty coke	-	-	68	180	248	176	180			356
Finished Lubes Sales (MB/D)*										
United States	8	9	9	10	9	10	10			10

*Included in "Other" in the petroleum products sales statistics
above.

MIDSTREAM

	2002						2003					
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD		
Midstream Net Income (\$ Millions)	12	12	11	20	55	31	25			56		
U.S. Equity Affiliate (\$ Millions)*	5	7	6	5	23	13	23			36		
Natural Gas Liquids Extracted (MB/D)												
Consolidated												
United States	-	-	19	56	19	51	53			52		
International	-	-	15	45	15	47	35			41		
Equity Affiliates												
United States*	118	119	120	119	119	114	110			112		
International	-	-	3	10	3	10	11			11		
Total	118	119	157	230	156	222	209			216		

* Represents 30.3 percent interest in Duke Energy Field Services, LLC (DEFS).

Natural Gas Liquids Fractionated (MB/D)										
United States	107	104	139	179	133	168	158			163

Product Prices										
Weighted Average NGL (\$/bbl)*										
Consolidated	-	-	18.57	19.24	19.07	25.59	20.99			23.29
DEFS	12.83	15.59	16.32	18.95	15.92	24.53	20.53			22.53

* Prices are based on index prices from the Mont Belvieu and Conway market hubs that are weighted by natural gas liquids component and location mix.

Depreciation, Depletion & Amortization (\$ Millions)	1	-	5	13	19	14	14			28
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EMERGING BUSINESSES

	2002						2003					
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD		
Emerging Businesses Net Income (Loss) (\$ Millions)*	(5)	(3)	(262)	(40)	(310)	(34)	(23)			(57)		
Detail of Net Income (Loss) (\$ Millions)												
Carbon Fibers	-	-	(4)	(11)	(15)	(6)	-			(6)		
Fuels Technology	(5)	(3)	(4)	(4)	(16)	(5)	(6)			(11)		
Gas-to-Liquids*	-	-	(253)	(20)	(273)	(20)	(13)			(33)		
Power	-	-	(1)	(2)	(3)	1	(1)			-		
Other	-	-	-	(3)	(3)	(4)	(3)			(7)		
Total	(5)	(3)	(262)	(40)	(310)	(34)	(23)			(57)		

* Third quarter 2002 results include a \$246 million write down of acquired in-process R&D.

CORPORATE AND OTHER

	2002					2003				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Corporate and Other Net Income (Loss) (\$ Millions)	(153)	(72)	(385)	(1,308)	(1,918)	(190)	(247)			(437)
Detail of Net Income (Loss) (\$ Millions)										
Net Interest Expense	(78)	(91)	(83)	(160)	(412)	(167)	(137)			(304)
Corporate Overhead	(47)	(27)	(32)	(67)	(173)	(35)	(38)			(73)
Discontinued operations Impairments and loss accruals	-	-	(69)	(1,008)	(1,077)	(25)	(24)			(49)
Operating results	(4)	39	27	22	84	47	83			130
Merger-related costs	(2)	(1)	(221)	(83)	(307)	(27)	(115)			(142)
Other	(22)	8	(7)	(12)	(33)	17	(16)			1
Total	(153)	(72)	(385)	(1,308)	(1,918)	(190)	(247)			(437)
Before-Tax Net Interest Expense (\$ Millions)										
Interest Expense	(158)	(157)	(193)	(291)	(799)	(283)	(268)			(551)
Capitalized Interest	51	51	59	72	233	74	83			157
Interest Revenue	4	2	13	21	40	3	1			4
Premium on early debt retirement	-	(21)	-	(3)	(24)	(12)	(11)			(23)
Total	(103)	(125)	(121)	(201)	(550)	(218)	(195)			(413)
Debt Total Debt (\$ Millions)	8,902	9,635	20,453	19,766	19,766	18,240	17,569			17,569
Debt-to-Capital Ratio	37.6%	39.4%	39.8%	39.3%	39.3%	36.4%	34.7%			34.7%

SELECTED PRO FORMA STATISTICS (E&P)

	2002					2003				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
E&P										
E&P Production										
Total Including Equity										
Affiliates										
and Canadian Syncrude										
(MBOE/D)	1,676	1,619	1,546	1,623	1,616	1,622	1,636			1,629

Crude Oil and Condensate (MB/D)										
Consolidated										
U.S.	424	406	370	381	395	397	388			392
Norway	200	208	219	233	215	226	214			220
United Kingdom	81	78	63	86	77	87	82			85
Canada	46	45	42	37	42	33	31			32
Nigeria	40	34	35	38	37	38	39			38
China	13	11	12	11	12	23	27			25
Indonesia	26	23	22	13	21	21	17			19
Other	52	50	48	55	51	55	52			54
Equity affiliates	91	84	104	87	92	55	117			86
Total	973	939	915	941	942	935	967			951
=====										
Natural Gas Liquids (MB/D)										
U.S.	48	46	42	45	45	44	44			44
International	24	22	24	25	24	23	23			23
Total	72	68	66	70	69	67	67			67
=====										
Natural Gas (MMCF/D)										
Consolidated										
U.S.	1,635	1,566	1,578	1,548	1,581	1,527	1,473			1,499
Norway	291	290	252	232	266	305	273			289
United Kingdom	869	856	603	975	826	1,002	952			977
Canada	548	565	512	442	517	436	424			430
Indonesia	179	169	189	220	189	224	246			235
Other	120	95	105	112	108	111	117			115
Equity affiliates	12	13	13	13	13	12	11			11
Total	3,654	3,554	3,252	3,542	3,500	3,617	3,496			3,556
=====										
Canadian Syncrude (MB/D)	22	20	23	22	22	17	19			18

E&P Average Realized Prices										
Crude Oil and Condensate (\$/bbl)										
Consolidated										
U.S.	18.66	24.33	25.85	26.36	23.69	31.47	27.21			29.34
Norway	20.77	24.42	26.78	26.35	24.61	32.72	26.28			29.39
United Kingdom	19.78	23.69	26.15	25.98	23.99	30.11	24.34			27.25
Canada	19.39	21.79	24.96	21.26	21.82	28.40	23.61			26.07
Nigeria	21.33	25.16	27.40	26.97	25.12	31.94	26.35			28.87
China	19.57	25.27	26.31	29.64	25.03	28.87	26.51			27.57
Indonesia	19.38	24.46	24.21	30.59	23.51	29.35	24.54			27.20
Other	19.39	24.66	25.55	25.18	23.58	29.10	25.38			27.25
Equity affiliates	13.40	18.26	19.06	17.50	17.14	20.97	16.85			18.02
Total	18.93	23.71	25.24	25.31	23.26	30.73	25.19			27.82

Natural Gas Liquids (\$/bbl)										
U.S.	12.92	17.05	16.78	19.27	16.44	25.13	19.33			22.11
International	9.86	15.62	18.56	19.39	15.95	24.22	18.96			21.54
Total	11.67	16.49	17.57	19.32	16.24	24.73	19.17			21.86

Natural Gas (\$/mcf)								
Consolidated								
U.S.	2.26	2.80	2.71	3.38	2.78	5.34	4.58	4.96
Norway	3.20	2.99	3.26	3.33	3.19	3.66	3.86	3.75
United Kingdom	3.43	2.37	1.95	3.20	2.81	3.55	3.17	3.36
Canada	1.74	2.50	2.13	3.37	2.40	5.42	4.34	4.89
Indonesia	3.16	4.13	4.13	4.11	3.89	4.66	4.16	4.40
Other	0.41	0.39	0.41	0.45	0.42	0.48	0.48	0.48
Equity affiliates	2.17	2.60	1.78	3.00	2.39	4.82	4.89	4.85
Total	2.53	2.66	2.52	3.27	2.75	4.49	3.93	4.21

Note: Pro forma information derived by summing the historical Phillips and Conoco data for the period indicated.

SELECTED PRO FORMA STATISTICS (Midstream and R&M)

	2002					2003				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
Midstream										
Natural Gas Liquids Extracted (MB/D)										
Consolidated										
United States	49	52	50	56	52	51	53			52
International	42	42	46	45	44	47	35			41
Equity Affiliates										
United States*	118	119	120	119	119	114	110			112
International	9	9	9	10	9	10	11			11
Total	218	222	225	230	224	222	209			216

* Represents 30.3 percent interest in Duke Energy Field Services, LLC (DEFS).

Natural Gas Liquids Fractionated (MB/D)										
United States	166	159	177	179	170	168	158			163

Product Prices										
Weighted Average NGL (\$/bbl)*										
Consolidated	13.23	15.99	16.69	19.24	16.31	25.59	20.99			23.29
DEFS	12.83	15.59	16.32	18.95	15.92	24.53	20.53			22.53

* Prices are based on index prices from the Mont Belvieu and Conway market hubs that are weighted by natural gas liquids component and location mix.

R&M										
Charge Barrels Input (MB/D)										
Eastern U.S.										
Crude Oil	348	404	338	399	372	415	435			425
Other Feed and Blending Stocks	53	47	16	61	44	51	53			52
Total	401	451	354	460	416	466	488			477
Percentage Utilization	81%	94%	79%	93%	87%	97%	101%			99%

U.S. Gulf Coast										
Crude Oil	648	669	675	652	661	668	702			685
Other Feed and Blending Stocks	116	96	90	101	101	103	95			99
Total	764	765	765	753	762	771	797			784
Percentage Utilization	91%	94%	94%	91%	93%	93%	98%			96%

Central U.S.										
Crude Oil	568	664	624	633	622	631	663			647
Other Feed and Blending Stocks	25	23	22	46	29	32	24			28
Total	593	687	646	679	651	663	687			675
Percentage Utilization	85%	96%	91%	92%	91%	92%	96%			94%

Western U.S.										
Crude Oil	306	320	330	320	319	294	328			311
Other Feed and Blending Stocks	(3)	16	13	16	11	9	13			11

Total	303	336	343	336	330	303	341	322
Percentage Utilization	92%	96%	99%	96%	96%	88%	99%	93%

Total U.S.								
Crude Oil	1,870	2,057	1,967	2,004	1,975	2,008	2,128	2,068
Other Feed and Blending Stocks	191	182	141	224	184	195	185	190
Total	2,061	2,239	2,108	2,228	2,159	2,203	2,313	2,258
Percentage Utilization	87%	95%	91%	93%	92%	93%	98%	95%

United Kingdom and Ireland								
Crude Oil	279	260	273	177	247	262	244	253
Other Feed and Blending Stocks	18	27	43	30	30	39	42	41
Total	297	287	316	207	277	301	286	294
Percentage Utilization	92%	86%	90%	58%	81%	86%	80%	83%

Equity Affiliates -- Net Share -- International*								
Crude Oil	119	127	127	130	126	134	132	133
Other Feed and Blending Stocks	4	6	4	3	4	2	3	2
Total	123	133	131	133	130	136	135	135
Percentage Utilization	88%	93%	93%	94%	92%	98%	97%	98%

* Represents 18.75 percent interest in a refinery complex at Karlsruhe, Germany; 16.33 percent interest in two refineries in Kralupy and Litvinov, Czech Republic; and 47 percent interest in a refinery at Melaka, Malaysia.

Worldwide -- Including Net Share of Equity Affiliates								
Crude Oil	2,268	2,444	2,367	2,311	2,348	2,404	2,504	2,454
Other Feed and Blending Stocks	213	215	188	257	218	236	230	233
Total	2,481	2,659	2,555	2,568	2,566	2,640	2,734	2,687
Percentage Utilization	88%	94%	91%	89%	90%	92%	96%	94%

U.S. Petroleum Products Sales (MB/D)								
Gasoline	1,375	1,461	1,417	1,478	1,433	1,331	1,381	1,356
Distillates	653	650	602	692	649	600	590	595
Aviation Fuel	231	259	268	172	232	164	164	164
Other	524	479	456	403	465	509	493	501
Total	2,783	2,849	2,743	2,745	2,780	2,604	2,628	2,616

Note: Pro forma information derived by summing the historical Phillips and Conoco data for the period indicated.