

OCCIDENTAL PETROLEUM CORP /DE/
Form 10-Q
May 03, 2007
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 March 31, 2007

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 1-9210

OCCIDENTAL PETROLEUM CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

10889 Wilshire Boulevard

Los Angeles, California

(Address of principal executive offices)

(310) 208-8800

95-4035997

(I.R.S. Employer
Identification No.)

90024

(Zip Code)

(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 is a large accelerated filer, an accelerated filer or a non-accelerated filer. (See definition of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act):

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer

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Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2). 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	Outstanding at March 31, 2007
Common stock \$.20 par value	833,813,940 shares

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES

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PART I FINANCIAL INFORMATION**Item 1. Financial Statements (unaudited)**

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
 CONSOLIDATED CONDENSED BALANCE SHEETS
 MARCH 31, 2007 AND DECEMBER 31, 2006
 (Amounts in millions)

	2007	2006
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$1,292	\$1,339
Short-term investments	213	240
Receivables, net	3,771	3,324
Inventories	738	825
Prepaid expenses and other	286	257
Assets of discontinued operations	22	22
Total current assets	6,322	6,007
LONG-TERM RECEIVABLES, net	234	231
INVESTMENTS IN UNCONSOLIDATED ENTITIES	1,383	1,344
PROPERTY, PLANT AND EQUIPMENT, net of accumulated depreciation, depletion and amortization of \$12,350 at March 31, 2007 and \$11,791 at December 31, 2006	24,409	24,300
OTHER ASSETS	535	549
	\$32,883	\$32,431

The accompanying notes are an integral part of these financial statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
MARCH 31, 2007 AND DECEMBER 31, 2006
(Amounts in millions)

	2007	2006
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Current maturities of long-term debt and capital lease liabilities	\$449	\$171
Accounts payable	2,740	2,263
Accrued liabilities	1,450	1,720
Domestic and foreign income taxes	487	396
Liabilities of discontinued operations	129	131
Total current liabilities	5,255	4,681
LONG-TERM DEBT, net of current maturities and unamortized premium	1,691	2,619
DEFERRED CREDITS AND OTHER LIABILITIES		
Deferred and other domestic and foreign income taxes	2,343	2,366
Long-term liabilities of discontinued operations	190	195
Other	2,826	2,966
	5,359	5,527
MINORITY INTEREST	361	352
STOCKHOLDERS' EQUITY		
Common stock, at par value	174	174
Treasury stock	(1,802)	(1,481)
Additional paid-in capital	6,948	6,905
Retained earnings	15,233	13,987
Accumulated other comprehensive loss	(336)	(333)
	20,217	19,252
	\$32,883	\$32,431

The accompanying notes are an integral part of these financial statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2007 AND 2006
(Amounts in millions, except per-share amounts)

	2007	2006
REVENUES		
Net sales	\$ 4,108	\$ 4,396
Interest, dividends and other income	184	54
Gains on disposition of assets, net	412	3
	4,704	4,453
COSTS AND OTHER DEDUCTIONS		
Cost of sales	2,078	1,935
Selling, general and administrative and other operating expenses	340	344
Environmental remediation	55	7
Exploration expense	102	71
Interest and debt expense, net	217	68
	2,792	2,425
Income before taxes and other items	1,912	2,028
Provision for domestic and foreign income and other taxes	703	907
Minority interest	7	37
Income from equity investments	(10)	(69)
Income from continuing operations	1,212	1,153
Discontinued operations, net		78
NET INCOME	\$ 1,212	\$ 1,231
BASIC EARNINGS PER COMMON SHARE		
Income from continuing operations	\$ 1.44	\$ 1.36
Discontinued operations, net		0.09
Basic earnings per common share	\$ 1.44	\$ 1.45
DILUTED EARNINGS PER COMMON SHARE		
Income from continuing operations	\$ 1.43	\$ 1.34
Discontinued operations, net		