



Stock Selection Guide [®]

The most widely used aid to good investment judgment

Company	CONOCOPHILLIPS		Date	11/09/05	
Prepared by	jah		Data taken from	NAIC Data	
Where traded	NYSE		Major product/service	Integrated	
CAPITALIZATION --- Outstanding Amounts			Reference		
Preferred (\$M)	0.0	% Insiders	%		
Common (M Shares)	1,434.7	% Institution	%		
Debt (\$M)	13,497.0	% to Tot.Cap.	23.4	% Potential Dil.	None

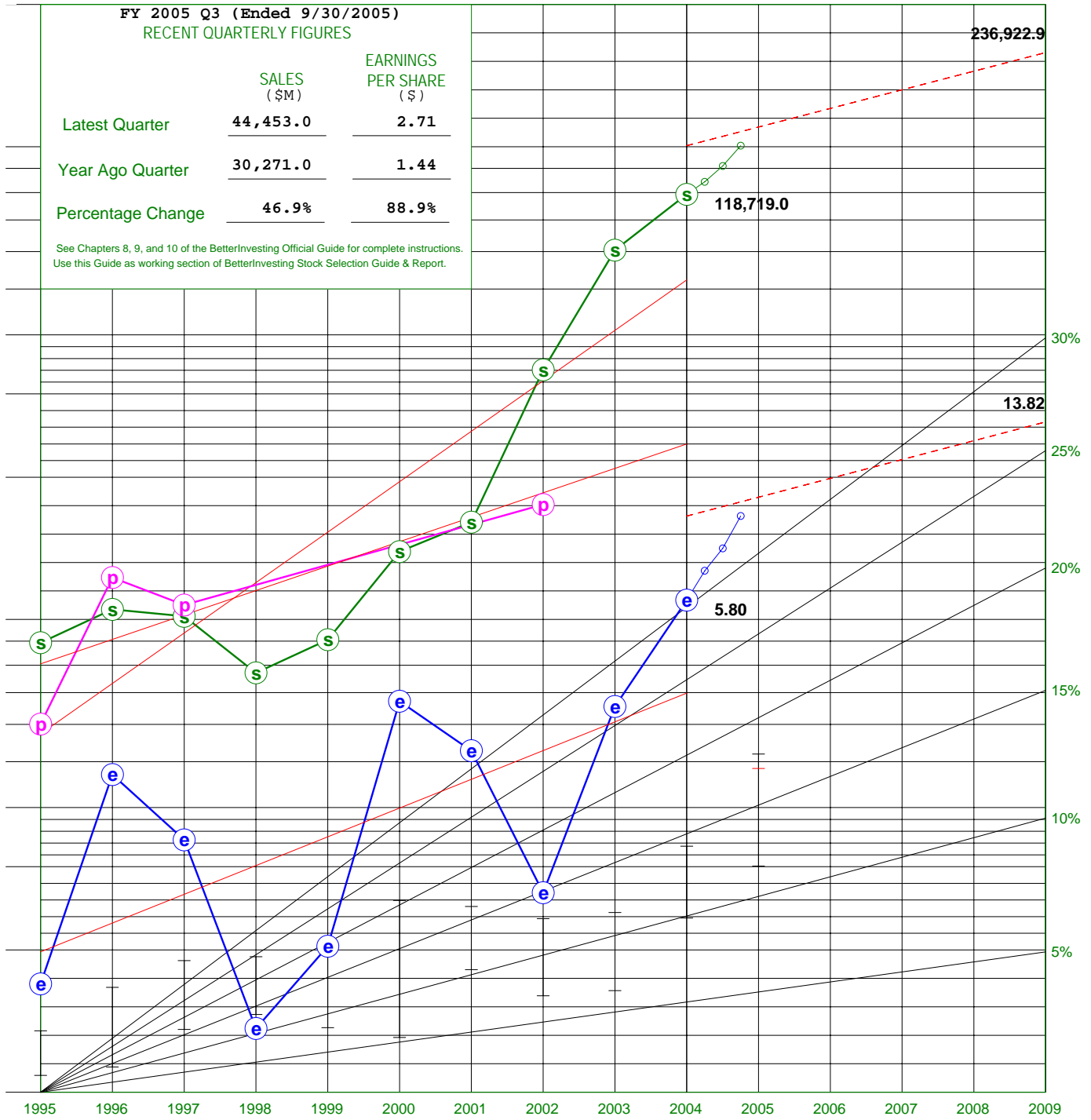
1 VISUAL ANALYSIS of Sales, Earnings and Price

COP

FY 2005 Q3 (Ended 9/30/2005)
RECENT QUARTERLY FIGURES

	SALES (\$M)	EARNINGS PER SHARE (\$)
Latest Quarter	44,453.0	2.71
Year Ago Quarter	30,271.0	1.44
Percentage Change	46.9%	88.9%

See Chapters 8, 9, and 10 of the BetterInvesting Official Guide for complete instructions. Use this Guide as working section of BetterInvesting Stock Selection Guide & Report.



(1) Historical Sales Growth	27.8 %	(3) Historical Earnings Per Share Growth	15.0 %
(2) Estimated Future Sales Growth	9.5 %	(4) Estimated Future Earnings Per Share Growth	9.6 %

2 EVALUATING MANAGEMENT

Company **CONOCOPHILLIPS** (COP)

11/09/05

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	LAST 5 YEAR AVG.	TREND	
												UP	DOWN
A % Pre-tax Profit on Sales (Net Before Taxes ÷ Sales)	8.0	13.8	12.5	8.6	12.0	29.7	14.8	6.4	13.7	18.9	6.1	NMF	
B % Earned on Equity (E/S ÷ Book Value)	14.7	30.7	19.7	8.6	12.0	29.7	14.8	6.4	13.7	18.9	16.7	UP	

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is a building block for translating earnings into future stock prices.

		PRESENT PRICE		66.610		HIGH THIS YEAR		71.480		LOW THIS YEAR		41.400		
Year		PRICE		C Earnings Per Share	D Price Earnings Ratio		F Dividend Per Share	G % Payout F ÷ C X 100	H % High Yield F ÷ B X 100					
		HIGH	LOW		HIGH A ÷ C	LOW B ÷ C								
1	2000	35.0	18.0	3.55	9.9	5.1	0.680	19.2	3.8					
2	2001	34.0	25.0	2.79	12.2	9.0	0.700	25.1	2.8					
3	2002	32.1	22.0	1.40	23.0	15.8	0.740	53.0	3.4					
4	2003	33.0	22.6	3.46	9.6	6.5	0.815	23.6	3.6					
5	2004	45.6	32.2	5.80	7.9	5.6	0.895	15.4	2.8					
6	TOTAL	119.8		39.6		26.2	136.3							
7	AVERAGE	24.0		9.9		6.6	27.3							
8	AVERAGE PRICE EARNINGS RATIO				8.2		9 CURRENT PRICE EARNINGS RATIO				7.6			

4 Proj. P/E [6.95] Based on Next 4 qtr. EPS [9.58] Current P/E Based on Last 4 qtr. EPS [8.74] PEG=72

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE -- NEXT 5 YEARS

Avg. High P/E 9.9 X Estimate High Earnings/Share 13.82 = Forecast High Price \$ 136.8
(3D7 as adj.) (4A1)

B LOW PRICE -- NEXT 5 YEARS

(a) Avg. Low P/E 6.6 X Estimated Low Earnings/Share 5.80 8.74 = \$ 57.7
(3E7 as adj.)

(b) Avg. Low Price of Last 5 Years = 24.0
(3B7)

(c) Recent Severe Market Low Price = 22.6

(d) Price Dividend Will Support $\frac{\text{Present Divd.}}{\text{High Yield (H)}} = \frac{1.240}{0.038} = 32.8$

Selected Estimate Low Price = \$ 57.7
(4B1)

C ZONING

136.8 High Forecast Price Minus 57.7 Low Forecast Price Equals 79.1 Range. 1/3 of Range = 19.8
(4A1) (4B1) (C) (4CD)

(4C2) Lower 1/3 = 57.7 to 77.5 (Buy) Note: Ranges changed to 25%/50%/25%

(4C3) Middle 1/3 = 77.5 to 117.0 (Maybe)

(4C4) Upper 1/3 = 117.0 to 136.8 (4A1) (Sell)

Present Market Price of 66.610 is in the Buy Range
(4C5)

D UP-SIDE DOWN-SIDE RATIO (Potential Gain vs. Risk of Loss)

High Price (4A1) 136.8 Minus Present Price 66.610 = 70.2 = 7.9 To 1
Present Price 66.610 Minus Low Price (4B1) 57.7 = 8.9 (4D)

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

High Price (4A1) 136.8
Present Market Price 66.610 = (2.054) X 100 = (205.4) - 100 = 105.4 % Appreciation
(4E)

Relative Value: 92.7% Proj. Relative Value: 84.8%

5 5-YEAR POTENTIAL

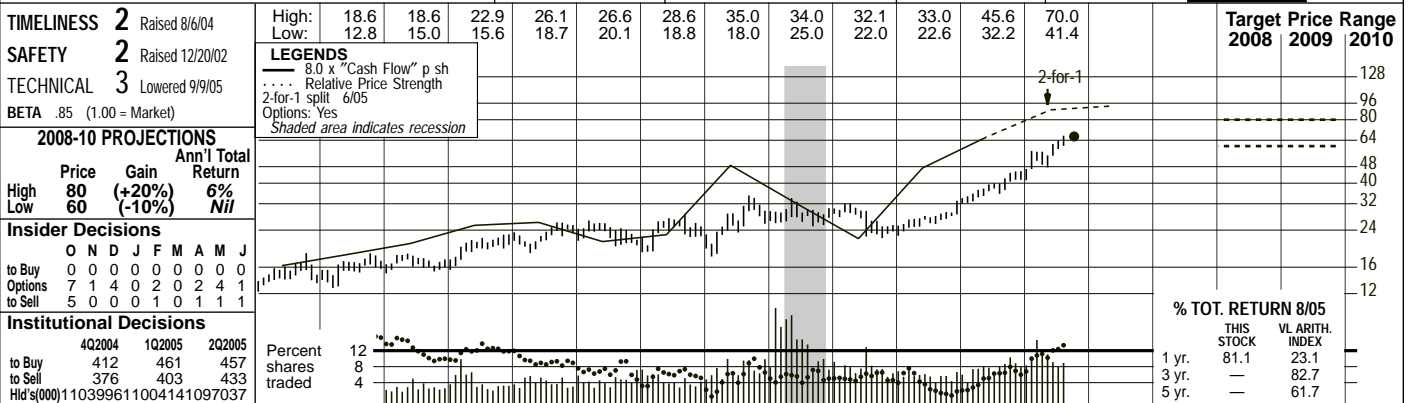
This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

A Present Full Year's Dividend \$ 1.240
Present Price of Stock \$ 66.610 = 0.019 X 100 = 1.9 Present Yield or % Returned on Purchase Price
(5A)

B AVERAGE YIELD OVER NEXT 5 YEARS
Avg. Earnings Per Share Next 5 Years 11.51 X Avg. % Payout (3G7) 27.3 = 314.2 = 4.7 %
Present Price \$ 66.610 (5B)

C ESTIMATED AVERAGE ANNUAL RETURN OVER NEXT FIVE YEARS

		P.A.R.	Tot. Ret.
5 Year Appreciation Potential (4E)	<u>105.4</u>		
Average Yield (5B)	<u>4.7</u> %	<u>3.3</u>	<u>2.8</u>
Average Total Annual Return Over the Next 5 Years (5C)	<u>25.8</u> %	<u>11.3</u>	<u>15.5</u>
		<u>14.7</u>	<u>18.2</u>



	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	© VALUE LINE PUB., INC.	08-10
25.55	29.87	28.90	22.91	26.76	40.99	34.97	41.51	76.30	93.95	122.55	132.60	Sales per sh		108.00
2.59	3.17	3.27	2.65	2.86	6.09	4.06	2.73	5.91	8.28	11.15	11.65	"Cash Flow" per sh		8.15
1.11	1.70	1.72	.75	1.08	3.74	2.90	1.56	3.35	5.79	8.30	8.50	Earnings per sh ^A		4.15
.60	.63	.67	.68	.68	.68	.70	.74	.82	.90	1.18	1.24	Div'ds Decl'd per sh ^B		1.30
2.78	2.93	3.88	4.07	3.33	3.98	4.04	3.21	2.56	6.60	6.55	6.30	Cap'l Spending per sh		4.40
6.07	8.05	9.15	8.37	8.97	11.99	18.76	21.59	25.17	29.72	38.20	46.40	Book Value per sh		63.55
523.28	526.60	526.36	503.99	507.23	508.24	764.32	1367.3	1365.6	1437.7	1375.0	1350.0	Common Shs Outst'g ^C		1250.0
15.2	11.8	13.2	30.9	22.3	7.0	9.8	17.5	8.1	6.6	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio		17.0
1.02	.74	.76	1.61	1.27	.46	.50	.96	.46	.35			Relative P/E Ratio		1.15
3.5%	3.1%	3.0%	2.9%	2.8%	2.6%	2.5%	2.7%	3.0%	2.3%			Avg Ann'l Div'd Yield		1.8%

CAPITAL STRUCTURE as of 6/30/05

Total Debt \$14.1 bill. Due in 5 Yrs \$4150 mill.
 LT Debt \$13.7 bill. LT Interest \$760 mill.
 (Total interest coverage: 25.8x) (22% of Cap'l)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	© VALUE LINE PUB., INC.	08-10
13368	15731	15210	11545	13571	20835	26729	56748	104196	135076	168500	179000	Sales (\$mill)		135000
16.4%	17.7%	18.1%	15.8%	16.3%	24.4%	19.0%	9.4%	12.2%	12.5%	14.0%	14.0%	Operating Margin		11.5%
777.0	776.0	810.0	945.0	902.0	1179.0	1391.0	2223.0	3485.0	3798.0	3900	4000	Depreciation (\$mill)		4750
580.0	891.0	911.0	389.0	548.0	1916.0	1709.0	1511.1	4591.1	8108.0	11415	11710	Net Profit (\$mill)		5420
54.3%	51.3%	51.6%	51.0%	51.7%	49.6%	50.2%	49.0%	39.8%	43.6%	45.0%	45.0%	Income Tax Rate		45.0%
4.3%	5.7%	6.0%	3.4%	4.0%	9.2%	6.4%	2.7%	4.4%	6.0%	6.8%	6.5%	Net Profit Margin		4.0%
d406.0	169.0	203.0	217.0	253.0	d886.0	d179.0	2114.0	d2819	d565.0	d255	d765	Working Cap'l (\$mill)		d315
3097.0	2555.0	2775.0	4106.0	4271.0	6622.0	8645.0	18917	16340	14370	13870	14500	Long-Term Debt (\$mill)		15500
3521.0	4884.0	5464.0	4869.0	5199.0	6743.0	14990	29517	34366	42723	52550	62645	Shr. Equity (\$mill)		79435
11.2%	14.0%	12.8%	5.7%	7.1%	16.2%	8.3%	3.7%	9.8%	14.6%	17.0%	15.0%	Return on Total Cap'l		5.5%
16.5%	18.2%	16.7%	8.0%	10.5%	28.4%	11.4%	5.1%	13.4%	19.0%	21.5%	18.5%	Return on Shr. Equity		7.0%
8.4%	13.3%	11.6%	.9%	4.5%	25.8%	9.1%	2.8%	10.1%	16.1%	14.5%	11.0%	Retained to Com Eq		5.0%
54%	37%	39%	91%	63%	18%	24%	45%	24%	15%	14%	14%	All Div'ds to Net Prof		30%

Leases, Uncapitalized Annual rentals \$521.0 mill.
Pension Assets-12/04 \$3.3 bill. **Oblig.** \$5.5 bill.

Pfd Stock None.
Common Stock 1,391,961,391 shs. as of 6/30/05

MARKET CAP: \$93 billion (Large Cap)

CURRENT POSITION

	2003	2004	6/30/05
Cash Assets	490	1387	1541
Receivables	3606	5449	8607
Inventory (LIFO)	3957	3666	4870
Other	3139	4519	1729
Current Assets	11192	15021	16747
Accts Payable	6598	8727	9875
Debt Due	1440	632	354
Other	5973	6227	6099
Current Liab.	14011	15586	16328

BUSINESS: ConocoPhillips is an integrated oil and petrochemicals company. It is organized into four operating segments: E&P, mid-stream, refining & marketing. Avg. worldwide prod. in '04: 1,542,000 barrels/day, compared with 1,590,000 barrels/day in '03; '04 avg. realized crude price was \$36.06, vs. 27.52 in '03, total natural gas liquids extracted in 2004 was 194,000 barrels/day, vs. 215,000 barrels a day in '03. Refining capacity was 2,588,000 barrels/day in '04, vs. 2,615,000 barrels/day in '03. Employs 35,800 (12/04). Offs./dirs. own 1.6% of comm. stock. Vanguard Fiduciary Tr. owns, 8.4%; AXA Fin., 5.5% (4/05 proxy). Chrmn: A. Dunham, Pres. & CEO: J. J. Mulva, Inc.: DE. Addr.: Bartlesville, OK 74004. Tel.: 918-661-6600. Web: www.conocophillips.com.

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '02-'04 of change (per sh)	'08-'10
Sales	11.5%	22.0%	7.5%	7.5%
"Cash Flow"	10.0%	14.0%	6.5%	6.5%
Earnings	20.0%	24.5%	2.5%	2.5%
Dividends	4.0%	4.0%	8.0%	8.0%
Book Value	17.0%	23.5%	16.5%	16.5%

Business is booming at ConocoPhillips. The integrated oil and petrochemicals company recorded share earnings of \$2.21 in the June period on revenues of \$42.6 billion. This compares with earnings of \$1.44 a share and revenues of \$31.5 billion during the second quarter of last year.

The Exploration & Production unit continues to lead the way. The unit generated profits of \$1.9 billion in the period, versus \$1.4 billion in the June quarter of 2004. Higher average realized crude oil and natural gas prices prompted the increase. Output (excluding its LUKOIL investment) actually declined slightly, from 1.56 million barrels of oil equivalent per day to 1.54 million, due to planned downtime for maintenance.

... though its Refining & Marketing segment has also been quite lucrative. The division booked net income of \$1.1 billion in the period, ahead of the \$800 million it yielded over the same time last year. Here, the refining business has been the driver amid an increase in the company's throughput capacity and higher realized margins worldwide.

ConocoPhillips' operating fundamentals should remain strong for some time. Its E&P unit should continue to benefit from high oil prices (which broke the \$70-a-barrel level in the current quarter), as well as an increase in output. The company stated that total production for 2005 would average about 3% ahead of last year's levels, to about 1.8 billion barrels a day. Meanwhile, refining margins look to be strengthening, particularly in the wake of Hurricane Katrina's damaging effects on supply. Consequently, we are increasing our full-year 2005 share-net call by \$1.80, to \$8.30. We are also raising our 2006 estimate by \$2.75, to \$8.50.

These timely shares are soaring to new heights. Along with many of its petroleum peers, the stock price has risen steadily over the past three years, with a particularly strong uptick in the last three months. The main contributor has been the dramatic rise in oil and gas prices, which has led to hefty profits. The share price may continue to outperform in the short term, but we are more cautious over the 3- to 5-year pull.

Cal-endar	QUARTERLY SALES (\$mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2002	9372	10034	13996	23346	56748
2003	26942	25319	26105	25830	104196
2004	29813	31528	34350	39385	135076
2005	38900	42600	43000	44000	168500
2006	42500	43500	44000	45000	179000

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2002	d.01	.48	.47	.55	1.56 ^B
2003	.94	.79	.91	.71	3.35
2004	1.16	1.44	1.44	1.75	5.79
2005	1.77	2.21	2.20	2.12	8.30
2006	1.85	2.25	2.25	2.15	8.50

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2001	.17	.17	.18	.18	.70
2002	.18	.18	.18	.20	.74
2003	.20	.20	.20	.22	.82
2004	.22	.22	.22	.25	.91
2005	.25	.31			

(A) Pri. egs. thru 1996, dil. after. Excl. nonrec. items: '93, 7c; '94, 29c; '95, d42c; '96, \$1.57; '97, 18c; '98, d58c; '99, 24c; '00, d21c; '01, d22c; '02, d\$3.68; '03, 35c; '04, 3c. Next egs. report due late Oct. (B) Dividends historically paid early March, June, September, and December. (C) Dividend reinvestment plan available. (D) In mill., adj. for stock split. (E) Qtrs. do not sum to ann'l figure due to chgs. in shs. out.

Company's Financial Strength A
Stock's Price Stability 90
Price Growth Persistence 90
Earnings Predictability 40



PERT Worksheet-A

Company CONOCOPHILLIPS (COP)

QUARTERLY DATA									LAST 12 MONTHS DATA										
PERIOD	EPS		PRE-TAX PROFIT			SALES		INCOME TAX RATE	EPS \$	PRE-TAX PROFIT		SALES MIL	INCOME TAX		% CHANGE				
	\$	% CHANGE	\$ MIL	% SALES	% CHANGE	\$ MIL	% CHANGE			\$ MIL	% SALES		\$ MIL	% RATE	EPS	PRE-TAX PROFIT	SALES		
03/98																			
06/98																			
09/98																			
12/98	-0.03		-458.00	-17.6		2,598.00		97.2											
03/99	0.01		99.00	4.1		2,421.00		94.9											
06/99	0.21		184.00	5.8		3,172.00		41.9											
09/99	0.44		414.00	11.1		3,739.00		46.3	0.63	239.00	2.0	11,930.0	167.5	70.1					
12/99	0.42	NMF	488.00	11.5	NMF	4,239.00	63.2	56.2	1.08	1,185.00	8.7	13,571.0	709.0	59.8					
03/00	0.53	5,200.0	542.00	11.4	447.5	4,735.00	95.6	50.2	1.60	1,628.00	10.2	15,885.0	792.1	48.7					
06/00	0.86	309.5	888.00	16.7	382.6	5,331.00	68.1	50.4	2.25	2,332.00	12.9	18,044.0	1,184.5	50.8					
09/00	0.99	126.4	938.00	18.4	126.6	5,109.00	36.6	45.9	2.80	2,856.00	14.7	19,414.0	1,447.9	50.7	343.7	1,095.0	62.7		
12/00	1.17	178.6	597.87	10.6	22.5	5,660.00	33.5	3.55	2,965.87	14.2	20,835.0				229.8	150.3	53.5		
03/01	0.97	82.1	737.26	15.1	36.0	4,868.00	2.8	3.98	3,161.13	15.1	20,968.0				149.5	94.2	32.0		
06/01	1.18	37.2	901.52	19.4	1.5	4,659.00	-12.6	4.30	3,174.65	15.6	20,296.0				91.5	36.1	12.5		
09/01	0.61	-38.6	462.22	8.5	-50.7	5,428.00	6.2	3.92	2,698.87	13.1	20,615.0				40.3	-5.5	6.2		
12/01	0.19	-84.2	141.34	1.8	-76.4	7,759.00	37.1	2.94	2,242.34	9.9	22,714.0				-17.2	-24.4	9.0		
03/02	-0.13	-113.5	64.00	0.8	-91.3	7,667.00	57.5	255.3	1.84	1,569.08	6.2	25,513.0			-53.8	-50.4	21.7		
06/02	0.41	-65.7	669.00	7.0	-25.8	9,595.00	105.9	53.2	1.07	1,336.56	4.4	30,449.0			-75.2	-57.9	50.0		
09/02	0.41	-32.2	1,271.43	9.8	175.1	12,997.00	139.4	56.3	0.87	2,145.77	5.6	38,018.0			-77.8	-20.5	84.4		
12/02	0.53	186.5	1,643.55	8.1	1,062.8	20,253.00	161.0	56.3	1.22	3,647.98	7.2	50,512.0	3,840.5	105.3	-58.6	62.7	122.4		
03/03	0.95	NMF	1,290.87	5.4	1,917.0	23,792.00	210.3		2.29	4,874.85	7.3	66,637.0			24.5	210.7	161.2		
06/03	0.83	103.7	1,126.95	5.1	68.5	21,934.00	128.6		2.71	5,332.80	6.8	78,976.0			154.5	299.0	159.4		
09/03	0.94	129.3	2,313.00	10.3	81.9	22,525.00	73.3	44.2	3.24	6,374.37	7.2	88,504.0			272.4	197.1	132.8		
12/03	0.75	40.6	1,017.67	4.6	-38.1	22,240.00	9.8		3.46	5,748.49	6.4	90,491.0			184.4	57.6	79.1		
03/04	1.16	22.8	1,612.40	6.2	24.9	25,991.00	9.2		3.67	6,070.02	6.5	92,690.0			60.3	24.5	39.1		
06/04	1.44	74.5	2,001.60	7.3	77.6	27,356.00	24.7		4.29	6,944.67	7.1	98,112.0			58.1	30.2	24.2		
09/04	1.44	52.7	1,994.65	6.6	-13.8	30,271.00	34.4		4.78	6,626.32	6.3	105,858.0			47.5	4.0	19.6		
12/04	1.76	136.2	2,446.40	7.0	140.4	35,101.00	57.8		5.80	8,055.05	6.8	118,719.0			67.7	40.1	31.2		
03/05	2.06	77.6	4,950.00	14.8	207.0	33,476.00	28.8	40.9	6.70	11,392.65	9.0	126,204.0			82.4	87.7	36.2		
06/05	2.21	53.5	5,437.00	14.5	171.6	37,470.00	37.0	42.3	7.47	14,828.05	10.9	136,318.0			74.2	113.5	38.9		
09/05	2.71	88.9	8,898.01	20.0	346.1	44,453.00	46.9	56.3	8.74	21,731.41	14.4	150,500.0			82.8	228.0	42.2		
12/05								56.3						49.0					

A B C D E F G H I J K L M N O P Q R S T

Trailing 4 quarters

PERT Worksheet-A Graph

Company CONOCOPHILLIPS (COP)

