

# Apple passes Exxon as most valuable US company

August 9 2011, By BARBARA ORTUTAY , AP Technology Writer

---



A customer, right, tries on the Apple Inc.'s iPad 2 tablet computer at a shop in Hong Kong Friday, April 29, 2011. The iPad 2 went on sale in Hong Kong, South Korea, Singapore and eight more countries on Friday. (AP Photo/Kin Cheung)

(AP) -- Apple has surpassed Exxon Mobil as the most valuable company in the U.S.

The milestone occurred shortly before 2 p.m. Tuesday.

[Apple](#) Inc.'s stock gained 3.4 percent to \$365.10 Tuesday afternoon, bringing the [iPhone](#) and [iPad](#) maker's [market capitalization](#) to about \$338 billion.

Exxon Mobil Corp. shares, meanwhile, were trading at \$69.23, down 1.4

percent. That gives the oil company a market cap of \$337 billion.

Other big-name corporations, such as Wal-Mart Stores Inc. and General Electric Co., don't even come close.

Exxon, which set a record in 2008 for the highest quarterly earnings by any company, has limited growth prospects. Its growth is driven by oil prices and discovering new oil.

By contrast, Apple has been on a roll with the soaring popularity of its iPad [tablet computer](#) and [strong sales](#) of the iPhone. Apple's growth is limited only by innovation. Investors expect it to grow as long as it keeps making products that people want. So investors are betting on Apple's stock even though it currently makes less money than Exxon.

In its latest quarterly report, Apple said stronger iPhone and iPad sales helped more than double its net income to \$7.31 billion and grow revenue by 82 percent to \$28.6 billion.

Exxon Mobil, meanwhile, posted a 41 percent increase in its second-quarter earnings to \$10.68 billion, the largest since it set a record of \$14.8 billion in the third quarter of 2008. Its revenue grew 36 percent to \$125.5 billion.

Apple, which is based in Cupertino, Calif., has a higher price-to-earnings ratio than Exxon Mobil, but not by much. They are both lower than that of the average of the S&P 500 index.

International companies that vie for the most valuable spot include PetroChina Co., the publicly traded unit of China's biggest oil and gas company, and Petrobras, Brazil's state-controlled energy company.

In the U.S., Exxon and General Electric had been trading off the No. 1

and No. 2 spots until Microsoft Corp. surpassed them both in early 1999, at the height of the dot-com boom. By 2000, though, GE was No. 1 once again. According to data from FactSet, the three were close over the next five years, though Apple was ascending quickly.

[Exxon Mobil](#), which is based in Irving, Texas, took the top spot in 2005 and remained there until Tuesday.

Apple surpassed Microsoft in market cap last year.

©2011 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: Apple passes Exxon as most valuable US company (2011, August 9) retrieved 27 April 2024 from <https://phys.org/news/2011-08-apple-exxon-valuable-company.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.