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RESULT UP 25%; CONTINUING STRONG CASH GENERATION

| Third Quarter 2002 | Second Quarter 2003 | Third Quarter 2003 | \$ million | Nine Months | | |
|---------------------------|---------------------------|--------------------------|------------------------------|-------------|-------|----|
| | | | | 2003 | 2002 | % |
| ===== | | | | ===== | | |
| Replacement cost profit | | | | | | |
| 766 | 2,454 | 2,142 | before exceptional items | 7,724 | 3,001 | |
| 556 | 32 | 228 | Special items (a) | 233 | 1,027 | |
| 977 | 629 | 498 | Acquisition amortization (b) | 1,755 | 2,052 | |
| ----- | | | | ----- | | |
| Pro forma result adjusted | | | | | | |
| 2,299 | 3,115 | 2,868 | for special items | 9,712 | 6,080 | 60 |
| ===== | | | | ===== | | |
| 6.61 | 8.67 | 8.07 | - per ordinary share (pence) | 27.18 | 18.32 | 49 |
| 10.26 | 14.06 | 13.00 | - per ordinary share (cents) | 43.76 | 27.12 | 62 |
| 0.62 | 0.85 | 0.78 | - per ADS (dollars) | 2.63 | 1.62 | |
| ===== | | | | ===== | | |

- o BP's third quarter pro forma result, adjusted for special items, was \$2,868 million, compared with \$2,299 million a year ago, an increase of 25%. For the nine months, the result was \$9,712 million compared with \$6,080 million, up 60%. Replacement cost profit, before exceptional items, for the third quarter and nine months was \$2,142 million and \$7,724 million respectively, compared with \$766 million and \$3,001 million a year ago.

- o The third quarter overall trading environment was more favourable than

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a year ago.

- o Improved operating performance generated additional income for the quarter and nine months. Excluding charges for impairment, non-cash costs were higher in both periods due to higher depreciation.
- o The TNK-BP deal was completed on 29 August. Third quarter results and production reflect a strong contribution from the joint venture.
- o Net cash outflow for the quarter was \$2,426 million and net cash inflow for the nine months was \$3,179 million, compared with outflows of \$523 million and \$1,055 million a year ago. Net cash flow from operating activities for the quarter and nine months was \$4,891 million and \$18,198 million respectively compared with \$4,376 million and \$13,145 million a year ago.
- o The pro forma ratio of net debt to net debt plus equity was 23% at the end of the quarter.
- o Return on average capital employed for the quarter, on a pro forma basis adjusted for special items, was 15%, compared with 13% a year ago.
- o The quarterly dividend was 6.50 cents per share (\$0.39 per ADS). This compares with 6.00 cents a year ago. For the nine months the dividend showed an increase of 8.5%. In sterling terms, the quarterly dividend is 3.857 pence per share compared with 3.897 pence a year ago; for the nine months the increase was 0.2%.

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BP Group Chief Executive, Lord Browne, said:

"This has been another good quarter and a strong financial result. We continue to invest steadily against a clear set of strategic goals, and to drive hard on operations where there is room for improvement.

The pro forma result, adjusted for special items, has been derived from the group's reported UK GAAP accounting information but is not in itself a recognized UK or US GAAP measure. This financial performance information and measures derived therefrom, shown above and elsewhere in the document, are provided in order to enable investors to evaluate better both BP's current performance, in the context of past performance, and its performance against that of its competitors.

- (a) The special items refer to non-recurring charges and credits. The special items for the third quarter comprise net charges resulting from the reassessment of environmental remediation provisions, Veba integration costs in Refining and Marketing and a provision to cover future rental payments on surplus property in Petrochemicals.
- (b) Acquisition amortization is depreciation and amortization relating to the fixed asset revaluation adjustments and goodwill consequent upon the ARCO and Burmah Castrol acquisitions.

Summary Quarterly Results

Exploration and Production's third quarter result was up 25% on a year ago, reflecting higher average realizations.

In Gas, Power and Renewables, the result reflects improvement in marketing and trading, including LNG, partly offset by a lower result for the natural gas liquids business and restructuring costs related to the Solar business.

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The Refining and Marketing result increased 87% compared with a year ago due to higher refining margins and improved marketing margins, particularly retail margins in the USA and Europe, with some offset from higher gas fuel costs.

The Petrochemicals result was \$184 million down on the prior quarter, reflecting substantially lower margins due to higher feedstock prices partly offset by slightly higher demand.

Interest expense for the quarter was \$213 million compared with \$191 million for the prior quarter, reflecting increased debt buyback costs and the impact of the inclusion of TNK-BP, partly offset by an increase in capitalized interest.

The pro forma effective tax rate on replacement cost profit, before exceptional items, and adjusted for special items, was 35% compared with 34.5% a year ago.

Capital expenditure, excluding acquisitions, was \$3.3 billion for the quarter. Total capital expenditure and acquisitions was \$9.2 billion. Disposal proceeds were \$0.9 billion.

Net cash outflow was \$2,426 million compared with \$523 million a year ago; higher cash flow from operating activities was more than offset by lower disposal proceeds.

Net debt at the end of the quarter was \$18.5 billion. The pro forma ratio of net debt to net debt plus equity was 23%.

The commentaries above and following are based on the pro forma replacement cost operating results, before exceptional items, adjusted for special items.

To reflect BP's increased focus on chemical products derived from oil and gas, the Chemicals segment has been renamed Petrochemicals.

BP's share of the result of the TNK-BP joint venture has been included within Exploration and Production with effect from 29 August. TNK-BP operational and financial information has been estimated.

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Reconciliation of Reported Results to Pro Forma Results Adjusted for Special Items

| Pro Forma Result adjusted for special items | 3Q 2003 | | | | | | Pro Forma Result adjusted for special items | | |
|--|---------|---------|-------|---------|---------|-------------------|--|---------|------|
| ----- | 3Q | 2Q | 3Q | Special | Acq. | Reported | Nine Months | | |
| ----- | 2002 | 2003 | 2003 | Items* | Amort+ | Earnings | \$ million | 2003 | 2002 |
| ===== | | | | | | | ===== | | |
| | | | | | | Exploration and | | | |
| 3,050 | 3,589 | 3,813 | - | 293 | 3,520 | Production | 12,290 | 8,339 | |
| | | | | | | Gas, Power | | | |
| 87 | 103 | 98 | - | - | 98 | and Renewables | 395 | 312 | |
| | | | | | | Refining and | | | |
| 522 | 1,135 | 978 | 318 | 205 | 455 | Marketing | 2,967 | 1,494 | |
| 272 | 308 | 124 | 43 | - | 81 | Petrochemicals | 571 | 626 | |
| | | | | | | Other businesses | | | |
| (116) | (134) | (320) | (10) | - | (310) | and corporate | (619) | (369) | |
| ----- | | | | | | | | | |
| | | | | | | RC operating | | | |
| 3,815 | 5,001 | 4,693 | 351 | 498 | 3,844 | profit | 15,604 | 10,402 | |
| ----- | | | | | | | | | |
| (300) | (191) | (213) | - | - | (213) | Interest expense | (624) | (947) | |
| (1,213) | (1,635) | (1,569) | (123) | - | (1,446) | Taxation | (5,139) | (3,313) | |
| (3) | (60) | (43) | - | - | (43) | MSI | (129) | (62) | |
| ----- | | | | | | | | | |
| | | | | | | RC profit before | | | |
| 2,299 | 3,115 | 2,868 | 228 | 498 | 2,142 | exceptional items | 9,712 | 6,080 | |

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| | |
|--|---|
| | |
| | 172 Exceptional items before tax |
| | (4) Taxation on exceptional items |
| | ----- |
| | 2,310 RC profit after exceptional items |
| | 84 Stock holding gains |
| | ----- |
| | 2,394 HC profit |
| | ===== |

* The special items refer to non-recurring charges and credits. The special items for the third quarter comprise net charges resulting from the reassessment of environmental remediation provisions, Veba integration costs in Refining and Marketing and a provision to cover future rental payments on surplus property in Petrochemicals.

+ Acquisition amortization is depreciation and amortization relating to the fixed asset revaluation adjustments and goodwill consequent upon the ARCO and Burmah Castrol acquisitions.

Operating Results

| Third Quarter | Second Quarter | Third Quarter | Nine Months | |
|------------------|-------------------|------------------|-------------|------|
| 2002 | 2003 | 2003 | 2003 | 2002 |
| | | | | |

Replacement cost

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| | | | | | |
|--------------------------------------|-------|-------|-----------------------------------|--------|--------|
| 1,757 | 4,324 | 3,844 | operating profit (\$m) | 13,293 | 7,065 |
| ----- | | | | | |
| Replacement cost profit | | | | | |
| 766 | 2,454 | 2,142 | before exceptional items (\$m) | 7,724 | 3,001 |
| ----- | | | | | |
| Profit after exceptional items (\$m) | | | | | |
| 2,535 | 2,585 | 2,310 | Replacement cost | 8,363 | 4,916 |
| 2,840 | 1,634 | 2,394 | Historical cost | 8,295 | 6,194 |
| ----- | | | | | |
| Per ordinary share (cents) | | | | | |
| Pro forma result | | | | | |
| 10.26 | 14.06 | 13.00 | adjusted for special items | 43.76 | 27.12 |
| RC profit before | | | | | |
| 3.42 | 11.08 | 9.71 | exceptional items | 34.80 | 13.39 |
| 12.67 | 7.41 | 10.85 | HC profit after exceptional items | 37.37 | 27.63 |
| ----- | | | | | |
| Per ADS (cents) | | | | | |
| Pro forma result | | | | | |
| 61.56 | 84.36 | 78.00 | adjusted for special items | 262.56 | 162.72 |
| RC profit before | | | | | |
| 20.52 | 66.48 | 58.26 | exceptional items | 208.80 | 80.34 |
| 76.02 | 44.46 | 65.10 | HC profit after exceptional items | 224.22 | 165.78 |
| ----- | | | | | |

Exploration and Production

3Q 2Q 3Q

Nine Months

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| 2002 | 2003 | 2003 | \$ million | 2003 | 2002 |
|-------|-------|-------|-------------------------------------|--------|-------|
| ===== | | | | ===== | |
| 1,572 | 3,153 | 3,520 | Replacement cost operating profit | 10,999 | 5,958 |
| 703 | 12 | - | Special items | 151 | 920 |
| 775 | 424 | 293 | Acquisition amortization | 1,140 | 1,461 |
| ----- | | | | ----- | |
| | | | Pro forma operating result | | |
| 3,050 | 3,589 | 3,813 | adjusted for special items | 12,290 | 8,339 |
| ===== | | | | ===== | |
| | | | Results include: | | |
| 119 | 101 | 136 | Exploration expense | 349 | 465 |
| | | | Of which: | | |
| 55 | 43 | 75 | Exploration expenditure written off | 168 | 261 |
| ----- | | | | ----- | |
| | | | Production (Net of Royalties) | | |
| 1,736 | 1,712 | 1,852 | Crude oil (mb/d) | 1,798 | 1,766 |
| 247 | 199 | 202 | Natural gas liquids (mb/d) | 211 | 242 |
| 1,983 | 1,911 | 2,054 | Total liquids (mb/d) (a) | 2,009 | 2,008 |
| 8,482 | 8,439 | 8,401 | Natural gas (mmcf/d) | 8,617 | 8,631 |
| 3,445 | 3,366 | 3,502 | Total hydrocarbons (mboe/d) (b) (c) | 3,495 | 3,496 |
| ===== | | | | ===== | |
| | | | Average realizations | | |
| 26.01 | 25.73 | 27.72 | Crude oil (\$/bbl) | 28.25 | 23.35 |
| 13.15 | 17.49 | 19.39 | Natural gas liquids (\$/bbl) | 18.96 | 12.23 |
| 24.40 | 24.90 | 26.79 | Total liquids (\$/bbl) | 27.24 | 21.99 |
| 2.25 | 3.39 | 3.08 | Natural gas (\$/mcf) | 3.46 | 2.32 |
| 19.27 | 22.43 | 22.58 | Total hydrocarbons (\$/bbl) | 23.88 | 18.17 |
| ===== | | | | ===== | |

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| Average oil marker prices | | | | | |
|---------------------------|-------|-------|------------------------------------|-------|-------|
| (\$/bbl) | | | | | |
| 26.91 | 26.03 | 28.38 | Brent | 28.64 | 24.40 |
| 28.26 | 29.02 | 30.19 | West Texas Intermediate | 31.08 | 25.40 |
| 27.26 | 27.04 | 28.83 | Alaska North Slope US West Coast | 29.69 | 24.06 |
| ===== | | | | ===== | |
| 3.16 | 5.40 | 4.97 | Henry Hub gas price (\$/mmBtu) (d) | 5.65 | 2.94 |
| UK Gas - National | | | | | |
| 12.74 | 17.44 | 15.08 | Balancing Point (p/therm) | 17.92 | 14.53 |
| ===== | | | | ===== | |

(a) Crude oil and natural gas liquids.

(b) Natural gas is converted to oil equivalent at 5.8 billion cubic feet = 1 million barrels.

(c) Includes 249 mboe/d production from TNK-BP.

(d) Henry Hub First of the Month Index.

Exploration and Production

The pro forma result for the third quarter, adjusted for special items, was \$3,813 million, up 25% from the third quarter of 2002.

The result for the quarter reflected higher realizations, with liquids up \$2.39/bbl and natural gas up \$0.83/mcf on a year ago. North American basin differentials to the Henry Hub marker price continued to narrow over the quarter following the opening of pipeline expansion routes. The result includes income of \$15 million reflecting a lower provision for Unrealized Profit in Stock (UPIS), which removes the upstream margin from downstream inventories. This compares with a charge of \$64 million in the third quarter of last year.

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The nine months result of \$12,290 million was up \$3,951 million on a year ago, reflecting the impact of significantly higher oil and gas prices and a reduction in exploration write-offs partly offset by the impact of divestments and higher depreciation.

Significant progress was made during the quarter toward completion of our projects in our new profit centres. The Kapok field in Trinidad started up in July. In preparation for start-up, the Na Kika tension leg platform has arrived on location in the Gulf of Mexico and the Xikomba Floating Production Storage and Offloading vessel is on location in Angola. The Holstein Spar has sailed from the fabrication yard in Finland and the Kizomba A tension leg platform has arrived in Angola. In Azerbaijan, construction is well advanced on our Azeri project and the BTC pipeline is on track for start-up in early 2005.

Production for the quarter was up by more than one and a half per cent at 3,502 mboe/d compared with a year ago. This reflects the impacts of the inclusion of incremental production volumes of 208 mboe/d from TNK-BP offset by a reduction of 179 mboe/d from divestments. Other factors include strong growth in Trinidad and decline in our mature areas. Total production for the nine months at 3,495 mboe/d was in line with a year ago.

We are nearing the end of the 2003 programme of high-grading our portfolio with the completion of previously announced divestments in China and the Lower 48 states in the USA and the sale of 49% of our In Amenas gas project in Algeria.

On 29 August we completed the creation of our joint venture TNK-BP. This sees the establishment of the third largest integrated oil company in Russia in which we have a 50% interest. That transaction did not include Alfa Group and Access Renova's interests in Slavneft or BP's interest in Sakhalin. The TNK-BP result included for the period 29 August to 30 September benefited from favourable price conditions in Russia, and production was robust.

Gas, Power and Renewables

| 3Q | 2Q | 3Q | | Nine Months |
|-------|------|------|------------|-------------|
| 2002 | 2003 | 2003 | \$ million | 2003 2002 |
| ===== | | | | ===== |

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| | | | | | |
|----------------------------|--------|--------|-----------------------------------|--------|--------|
| 57 | 103 | 98 | Replacement cost operating profit | 395 | 282 |
| 30 | - | - | Special items | - | 30 |
| - | - | - | Acquisition amortization | - | - |
| ----- | | | | | |
| Pro forma operating result | | | | | |
| 87 | 103 | 98 | adjusted for special items | 395 | 312 |
| ===== | | | | | |
| Gas sales volumes (mmcf/d) | | | | | |
| 1,809 | 2,581 | 2,174 | UK | 2,653 | 2,256 |
| 353 | 421 | 362 | Rest of Europe | 418 | 385 |
| 9,332 | 10,441 | 11,808 | USA | 11,328 | 8,841 |
| 9,556 | 10,839 | 11,133 | Rest of World | 11,173 | 9,155 |
| ----- | | | | | |
| 21,050 | 24,282 | 25,477 | Total gas sales volumes | 25,572 | 20,637 |
| ===== | | | | | |
| NGL sales volumes (mb/d) | | | | | |
| - | - | - | UK | - | - |
| - | - | - | Rest of Europe | - | - |
| 178 | 136 | 188 | USA | 150 | 173 |
| 185 | 124 | 163 | Rest of World | 173 | 204 |
| ----- | | | | | |
| 363 | 260 | 351 | Total NGL sales volumes | 323 | 377 |
| ===== | | | | | |

Gas, Power and Renewables

The pro forma result for the third quarter and nine months was \$98 million and \$395 million, respectively, compared with \$87 million and \$312 million a year ago. The third quarter and nine month results reflect improvement in marketing and trading, including LNG, partly offset by a lower result for the natural gas

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liquids business, restructuring charges in the Solar business and the absence of the contribution from Ruhrgas following the sale of our interest last year.

The increased marketing and trading result for the quarter and nine months was driven by higher gas sales volumes in North America and strong performance from the Global LNG business. Third quarter gas sales volumes were up 21%, and equity LNG sales were up 47%. During the quarter, the first delivery of LNG was made to the recently completed LNG import and regasification facility in Bilbao (BP 25%) and the first delivery was made to the facility at Cove Point (operated by Dominion Resources) in the USA, where BP has a contract for capacity access.

The result for the natural gas liquids business for the third quarter and nine months is substantially down on a year ago due to continued high gas prices relative to liquids prices in North America, which has led to lower sales volumes and margins.

The Solar and Renewables result includes a restructuring charge of \$45 million as a result of decisions taken during the quarter to improve future profitability. This charge provides for consolidation of manufacturing operations and staff reductions across the business.

Refining and Marketing

| 3Q | 2Q | 3Q | | Nine Months | |
|-------|-------|------|-----------------------------------|-------------|-------|
| 2002 | 2003 | 2003 | \$ million | 2003 | 2002 |
| ===== | | | | ===== | |
| 237 | 889 | 455 | Replacement cost operating profit | 1,975 | 908 |
| 83 | 41 | 318 | Special items | 377 | (5) |
| 202 | 205 | 205 | Acquisition amortization | 615 | 591 |
| ----- | | | | ----- | |
| | | | Pro forma operating result | | |
| 522 | 1,135 | 978 | adjusted for special items | 2,967 | 1,494 |
| ===== | | | | ===== | |

Refinery throughputs (mb/d)

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| | | | | | |
|-------------------------------------|--------|--------|------------------------------|--------|--------|
| 394 | 416 | 405 | UK | 399 | 387 |
| 956 | 991 | 909 | Rest of Europe | 951 | 905 |
| 1,455 | 1,465 | 1,406 | USA | 1,391 | 1,438 |
| 349 | 393 | 366 | Rest of World | 383 | 354 |
| ----- | | | | | |
| 3,154 | 3,265 | 3,086 | Total throughput | 3,124 | 3,084 |
| ===== | | | | | |
| 96.5 | 96.7 | 96.2 | Refining availability(a) (%) | 95.7 | 96.0 |
| ===== | | | | | |
| Oil sales volumes (mb/d) | | | | | |
| Refined products | | | | | |
| 258 | 279 | 270 | UK | 276 | 248 |
| 1,604 | 1,358 | 1,293 | Rest of Europe | 1,323 | 1,441 |
| 1,847 | 1,822 | 1,828 | USA | 1,800 | 1,874 |
| 613 | 607 | 657 | Rest of World | 636 | 578 |
| ----- | | | | | |
| 4,322 | 4,066 | 4,048 | Total marketing sales | 4,035 | 4,141 |
| 2,589 | 2,957 | 2,647 | Trading/supply sales | 2,805 | 2,489 |
| ----- | | | | | |
| 6,911 | 7,023 | 6,695 | Total refined product sales | 6,840 | 6,630 |
| 3,648 | 5,679 | 5,316 | Crude oil | 5,175 | 4,458 |
| ----- | | | | | |
| 10,559 | 12,702 | 12,011 | Total oil sales | 12,015 | 11,088 |
| ===== | | | | | |
| Global Indicator Refining Margin(b) | | | | | |
| (\$/bbl) | | | | | |
| 1.28 | 2.15 | 2.47 | NWE | 2.77 | 0.66 |
| 1.82 | 3.59 | 5.61 | USGC | 5.11 | 2.16 |
| 3.27 | 4.73 | 6.39 | Midwest | 5.09 | 3.03 |
| 3.54 | 6.34 | 9.04 | USWC | 7.39 | 4.47 |
| 0.47 | 0.66 | 1.27 | Singapore | 1.63 | 0.28 |

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1.98 3.27 4.59 BP Average 4.13 1.90

=====

=====

- (a) Refining availability is the weighted average percentage of the period that refinery units are available for processing, after accounting for downtime such as turnarounds.

- (b) The Global Indicator Refining Margin (GIM) is the average of six regional indicator margins weighted for BP's crude refining capacity in each region. Each regional indicator margin is based on a single representative crude with product yields characteristic of the typical level of upgrading complexity. The regional indicator margins may not be representative of the margins achieved by BP in any period because of BP's particular refinery configurations and crude and product slate.

Refining and Marketing

The pro forma result for the third quarter, adjusted for special items, was \$978 million. This compares with \$522 million for the same period last year, an increase of \$456 million or 87%.

The special items of \$318 million comprise a \$246 million charge resulting from a reassessment of our environmental remediation provisions and ongoing Veba integration costs of \$72 million. In addition, the third quarter result included charges of \$123 million in respect of new environmental remediation provisions which were not classified as special items.

The nine months result of \$2,967 million is up \$1,473 million compared with the first nine months of last year, an increase of 99%.

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The results for the quarter and nine months reflect improved refining margins and higher marketing margins, particularly retail margins in the USA and Europe, with some offset from higher gas fuel costs. Improved operating performance also contributed to the results in the marketing businesses.

Refining throughputs decreased by 2%, compared with a year ago, with availability at 96.2%. Marketing volumes were 6% lower than a year ago, as expected, largely due to divestments.

During the quarter, an additional 2,037 sites were reimaged, bringing the total number of sites with the BP Helios to some 14,000 worldwide.

During October, we announced that H&R WASAG has agreed to purchase our European Special Products business, including the Neuhof base oil refinery in Hamburg, Germany. The transaction is subject to a number of approvals and appropriate employee consultation.

Petrochemicals

| 3Q | 2Q | 3Q | | Nine Months | |
|-------|------|------|--|-------------|------|
| 2002 | 2003 | 2003 | \$ million | 2003 | 2002 |
| ===== | | | | ===== | |
| 132 | 313 | 81 | Replacement cost operating profit | 533 | 411 |
| 140 | (5) | 43 | Special items | 38 | 215 |
| - | - | - | Acquisition amortization | - | - |
| ----- | | | | ----- | |
| | | | Pro forma operating result | | |
| 272 | 308 | 124 | adjusted for special items | 571 | 626 |
| ===== | | | | ===== | |
| 120 | 134 | 109 | (b) Chemicals Indicator Margin (a) (\$/te) | 113 | 103 |
| ===== | | | | ===== | |

Petrochemicals production (kte)

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| | | | | | |
|-------|-------|-------|------------------|--------|--------|
| 858 | 714 | 771 | UK | 2,354 | 2,523 |
| 2,669 | 2,681 | 2,724 | Rest of Europe | 8,168 | 7,847 |
| 2,570 | 2,503 | 2,563 | USA | 7,602 | 7,754 |
| 783 | 872 | 982 | Rest of World | 2,666 | 2,255 |
| ----- | | | | ----- | |
| 6,880 | 6,770 | 7,040 | Total production | 20,790 | 20,379 |
| ===== | | | | ===== | |

(a) The Chemicals Indicator Margin (CIM) is a weighted average of externally-based product margins. It is based on market data collected by Nexant (formerly Chem Systems) in their quarterly market analyses, then weighted based on BP's product portfolio. It does not cover our entire portfolio of products, and consequently is only indicative rather than representative of the margins achieved by BP in any particular period. Amongst the products and businesses covered in the CIM are olefins and derivatives, the aromatics and derivatives, linear alpha-olefins (LAOs), acetic acid, vinyl acetate monomers and nitriles. Not included are fabrics and fibres, plastic fabrications, poly alpha-olefins (PAOs), anhydrides, speciality intermediates, and the remaining parts of the solvents and acetyls businesses.

(b) Provisional. The data for the third quarter is based on two months' actuals and one month of provisional data.

Petrochemicals

Petrochemicals pro forma result for the third quarter, after adjusting for special items, was \$124 million, down from \$308 million for the prior quarter. Following a stronger second quarter, petrochemicals margins were much weaker in the third quarter as a result of higher feedstock costs, particularly in Europe. Similar margin pressure occurred in the first quarter. The impact of lower

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margins was partly offset by slightly higher demand.

The special items of \$43 million included a provision to cover future rental payments on surplus property and a charge resulting from a reassessment of our environmental remediation provisions.

The nine months result was \$55 million below that of a year ago. The effect of increased volumes and margins was more than offset by lower income from SARS-affected businesses in Asia, several non-recurring items and portfolio rationalization.

Petrochemicals production of 7,040 thousand tonnes in the third quarter was 270 thousand tonnes above the second quarter, reflecting capacity additions and lower turnaround activity. Production for the first nine months was 411 thousand tonnes higher than last year due to Asian PTA and acetic acid capacity additions, the Veba acquisition and growth in market demand.

During the quarter, production commenced at a new world-scale high density polyethylene plant (BP 25%), located in Cedar Bayou, Texas.

Other Businesses and Corporate

| 3Q | 2Q | 3Q | | Nine Months | |
|-------|-------|-------|---------------------------------|-------------|-------|
| 2002 | 2003 | 2003 | \$ million | 2003 | 2002 |
| ===== | | | | ===== | |
| (241) | (134) | (310) | Replacement cost operating loss | (609) | (494) |
| 125 | - | (10) | Special items | (10) | 125 |
| - | - | - | Acquisition amortization | - | - |
| ----- | | | | ----- | |
| | | | Pro forma operating result | | |
| (116) | (134) | (320) | adjusted for special items | (619) | (369) |
| ===== | | | | ===== | |

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Other businesses and corporate comprises Finance, the group's coal asset and aluminium asset, its investments in PetroChina and Sinopec, interest income and costs relating to corporate activities. The special item for the quarter is a credit resulting from a reassessment of our environmental remediation provisions. Although not classified as a special item, the result also includes a charge of \$132 million in respect of new environmental remediation provisions. During October, BP completed the sale of its 50% interest in the Indonesian coal mining company PT Kaltim Prima Coal to PT Bumi Resources.

Exceptional Items

| 3Q | 2Q | 3Q | | Nine Months | |
|-------|-------|------|---|-------------|-------|
| 2002 | 2003 | 2003 | \$ million | 2003 | 2002 |
| ===== | | | | | |
| | | | Profit (loss) on sale of fixed assets and | | |
| 1,794 | 280 | 172 | businesses or termination of operations | 846 | 2,061 |
| (25) | (149) | (4) | Taxation charge | (207) | (146) |
| ----- | | | | | |
| 1,769 | 131 | 168 | Exceptional items after taxation | 639 | 1,915 |
| ===== | | | | | |

Exceptional items for the third quarter principally relate to net gains from the sale of various upstream interests.

2003 Dividends

| 3Q | 2Q | 3Q | | Nine Months | |
|------------------------------|------|------|--|-------------|------|
| 2002 | 2003 | 2003 | | 2003 | 2002 |
| ===== | | | | | |
| Dividends per ordinary share | | | | | |

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| | | | | | |
|-------|-------|-------|---------------------------|--------|--------|
| 6.00 | 6.50 | 6.50 | cents | 19.25 | 17.75 |
| 3.897 | 4.039 | 3.857 | pence | 11.843 | 11.823 |
| 36.0 | 39.0 | 39.0 | Dividends per ADS (cents) | 115.3 | 106.5 |
| ----- | | | | ----- | |

BP today announced a third quarterly dividend for 2003 of 6.50 cents per ordinary share. Holders of ordinary shares will receive 3.857 pence per share and holders of American Depositary Receipts (ADRs) \$0.39 per ADS share. The dividend is payable on 8 December to shareholders on the register on 14 November. Participants in the Dividend Reinvestment Plan (DRIP) or the DRIP facility in the US Direct Access Plan will receive the dividend in the form of shares, also on 8 December. The fourth quarter 2003 results and dividend will be announced on 10 February 2004.

Outlook

BP Group Chief Executive, Lord Browne, concluded:

"World economic activity has strengthened through the third quarter. The US appears to have grown strongly, in part owing to further policy stimulus. Asia has also shown robust growth, in particular in China, but also in Japan. However, OECD industrial production has been largely flat, and Europe, as a whole, has grown slowly, with the exception of the UK. Further economic growth is expected in the fourth quarter.

"Crude oil prices in the third quarter were supported by strong crude demand on the back of high refining margins, the slow recovery in Iraqi exports and lower OPEC-10 production following the quota reductions that became effective in June. Commercial oil inventories remain below normal seasonal levels but a recovery in US crude stocks has resulted in a marked narrowing of the WTI-Brent differential. OPEC has announced a new quota cut, effective 1 November. Oil prices have risen by around \$5 per barrel since OPEC's 24 September announcement. The future path of oil

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prices will depend upon the recovery of exports from Iraq and the degree of OPEC's production restraint.

"US natural gas prices softened in the third quarter but remained high by historical standards and above residual fuel oil parity. Gas price differentials in the Rockies and San Juan Basin have narrowed significantly following the opening of the Kern River pipeline expansion. High prices throughout 2003 have led to large storage injections through the summer. Gas in storage has reached historical average levels and is expected to be sufficient for the forthcoming winter heating season, assuming normal weather.

"Refining margins have started the fourth quarter below the third quarter average but remain above historic average levels, particularly in the USA. The autumn refinery turnaround season is supporting margins at present but OECD commercial product inventories are recovering. Retail margins in the third quarter were below the second quarter levels but continued to be relatively strong, especially in western Europe and western USA. Fourth quarter margins are expected to soften further and revert to more typical levels.

"Petrochemical margins in the third quarter fell back from second quarter levels as a result of increases in feedstock costs despite some recovery of demand in Europe. Fourth quarter prospects will be influenced by continued strength in feedstock costs.

"Our capital expenditure, excluding acquisitions, was \$9.4 billion for the nine months. We now expect full year capital expenditure to be slightly below the \$14-14.5 billion range indicated previously, due to continuous refinement of our spending programmes. As previously indicated, we expect 2003 to be the peak of our medium term capital

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spending programme. As a follow-up to the completion of the TNK-BP deal in August, we have agreed to invest a further \$1.35 billion to expand TNK-BP to include AAR's 50% interest in Slavneft; we now expect to complete this transaction by year-end. We also expect to make the remaining two-thirds of the \$2 billion of incremental payments into a number of the group's pension plans announced in July. We expect gearing to be within our 25-35% target range following these events. In light of these factors, we do not currently plan any share buy-backs during the fourth quarter."

The foregoing discussion, in particular the statements under "Outlook", contains forward looking statements particularly those regarding BP's asset portfolio and changes in it, capital expenditure, costs, future performance, gearing, margins, pension plan support, prices, timing of pending transactions, and other trend projections. Forward looking statements by their nature involve risks and uncertainties and actual results may differ from those expressed in such statements depending on a variety of factors including the following: the timing of bringing new fields on stream; industry product supply, demand and pricing; currency exchange rates; operational problems; general economic conditions; political stability and economic growth in relevant areas of the world; changes in governmental regulations; exchange rate fluctuations; development and use of new technology and successful commercial relationships; the actions of competitors; natural disasters and other changes in business conditions; prolonged adverse weather conditions; and wars and acts of terrorism or sabotage. For more information you should refer to our Annual Report and Accounts 2002 and our Annual Report on Form 20-F filed with the US Securities and Exchange Commission.

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BP p.l.c. and Subsidiaries

Summarized Group Results

| Third Quarter 2002 | Second Quarter 2003 | Third Quarter 2003 | | Nine Months | |
|--------------------------|---------------------------|--------------------------|---------------------------------------|-------------|--------|
| ===== | | | | 2003 | 2002 |
| ===== | | | | ===== | |
| \$ million | | | | \$ million | |
| 1,572 | 3,153 | 3,520 | Exploration and Production | 10,999 | 5,958 |
| 57 | 103 | 98 | Gas, Power and Renewables | 395 | 282 |
| 237 | 889 | 455 | Refining and Marketing | 1,975 | 908 |
| 132 | 313 | 81 | Petrochemicals | 533 | 411 |
| (241) | (134) | (310) | Other businesses and corporate | (609) | (494) |
| ----- | | | | ----- | |
| | | | Total replacement cost | | |
| 1,757 | 4,324 | 3,844 | operating profit | 13,293 | 7,065 |
| | | | Profit (loss) on sale of | | |
| | | | fixed assets and businesses or | | |
| 1,794 | 280 | 172 | termination of operations (Note 4) | 846 | 2,061 |
| ----- | | | | ----- | |
| | | | Replacement cost profit before | | |
| 3,551 | 4,604 | 4,016 | interest and tax | 14,139 | 9,126 |
| 305 | (951) | 84 | Stock holding gains (losses) (Note 5) | (68) | 1,303 |
| ----- | | | | ----- | |
| | | | Historical cost profit before | | |
| 3,856 | 3,653 | 4,100 | interest and tax | 14,071 | 10,429 |
| 300 | 191 | 213 | Interest expense (Note 6) | 624 | 947 |
| ----- | | | | ----- | |
| 3,556 | 3,462 | 3,887 | Profit before taxation | 13,447 | 9,482 |

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| | | | | | |
|-------------------------------------|-------|-------|---------------------------------|-------|---------|
| 713 | 1,768 | 1,450 | Taxation (Note 7) | 5,023 | 3,217 |
| ----- | | | | | |
| 2,843 | 1,694 | 2,437 | Profit after taxation | 8,424 | 6,265 |
| 3 | 60 | 43 | Minority shareholders' interest | 129 | 71 |
| ----- | | | | | |
| 2,840 | 1,634 | 2,394 | Profit for the period | 8,295 | 6,194 |
| ----- | | | | | |
| 1,340 | 1,434 | 1,438 | Distribution to shareholders | 4,258 | 3,977 |
| ===== | | | | | |
| Earnings per ordinary share - cents | | | | | |
| 12.67 | 7.41 | 10.85 | Basic | 37.37 | 27.63 |
| 12.61 | 7.39 | 10.74 | Diluted | 37.18 | 27.49 |
| ===== | | | | | |
| Replacement Cost Results | | | | | |
| Historical cost profit | | | | | |
| 2,840 | 1,634 | 2,394 | for the period | 8,295 | 6,194 |
| Stock holding (gains) losses | | | | | |
| (305) | 951 | (84) | net of MSI | 68 | (1,278) |
| ----- | | | | | |
| Replacement cost profit | | | | | |
| 2,535 | 2,585 | 2,310 | for the period | 8,363 | 4,916 |
| (1,769) | (131) | (168) | Exceptional items, net of tax | (639) | (1,915) |
| ----- | | | | | |
| Replacement cost profit before | | | | | |
| 766 | 2,454 | 2,142 | exceptional items | 7,724 | 3,001 |
| ----- | | | | | |
| Earnings per ordinary share - cents | | | | | |
| On replacement cost profit before | | | | | |
| 3.42 | 11.08 | 9.71 | exceptional items | 34.80 | 13.39 |
| ===== | | | | | |

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Summarized Group Balance Sheet

| | 30 September | 31 December |
|--|--------------|----------------|
| | 2003 | 2002 |
| | ----- | |
| | \$ million | |
| Fixed assets | | |
| Intangible assets | 13,631 | 15,566 |
| Tangible assets | 88,930 | 87,682 |
| Investments | 16,935 | 10,811 |
| | ----- | |
| | 119,496 | 114,059 |
| | ----- | |
| Current assets | | |
| Stocks | 10,868 | 10,181 |
| Debtors | 38,243 | 33,150 |
| Investments | 404 | 215 |
| Cash at bank and in hand | 1,091 | 1,520 |
| | ----- | |
| | 50,606 | 45,066 |
| Creditors - amounts falling due within one year | | |
| Finance debt | 6,811 | 10,086 |
| Other creditors | 41,191 | 36,215 |
| | ----- | |
| Net current assets (liabilities) | 2,604 | (1,235) |
| | ----- | |

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| | | |
|--|---------|---------|
| Total assets less current liabilities | 122,100 | 112,824 |
| | | |
| Creditors - amounts falling due | | |
| after more than one year | | |
| Finance debt | 13,159 | 11,922 |
| Other creditors | 5,778 | 3,455 |
| | | |
| Provisions for liabilities and charges | | |
| Deferred taxation | 14,282 | 13,514 |
| Other provisions | 14,525 | 13,886 |
| | ----- | |
| Net assets | 74,356 | 70,047 |
| Minority shareholders' interest - equity | 1,074 | 638 |
| | ----- | |
| BP shareholders' interest | 73,282 | 69,409 |
| | ===== | |

| | |
|--|------------|
| Movement in BP shareholders' interest: | \$ million |
| | |
| At 31 December 2002 | 69,409 |
| Profit for the period | 8,295 |
| Distribution to shareholders | (4,258) |
| Currency translation differences (net of tax) | 1,723 |
| Issue of ordinary share capital for employee share schemes | 112 |
| Repurchase of ordinary share capital | (1,999) |
| | ----- |
| At 30 September 2003 | 73,282 |
| | ===== |

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Summarized Group Cash Flow Statement

| Third Quarter 2002 | Second Quarter 2003 | Third Quarter 2003 | | Nine Months 2003 | 2002 |
|--------------------------|---------------------------|--------------------------|------------------------------------|---------------------|---------|
| ===== | | | | ===== | |
| \$ million | | | | \$ million | |
| | | | Net cash inflow from | | |
| 4,376 | 7,346 | 4,891 | operating activities (a) | 18,198 | 13,145 |
| ----- | | | | | |
| 30 | 28 | 39 | Dividends from joint ventures | 80 | 129 |
| ----- | | | | | |
| | | | Dividends from | | |
| 96 | 177 | 65 | associated undertakings | 297 | 303 |
| ----- | | | | | |
| | | | Servicing of finance and returns | | |
| | | | on investments | | |
| 63 | 52 | 41 | Interest received | 124 | 168 |
| (218) | (446) | (163) | Interest paid | (816) | (869) |
| 4 | 42 | 26 | Dividends received | 74 | 64 |
| | | | Dividends paid to | | |
| (13) | (11) | (4) | minority shareholders | (17) | (29) |
| ----- | | | | | |
| | | | Net cash outflow from servicing of | | |
| (164) | (363) | (100) | finance and returns on investments | (635) | (666) |
| ----- | | | | | |
| | | | Taxation | | |
| (206) | (280) | (264) | UK corporation tax | (856) | (560) |
| (455) | (1,573) | (539) | Overseas tax | (2,432) | (1,473) |
| ----- | | | | | |
| (661) | (1,853) | (803) | Tax paid | (3,288) | (2,033) |

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| | | | | | |
|---------|---------|---------|---|---------|---------|
| ----- | | | | ----- | |
| | | | Capital expenditure and financial investment | | |
| (2,980) | (2,760) | (3,063) | Payments for fixed assets | (8,700) | (8,572) |
| | | | Proceeds from the sale of fixed assets | 4,843 | 1,744 |
| 488 | 1,652 | 874 | | | |
| ----- | | | | ----- | |
| | | | Net cash outflow for capital expenditure and financial investment | (3,857) | (6,828) |
| (2,492) | (1,108) | (2,189) | | | |
| ----- | | | | ----- | |
| | | | Acquisitions and disposals Investments in associated undertakings | (760) | (756) |
| (125) | (331) | (243) | | | |
| | | | Proceeds from the sale of investment in Ruhrgas | - | 2,338 |
| 2,338 | - | - | | | |
| (2,607) | (150) | (28) | Acquisitions, net of cash acquired | (178) | (4,296) |
| | | | Acquisition of investment in TNK-BP joint venture | (2,625) | - |
| - | - | (2,625) | | | |
| | | | Net investment in other joint ventures | (16) | (137) |
| (23) | (2) | - | | | |
| | | | Proceeds from the sale of businesses | 179 | 1,670 |
| 55 | 19 | - | | | |
| ----- | | | | ----- | |
| | | | Net cash outflow for acquisitions and disposals | (3,400) | (1,181) |
| (362) | (464) | (2,896) | | | |
| ----- | | | | ----- | |
| (1,346) | (1,386) | (1,433) | Equity dividends paid | (4,216) | (3,924) |
| ----- | | | | ----- | |
| (523) | 2,377 | (2,426) | Net cash inflow (outflow) | 3,179 | (1,055) |
| ===== | | | | ===== | |

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| | | | | | |
|-------|-------|---------|--------------------------------|-------|---------|
| (219) | 1,355 | (1,471) | Financing (b) | 3,477 | (485) |
| (32) | 93 | 76 | Management of liquid resources | 182 | (164) |
| (272) | 929 | (1,031) | (Decrease) increase in cash | (480) | (406) |
| ----- | | | | | |
| (523) | 2,377 | (2,426) | | 3,179 | (1,055) |
| ===== | | | | | |

Analysis of Cash Flow

| Third Quarter | Second Quarter | Third Quarter | | Nine Months | |
|------------------|-------------------|------------------|--|-------------|------|
| 2002 | 2003 | 2003 | | 2003 | 2002 |
| ===== | | | | | |
| \$ million | | | | \$ million | |

(a) Reconciliation of historical
cost profit before interest
and tax to net cash inflow
from operating activities

| Third Quarter | Second Quarter | Third Quarter | | Nine Months | |
|------------------|-------------------|------------------|------------------------------------|-------------|---------|
| 2002 | 2003 | 2003 | | 2003 | 2002 |
| ===== | | | | | |
| \$ million | | | | | |
| | | | Historical cost profit before | | |
| 3,856 | 3,653 | 4,100 | interest and tax | 14,071 | 10,429 |
| 3,506 | 2,653 | 2,485 | Depreciation and amounts provided | 7,847 | 7,886 |
| | | | Exploration expenditure | | |
| 55 | 43 | 75 | written off | 168 | 261 |
| | | | Share of profits of joint ventures | | |
| (172) | (207) | (433) | and associated undertakings | (944) | (716) |
| (62) | (100) | (72) | Interest and other income | (220) | (243) |
| | | | (Profit) loss on sale of fixed | | |
| (1,796) | (280) | (172) | assets and businesses | (846) | (2,061) |
| 332 | 204 | 765 | Charge for provisions | 1,171 | 826 |

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| | | | | | |
|---------------|---------|---------|-----------------------------------|---------|---------|
| (392) | (316) | (278) | Utilization of provisions | (822) | (1,003) |
| (155) | 193 | (1,048) | (Increase) decrease in stocks | (479) | (1,458) |
| (379) | 3,252 | (638) | (Increase) decrease in debtors | (4,321) | (2,403) |
| (417) | (1,749) | 107 | Increase (decrease) in creditors | 2,573 | 1,627 |
| ----- | | | | | |
| | | | Net cash inflow from | | |
| 4,376 | 7,346 | 4,891 | operating activities | 18,198 | 13,145 |
| ===== | | | | | |
| (b) Financing | | | | | |
| (558) | (208) | (1,433) | Long-term borrowing | (2,656) | (3,056) |
| 567 | 607 | 1,774 | Repayments of long-term borrowing | 2,784 | 1,464 |
| (1,627) | (418) | (1,924) | Short-term borrowing | (2,968) | (5,879) |
| | | | Repayments of short-term | | |
| 704 | 388 | 143 | borrowing | 4,430 | 6,414 |
| ----- | | | | | |
| (914) | 369 | (1,440) | | 1,590 | (1,057) |
| (55) | (14) | (31) | Issue of ordinary share capital | (112) | (178) |
| | | | Repurchase of ordinary | | |
| 750 | 1,000 | - | share capital | 1,999 | 750 |
| ----- | | | | | |
| | | | Net cash outflow | | |
| (219) | 1,355 | (1,471) | (inflow)from financing | 3,477 | (485) |
| ===== | | | | | |

Capital Expenditure and Acquisitions

Third Second Third

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| Quarter | Quarter | Quarter | | | Nine Months | |
|----------------------------|---------|---------|--------------------|--|-------------|-------|
| 2002 | 2003 | 2003 | | | 2003 | 2002 |
| ===== | | | ===== | | | |
| \$ million | | | \$ million | | | |
| By business | | | | | | |
| Exploration and Production | | | | | | |
| 270 | 220 | 182 | UK | | 598 | 778 |
| 61 | 73 | 80 | Rest of Europe | | 204 | 189 |
| 980 | 1,009 | 989 | USA | | 2,964 | 3,224 |
| 929 | 1,160 | 6,999 | Rest of World(a) | | 9,083 | 2,935 |
| ----- | | | ----- | | | |
| 2,240 | 2,462 | 8,250 | | | 12,849 | 7,126 |
| ----- | | | ----- | | | |
| Gas, Power and Renewables | | | | | | |
| 7 | 24 | 15 | UK | | 47 | 28 |
| 29 | 9 | 6 | Rest of Europe (b) | | 30 | 120 |
| 52 | 48 | 18 | USA | | 104 | 100 |
| 19 | 17 | 19 | Rest of World | | 43 | 37 |
| ----- | | | ----- | | | |
| 107 | 98 | 58 | | | 224 | 285 |
| ----- | | | ----- | | | |
| Refining and Marketing | | | | | | |
| 56 | 66 | 89 | UK | | 228 | 232 |
| 198 | 64 | 169 | Rest of Europe (c) | | 337 | 5,486 |
| 298 | 228 | 322 | USA | | 886 | 861 |
| 53 | 27 | 79 | Rest of World | | 130 | 128 |
| ----- | | | ----- | | | |
| 605 | 385 | 659 | | | 1,581 | 6,707 |
| ----- | | | ----- | | | |
| Petrochemicals | | | | | | |

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| | | | | | |
|-------|-------|-------|-----------------------------------|--------|--------|
| 30 | 30 | 51 | UK | 81 | 55 |
| 58 | 21 | 16 | Rest of Europe | 68 | 163 |
| 49 | 95 | 55 | USA | 196 | 146 |
| 43 | 52 | 60 | Rest of World | 131 | 174 |
| ----- | | | | ----- | |
| 180 | 198 | 182 | | 476 | 538 |
| ----- | | | | ----- | |
| 48 | 183 | 59 | Other businesses and corporate(d) | 278 | 367 |
| ----- | | | | ----- | |
| 3,180 | 3,326 | 9,208 | | 15,408 | 15,023 |
| ===== | | | | ===== | |

By geographical area

| | | | | | |
|-------|-------|-------|----------------|--------|--------|
| 394 | 361 | 377 | UK | 1,039 | 1,203 |
| 353 | 167 | 271 | Rest of Europe | 640 | 6,158 |
| 1,389 | 1,542 | 1,403 | USA | 4,341 | 4,387 |
| 1,044 | 1,256 | 7,157 | Rest of World | 9,388 | 3,275 |
| ----- | | | | ----- | |
| 3,180 | 3,326 | 9,208 | | 15,408 | 15,023 |
| ===== | | | | ===== | |

(a) Third quarter and nine months 2003 included the investment in the TNK-BP joint venture.

Nine months 2002 included the acquisition of an additional interest in Sidanco.

(b) Nine months 2002 included the acquisition of a 5% stake in Enagas.

(c) Nine months 2002 included the acquisition of 100% of Veba.

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(d) Nine months 2002 included the acquisition of the minority interest in Veba's upstream oil and gas assets.

US dollar/Sterling exchange rates

| | | | | | |
|------|------|------|-----------------------------|------|------|
| 1.55 | 1.62 | 1.61 | Average rate for the period | 1.61 | 1.48 |
| 1.55 | 1.65 | 1.66 | Period-end rate | 1.66 | 1.55 |
| | | | | | |

Analysis of Replacement Cost Operating Profit

| Third Quarter 2002 | Second Quarter 2003 | Third Quarter 2003 | | Nine Months 2003 | 2002 |
|--------------------------|---------------------------|--------------------------|--|---------------------|------|
| | | | | | |

\$ million

\$ million

By business

Exploration and Production

| | | | | | |
|-----|-------|-------|----------------|-------|-------|
| 185 | 473 | 582 | UK | 2,189 | 1,561 |
| 213 | 141 | 124 | Rest of Europe | 458 | 537 |
| 661 | 1,441 | 1,368 | USA | 4,614 | 1,754 |
| 513 | 1,098 | 1,446 | Rest of World | 3,738 | 2,106 |
| | | | | | |

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By geographical area

| | | | | | |
|---------------------|-------|-------|------------------------------------|--------|-------|
| (131) | 363 | 314 | UK | 1,730 | 903 |
| 620 | 756 | 494 | Rest of Europe | 1,852 | 1,532 |
| 672 | 1,863 | 1,295 | USA | 5,040 | 1,933 |
| 596 | 1,342 | 1,741 | Rest of World | 4,671 | 2,697 |
| ----- | | | | | |
| 1,757 | 4,324 | 3,844 | | 13,293 | 7,065 |
| ===== | | | | | |
| Included above | | | | | |
| 104 | 101 | 303 | Share of profits of joint ventures | 521 | 263 |
| Share of profits of | | | | | |
| 71 | 110 | 128 | associated undertakings | 418 | 455 |
| ----- | | | | | |
| 175 | 211 | 431 | | 939 | 718 |
| ===== | | | | | |

Notes

1. Turnover

| Third Quarter | Second Quarter | Third Quarter | Nine Months | |
|------------------|-------------------|------------------|-------------|------|
| 2002 | 2003 | 2003 | 2003 | 2002 |
| ===== | | | | |
| \$ million | | | \$ million | |

By business

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| | | | | | |
|--------|--------|--------|----------------------------|---------|---------|
| 6,220 | 7,433 | 7,310 | Exploration and Production | 23,811 | 18,397 |
| 9,313 | 14,875 | 15,904 | Gas, Power and Renewables | 48,777 | 25,316 |
| 35,634 | 36,949 | 40,245 | Refining and Marketing | 118,629 | 92,393 |
| 3,720 | 4,003 | 3,798 | Petrochemicals | 11,739 | 9,946 |
| | | | Other businesses | | |
| 108 | 129 | 138 | and corporate | 378 | 379 |
| ----- | | | | | |
| 54,995 | 63,389 | 67,395 | | 203,334 | 146,431 |
| | | | Less: sales between | | |
| 5,941 | 7,082 | 7,253 | businesses | 23,097 | 17,432 |
| ----- | | | | | |
| 49,054 | 56,307 | 60,142 | Group excluding JVs | 180,237 | 128,999 |
| | | | Share of sales by | | |
| 369 | 364 | 914 | joint ventures | 1,676 | 1,052 |
| ----- | | | | | |
| 49,423 | 56,671 | 61,056 | | 181,913 | 130,051 |
| ===== | | | | | |
| | | | By geographical area | | |
| | | | Group excluding JVs | | |
| 12,160 | 13,456 | 12,856 | UK | 41,739 | 35,664 |
| 13,460 | 12,206 | 12,181 | Rest of Europe | 37,409 | 34,798 |
| 22,880 | 25,984 | 31,011 | USA | 88,093 | 57,808 |
| 8,537 | 12,102 | 12,766 | Rest of World | 38,604 | 23,556 |
| ----- | | | | | |
| 57,037 | 63,748 | 68,814 | | 205,845 | 151,826 |
| | | | Less: sales between | | |
| 7,983 | 7,441 | 8,672 | areas | 25,608 | 22,827 |
| ----- | | | | | |
| 49,054 | 56,307 | 60,142 | | 180,237 | 128,999 |
| ===== | | | | | |

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2. Replacement cost profit

Replacement cost profits reflect the current cost of supplies. The replacement cost profit for the period is arrived at by excluding from the historical cost profit stock holding gains and losses.

Notes

3. Operating profits are after charging:

| Third Quarter 2002 | Second Quarter 2003 | Third Quarter 2003 | | Nine Months 2003 | 2002 |
|--------------------------|---------------------------|--------------------------|---------------------------|---------------------|------|
| ===== | | | | ===== | |
| \$ million | | | | \$ million | |
| | | | Exploration expense | | |
| 16 | 2 | 11 | UK | 16 | 26 |
| 5 | 5 | 23 | Rest of Europe | 32 | 41 |
| 53 | 47 | 60 | USA | 144 | 228 |
| 45 | 47 | 42 | Rest of World | 157 | 170 |
| ----- | | | | ----- | |
| 119 | 101 | 136 | | 349 | 465 |
| ===== | | | | ===== | |
| | | | Production taxes (a) | | |
| 92 | 58 | 65 | UK petroleum revenue tax | 256 | 245 |
| 258 | 324 | 351 | Overseas production taxes | 1,046 | 667 |
| ----- | | | | ----- | |

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| | | | | | |
|-------|-----|-----|--|-------|-----|
| 350 | 382 | 416 | | 1,302 | 912 |
| ===== | | | | ===== | |

(a) Production taxes are charged against Exploration and Production's operating profit and are not included in the charge for taxation in Note 7.

4. Analysis of exceptional items

| | | | | | |
|-------|-------|------|--|-------|-------|
| (25) | 333 | 196 | Exploration and Production | 962 | 407 |
| 1,585 | 6 | (2) | Gas, Power and Renewables | 4 | 1,584 |
| 262 | (49) | (21) | Refining and Marketing | (122) | 248 |
| 11 | 2 | 13 | Petrochemicals | 22 | (134) |
| (39) | (12) | (14) | Other businesses and corporate | (20) | (44) |
| ----- | | | | ----- | |
| | | | Profit (loss) on sale of fixed assets and businesses or | | |
| 1,794 | 280 | 172 | termination of operations | 846 | 2,061 |
| (25) | (149) | (4) | Taxation charge | (207) | (146) |
| ----- | | | | ----- | |
| | | | Exceptional items | | |
| 1,769 | 131 | 168 | after taxation | 639 | 1,915 |
| ===== | | | | ===== | |

Notes

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5. Stock holding gains (losses)

| Third Quarter | Second Quarter | Third Quarter | | Nine Months | |
|------------------|-------------------|------------------|---------------------------------|-------------|-------|
| 2002 | 2003 | 2003 | | 2003 | 2002 |
| ===== | | | | ===== | |
| \$ million | | | | \$ million | |
| 3 | (3) | - | Exploration and Production | 3 | 5 |
| 2 | (72) | (7) | Gas, Power and Renewables | (52) | 10 |
| 311 | (773) | 89 | Refining and Marketing | (64) | 1,250 |
| (11) | (103) | 2 | Petrochemicals | 45 | 38 |
| ----- | | | | ----- | |
| 305 | (951) | 84 | | (68) | 1,303 |
| - | - | - | Minority shareholders' interest | - | 25 |
| ----- | | | | ----- | |
| 305 | (951) | 84 | | (68) | 1,278 |
| ===== | | | | ===== | |

6. Interest expense

| | | | | | |
|-------|------|------|----------------------------|-------|------|
| 250 | 163 | 178 | Group interest payable (a) | 528 | 778 |
| (27) | (43) | (53) | Capitalized | (130) | (67) |
| ----- | | | | ----- | |
| 223 | 120 | 125 | | 398 | 711 |
| 15 | 17 | 23 | Joint ventures | 53 | 44 |
| 19 | 12 | 11 | Associated undertakings | 33 | 64 |
| | | | Unwinding of discount | | |

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| | | | | | |
|-------|-----|-----|----------------------------|-------|-----|
| 43 | 42 | 45 | on provisions | 131 | 128 |
| | | | Unwinding of discount on | | |
| | | | deferred consideration for | | |
| | | | acquisition of investment | | |
| - | - | 9 | in TNK-BP | 9 | - |
| ----- | | | | ----- | |
| 300 | 191 | 213 | | 624 | 947 |
| ===== | | | | ===== | |

(a) Includes charges
relating to the early
redemption of debt

| | | | | | |
|-------|---|----|--|-------|---|
| - | 3 | 18 | | 21 | - |
| ----- | | | | ----- | |

7. Charge for taxation

| | | | | | |
|-------|-------|-------|-------------|-------|-------|
| 463 | 1,406 | 1,528 | Current | 4,515 | 2,036 |
| 250 | 362 | (78) | Deferred(a) | 508 | 1,181 |
| ----- | | | | ----- | |
| 713 | 1,768 | 1,450 | | 5,023 | 3,217 |
| ===== | | | | ===== | |
| 235 | 413 | 280 | UK (a) | 1,178 | 1,070 |
| 478 | 1,355 | 1,170 | Overseas | 3,845 | 2,147 |
| ----- | | | | ----- | |
| 713 | 1,768 | 1,450 | | 5,023 | 3,217 |
| ===== | | | | ===== | |

(a) Includes the adjustment
to the North Sea deferred
tax balance for the
supplementary

| | | | | | |
|-------|---|---|---------------------------|-------|-----|
| - | - | - | UK corporation tax of 10% | - | 355 |
| ----- | | | | ----- | |

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Notes

8. Analysis of changes in net debt

| Third Quarter 2002 | Second Quarter 2003 | Third Quarter 2003 | | Nine Months 2003 | 2002 |
|--------------------------|---------------------------|--------------------------|---------------------------|---------------------|---------|
| ===== | | | | ===== | |
| \$ million | | | | \$ million | |
| | | | Opening balance | | |
| 21,409 | 19,042 | 18,594 | Finance debt | 22,008 | 21,417 |
| 1,284 | 1,151 | 2,115 | Less: Cash | 1,520 | 1,358 |
| 285 | 228 | 329 | Current asset investments | 215 | 450 |
| ----- | | | | ----- | |
| 19,840 | 17,663 | 16,150 | Opening net debt | 20,273 | 19,609 |
| ----- | | | | ----- | |
| | | | Closing balance | | |
| 22,276 | 18,594 | 19,970 | Finance debt | 19,970 | 22,276 |
| 1,005 | 2,115 | 1,091 | Less: Cash | 1,091 | 1,005 |
| 285 | 329 | 404 | Current asset investments | 404 | 285 |
| ----- | | | | ----- | |
| 20,986 | 16,150 | 18,475 | Closing net debt | 18,475 | 20,986 |
| ----- | | | | ----- | |
| | | | Decrease (increase) | | |
| (1,146) | 1,513 | (2,325) | in net debt | 1,798 | (1,377) |
| ===== | | | | ===== | |
| | | | Movement in cash/ | | |

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| | | | | | |
|---------|-------|---------|--------------------------------|-------|---------|
| (272) | 929 | (1,031) | bank overdrafts | (480) | (406) |
| | | | Increase (decrease) in | | |
| (32) | 93 | 76 | current asset investments | 182 | (164) |
| | | | Net cash outflow (inflow) | | |
| | | | from financing(excluding | | |
| (914) | 369 | (1,440) | share capital) | 1,590 | (1,057) |
| | | | Partnership interests | | |
| - | - | - | exchanged for BP loan notes | - | 1,135 |
| - | - | 93 | Debt transferred to TNK-BP | 93 | - |
| | | | Exchange of Exchangeable Bonds | | |
| | | | for Lukoil American | | |
| - | - | - | Depository Shares | 420 | - |
| 13 | 106 | (31) | Other movements | 139 | 57 |
| - | - | (12) | Debt acquired | (12) | (999) |
| ----- | | | | ----- | |
| | | | Movement in net debt before | | |
| (1,205) | 1,497 | (2,345) | exchange effects | 1,932 | (1,434) |
| 59 | 16 | 20 | Exchange adjustments | (134) | 57 |
| ----- | | | | ----- | |
| | | | Decrease (increase) | | |
| (1,146) | 1,513 | (2,325) | in net debt | 1,798 | (1,377) |
| ===== | | | | ===== | |

Notes

9. TNK-BP Operational and Financial Information

29 August -

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30 September

2003

=====

Production (Net of royalties) (BP share)

| | |
|---------------------------------|-----|
| Crude oil (mb/d) | 654 |
| Natural gas (mmcf/d) | 239 |
| Total hydrocarbons (mboe/d) (a) | 695 |

Income statement (BP share)

\$ million

| | |
|--|------|
| Replacement cost operating profit | 158 |
| Profit (loss) on sale of fixed assets and businesses | - |
| Stock holding gains (losses) | - |
| Interest expense (b) | (13) |
| Taxation | (30) |
| Minority shareholders' interest | (1) |

| | |
|------------|-----|
| Net Income | 114 |
|------------|-----|

=====

| | |
|--|-----|
| Replacement cost profit before exceptional items | 114 |
|--|-----|

=====

Balance Sheet

30 September

2003

=====

\$ million

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| | |
|----------------------------------|---------|
| Fixed assets - investments | |
| Gross assets | 10,131 |
| Gross liabilities | (3,267) |
| | ----- |
| | 6,864 |
| | ===== |
| Deferred consideration | |
| Due within one year | 1,218 |
| Due after more than one year | 2,336 |
| | ----- |
| | 3,554 |
| | ===== |
| Cash Flow | |
| Net investment in joint ventures | (2,625) |
| | ===== |

(a) Natural gas is converted to oil equivalent at 5.8 billion cubic feet
= 1 million barrels.

(b) Does not include \$9 million unwinding of discount on deferred
consideration.

Notes

10. Consolidated statement of cash flows presented on a US GAAP format

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| Third Quarter 2002 | Second Quarter 2003 | Third Quarter 2003 | | Nine Months 2003 | 2002 |
|--------------------------|---------------------------|--------------------------|--|---------------------|---------|
| ===== | | | | ===== | |
| \$ million | | | | \$ million | |
| | | | Operating activities | | |
| 2,843 | 1,694 | 2,437 | Profit after taxation | 8,424 | 6,265 |
| | | | Adjustments to reconcile profits after tax to net cash provided by operating activities | | |
| | | | Depreciation and amounts provided | 7,847 | 7,886 |
| 3,506 | 2,653 | 2,485 | Exploration expenditure written off | 168 | 261 |
| 55 | 43 | 75 | Share of (profit) loss of joint ventures and associates less dividends received | (315) | 11 |
| 51 | 30 | (197) | (Profit) loss on sale of businesses and fixed assets | (846) | (2,061) |
| (1,796) | (280) | (172) | Working capital movement (see analysis below) | (1,241) | (2,323) |
| 250 | 362 | (78) | Deferred taxation | 508 | 1,181 |
| (191) | (220) | 472 | Other | 254 | (247) |
| ----- | | | | ----- | |
| | | | Net cash provided by operating activities | 14,799 | 10,973 |
| 3,716 | 5,389 | 4,149 | | ----- | |
| ----- | | | | | |
| | | | Investing activities | | |

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| | | | | | |
|---------|---------|---------|-------------------------|---------|---------|
| (3,007) | (2,803) | (3,116) | Capital expenditures | (8,830) | (8,639) |
| | | | Acquisitions, net of | | |
| (2,607) | (150) | (2,653) | cash acquired | (2,803) | (4,296) |
| | | | Investment in | | |
| (125) | (331) | (243) | associated undertakings | (760) | (756) |
| | | | Net investment in | | |
| (23) | (2) | - | joint ventures | (16) | (137) |
| | | | Proceeds from | | |
| 2,881 | 1,671 | 874 | disposal of assets | 5,022 | 5,752 |
| ----- | | | | ----- | |
| | | | Net cash used in | | |
| (2,881) | (1,615) | (5,138) | investing activities | (7,387) | (8,076) |
| ----- | | | | ----- | |

Notes

10. Consolidated statement of cash flows presented on a US GAAP format
(continued)

| Third Quarter 2002 | Second Quarter 2003 | Third Quarter 2003 | | Nine Months 2003 | 2002 |
|--------------------------|---------------------------|--------------------------|--------------------------|---------------------|-------|
| ===== | | | | ===== | |
| \$ million | | | | \$ million | |
| | | | Financing activities | | |
| | | | Net proceeds from shares | | |
| (695) | (986) | 31 | issued (repurchased) | (1,887) | (572) |

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| | | | | | |
|---------|---------|---------|---------------------------|---------|---------|
| | | | Proceeds from | | |
| 558 | 208 | 1,433 | long-term financing | 2,656 | 3,056 |
| | | | Repayments of | | |
| (567) | (607) | (1,774) | long-term financing | (2,784) | (1,464) |
| | | | Net (decrease) increase | | |
| 923 | 30 | 1,781 | in short-term debt | (1,462) | (535) |
| | | | Dividends paid | | |
| (1,346) | (1,386) | (1,433) | - BP shareholders | (4,216) | (3,924) |
| (13) | (11) | (4) | - Minority shareholders | (17) | (29) |
| ----- | | | | ----- | |
| | | | Net cash used in | | |
| (1,140) | (2,752) | 34 | financing activities | (7,710) | (3,468) |
| ----- | | | | ----- | |
| | | | Currency translation | | |
| | | | differences relating to | | |
| 26 | 43 | 6 | cash and cash equivalents | 58 | 53 |
| ----- | | | | ----- | |
| | | | (Decrease) increase in | | |
| (279) | 1,065 | (949) | cash and cash equivalents | (240) | (518) |
| | | | Cash and cash equivalents | | |
| 1,569 | 1,379 | 2,444 | at beginning of period | 1,735 | 1,808 |
| ----- | | | | ----- | |
| | | | Cash and cash equivalents | | |
| 1,290 | 2,444 | 1,495 | at end of period | 1,495 | 1,290 |
| ----- | | | | ----- | |
| | | | Analysis of working | | |
| | | | capital movement | | |
| | | | (Increase) decrease | | |

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| | | | | | |
|---------|---------|---------|---------------------|---------|---------|
| (155) | 193 | (1,048) | in stocks | (479) | (1,458) |
| | | | (Increase) decrease | | |
| (345) | 3,234 | (656) | in debtors | (4,368) | (2,479) |
| | | | Increase (decrease) | | |
| (502) | (2,320) | 831 | in creditors | 3,606 | 1,614 |
| ----- | | | | | |
| | | | Total working | | |
| (1,002) | 1,107 | (873) | capital movement | (1,241) | (2,323) |
| ===== | | | | | |

Notes

11. Ordinary shares

| Third Quarter 2002 | Second Quarter 2003 | Third Quarter 2003 | | Nine Months 2003 | 2002 |
|--------------------------|---------------------------|--------------------------|---------|---------------------|------------|
| ===== | | | | | |
| (shares thousand) | | | | (shares thousand) | |
| Shares in | | | | | |
| issue at period | | | | | |
| 22,374,747 | 22,101,622 | 22,107,715 | end (a) | 22,107,715 | 22,374,747 |
| Average number | | | | | |
| of shares | | | | | |
| outstanding | | | | | |
| 22,408,297 | 22,164,026 | 22,092,365 | (b) | 22,193,403 | 22,412,655 |
| ----- | | | | | |

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- (a) Each BP ADS represents six BP Ordinary Shares.
- (b) Excludes shares held by the Employee Share Ownership Plans.

12. Statutory accounts

The financial information shown in this publication is unaudited and does not constitute statutory accounts. The 2002 group accounts have been delivered to the UK Registrar of Companies; the report of the auditors on those accounts was unqualified.

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|--------------------|--------------------------------------|---------------------------------|
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BP p.l.c.
Group Results
Third Quarter 2003

London 28 October 2003

INVESTOR RELATIONS SUPPLEMENT

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REPLACEMENT COST OPERATING PROFIT ADJUSTED FOR SPECIAL ITEMS (a) AND ACQUISITION
AMORTIZATION (b)

| Third Quarter 2002 | Second Quarter 2003 | Third Quarter 2003 | | Nine Months | |
|----------------------------|---------------------------|--------------------------|----------------|-------------|-------|
| ===== | | | | 2003 | 2002 |
| ===== | | | | ===== | |
| \$ million | | | | | |
| Exploration and Production | | | | | |
| 668 | 519 | 614 | UK | 2,353 | 2,245 |
| 213 | 141 | 124 | Rest of Europe | 458 | 537 |
| 1,059 | 1,698 | 1,608 | USA | 5,451 | 2,771 |
| 1,110 | 1,231 | 1,467 | Rest of World | 4,028 | 2,786 |
| ----- | | | | ----- | |
| 3,050 | 3,589 | 3,813 | | 12,290 | 8,339 |
| ----- | | | | ----- | |
| Gas, Power and Renewables | | | | | |
| (36) | 18 | 13 | UK | 34 | (33) |
| 17 | (5) | (12) | Rest of Europe | (26) | 99 |
| 28 | 85 | 54 | USA | 175 | 16 |
| 78 | 5 | 43 | Rest of World | 212 | 230 |
| ----- | | | | ----- | |
| 87 | 103 | 98 | | 395 | 312 |
| ----- | | | | ----- | |
| Refining and Marketing | | | | | |
| (36) | 79 | (9) | UK | 206 | (24) |
| 274 | 464 | 397 | Rest of Europe | 1,216 | 711 |
| 180 | 418 | 392 | USA | 1,002 | 435 |
| 104 | 174 | 198 | Rest of World | 543 | 372 |

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| | | | | | |
|-------|-------|-------|--------------------------------|--------|--------|
| ----- | | | | ----- | |
| 522 | 1,135 | 978 | | 2,967 | 1,494 |
| ----- | | | | ----- | |
| | | | Petrochemicals | | |
| 6 | 25 | (27) | UK | (36) | (13) |
| 161 | 199 | 54 | Rest of Europe | 341 | 290 |
| 54 | 60 | 54 | USA | 156 | 196 |
| 51 | 24 | 43 | Rest of World | 110 | 153 |
| ----- | | | | ----- | |
| 272 | 308 | 124 | | 571 | 626 |
| ----- | | | | ----- | |
| | | | Other businesses and corporate | | |
| (63) | (122) | (99) | UK | (297) | (182) |
| (7) | (2) | 3 | Rest of Europe | (6) | - |
| (36) | (51) | (235) | USA | (384) | (163) |
| (10) | 41 | 11 | Rest of World | 68 | (24) |
| ----- | | | | ----- | |
| (116) | (134) | (320) | | (619) | (369) |
| ----- | | | | ----- | |
| 3,815 | 5,001 | 4,693 | | 15,604 | 10,402 |
| ===== | | | | ===== | |

- (a) The special items refer to non-recurring charges and credits. The special items for the third quarter comprise net charges resulting from the reassessment of environmental remediation provisions, Veba integration costs in Refining and Marketing and a provision to cover future rental payments on surplus property in Petrochemicals.
- (b) Acquisition amortization is depreciation and amortization relating to the fixed asset revaluation adjustments and goodwill consequent upon the ARCO and Burmah Castrol acquisitions.

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PER SHARE AMOUNTS

| Third Quarter 2002 | Second Quarter 2003 | Third Quarter 2003 | | Nine Months 2003 | 2002 |
|--------------------------|---------------------------|--------------------------|--|---------------------|------------|
| ===== | | | | | |
| | | | Shares in issue at period end (thousand) | | |
| 22,374,747 | 22,101,622 | 22,107,715 | | 22,107,715 | 22,374,747 |
| | | | - ADS equivalent (thousand) | | |
| 3,729,125 | 3,683,604 | 3,684,619 | | 3,684,619 | 3,729,125 |
| | | | Average number of shares outstanding (thousand) * | | |
| 22,408,297 | 22,164,026 | 22,092,365 | | 22,193,403 | 22,412,655 |
| | | | - ADS equivalent (thousand) | | |
| 3,734,716 | 3,694,004 | 3,682,061 | | 3,698,901 | 3,735,443 |
| ----- | | | | | |
| | | | Replacement cost profit after exceptional items (\$m) | | |
| 2,535 | 2,585 | 2,310 | | 8,363 | 4,916 |
| | | | cents/ordinary share | | |
| 11.31 | 11.68 | 10.47 | | 37.68 | 21.93 |
| | | | dollars/ADS | | |
| 0.68 | 0.70 | 0.63 | | 2.26 | 1.32 |
| ----- | | | | | |

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| | | | Replacement cost | | | |
|-------|-------|-------|----------------------|-------|-------|--|
| | | | profit before | | | |
| | | | exceptional | | | |
| 766 | 2,454 | 2,142 | items (\$m) | 7,724 | 3,001 | |
| | | | cents/ordinary | | | |
| 3.42 | 11.08 | 9.71 | share | 34.80 | 13.39 | |
| 0.20 | 0.67 | 0.58 | dollars/ADS | 2.09 | 0.80 | |
| ----- | | | | ----- | | |
| | | | Pro forma result | | | |
| | | | adjusted for special | | | |
| 2,299 | 3,115 | 2,868 | items (\$m) | 9,712 | 6,080 | |
| 10.26 | 14.06 | 13.00 | cents/ordinary share | 43.76 | 27.12 | |
| 0.62 | 0.85 | 0.78 | dollars/ADS | 2.63 | 1.62 | |
| ----- | | | | ----- | | |

* Excludes shares held by the Employee Share Ownership Plans.

ACQUISITION AMORTIZATION BY BUSINESS

| Third Quarter 2002 | Second Quarter 2003 | Third Quarter 2003 | | | |
|----------------------------|---------------------------|--------------------------|---------------|------|-----|
| | | | Nine Months | | |
| | | | 2003 | 2002 | |
| ===== | | | ===== | | |
| \$ million | | | | | |
| Exploration and Production | | | | | |
| 378 | 34 | 32 | UK | 99 | 447 |
| 283 | 257 | 240 | USA | 756 | 832 |
| 114 | 133 | 21 | Rest of World | 285 | 182 |

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| | | | | | |
|------------------------|-----|-----|--------------------------------|-------|-------|
| 775 | 424 | 293 | | 1,140 | 1,461 |
| ----- | | | | | |
| Refining and Marketing | | | | | |
| 106 | 110 | 110 | UK | 330 | 303 |
| 96 | 95 | 95 | USA | 285 | 288 |
| ----- | | | | | |
| 202 | 205 | 205 | | 615 | 591 |
| ----- | | | | | |
| 977 | 629 | 498 | Total acquisition amortization | 1,755 | 2,052 |
| ===== | | | | | |

SPECIAL ITEMS BY BUSINESS (PRE-TAX)

| Third Quarter 2002 | Second Quarter 2003 | Third Quarter 2003 | | Nine Months | |
|--------------------------|---------------------------|--------------------------|--|-------------|------|
| | | | | 2003 | 2002 |
| ===== | | | | | |

\$ million

| | | | | | |
|----------------------------|----|---|----------------|-----|-----|
| Exploration and Production | | | | | |
| 105 | 12 | - | UK | 65 | 237 |
| - | - | - | Rest of Europe | - | - |
| 115 | - | - | USA | 81 | 185 |
| 483 | - | - | Rest of World | 5 | 498 |
| ----- | | | | | |
| 703 | 12 | - | | 151 | 920 |
| ----- | | | | | |

Gas, Power and Renewables

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| | | | | | |
|--------------------------------|-----|------|----------------|------|-------|
| 30 | - | - | UK | - | 30 |
| - | - | - | Rest of Europe | - | - |
| - | - | - | USA | - | - |
| - | - | - | Rest of World | - | - |
| ----- | | | | | |
| 30 | - | - | | - | 30 |
| ----- | | | | | |
| Refining and Marketing | | | | | |
| 16 | - | - | UK | - | 16 |
| 38 | 41 | 72 | Rest of Europe | 131 | 87 |
| 29 | - | 246 | USA | 246 | (108) |
| - | - | - | Rest of World | - | - |
| ----- | | | | | |
| 83 | 41 | 318 | | 377 | (5) |
| ----- | | | | | |
| Petrochemicals | | | | | |
| - | - | 36 | UK | 36 | 22 |
| - | - | - | Rest of Europe | - | 18 |
| - | (5) | 7 | USA | 2 | 35 |
| 140 | - | - | Rest of World | - | 140 |
| ----- | | | | | |
| 140 | (5) | 43 | | 38 | 215 |
| ----- | | | | | |
| Other businesses and corporate | | | | | |
| 35 | - | - | UK | - | 35 |
| - | - | - | Rest of Europe | - | - |
| 90 | - | (10) | USA | (10) | 90 |
| - | - | - | Rest of World | - | - |
| ----- | | | | | |
| 125 | - | (10) | | (10) | 125 |
| ----- | | | | | |

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| | | | | | |
|-------|----|-----|-------|-------|-------|
| 1,081 | 48 | 351 | Total | 556 | 1,285 |
| ===== | | | | ===== | |

PRODUCTION AND REALIZATIONS

| Third Quarter 2002 | Second Quarter 2003 | Third Quarter 2003 | | Nine Months 2003 2002 | |
|--------------------------|---------------------------|--------------------------|--|--------------------------|--|
| ===== | | | | ===== | |

Production

Crude oil (mb/d) (net of royalties)

| | | | | | |
|-------|-------|-------|----------------------------|-------|-------|
| 395 | 325 | 312 | UK | 359 | 436 |
| 101 | 80 | 74 | Rest of Europe | 81 | 100 |
| 561 | 569 | 558 | USA | 578 | 584 |
| 679 | 738 | 908 | Rest of World | 780 | 646 |
| ----- | | | | ----- | |
| 1,736 | 1,712 | 1,852 | Total crude oil production | 1,798 | 1,766 |
| ===== | | | | ===== | |

Natural gas liquids (mb/d) (net of royalties)

| | | | | | |
|-------|-----|-----|---|-------|-----|
| 19 | 18 | 23 | UK | 24 | 23 |
| 6 | 5 | 5 | Rest of Europe | 5 | 6 |
| 193 | 144 | 141 | USA | 150 | 184 |
| 29 | 32 | 33 | Rest of World | 32 | 29 |
| ----- | | | | ----- | |
| 247 | 199 | 202 | Total natural gas liquids production | 211 | 242 |
| ===== | | | | ===== | |

Liquids (b) (mb/d) (net of royalties)

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| | | | | | |
|---|-------|-------|------------------------------|-------|-------|
| 414 | 343 | 335 | UK | 383 | 459 |
| 107 | 85 | 79 | Rest of Europe | 86 | 106 |
| 754 | 713 | 699 | USA | 728 | 768 |
| 708 | 770 | 941 | Rest of World | 812 | 675 |
| ----- | | | | ----- | |
| 1,983 | 1,911 | 2,054 | Total liquids production | 2,009 | 2,008 |
| ===== | | | | ===== | |
| Natural gas (a) (mmcf/d) (net of royalties) | | | | | |
| 1,240 | 1,407 | 1,267 | UK | 1,489 | 1,488 |
| 131 | 103 | 98 | Rest of Europe | 111 | 150 |
| 3,450 | 3,145 | 3,005 | USA | 3,194 | 3,525 |
| 3,661 | 3,784 | 4,031 | Rest of World | 3,823 | 3,468 |
| ----- | | | | ----- | |
| 8,482 | 8,439 | 8,401 | Total natural gas production | 8,617 | 8,631 |
| ===== | | | | ===== | |
| Average realizations | | | | | |
| Crude oil (\$/bbl) | | | | | |
| 26.78 | 25.16 | 27.68 | UK | 28.33 | 24.22 |
| 25.86 | 27.09 | 28.61 | USA | 29.19 | 23.15 |
| 25.13 | 24.16 | 26.30 | Rest of World | 26.69 | 22.36 |
| 26.01 | 25.73 | 27.72 | BP Average | 28.25 | 23.35 |
| ===== | | | | ===== | |
| Natural gas liquids (\$/bbl) | | | | | |
| 15.30 | 11.97 | 22.62 | UK | 20.09 | 14.43 |
| 12.59 | 17.80 | 18.37 | USA | 18.15 | 11.62 |
| 13.75 | 20.16 | 21.76 | Rest of World | 21.65 | 13.07 |
| 13.15 | 17.49 | 19.39 | BP Average | 18.96 | 12.23 |
| ===== | | | | ===== | |
| Liquids (b) (\$/bbl) | | | | | |
| 26.26 | 24.45 | 27.34 | UK | 27.83 | 23.74 |
| 22.94 | 25.61 | 26.90 | USA | 27.34 | 20.71 |

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| | | | | | |
|----------------------|-------|-------|---------------|-------|-------|
| 24.43 | 23.93 | 25.98 | Rest of World | 26.35 | 21.81 |
| 24.40 | 24.90 | 26.79 | BP Average | 27.24 | 21.99 |
| ===== | | | | | |
| Natural gas (\$/mcf) | | | | | |
| 2.58 | 2.84 | 2.69 | UK | 2.99 | 2.75 |
| 2.34 | 4.52 | 4.14 | USA | 4.66 | 2.41 |
| 1.99 | 2.53 | 2.31 | Rest of World | 2.51 | 1.99 |
| 2.25 | 3.39 | 3.08 | BP Average | 3.46 | 2.32 |
| ===== | | | | | |

(a) Natural gas is converted to oil equivalent at 5.8 billion cubic feet = 1 million barrels.

(b) Crude oil and natural gas liquids.

RECONCILIATION OF HISTORICAL COST PROFIT (LOSS)
TO PRO FORMA RESULT ADJUSTED FOR SPECIAL ITEMS

| \$ million | Reported Earnings | Acquisition Amortization | pro forma result adjusted for | |
|----------------------------|-------------------|--------------------------|----------------------------------|---------------|
| | | | Special Items (a) | special items |
| ===== | | | | |
| 2Q 2003 | | | | |
| Exploration and Production | 3,153 | 424 | 12 | 3,589 |
| Gas, Power and Renewables | 103 | - | - | 103 |
| Refining and Marketing | 889 | 205 | 41 | 1,135 |
| Petrochemicals | 313 | - | (5) | 308 |

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| | | | | |
|-------------------------------|---------|-----|-------|---------|
| Other businesses & corporate | (134) | - | - | (134) |
| ----- | | | | |
| RC operating profit | 4,324 | 629 | 48 | 5,001 |
| ----- | | | | |
| Interest expense | (191) | - | - | (191) |
| Taxation | (1,619) | - | (16) | (1,635) |
| MSI | (60) | - | - | (60) |
| ----- | | | | |
| RC profit before | | | | |
| exceptional items | 2,454 | 629 | 32 | 3,115 |
| ===== | | | | |
| Exceptional items before tax | 280 | | | |
| Taxation on exceptional items | (149) | | | |
| ----- | | | | |
| RC profit after | | | | |
| exceptional items | 2,585 | | | |
| Stock holding gains (losses) | (951) | | | |
| ----- | | | | |
| HC profit | 1,634 | | | |
| ===== | | | | |
| 3Q 2002 | | | | |
| Exploration and Production | 1,572 | 775 | 703 | 3,050 |
| Gas, Power and Renewables | 57 | - | 30 | 87 |
| Refining and Marketing | 237 | 202 | 83 | 522 |
| Petrochemicals | 132 | - | 140 | 272 |
| Other businesses & corporate | (241) | - | 125 | (116) |
| ----- | | | | |
| RC operating profit | 1,757 | 977 | 1,081 | 3,815 |
| ----- | | | | |
| Interest expense | (300) | - | - | (300) |

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| | | | | |
|-------------------------------|-------|-----|-------|---------|
| Taxation | (688) | - | (525) | (1,213) |
| MSI | (3) | - | - | (3) |
| ----- | | | | |
| RC profit before | | | | |
| exceptional items | 766 | 977 | 556 | 2,299 |
| ===== | | | | |
| Exceptional items before tax | 1,794 | | | |
| Taxation on exceptional items | (25) | | | |
| ----- | | | | |
| RC profit after | | | | |
| exceptional items | 2,535 | | | |
| Stock holding gains (losses) | 305 | | | |
| ----- | | | | |
| HC profit | 2,840 | | | |
| ===== | | | | |

(a) The special items for the second quarter 2003 are restructuring costs in Exploration and Production, Veba integration costs in Refining and Marketing and a reduction in the provision for costs associated with closure of polypropylene capacity in Petrochemicals. The special items in the third quarter 2002 include impairment charges and restructuring costs in Exploration & Production, an impairment charge in Gas, Power & Renewables, integration and certain other costs in Refining and Marketing, an impairment charge in Petrochemicals and a provision to cover future rental payments on surplus leasehold office accommodation in Other businesses and corporate.

RECONCILIATION OF HISTORICAL COST PROFIT (LOSS)
TO PRO FORMA RESULT ADJUSTED FOR SPECIAL ITEMS

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| | | | pro forma result | |
|-------------------------------|----------|--------------|------------------|---------|
| | | | adjusted for | |
| \$ million | Reported | Acquisition | Special | special |
| | Earnings | Amortization | Items (a) | items |
| | ===== | | | |
| Nine months 2003 | | | | |
| Exploration and Production | 10,999 | 1,140 | 151 | 12,290 |
| Gas, Power and Renewables | 395 | - | - | 395 |
| Refining and Marketing | 1,975 | 615 | 377 | 2,967 |
| Petrochemicals | 533 | - | 38 | 571 |
| Other businesses & corporate | (609) | - | (10) | (619) |
| | ----- | | | |
| RC operating profit | 13,293 | 1,755 | 556 | 15,604 |
| | ----- | | | |
| Interest expense | (624) | - | - | (624) |
| Taxation | (4,816) | - | (323) | (5,139) |
| MSI | (129) | - | - | (129) |
| | ----- | | | |
| RC profit before | | | | |
| exceptional items | 7,724 | 1,755 | 233 | 9,712 |
| | | | | ===== |
| Exceptional items before tax | 846 | | | |
| Taxation on exceptional items | (207) | | | |
| | ----- | | | |
| RC profit after | | | | |
| exceptional items | 8,363 | | | |
| Stock holding gains (losses) | (68) | | | |
| | ----- | | | |
| HC profit | 8,295 | | | |

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| | | | | |
|-------------------------------|---------|-------|-------|---------|
| | ===== | | | |
| Nine months 2002 | | | | |
| Exploration and Production | 5,958 | 1,461 | 920 | 8,339 |
| Gas, Power and Renewables | 282 | - | 30 | 312 |
| Refining and Marketing | 908 | 591 | (5) | 1,494 |
| Petrochemicals | 411 | - | 215 | 626 |
| Other businesses & corporate | (494) | - | 125 | (369) |
| | ----- | | | |
| RC operating profit | 7,065 | 2,052 | 1,285 | 10,402 |
| | ----- | | | |
| Interest expense | (947) | - | - | (947) |
| Taxation | (3,071) | - | (242) | (3,313) |
| MSI | (46) | - | (16) | (62) |
| | ----- | | | |
| RC profit before | | | | |
| exceptional items | 3,001 | 2,052 | 1,027 | 6,080 |
| | | ===== | | |
| Exceptional items before tax | 2,061 | | | |
| Taxation on exceptional items | (146) | | | |
| | ----- | | | |
| RC profit after | | | | |
| exceptional items | 4,916 | | | |
| Stock holding gains (losses) | 1,278 | | | |
| | ----- | | | |
| HC profit | 6,194 | | | |
| | ===== | | | |

(a) The special items for the nine months 2003 comprise restructuring and impairment charges in Exploration and Production, Veba integration costs

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and environmental charges in Refining and Marketing, restructuring costs, environmental charges and a reduction in the provision for costs associated with closure of polypropylene capacity in Petrochemicals, a credit related to environmental remediation provisions in Other Businesses and Corporate and tax restructuring benefits. The special items for the nine months 2002 comprise restructuring charges for Exploration and Production and Petrochemicals, Veba, Solvay and Erdolchemie integration costs, business interruption insurance proceeds and costs related to a pipeline incident in Refining and Marketing, an adjustment to the North Sea deferred tax balance for the supplementary UK corporation tax rate, impairment charges in Exploration and Production and Gas, Power and Renewables and provisions against the investments in Indonesia in Petrochemicals and for lease payments for vacant office space in Other businesses and corporate.

REPLACEMENT COST OPERATING PROFIT ADJUSTED FOR
NON-CASH CHARGES AND CERTAIN OTHER ITEMS

| Third Quarter | Second Quarter | Third Quarter | | Nine Months | |
|------------------|-------------------|------------------|--|-------------|------|
| 2002 | 2003 | 2003 | | 2003 | 2002 |
| ===== | | | | ===== | |

\$ million

| | | | Replacement cost operating profit | | |
|-------|-------|-------|-----------------------------------|--------|-------|
| 1,757 | 4,324 | 3,844 | (reported) (a) | 13,293 | 7,065 |

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| | | | | | |
|-------|---------|-------|---|---------|---------|
| 3,506 | 2,653 | 2,485 | Depreciation and amounts provided (b) | 7,847 | 7,886 |
| 55 | 43 | 75 | Exploration expenditure written off | 168 | 261 |
| | | | Dividends from JVs and associates | | |
| (49) | (6) | (327) | less share of RCOP | (562) | (286) |
| (13) | (11) | (4) | Dividends paid to minority shareholders | (17) | (29) |
| (60) | (112) | 487 | Adjust provisions to cash basis (c) | 349 | (177) |
| | | | Adjust interest and other income | | |
| 5 | (6) | (5) | to cash basis (d) | (22) | (11) |
| ----- | | | | ----- | |
| 5,201 | 6,885 | 6,555 | | 21,056 | 14,709 |
| (712) | (1,861) | (856) | Tax paid adjusted for certain items* | (3,367) | (2,191) |
| ----- | | | | ----- | |
| 4,489 | 5,024 | 5,699 | Adjusted RCOP after tax paid | 17,689 | 12,518 |
| ----- | | | | ----- | |
| | | | * Calculation of tax paid adjusted | | |
| | | | for certain items | | |
| (661) | (1,853) | (803) | Cash tax paid | (3,288) | (2,033) |
| 25 | 149 | 4 | Tax charge on exceptional items | 207 | 146 |
| (76) | (157) | (57) | Tax shield assumption + | (286) | (304) |
| ----- | | | | ----- | |
| (712) | (1,861) | (856) | | (3,367) | (2,191) |
| ----- | | | | ----- | |
| | | | + Calculation of tax shield assumption | | |
| (218) | (446) | (163) | Interest paid | (816) | (869) |
| 35% | 35% | 35% | Tax rate assumption (e) | 35% | 35% |
| ----- | | | | ----- | |
| (76) | (157) | (57) | | (286) | (304) |
| ----- | | | | ----- | |

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- (a) Total replacement cost operating profit is before tax, exceptional items, stock holding gains and losses and interest expense.
- (b) Includes depreciation and amortization relating to the fixed asset revaluation adjustment and goodwill consequent upon the ARCO and Burmah Castrol acquisitions.
- (c) Add the amount by which the charge for provisions exceeds the utilization of provisions.
- (d) Deduct the amount by which interest and other income exceeds the total of interest received and dividends received from the group cash flow statement.
- (e) Deemed tax rate for tax shield adjustment is equal to the US statutory tax rate.

RETURN ON AVERAGE CAPITAL EMPLOYED

| Third Quarter 2002 | Second Quarter 2003 | Third Quarter 2003 | | Nine Months | |
|--------------------------|---------------------------|--------------------------|------------------------------------|-------------|-------|
| ===== | | | | 2003 | 2002 |
| ===== | | | | ===== | |
| \$ million | | | | | |
| Replacement cost basis | | | | | |
| 766 | 2,454 | 2,142 | RC profit before exceptional items | 7,724 | 3,001 |
| 145 | 78 | 82 | Interest + | 259 | 462 |
| 3 | 60 | 43 | Minority shareholders' interest | 129 | 46 |
| ----- | | | | ----- | |
| 914 | 2,592 | 2,267 | Adjusted RC profit | 8,112 | 3,509 |

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| | | | | | | |
|--------|--------|--------|---------------------------------|--------|--------|--|
| ===== | | | | ===== | | |
| 90,507 | 91,420 | 93,001 | Average capital employed | 93,191 | 89,328 | |
| 4.0% | 11.3% | 9.8% | ROACE - replacement cost basis | 11.6% | 5.2% | |
| ----- | | | | ----- | | |
| | | | Pro forma basis | | | |
| 914 | 2,592 | 2,267 | Adjusted RC profit | 8,112 | 3,509 | |
| 977 | 629 | 498 | Acquisition amortization | 1,755 | 2,052 | |
| 556 | 32 | 228 | Special items (post-tax) | 233 | 1,043 | |
| 90,507 | 91,420 | 93,001 | Average capital employed | 93,191 | 89,328 | |
| | | | Average capital employed | | | |
| 17,581 | 14,839 | 14,110 | acquisition adjustment | 15,211 | 18,008 | |
| ----- | | | | ----- | | |
| | | | Average capital employed | | | |
| 72,926 | 76,581 | 78,891 | (pro forma basis) | 77,980 | 71,320 | |
| | | | ROACE - Pro forma basis | | | |
| 13.4% | 17.0% | 15.2% | adjusted for special items | 17.3% | 12.3% | |
| ----- | | | | ----- | | |
| | | | Historical cost basis | | | |
| | | | Historical cost profit | | | |
| 2,840 | 1,634 | 2,394 | after exceptional items | 8,295 | 6,194 | |
| 145 | 78 | 82 | Interest + | 259 | 462 | |
| 3 | 60 | 43 | Minority shareholders' interest | 129 | 71 | |
| ----- | | | | ----- | | |
| 2,988 | 1,772 | 2,519 | Adjusted historical cost profit | 8,683 | 6,727 | |
| ===== | | | | ===== | | |
| 90,507 | 91,420 | 93,001 | Average capital employed | 93,191 | 89,328 | |
| 13.2% | 7.8% | 10.8% | ROACE - historical cost basis | 12.4% | 10.0% | |

+ Excludes interest on joint venture and associated undertakings debt as well as unwinding of discount on provisions and effect of change in

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discount rate on provisions, and is on a post-tax basis, using a deemed tax rate equal to the US statutory tax rate.

NET DEBT RATIO - NET DEBT: NET DEBT + EQUITY

| Third Quarter 2002 | Second Quarter 2003 | Third Quarter 2003 | | Nine Months 2003 2002 | |
|--------------------------|---------------------------|--------------------------|------------------------------------|-------------------------------|--------|
| ===== | | | | ===== | |
| \$ million | | | | | |
| 22,276 | 18,594 | 19,970 | Gross debt | 19,970 | 22,276 |
| 1,290 | 2,444 | 1,495 | Cash and current asset investments | 1,495 | 1,290 |
| ----- | | | | ----- | |
| 20,986 | 16,150 | 18,475 | Net debt | 18,475 | 20,986 |
| ===== | | | | ===== | |
| 69,203 | 73,081 | 74,356 | Equity | 74,356 | 69,203 |
| 23% | 18% | 20% | Net debt ratio | 20% | 23% |
| ----- | | | | ----- | |
| 17,134 | 14,469 | 13,751 | Acquisition adjustment | 13,751 | 17,134 |
| ----- | | | | ----- | |
| 29% | 22% | 23% | Net debt ratio - pro forma basis | 23% | 29% |
| ===== | | | | ===== | |

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

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undersigned, thereunto duly authorized.

BP p.l.c.
(Registrant)

Dated: 28 October, 2003

/s/ D. J. PEARL
.....
D. J. PEARL
Deputy Company Secretary