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| \$ million | 1Q 2004 | 4Q 2003 | 1Q 2003 | vs.1Q 2003 |
|---|------------|------------|------------|---------------|
| | ===== | | | |
| Replacement cost profit for the period(a) | 4,170 | 2,250 | 3,420 | |
| Acquisition amortization(b) | 547 | 637 | 628 | |
| | ----- | | | |
| Pro forma result | 4,717 | 2,887 | 4,048 | 17% |
| | ===== | | | |
| - per ordinary share (pence) | 11.61 | 7.68 | 11.33 | |
| - per ordinary share (cents) | 21.36 | 13.07 | 18.13 | 18% |
| - per ADS (dollars) | 1.28 | 0.78 | 1.09 | |
| | ===== | | | |

- o BP's first quarter pro forma result was \$4,717 million compared with \$4,048 million a year ago, an increase of 17%. Replacement cost profit for the quarter was \$4,170 million compared with \$3,420 million a year ago.
- o The first quarter result includes a net exceptional and non-operating credit of \$1,177 million compared with \$285 million in the first quarter of 2003. This includes the exceptional gains from the sale of our investments in PetroChina and Sinopec.
- o The first quarter trading environment was generally stronger than a year ago, with higher oil realizations, refining margins and petrochemicals margins, slightly reduced gas realizations and lower NGL and marketing margins.
- o Net cash inflow for the quarter was \$3.8 billion compared with an inflow of \$3.2 billion a year ago, reflecting higher cash flow from operating activities partly offset by higher acquisition spending. Net cash flow from operating activities was \$7.7 billion compared with \$6.0 billion a year ago.
- o The pro forma ratio of net debt to net debt plus equity was 22% at the end of the quarter.
- o Return on average capital employed for the quarter, on a pro forma basis, was 24%, the same as a year ago. The cash return for the quarter was 32% compared with 37% a year ago.
- o The quarterly dividend is 6.75 cents per share (\$0.405 per ADS) compared with 6.25 cents per share a year ago, an increase of 8%. In sterling terms, the quarterly dividend is 3.807 pence per share compared with 3.947 pence per share a year ago, a decrease of 3.5%. The company repurchased for cancellation 155 million of its own shares during the quarter, at a cost of \$1,249 million.

BP Group Chief Executive, Lord Browne, said:

"This has been another strong performance against the backdrop of a robust trading environment. We are on track against our targets of investing for growth, growing the dividend and utilizing surplus

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cash to fund a significant level of share buybacks. We are continuing our portfolio management actions in Petrochemicals and today announced that we intend to dispose of our Olefins and Derivatives business."

The pro forma result 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 BP's performance against that of its competitors.

- (a) Replacement cost profit for the period includes the net profit or loss on the sale of fixed assets and businesses or termination of operations.
- (b) Acquisition amortization is depreciation and amortization relating to the fixed asset revaluation adjustments and goodwill consequent upon the ARCO and Burmah Castrol acquisitions. The first quarter 2004 and both comparative periods include accelerated depreciation of the revaluation adjustment in respect of the impairment of former ARCO assets.

Summary Quarterly Results

Exploration and Production's first quarter result decreased 11% compared with a year ago, reflecting lower exceptional gains, higher depreciation, the impact of the changing composition of production resulting from the TNK-BP acquisition and the divestments made in 2003, higher costs due to foreign exchange movements and slightly lower US gas realizations, partly offset by higher production and slightly higher liquids realizations.

The Refining and Marketing result increased 13% compared with a year ago, reflecting improved refining margins, particularly in the US, partly offset by lower marketing margins due to pressure from higher crude prices.

The Petrochemicals result decreased compared with the prior quarter, as overall improvement in margins was more than offset by exceptional losses associated with the sale of the Specialty Intermediates business and the exit of the Baglan Bay site in the UK.

In Gas, Power and Renewables, the result was down slightly compared with a year ago and reflects a lower result from marketing and trading, improved results in global LNG and the solar and renewables business and a similar contribution from the natural gas liquids business.

Interest and Other finance expense was \$228 million for the quarter compared with \$312 million in the previous quarter. The decrease relates primarily to a reduction in net pension finance costs.

The pro forma effective tax rate on replacement cost profit was 28%.

Capital expenditure, excluding acquisitions, was \$3.2 billion for the quarter. Total capital expenditure and acquisitions was \$4.5 billion, including \$1.35 billion for including TNK's interest in Slavneft within TNK-BP. Disposal proceeds were \$2.8 billion.

Net debt at the end of the quarter was \$17.6 billion. The pro forma ratio of net debt to net debt plus equity was 22%, compared with 26% at the end of 2003.

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The commentaries above and following are based on the pro forma replacement cost results.

The financial information for 2003 has been restated to reflect (a) the transfer of natural gas liquids (NGLs) operations from the Exploration and Production segment to Gas, Power and Renewables on 1 January 2004; (b) the adoption by the group of Financial Reporting Standard No. 17 'Retirement Benefits' (FRS 17) with effect from 1 January 2004; and (c) the adoption by the group of Urgent Issues Task Force Abstract No. 38 'Accounting for ESOP Trusts' with effect from 1 January 2004. For further information see Note 1.

Exceptional and Non-Operating Items

| \$ million | 1Q 2004 | |
|--------------------------------|----------------------|---------------------------------|
| | Exceptional Items | Non-Operating Items and UPIS |
| Exploration and Production | 211 | (189) |
| Refining and Marketing | (140) | - |
| Petrochemicals | (154) | - |
| Gas, Power and Renewables | - | - |
| Other businesses and corporate | 1,313 | - |
| | 1,230 | (189) |
| Taxation | 70 | 66 |
| | 1,300 | (123) |

Reconciliation of Reported Results to Pro Forma Results

| \$ million | ----- 1Q 2004----- | | Pro forma Result | | |
|------------------------------------|--------------------------|--------------------|------------------|------------|------------|
| | Reported Earnings (a) | Acq. Amort. (b) | 1Q 2004 | 4Q 2003 | 1Q 2003 |
| Exploration and Production | 4,242 | 326 | 4,568 | 3,274 | 5,141 |
| Refining and Marketing | 720 | 221 | 941 | 531 | 833 |
| Petrochemicals | (25) | - | (25) | 41 | 137 |
| Gas, Power and Renewables | 198 | - | 198 | 86 | 216 |
| Other businesses and corporate | 1,129 | - | 1,129 | 465 | (166) |
| | 6,264 | 547 | 6,811 | 4,397 | 6,161 |
| RC profit before interest and tax | | | | | |
| Interest and Other finance expense | (228) | - | (228) | (312) | (305) |
| Taxation | (1,822) | - | (1,822) | (1,157) | (1,782) |
| MSI | (44) | - | (44) | (41) | (26) |
| | 4,170 | 547 | 4,717 | 2,887 | 4,048 |
| RC profit | | | | | |

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| | |
|------------------------------|-------|
| Stock holding gains (losses) | 648 |
| | ----- |
| HC profit | 4,818 |
| | ===== |

- (a) Replacement cost profit for the period includes the net profit or loss on the sale of fixed assets and businesses or termination of operations.
- (b) Acquisition amortization is depreciation and amortization relating to the fixed asset revaluation adjustments and goodwill consequent upon the ARCO and Burmah Castrol acquisitions. The first quarter 2004 and both comparative periods include accelerated depreciation of the revaluation adjustment in respect of the impairment of former ARCO assets.

Operating Results and Per Share Amounts

| | First Quarter 2004 | Fourth Quarter 2003 | First Quarter 2003 |
|---|--------------------------|---------------------------|--------------------------|
| | ===== | | |
| Replacement cost profit before interest and tax (\$m) | 6,264 | 3,760 | 5,533 |
| | ----- | | |
| Results for the period (\$m) | | | |
| Pro forma result | 4,717 | 2,887 | 4,048 |
| Replacement cost profit | 4,170 | 2,250 | 3,420 |
| Historical cost profit | 4,818 | 2,334 | 4,219 |
| | ----- | | |
| Shares in issue at period end (thousand) | 21,996,888 | 22,122,610 | 22,241,895 |
| - ADS equivalent (thousand) | 3,666,148 | 3,687,102 | 3,706,983 |
| Average number of shares outstanding (thousand) | 22,087,796 | 22,103,542 | 22,326,486 |
| - ADS equivalent (thousand) | 3,681,299 | 3,683,924 | 3,721,081 |
| Per ordinary share (cents) | | | |
| Pro forma result | 21.36 | 13.07 | 18.13 |
| RC profit for the period | 18.88 | 10.18 | 15.32 |
| HC profit for the period | 21.81 | 10.56 | 18.90 |
| Per ADS (cents) | | | |
| Pro forma result | 128.16 | 78.42 | 108.78 |
| RC profit for the period | 113.28 | 61.08 | 91.92 |
| HC profit for the period | 130.86 | 63.36 | 113.40 |
| | ===== | | |

Exploration and Production

| | 1Q 2004 | 4Q 2003 | 1Q 2003 |
|---|------------|------------|------------|
| | ===== | | |
| \$ million | | | |
| Replacement cost profit before interest and tax | 4,242 | 2,848 | 4,718 |
| Acquisition amortization | 326 | 426 | 423 |
| | ----- | | |
| Pro forma replacement cost result before interest and tax | 4,568 | 3,274 | 5,141 |
| | ===== | | |

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Results include:

| | | | |
|---|-------|-------|-------|
| Asset write-downs/impairment | (123) | (308) | (49) |
| Environmental charges | - | - | - |
| Restructuring, integration and rationalization costs | - | (15) | (90) |
| Other | - | - | - |
| Unrealized profit in stock (UPIS) | (66) | (57) | (125) |
| | ----- | | |
| Total non-operating items and UPIS | (189) | (380) | (264) |
| Exceptional items | 211 | (49) | 433 |
| | ----- | | |
| Total non-operating items, UPIS and exceptional items | 22 | (429) | 169 |
| | ===== | | |
| Exploration expense | 136 | 193 | 112 |
| Of which: | | | |
| Exploration expenditure written off | 67 | 129 | 50 |
| | ===== | | |
| Production (Net of Royalties) | | | |
| Crude oil (mb/d) | 2,342 | 2,248 | 1,830 |
| Natural gas liquids (mb/d) | 191 | 206 | 233 |
| Total liquids (mb/d) (a) | 2,533 | 2,454 | 2,063 |
| Natural gas (mmcf/d) | 8,600 | 8,600 | 9,017 |
| Total hydrocarbons (mboe/d) (b) | 4,015 | 3,936 | 3,618 |
| | ===== | | |
| Average realizations | | | |
| Crude oil (\$/bbl) | 31.30 | 28.18 | 31.07 |
| Natural gas liquids (\$/bbl) | 23.14 | 20.15 | 19.82 |
| Total liquids (\$/bbl) | 30.48 | 27.30 | 29.82 |
| Natural gas (\$/mcf) | 3.79 | 3.18 | 3.87 |
| Total hydrocarbons (\$/bbl) | 26.48 | 23.15 | 26.39 |
| | ===== | | |
| Average oil marker prices (\$/bbl) | | | |
| Brent | 32.03 | 29.43 | 31.47 |
| West Texas Intermediate | 35.30 | 31.15 | 34.00 |
| Alaska North Slope US West Coast | 34.22 | 29.43 | 33.16 |
| | ===== | | |
| Average natural gas marker prices | | | |
| Henry Hub gas price (c) (\$/mmbtu) | 5.69 | 4.58 | 6.53 |
| UK Gas - National Balancing Point (p/therm) | 24.59 | 27.30 | 21.28 |
| | ===== | | |

(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) Henry Hub First of the Month Index.

Exploration and Production

The pro forma replacement cost result before interest and tax for the first quarter was \$4,568 million, down 11% from the first quarter of 2003. The primary drivers for the change are lower exceptional gains, higher depreciation, the impact of the changing composition of production resulting from the TNK-BP acquisition and the divestments made in 2003, higher costs due to foreign exchange movements and slightly lower US gas realizations, partly offset by higher production and slightly higher liquids realizations.

In Venezuela, the sales agreement for our interest in Desarrollo Zuli Occidental (DZO) and Boqueron has lapsed and we will now retain these fields. We had previously reported an exceptional loss on disposal of \$217 million in respect of these assets which has now been reversed. As a result of the lapse of the

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agreement, an impairment charge of \$186 million has been recognized in the quarter, comprising a \$123 million non-operating charge and accelerated acquisition amortization of \$63 million.

The first quarter result also includes a charge of \$66 million, reflecting an increase in the provision for Unrealized Profit in Stock (UPIS), which removes the upstream margin from downstream inventories. This compares with a charge of \$125 million in the equivalent quarter of last year.

Production for the quarter was up from 3,618 mboe/d in the first quarter of 2003 to 4,015 mboe/d. This reflects the impact of the inclusion of TNK-BP from 29 August 2003 and the first quarter of Slavneft, growth in Trinidad, the start up of NaKika in Deepwater Gulf of Mexico and Xikomba in Angola, partly offset by decline in existing profit centers in North America and Europe and divestments made during 2003.

Progress continues in our new profit centres as indicated in our strategy presentation on 29 March 2004. During the first quarter, construction of the Holstein and Mad Dog Spars was completed and installation offshore has commenced. In Algeria, commissioning of the In Salah gas facilities is underway. In Azerbaijan, construction on the Azeri project and the BTC pipeline remains on track. In Angola, the Kizomba A Floating Production Storage and Offloading vessel sailed away from the construction yard in Korea enroute to the field location in Block 15.

The first quarter saw exploration successes in Egypt with the Raven 1 and Taurt wells in the Nile Delta along with three further discoveries in Angola: Cesio 1 and Chumbo 1 in offshore Block 18 and Bavuca in Block 15.

In January we sold 45% of our interest in Kings Peak in Deepwater Gulf of Mexico to Marubeni Oil & Gas (USA) Inc. Additionally, on 9 February 2004 we signed a sale and purchase agreement with Fairborne Energy Ltd to sell a package of non-core assets in Alberta, Canada for \$88 million.

Customer Facing Segments Refining and Marketing

| \$ million | 1Q 2004 | 4Q 2003 | 1Q 2003 |
|---|------------|------------|------------|
| | ===== | | |
| Replacement cost profit before interest and tax | 720 | 320 | 628 |
| Acquisition amortization | 221 | 211 | 205 |
| | ----- | | |
| Pro forma replacement cost result before interest and tax | 941 | 531 | 833 |
| | ===== | | |
| Results include: | | | |
| Asset write-downs/impairment | - | - | - |
| Environmental charges | - | - | - |
| Restructuring, integration and rationalization costs | - | (156) | (18) |
| Other | - | 10 | - |
| | ----- | | |
| Total non-operating items | - | (146) | (18) |
| Exceptional items | (140) | (91) | (52) |
| | ----- | | |
| Total non-operating and exceptional items | (140) | (237) | (70) |
| | ===== | | |
| Refinery throughputs (mb/d) | | | |

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| | | | |
|--|--------|--------|--------|
| UK | 395 | 389 | 377 |
| Rest of Europe | 884 | 873 | 954 |
| USA | 1,265 | 1,374 | 1,302 |
| Rest of World | 399 | 378 | 391 |
| | ----- | | |
| Total throughput | 2,943 | 3,014 | 3,024 |
| | ===== | | |
| Refinery availability | 95.1 | 94.9 | 94.2 |
| | ===== | | |
| Oil sales volumes (mb/d) | | | |
| Refined products | | | |
| UK | 294 | 257 | 279 |
| Rest of Europe | 1,324 | 1,295 | 1,318 |
| USA | 1,727 | 1,788 | 1,751 |
| Rest of World | 679 | 681 | 645 |
| | ----- | | |
| Total marketing sales | 4,024 | 4,021 | 3,993 |
| Trading/supply sales | 2,917 | 2,350 | 2,811 |
| | ----- | | |
| Total refined product sales | 6,941 | 6,371 | 6,804 |
| Crude oil | 5,104 | 4,504 | 4,529 |
| | ----- | | |
| Total oil sales | 12,045 | 10,875 | 11,333 |
| | ===== | | |
| Global Indicator Refining Margin(a) (\$/bbl) | | | |
| NWE | 2.73 | 2.21 | 3.70 |
| USGC | 6.92 | 3.53 | 6.14 |
| Midwest | 4.67 | 2.89 | 4.14 |
| USWC | 8.06 | 6.09 | 6.77 |
| Singapore | 3.42 | 2.20 | 2.98 |
| BP Average | 4.62 | 3.14 | 4.52 |
| | ===== | | |

(a) 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.

Customer Facing Segments Refining and Marketing

The pro forma replacement cost result before interest and tax for the first quarter was \$941 million. This compares with \$833 million for the same period last year, an increase of 13%.

The result reflects improved refining margins, particularly in the US, due to strong demand, cold weather and concerns over US gasoline supplies. Marketing margins were lower than those in both the first quarter and the fourth quarter of 2003 due to pressure from higher crude and product prices.

Refining throughputs for the quarter were 3% below those in the first quarter of 2003; the decrease was attributable to the disposal of the Bayernoil refinery in Germany in the second quarter of 2003. The quarter's refining availability was 95.1%, enabling strong margin capture. Marketing sales were slightly higher than in the first quarter of 2003.

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During the quarter BP launched its new product line of gasoline and diesel fuels, BP Ultimate, in Portugal. We also launched a new advertising and communications campaign - Fluid Motion - for the Castrol brand in Europe, along with a new product, Castrol GTX High Mileage, in the UK.

During the quarter, BP and the Singapore Petroleum Company Limited (SPC) announced that conditional agreement had been reached for SPC to purchase BP's interests and one-third stake in Singapore Refining Company Private Limited (SRC) for \$140 million. Subsequent to this announcement we have been notified that the remaining shareholders would like to exercise their pre-emption rights. This would result in BP's one third share being divided equally between the two remaining shareholders in SRC, namely Caltex Singapore Private Ltd and Singapore Petroleum Company Limited. As a result these two companies would also acquire BP's one-sixth equity interest in Tanker Mooring Services Company Pte Ltd (TMS).

In the first quarter, BP and Lembaga Tabung Angkatan Tentera (LTAT) announced that agreement had been reached for LTAT to purchase BP's 70% shareholding in the BP Malaysia Sdn Bhd fuels business. Subject to receiving the necessary regulatory consents, this transaction is also expected to be concluded by 30 June 2004.

The quarter's result includes net exceptional losses of \$140 million before tax, which principally relate to the disposal of the SRC and the closure of the lubricants operation of the Coryton Refinery, in the UK.

Customer Facing Segments Petrochemicals

| \$ million | 1Q 2004 | 4Q 2003 | 1Q 2003 |
|--|------------|------------|------------|
| | ===== | | |
| Replacement cost profit before interest and tax | (25) | 41 | 137 |
| Acquisition amortization | - | - | - |
| | ----- | | |
| Pro forma replacement cost result before interest and tax | (25) | 41 | 137 |
| | ===== | | |
| Results include: | | | |
| Provision against fixed asset investments/ asset write-downs/impairment | - | - | - |
| Environmental charges | - | - | - |
| Restructuring, integration and rationalization costs | - | - | - |
| Other | - | - | - |
| | ----- | | |
| Total non-operating items | - | - | - |
| Exceptional items | (154) | 16 | 7 |
| | ----- | | |
| Total non-operating and exceptional items | (154) | 16 | 7 |
| | ===== | | |
| Chemicals Indicator Margin(a) (\$/te) | 122 (b) | 109 | 96 |
| | ===== | | |
| Petrochemicals production (kte) | | | |
| UK | 840 | 832 | 869 |
| Rest of Europe | 2,728 | 2,790 | 2,763 |
| USA | 2,543 | 2,466 | 2,536 |
| Rest of World | 1,132 | 1,065 | 812 |
| | ----- | | |
| Total production | 7,243 | 7,153 | 6,980 |

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- (a) The Chemicals Indicator Margin (CIM) is a weighted average of externally based product margins. It is based on market data collected by Nexant in their quarterly market analyses, then weighted based on BP's product portfolio. While it does not cover our entire portfolio, it includes a broad range of products. Among the products and businesses covered in the CIM are the 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 first quarter is based on two months' actuals and one month of provisional data.

Petrochemicals' pro forma replacement cost result before interest and tax for the first quarter was a loss of \$25 million, down from \$41 million in the fourth quarter of 2003. The result was affected by exceptional losses largely associated with the sale of our Specialty Intermediates Business and the exit of the Baglan Bay site in the UK more than offsetting overall margin improvement. The first quarter result was a decrease of \$162 million compared with the same quarter last year, due to the exceptional losses and adverse foreign exchange impacts. The margin structures of our European operations continue to be affected by the strength of the Euro and Sterling, as we are unable to achieve offsetting price increases due to dollar-based competition.

Petrochemicals production of 7,243 thousand tonnes in the first quarter was up 90 thousand tonnes compared with the previous quarter due to improved reliability and asset utilization.

During the first quarter, our portfolio management actions continued. We announced the closure and exit from the Baglan Bay site in the UK. We signed a sale and purchase agreement for our Specialty Intermediates Business (trimellitic anhydride, purified isophthalic acid (PIA) and maleic anhydride) based in Joliet, Illinois in the USA, plus the economic interest in our European PIA business. We also announced the intention to sell our Global Fabrics and Fibres business as well as our speciality business manufacturing and marketing linear and poly alpha olefins based in Feluy, Belgium; Pasadena, USA and Joffre, Canada.

Customer Facing Segments Gas, Power and Renewables

| \$ million | 1Q 2004 | 4Q 2003 | 1Q 2003 |
|---|------------|------------|------------|
| | ===== | | |
| Replacement cost profit before interest and tax | 198 | 86 | 216 |
| Acquisition amortization | - | - | - |
| | ----- | | |
| Pro forma replacement cost result before interest and tax | 198 | 86 | 216 |
| | ===== | | |
| Results include: | | | |
| Asset write-downs/impairment | - | - | - |

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| | | | |
|--|--------|--------|--------|
| Environmental charges | - | - | - |
| Restructuring, integration and rationalization costs | - | - | - |
| Other | - | - | - |
| | ----- | | |
| Total non-operating items | - | - | - |
| Exceptional items | - | (10) | - |
| | ----- | | |
| Total non-operating and exceptional items | - | (10) | - |
| | ----- | | |
| Gas sales volumes (mmcf/d) | | | |
| UK | 3,027 | 2,565 | 3,215 |
| Rest of Europe | 442 | 511 | 473 |
| USA | 13,618 | 12,121 | 11,734 |
| Rest of World | 13,902 | 13,138 | 11,553 |
| | ----- | | |
| Total gas sales volumes | 30,989 | 28,335 | 26,975 |
| | ===== | | |
| NGL sales volumes (mb/d) | | | |
| UK | 4 | 2 | 5 |
| Rest of Europe | 1 | - | - |
| USA | 462 | 400 | 282 |
| Rest of World | 244 | 234 | 251 |
| | ----- | | |
| Total NGL sales volumes | 711 | 636 | 538 |
| | ===== | | |

The pro forma replacement cost result before interest and tax for the first quarter was \$198 million compared with \$216 million a year ago. The result reflects a lower result in marketing and trading, improved results in global LNG and Solar and a similar contribution from the natural gas liquids business.

The marketing and trading result in North America is down compared with the first quarter of 2003, when the business benefited from high margins as a result of the prolonged cold weather in north east and midwest markets. The global LNG business had a strong quarter due to higher margins and continued growth in LNG sales volumes. Group gas sales volumes are up 15% above the same period last year.

The first quarter NGL result was flat, with volume increases of 32% offset by lower margins.

First quarter results for the solar business were improved over a year ago primarily as a result of the benefits of the 2003 restructuring programme.

Other Businesses and Corporate

| \$ million | 1Q 2004 | 4Q 2003 | 1Q 2003 |
|--|------------|------------|------------|
| | ===== | | |
| Replacement cost profit (loss) before interest and tax | 1,129 | 465 | (166) |
| Acquisition amortization | - | - | - |
| | ----- | | |
| Pro forma replacement cost result before interest and tax | 1,129 | 465 | (166) |
| | ===== | | |
| Results include: | | | |

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| | | | |
|--|-------|-----|---|
| Asset write-downs/impairment | - | - | - |
| Environmental charges | - | - | - |
| Restructuring, integration and rationalization costs | - | - | - |
| Other(a) | - | 574 | - |
| | ----- | | |
| Total non-operating items | - | 574 | - |
| Exceptional items | 1,313 | 119 | 6 |
| | ----- | | |
| Total non-operating and exceptional items | 1,313 | 693 | 6 |
| | ===== | | |

(a) For 4Q 2003, Other businesses and corporate other items includes a vacant space provision of \$74 million and a credit of \$648 million relating to US post-retirement benefit schemes.

Other businesses and corporate comprises Finance, the group's aluminium asset, its investments in PetroChina and Sinopec, interest income and costs relating to corporate activities. During the quarter, BP sold its interest in PetroChina for \$1.65 billion and its interest in Sinopec for \$0.7 billion; these transactions resulted in exceptional gains of \$1.3 billion.

Dividends

| | 1Q 2004 | 4Q 2003 | 1Q 2003 |
|------------------------------------|------------|------------|------------|
| | ===== | | |
| Dividends per ordinary share cents | 6.75 | 6.75 | 6.25 |
| pence | 3.807 | 3.674 | 3.947 |
| Dividends per ADS (cents) | 40.5 | 40.5 | 37.5 |
| | ----- | | |

BP today announced a first quarterly dividend for 2004 of 6.75 cents per ordinary share. Holders of ordinary shares will receive 3.807 pence per share and holders of American Depositary Receipts (ADRs) \$0.405 per ADS share. The dividend is payable on 7 June to shareholders on the register on 14 May. 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 7 June. The second quarter 2004 results and dividend will be announced on 27 July 2004.

Outlook

BP Group Chief Executive, Lord Browne, concluded:

"The world economy appears to have grown at or above trend in the first quarter of 2004. Growth was especially robust in the US and in Asian economies, particularly in China, but Europe, with the exception of the UK, continues to lag. The US and Asia are expected to continue growing at or above trend in 2004 but mainland European growth is expected to remain below trend.

"At just over \$32 per barrel (dated Brent), crude oil prices during the first quarter were the highest since the fourth quarter of 1990 (immediately prior to the first Gulf War) and \$2.60 per barrel higher

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than in the fourth quarter of 2003. Prices have averaged around \$32.91 so far in April (through close 23 April 2004). Strong oil demand growth, low inventories, a tight US gasoline market and concern about possible supply disruptions have kept crude prices supported, notwithstanding the continuing high levels of OPEC production. The same forces should underpin crude prices during the second quarter but a rebuilding of inventories closer to seasonal norms looks likely if OPEC does not make production cuts that more closely match the seasonal drop in oil product demand.

"US natural gas prices traded in a relatively narrow range for most of the first quarter, averaging \$5.69/mmbtu (Henry Hub first of the month index). This represented an increase of around \$1.10/mmbtu versus the fourth quarter of 2003, due to seasonal weather effects, lingering supply concerns and the strength in oil prices. Spot gas prices traded between residual fuel oil and distillate parity throughout the whole period. Working gas in storage currently stands well above last year's levels and close to the five-year average. With storage at adequate levels and with growth in supply and demand looking more balanced than in recent years, we expect that gas prices will remain strongly influenced by movements in oil prices for the remainder of 2004.

"Refining margins in the first quarter strengthened relative to the fourth quarter 2003 in the face of declining product inventories, strong global oil demand growth and cold US weather. Margin gains were most pronounced in the US, where low gasoline inventories and specification changes raised concerns about supply during the coming driving season. Margins have begun the second quarter strongly, with low gasoline inventories and demand strength. Marketing margins are expected to reflect seasonal improvements although they continue to be impacted by high crude oil and product prices.

"Petrochemical margins in the first quarter improved versus the prior period. We continue to remain cautious about the overall market although we expect demand to improve gradually during 2004 provided the global economic recovery is sustained.

"Capital expenditure, excluding acquisitions, for the quarter was \$3.2 billion, and is projected to be approximately \$13.5 billion for the year, subject to developments in the US dollar exchange rate. The share buyback programme is continuing."

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, economic growth, growth in oil demand, impact of foreign exchange exposure, inventory levels, the US gasoline market and supply concerns, margins, prices, petrochemicals demand and share buybacks. 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; 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 2003 and our Annual Report on Form 20-F

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BP p.l.c. and Subsidiaries

Summarized Group Results

| | First Quarter 2004 | Fourth Quarter 2003 | First Quarter 2003 |
|---|--------------------------|---------------------------|--------------------------|
| | ===== | | |
| | \$ million | | |
| Exploration and Production | 4,242 | 2,848 | 4,718 |
| Refining and Marketing | 720 | 320 | 628 |
| Petrochemicals | (25) | 41 | 137 |
| Gas, Power and Renewables | 198 | 86 | 216 |
| Other businesses and corporate | 1,129 | 465 | (166) |
| | ----- | | |
| Replacement cost profit before interest and tax | 6,264 | 3,760 | 5,533 |
| Stock holding gains (losses) (Note 5) | 648 | 84 | 799 |
| | ----- | | |
| Historical cost profit before interest and tax | 6,912 | 3,844 | 6,332 |
| Interest expense (Note 6) | 152 | 160 | 176 |
| Other finance expense (Note 7) | 76 | 152 | 129 |
| | ----- | | |
| Profit before taxation | 6,684 | 3,532 | 6,027 |
| Taxation (Note 8) | 1,822 | 1,157 | 1,782 |
| | ----- | | |
| Profit after taxation | 4,862 | 2,375 | 4,245 |
| Minority shareholders' interest | 44 | 41 | 26 |
| | ----- | | |
| Profit for the period | 4,818 | 2,334 | 4,219 |
| | ===== | | |
| Distribution to shareholders | 1,483 | 1,495 | 1,386 |
| | ----- | | |
| Earnings per ordinary share - cents | | | |
| Basic | 21.81 | 10.56 | 18.90 |
| Diluted | 21.34 | 10.32 | 18.84 |
| | ===== | | |

Replacement Cost Results

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| | | | |
|---|-------|-------|-------|
| Historical cost profit for the period | 4,818 | 2,334 | 4,219 |
| Stock holding (gains) losses net of minority shareholders' interest | (648) | (84) | (799) |
| | | | |
| Replacement cost profit for the period | 4,170 | 2,250 | 3,420 |
| | | | |
| Earnings per ordinary share - cents | | | |
| On replacement cost profit for the period | 18.88 | 10.18 | 15.32 |
| | | | |

Summarized Group Balance Sheet

| | 31 March 2004 | 31 December 2003 |
|--|------------------|---------------------|
| \$ million | | |
| Fixed assets | | |
| Intangible assets | 13,386 | 13,642 |
| Tangible assets | 91,800 | 91,911 |
| Investments | 18,492 | 17,458 |
| | 123,678 | 123,011 |
| Current assets | | |
| Stocks | 11,298 | 11,617 |
| Debtors | 35,099 | 33,902 |
| Investments | 328 | 185 |
| Cash at bank and in hand | 2,006 | 1,947 |
| | 48,731 | 47,651 |
| Creditors - amounts falling due within one year | | |
| Finance debt | 6,997 | 9,456 |
| Other creditors | 43,018 | 41,128 |
| | (1,284) | (2,933) |
| Total assets less current liabilities | 122,394 | 120,078 |
| Creditors - amounts falling due after more than one year | | |
| Finance debt | 12,940 | 12,869 |
| Other creditors | 5,834 | 6,090 |
| Provisions for liabilities and charges | | |
| Deferred taxation | 14,578 | 14,371 |
| Other provisions | 8,766 | 8,815 |
| | 80,276 | 77,933 |
| Net assets excluding pensions and other post-retirement benefit balances | 80,276 | 77,933 |
| Defined benefit pension plan surplus | 1,258 | 1,021 |
| Defined benefit pension plan and other post-retirement benefit plan deficits | (7,524) | (7,510) |
| | 74,010 | 71,444 |
| Net assets | 74,010 | 71,444 |
| Minority shareholders' interest - equity | 1,181 | 1,125 |
| | 75,191 | 72,569 |

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| | | |
|--|--------|---------|
| BP shareholders' interest | 72,829 | 70,319 |
| | ===== | |
| Movement in BP shareholders' interest: \$ million | | |
| At 31 December 2003 | | 75,938 |
| Prior year adjustment - change in accounting policy (see Note 1) | | (5,619) |
| | | ----- |
| As restated | | 70,319 |
| Profit for the period | | 4,818 |
| Distribution to shareholders | | (1,483) |
| Currency translation differences (net of tax) | | 238 |
| Issue of ordinary share capital for employee share schemes | | 126 |
| (Purchase) release of shares by ESOP trusts | | 60 |
| Repurchase of ordinary share capital | | (1,249) |
| | | ----- |
| At 31 March 2004 | | 72,829 |
| | | ===== |

Summarized Group Cash Flow Statement

| | First Quarter 2004 | Fourth Quarter 2003 | First Quarter 2003 |
|--|--------------------------|---------------------------|--------------------------|
| | ===== | | |
| | \$ million | | |
| Net cash inflow from operating activities (a) | 7,674 | 3,500 | 5,961 |
| | ----- | | |
| Dividends from joint ventures | 178 | 51 | 13 |
| | ----- | | |
| Dividends from associated undertakings | 31 | 120 | 55 |
| | ----- | | |
| Servicing of finance and returns on investments | | | |
| Interest received | 41 | 51 | 31 |
| Interest paid | (165) | (190) | (207) |
| Dividends received | 12 | 66 | 6 |
| Dividends paid to minority shareholders | (2) | (3) | (2) |
| | ----- | | |
| Net cash outflow from servicing of finance and returns on investments | (114) | (76) | (172) |
| | ----- | | |
| Taxation | | | |
| UK corporation tax | (322) | (329) | (312) |
| Overseas tax | (258) | (1,187) | (320) |
| | ----- | | |
| Tax paid | (580) | (1,516) | (632) |
| | ----- | | |
| Capital expenditure and financial investment | | | |
| Payments for fixed assets | (2,941) | (3,683) | (2,871) |
| Proceeds from the sale of fixed assets | 2,839 | 1,410 | 2,317 |

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| | | | |
|---|---------|---------|---------|
| Net cash outflow for capital expenditure and financial investment | (102) | (2,273) | (554) |
| Acquisitions and disposals | | | |
| Acquisitions, net of cash acquired | - | (33) | - |
| Proceeds from the sale of businesses | - | - | 160 |
| Net investment in TNK-BP joint venture | (1,273) | 274 | - |
| Net investment in other joint ventures | (92) | (162) | (14) |
| Investments in associated undertakings | (433) | (227) | (186) |
| Net cash outflow for acquisitions and disposals | (1,798) | (148) | (40) |
| Equity dividends paid | (1,492) | (1,438) | (1,397) |
| Net cash inflow (outflow) | 3,797 | (1,780) | 3,234 |
| Financing (b) | 3,598 | (2,354) | 3,599 |
| Management of liquid resources | 138 | (223) | 13 |
| Increase (decrease) in cash | 61 | 797 | (378) |
| | 3,797 | (1,780) | 3,234 |

Analysis of Cash Flow

| | First Quarter 2004 | Fourth Quarter 2003 | First Quarter 2003 |
|---|--------------------------|---------------------------|--------------------------|
| | \$ million | | |
| (a) Reconciliation of historical cost profit before interest and tax to net cash inflow from operating activities | | | |
| Historical cost profit before interest and tax | 6,912 | 3,844 | 6,332 |
| Depreciation and amounts provided | 2,814 | 3,093 | 2,709 |
| Exploration expenditure written off | 67 | 129 | 50 |
| Net operating charge for pensions and other post-retirement benefits, less contributions | (23) | (2,190) | (243) |
| Share of profits of joint ventures and associated undertakings | (641) | (494) | (304) |
| Interest and other income | (64) | (121) | (48) |
| (Profit) loss on sale of fixed assets and businesses | (1,230) | 15 | (394) |
| Charge for provisions | 67 | 238 | 29 |
| Utilization of provisions | (155) | (204) | (116) |
| Decrease (increase) in stocks | 247 | (362) | 376 |
| (Increase) decrease in debtors | (1,586) | 375 | (6,645) |
| Increase (decrease) in creditors | 1,266 | (823) | 4,215 |
| Net cash inflow from operating activities | 7,674 | 3,500 | 5,961 |

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(b) Financing

| | | | |
|---|-------|---------|---------|
| Long-term borrowing | (628) | (1,666) | (1,015) |
| Repayments of long-term borrowing | 836 | 776 | 403 |
| Short-term borrowing | (156) | (1,738) | (626) |
| Repayments of short-term borrowing | 2,408 | 278 | 3,899 |
| | ----- | | |
| | 2,460 | (2,350) | 2,661 |
| | | | |
| Issue of ordinary share capital for employee share schemes | (126) | (61) | (67) |
| Purchase of shares by ESOP trusts | 15 | 57 | 6 |
| Repurchase of ordinary share capital | 1,249 | - | 999 |
| | ----- | | |
| Net cash outflow (inflow) from financing | 3,598 | (2,354) | 3,599 |
| | ===== | | |

Adjusted Operating Cash Flow

| | | | |
|--|-------|---------|-------|
| Net cash inflow from operating activities (a) | 7,674 | 3,500 | 5,961 |
| Dividends received from joint ventures | 178 | 51 | 13 |
| Dividends received from associated undertakings | 31 | 120 | 55 |
| Net cash outflow from servicing of finance and returns on investments | (114) | (76) | (172) |
| | ----- | | |
| Adjusted operating cash flow (pre-tax) | 7,769 | 3,595 | 5,857 |
| Tax paid on operations* | (650) | (1,600) | (578) |
| | ----- | | |
| Adjusted operating cash flow (post-tax) | 7,119 | 1,995 | 5,279 |
| | ----- | | |
| | | | |
| * Components of tax payments | | | |
| Tax paid on operations | (650) | (1,600) | (578) |
| Tax refunded/paid) on exceptional items | 70 | 84 | (54) |
| | ----- | | |
| Total tax paid | (580) | (1,516) | (632) |
| | ===== | | |

(a) Includes pre-tax discretionary pension funding of \$85 million in 1Q 2004, \$1,586 million in 4Q 2003 and \$308 million in 1Q 2003. On a post-tax basis, these amounts are \$60 million, \$1,031 million and \$197 million respectively.

Capital Expenditure and Acquisitions

| First Quarter 2004 | Fourth Quarter 2003 | First Quarter 2003 |
|--------------------------|---------------------------|--------------------------|
| ===== | ===== | ===== |
| \$ million | | |

By business

Exploration and Production

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| | | | |
|------------------------------------|-------|-------|-------|
| UK | 153 | 189 | 196 |
| Rest of Europe | 48 | 75 | 51 |
| USA | 932 | 1,140 | 963 |
| Rest of World(a) | 2,690 | 1,191 | 908 |
| | ----- | ----- | ----- |
| | 3,823 | 2,595 | 2,118 |
| | ----- | ----- | ----- |
| Refining and Marketing | | | |
| UK | 77 | 249 | 73 |
| Rest of Europe | 92 | 446 | 104 |
| USA | 258 | 623 | 336 |
| Rest of World | 37 | 181 | 24 |
| | ----- | ----- | ----- |
| | 464 | 1,499 | 537 |
| | ----- | ----- | ----- |
| Petrochemicals | | | |
| UK | 20 | 35 | - |
| Rest of Europe | 38 | 69 | 31 |
| USA | 47 | 130 | 44 |
| Rest of World | 61 | 65 | 21 |
| | ----- | ----- | ----- |
| | 166 | 299 | 96 |
| | ----- | ----- | ----- |
| Gas, Power and Renewables | | | |
| UK | 1 | 21 | 8 |
| Rest of Europe | 2 | 46 | 15 |
| USA | 11 | 49 | 41 |
| Rest of World | 47 | 27 | 23 |
| | ----- | ----- | ----- |
| | 61 | 143 | 87 |
| | ----- | ----- | ----- |
| Other businesses and corporate | | | |
| UK | 2 | 29 | 18 |
| Rest of Europe | - | 1 | 1 |
| USA | 9 | 43 | 10 |
| Rest of World | - | 1 | 1 |
| | ----- | ----- | ----- |
| | 11 | 74 | 30 |
| | ----- | ----- | ----- |
| | 4,525 | 4,610 | 2,868 |
| | ===== | ===== | ===== |
| By geographical area | | | |
| UK | 253 | 523 | 295 |
| Rest of Europe | 180 | 637 | 202 |
| USA | 1,257 | 1,985 | 1,394 |
| Rest of World(a) | 2,835 | 1,465 | 977 |
| | ----- | ----- | ----- |
| | 4,525 | 4,610 | 2,868 |
| | ===== | ===== | ===== |

(a) First quarter 2004 included the investment in TNK's interest in Slavneft within TNK-BP.

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| | | | |
|--|------|------|------|
| Exchange rates | | | |
| US dollar/sterling average rate for the period | 1.84 | 1.70 | 1.60 |
| US dollar/sterling period-end rate | 1.83 | 1.78 | 1.57 |
| US dollar/euro average rate for the period | 1.25 | 1.19 | 1.07 |
| US dollar/euro period-end rate | 1.22 | 1.25 | 1.08 |

Analysis of Replacement Cost Profit Before Interest and Tax

| | First Quarter 2004 | Fourth Quarter 2003 | First Quarter 2003 |
|--------------------------------|--------------------------|---------------------------|--------------------------|
| | ===== | | |
| | \$ million | | |
| By business | | | |
| Exploration and Production | | | |
| UK | 823 | 654 | 1,078 |
| Rest of Europe | 163 | 154 | 195 |
| USA | 1,494 | 716 | 1,658 |
| Rest of World | 1,762 | 1,324 | 1,787 |
| | ----- | ----- | ----- |
| | 4,242 | 2,848 | 4,718 |
| | ----- | ----- | ----- |
| Refining and Marketing | | | |
| UK | (189) | (152) | (43) |
| Rest of Europe | 289 | 158 | 361 |
| USA | 409 | 174 | 145 |
| Rest of World | 211 | 140 | 165 |
| | ----- | ----- | ----- |
| | 720 | 320 | 628 |
| | ----- | ----- | ----- |
| Petrochemicals | | | |
| UK | (156) | (65) | (90) |
| Rest of Europe | 154 | 34 | 117 |
| USA | (109) | 6 | 54 |
| Rest of World | 86 | 66 | 56 |
| | ----- | ----- | ----- |
| | (25) | 41 | 137 |
| | ----- | ----- | ----- |
| Gas, Power and Renewables | | | |
| UK | 12 | 40 | 4 |
| Rest of Europe | (11) | (11) | (9) |
| USA | 79 | 5 | 57 |
| Rest of World | 118 | 52 | 164 |
| | ----- | ----- | ----- |
| | 198 | 86 | 216 |
| | ----- | ----- | ----- |
| Other businesses and corporate | | | |
| UK | (163) | 324 | (93) |
| Rest of Europe | (6) | (42) | (8) |
| USA | (30) | (23) | (81) |
| Rest of World | 1,328 | 206 | 16 |
| | ----- | ----- | ----- |

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| | | |
|-------|-------|-------|
| 1,129 | 465 | (166) |
| ----- | ----- | ----- |
| 6,264 | 3,760 | 5,533 |
| ===== | ===== | ===== |

By geographical area

| | | | |
|----------------|-------|-------|-------|
| UK | 327 | 801 | 856 |
| Rest of Europe | 589 | 293 | 656 |
| USA | 1,843 | 878 | 1,833 |
| Rest of World | 3,505 | 1,788 | 2,188 |
| | ----- | ----- | ----- |
| | 6,264 | 3,760 | 5,533 |
| | ===== | ===== | ===== |

Included above:

| | | | |
|---|-------|-------|-------|
| Share of profits of joint ventures | 485 | 402 | 117 |
| Share of profits of associated undertakings | 141 | 93 | 180 |
| | ----- | ----- | ----- |
| | 626 | 495 | 297 |
| | ===== | ===== | ===== |

Pro Forma Result: Replacement Cost Profit Before
Interest and Tax Adjusted for Acquisition Amortization

| | | |
|--------------------------|---------------------------|--------------------------|
| First Quarter 2004 | Fourth Quarter 2003 | First Quarter 2003 |
| ----- | ----- | ----- |
| \$ million | | |

By business

Exploration and Production

| | | | |
|----------------|-------|-------|-------|
| UK | 858 | 689 | 1,111 |
| Rest of Europe | 163 | 154 | 195 |
| USA | 1,708 | 1,091 | 1,917 |
| Rest of World | 1,839 | 1,340 | 1,918 |
| | ----- | ----- | ----- |
| | 4,568 | 3,274 | 5,141 |
| | ----- | ----- | ----- |

Refining and Marketing

| | | | |
|----------------|-------|-------|-------|
| UK | (63) | (36) | 67 |
| Rest of Europe | 289 | 158 | 361 |
| USA | 504 | 269 | 240 |
| Rest of World | 211 | 140 | 165 |
| | ----- | ----- | ----- |
| | 941 | 531 | 833 |
| | ----- | ----- | ----- |

Petrochemicals

| | | | |
|----------------|-------|-------|-------|
| UK | (156) | (65) | (90) |
| Rest of Europe | 154 | 34 | 117 |
| USA | (109) | 6 | 54 |
| Rest of World | 86 | 66 | 56 |
| | ----- | ----- | ----- |

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| | | | |
|--------------------------------|-------|-------|-------|
| | (25) | 41 | 137 |
| | ----- | | |
| Gas, Power and Renewables | | | |
| UK | 12 | 40 | 4 |
| Rest of Europe | (11) | (11) | (9) |
| USA | 79 | 5 | 57 |
| Rest of World | 118 | 52 | 164 |
| | ----- | | |
| | 198 | 86 | 216 |
| | ----- | | |
| Other businesses and corporate | | | |
| UK | (163) | 324 | (93) |
| Rest of Europe | (6) | (42) | (8) |
| USA | (30) | (23) | (81) |
| Rest of World | 1,328 | 206 | 16 |
| | ----- | | |
| | 1,129 | 465 | (166) |
| | ----- | | |
| | 6,811 | 4,397 | 6,161 |
| | ----- | | |
| By geographical area | | | |
| UK | 488 | 952 | 999 |
| Rest of Europe | 589 | 293 | 656 |
| USA | 2,152 | 1,348 | 2,187 |
| Rest of World | 3,582 | 1,804 | 2,319 |
| | ----- | | |
| | 6,811 | 4,397 | 6,161 |
| | ===== | | |

Analysis of Exceptional Items

| | First Quarter 2004 | Fourth Quarter 2003 | First Quarter 2003 |
|----------------------------|--------------------------|---------------------------|--------------------------|
| | ===== | | |
| | \$ million | | |
| Exploration and Production | | | |
| UK | (1) | 11 | 1 |
| Rest of Europe | - | 1 | - |
| USA | (19) | 20 | (160) |
| Rest of World | 231 | (81) | 592 |
| | ----- | | |
| | 211 | (49) | 433 |
| | ----- | | |
| Refining and Marketing | | | |
| UK | (36) | (12) | (15) |
| Rest of Europe | (17) | (47) | (40) |
| USA | (5) | (32) | 4 |
| Rest of World | (82) | - | (1) |
| | ----- | | |
| | (140) | (91) | (52) |
| | ----- | | |

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| | | | |
|--|-------|------|------|
| Petrochemicals | | | |
| UK | (7) | (1) | 3 |
| Rest of Europe | (19) | (10) | (1) |
| USA | (126) | (5) | 4 |
| Rest of World | (2) | 32 | 1 |
| | (154) | 16 | 7 |
| | | | |
| Gas, Power and Renewables | | | |
| UK | - | - | - |
| Rest of Europe | - | - | - |
| USA | - | (10) | - |
| Rest of World | - | - | - |
| | - | (10) | - |
| | | | |
| Other businesses and corporate | | | |
| UK | (1) | 27 | - |
| Rest of Europe | - | - | (1) |
| USA | - | (45) | 7 |
| Rest of World | 1,314 | 137 | - |
| | 1,313 | 119 | 6 |
| | | | |
| Profit (loss) on sale of fixed assets and businesses or termination of operations | 1,230 | (15) | 394 |
| Taxation credit (charge) | 70 | 84 | (54) |
| Exceptional items after taxation | 1,300 | 69 | 340 |

Identified Non-operating Items and UPIS

| | First Quarter 2004 | Fourth Quarter 2003 | First Quarter 2003 |
|----------------------------|--------------------------|---------------------------|--------------------------|
| | \$ million | | |
| By business | | | |
| Exploration and Production | | | |
| UK | - | (144) | (53) |
| Rest of Europe | - | - | - |
| USA(a) | (66) | (236) | (206) |
| Rest of World | (123) | - | (5) |
| | (189) | (380) | (264) |
| | | | |
| Refining and Marketing | | | |
| UK | - | - | - |
| Rest of Europe | - | (146) | (18) |
| USA | - | - | - |
| Rest of World | - | - | - |

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| | | | |
|------------------------------------|-------|-------|-------|
| | - | (146) | (18) |
| Petrochemicals | | | |
| UK | - | - | - |
| Rest of Europe | - | - | - |
| USA | - | - | - |
| Rest of World | - | - | - |
| | - | - | - |
| Gas, Power and Renewables | | | |
| UK | - | - | - |
| Rest of Europe | - | - | - |
| USA | - | - | - |
| Rest of World | - | - | - |
| | - | - | - |
| Other businesses and corporate (b) | | | |
| UK | - | (74) | - |
| Rest of Europe | - | - | - |
| USA | - | 648 | - |
| Rest of World | - | - | - |
| | - | 574 | - |
| Sub-total | (189) | 48 | (282) |
| Interest | - | - | - |
| Total before taxation | (189) | 48 | (282) |
| Taxation credit (charge) | 66 | 134 | 227 |
| Total after taxation | (123) | 182 | (55) |

- (a) Includes increases in the provision for Unrealized Profit in Stock (UPIS) of \$66 million in 1Q 2004, \$57 million in 4Q 2003 and \$125 million in 1Q 2003, which removes the upstream margin from downstream inventories.
- (b) For 4Q 2003 Other businesses and corporate includes a vacant space provision of \$74 million and a credit of \$648 million relating to US post-retirement benefit schemes.

Acquisition Amortization by Business

| First Quarter 2004 | Fourth Quarter 2003 | First Quarter 2003 |
|--------------------------|---------------------------|--------------------------|
| | | |
| \$ million | | |

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| | | | |
|--------------------------------|-------|-------|-------|
| Exploration and Production | | | |
| UK | 35 | 35 | 33 |
| USA | 214 | 375 | 259 |
| Rest of World | 77 | 16 | 131 |
| | ----- | ----- | ----- |
| | 326 | 426 | 423 |
| | ----- | ----- | ----- |
| Refining and Marketing | | | |
| UK | 126 | 116 | 110 |
| USA | 95 | 95 | 95 |
| | ----- | ----- | ----- |
| | 221 | 211 | 205 |
| | ----- | ----- | ----- |
| Total acquisition amortization | 547 | 637 | 628 |
| | ===== | ===== | ===== |

Production and Realizations

| | First Quarter 2004 | Fourth Quarter 2003 | First Quarter 2003 |
|---|--------------------------|---------------------------|--------------------------|
| | ----- | ----- | ----- |
| Production | | | |
| Crude oil (mb/d) (net of royalties) | | | |
| UK | 344 | 339 | 442 |
| Rest of Europe | 73 | 74 | 90 |
| USA | 564 | 570 | 606 |
| Rest of World | 1,361 | 1,265 | 692 |
| | ----- | ----- | ----- |
| Total crude oil production | 2,342 | 2,248 | 1,830 |
| | ===== | ===== | ===== |
| Natural gas liquids (mb/d) (net of royalties) | | | |
| UK | 20 | 21 | 29 |
| Rest of Europe | 5 | 5 | 5 |
| USA | 137 | 147 | 167 |
| Rest of World | 29 | 33 | 32 |
| | ----- | ----- | ----- |
| Total natural gas liquids production | 191 | 206 | 233 |
| | ===== | ===== | ===== |
| Liquids (a) (mb/d) (net of royalties) | | | |
| UK | 364 | 360 | 471 |
| Rest of Europe | 78 | 79 | 95 |
| USA | 701 | 717 | 773 |
| Rest of World | 1,390 | 1,298 | 724 |
| | ----- | ----- | ----- |
| Total liquids production | 2,533 | 2,454 | 2,063 |
| | ===== | ===== | ===== |
| Natural gas (b) (mmcf/d) (net of royalties) | | | |
| UK | 1,355 | 1,318 | 1,798 |
| Rest of Europe | 142 | 143 | 131 |
| USA | 2,869 | 2,933 | 3,437 |
| Rest of World | 4,234 | 4,206 | 3,651 |
| | ----- | ----- | ----- |

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| | | | | |
|------------------------------|-------|-------|-------|--|
| Total natural gas production | 8,600 | 8,600 | 9,017 | |
| | ===== | | | |
| Average realizations | | | | |
| Crude oil (\$/bbl) | | | | |
| UK | 29.36 | 28.18 | 31.16 | |
| USA | 32.69 | 28.49 | 31.74 | |
| Rest of World | 30.80 | 27.56 | 29.91 | |
| BP Average | 31.30 | 28.18 | 31.07 | |
| | ===== | | | |
| Natural gas liquids (\$/bbl) | | | | |
| UK | 25.70 | 20.06 | 23.28 | |
| USA | 22.25 | 19.11 | 18.26 | |
| Rest of World | 24.61 | 24.23 | 23.05 | |
| BP Average | 23.14 | 20.15 | 19.82 | |
| | ===== | | | |
| Liquids (a) (\$/bbl) | | | | |
| UK | 29.16 | 27.71 | 30.67 | |
| USA | 31.08 | 26.92 | 29.36 | |
| Rest of World | 30.42 | 27.33 | 29.48 | |
| BP Average | 30.48 | 27.30 | 29.82 | |
| | ===== | | | |
| Natural gas (\$/mcf) | | | | |
| UK | 4.70 | 3.87 | 3.32 | |
| USA | 4.72 | 3.85 | 5.27 | |
| Rest of World | 2.67 | 2.35 | 2.70 | |
| BP Average | 3.79 | 3.18 | 3.87 | |
| | ===== | | | |

(a) Crude oil and natural gas liquids.

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

Reconciliation of Historical Cost Profit (Loss) to Pro Forma Result

| \$ million | Reported earnings | Acquisition amortization | Pro forma result |
|-----------------------------------|----------------------|-----------------------------|---------------------|
| | ===== | | |
| 4Q 2003 | | | |
| Exploration and Production | 2,848 | 426 | 3,274 |
| Refining and Marketing | 320 | 211 | 531 |
| Petrochemicals | 41 | - | 41 |
| Gas, Power and Renewables | 86 | - | 86 |
| Other businesses and corporate | 465 | - | 465 |
| | ----- | | |
| RC profit before interest and tax | 3,760 | 637 | 4,397 |

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| | | | |
|------------------------------------|---------|-------|---------|
| Interest and other finance expense | (312) | - | (312) |
| Taxation | (1,157) | - | (1,157) |
| MSI | (41) | - | (41) |
| RC profit | 2,250 | 637 | 2,887 |
| | | ===== | |
| Stock holding gains (losses) | 84 | | |
| | ----- | | |
| HC profit | 2,334 | | |
| | ===== | | |
| 1Q 2003 | | | |
| Exploration and Production | 4,718 | 423 | 5,141 |
| Refining and Marketing | 628 | 205 | 833 |
| Petrochemicals | 137 | - | 137 |
| Gas, Power and Renewables | 216 | - | 216 |
| Other businesses and corporate | (166) | - | (166) |
| RC profit before interest and tax | 5,533 | 628 | 6,161 |
| | ----- | | |
| Interest and other finance expense | (305) | - | (305) |
| Taxation | (1,782) | - | (1,782) |
| MSI | (26) | - | (26) |
| RC profit | 3,420 | 628 | 4,048 |
| | | ===== | |
| Stock holding gains (losses) | 799 | | |
| | ----- | | |
| HC profit | 4,219 | | |
| | ===== | | |

Return on Average Capital Employed

| | First Quarter 2004 | Fourth Quarter 2003 | First Quarter 2003 |
|---------------------------------|--------------------------|---------------------------|--------------------------|
| | ===== | | |
| | \$ million | | |
| Replacement cost basis | | | |
| RC profit for the period (a) | 4,170 | 2,250 | 3,420 |
| Interest (b) | 64 | 73 | 99 |
| Minority shareholders' interest | 44 | 41 | 26 |
| Adjusted RC profit | 4,278 | 2,364 | 3,545 |
| | ===== | ===== | ===== |
| Average capital employed | 93,858 | 90,938 | 85,787 |
| ROACE - replacement cost basis | 18.2% | 10.4% | 16.5% |
| | ----- | ----- | ----- |
| Pro forma basis | | | |
| Adjusted RC profit (a) | 4,278 | 2,364 | 3,545 |
| Acquisition amortization | 547 | 637 | 628 |
| Average capital employed | 93,858 | 90,938 | 85,787 |

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| | | | |
|---|--------|--------|--------|
| Average capital employed acquisition adjustment | 13,146 | 13,556 | 15,940 |
| | | | |
| Average capital employed (pro forma basis) | 80,712 | 77,382 | 69,847 |
| ROACE - Pro forma basis | 23.9% | 15.5% | 23.9% |
| | | | |
| Historical cost basis | | | |
| Profit for the period (a) | 4,818 | 2,334 | 4,219 |
| Interest (b) | 64 | 73 | 99 |
| Minority shareholders' interest | 44 | 41 | 26 |
| | | | |
| Adjusted historical cost profit | 4,926 | 2,448 | 4,344 |
| | | | |
| | | | |
| Average capital employed | 93,858 | 90,938 | 85,787 |
| ROACE - historical cost basis | 21.0% | 10.8% | 20.3% |

- (a) 1Q 2004 includes \$1,300 million in respect of exceptional items and \$(123) million in respect of non-operating items and UPIS. 4Q 2003 includes \$69 million in respect of exceptional items and \$182 million in respect of non-operating items and UPIS. 1Q 2003 includes \$340 million in respect of exceptional items and \$(55) million in respect of non-operating items and UPIS.
- (b) Excludes interest on joint venture and associated undertakings' debt 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

| | First Quarter 2004 | Fourth Quarter 2003 | First Quarter 2003 |
|------------------------------------|--------------------------|---------------------------|--------------------------|
| | | | |
| | \$ million | | |
| Gross debt | 19,937 | 22,325 | 19,042 |
| Cash and current asset investments | 2,334 | 2,132 | 1,379 |
| | | | |
| Net debt | 17,603 | 20,193 | 17,663 |
| | | | |
| Equity | 74,010 | 71,444 | 66,236 |
| Net debt ratio | 19% | 22% | 21% |
| | | | |
| Acquisition adjustment | 12,930 | 13,362 | 15,208 |
| | | | |
| Net debt ratio - pro forma basis | 22% | 26% | 26% |

Pre-Tax Cash Returns

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| | First Quarter 2004 | Fourth Quarter 2003 | First Quarter 2003 |
|--|--------------------------|---------------------------|--------------------------|
| | ===== | | |
| | \$ million | | |
| Replacement cost profit before interest and tax | 6,264 | 3,760 | 5,533 |
| Exceptional items | (1,230) | 15 | (394) |
| | ----- | | |
| Replacement cost operating profit | 5,034 | 3,775 | 5,139 |
| Acquisition amortization | 547 | 637 | 628 |
| | ----- | | |
| Pro forma replacement cost operating profit | 5,581 | 4,412 | 5,767 |
| Non-cash non-operating items | 123 | 308 | 49 |
| Pro forma DD&A, adjusted for non-cash non-operating items | 2,144 | 2,148 | 2,032 |
| | ----- | | |
| Cash returns numerator | 7,848 | 6,868 | 7,848 |
| | ===== | | |
| Capital employed | 93,947 | 93,769 | 85,278 |
| Liabilities for current and deferred taxation | 17,207 | 16,068 | 15,314 |
| | ----- | | |
| Operating capital employed | 111,154 | 109,837 | 100,592 |
| Acquisition adjustment | (12,930) | (13,362) | (15,208) |
| | ----- | | |
| Cash returns denominator | 98,224 | 96,475 | 85,384 |
| | ===== | | |
| Average cash returns denominator | 97,350 | 93,490 | 84,609 |
| | ===== | | |
| Cash return | 32% | 29% | 37% |

Notes

1. Restatement of comparative information

Comparative information for 2003 has been restated to reflect the changes described below.

- (a) Transfer of natural gas liquids activities
With effect from 1 January 2004 natural gas liquids (NGLs) activities have been transferred from the Exploration and Production segment to Gas, Power and Renewables.

- (b) New accounting standard for pensions and other post-retirement benefits
With effect from 1 January 2004 BP has adopted Financial Reporting Standard No. 17 'Retirement Benefits' (FRS 17). FRS 17 requires that financial statements reflect at fair value the assets and liabilities arising from an employer's retirement benefit obligations and any related funding. The operating costs of providing retirement benefits are recognized in the period in which they are earned together with any related finance costs and changes in the value of related assets and liabilities. This contrasts with Statement of Standard Accounting Practice No. 24 'Accounting for Pension Costs', which requires the cost of providing pensions to be recognized on a systematic and rational basis over the period during which the employer benefits from the employee's services. The

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difference between the amount charged in the income statement and the amount paid as contributions into the pension fund is shown as a prepayment or provision on the balance sheet.

(c) Accounting for Employee Share Ownership Plans

With effect from 1 January 2004 BP has adopted Urgent Issues Task Force Abstract No. 38 'Accounting for ESOP Trusts'. This abstract requires that BP shares held by the group for the purposes of Employee Share Ownership Plans (ESOPs) are deducted from equity on the balance sheet. Such shares were previously classified as fixed asset investments.

| Balance sheet at 31 December 2003 | Restated | Reported |
|--|------------|----------|
| | ===== | |
| | \$ million | |
| Fixed assets | | |
| Intangible assets | 13,642 | 13,642 |
| Tangible assets | 91,911 | 91,911 |
| Investments | 17,458 | 17,554 |
| | ----- | ----- |
| | 123,011 | 123,107 |
| | ----- | ----- |
| Current assets | 47,651 | 54,465 |
| Creditors - amounts falling due within one year | 50,584 | 50,584 |
| | ----- | ----- |
| Net current assets (liabilities) | (2,933) | 3,881 |
| | ----- | ----- |
| Total assets less current liabilities | 120,078 | 126,988 |
| Creditors - amounts falling due after more than one year | 18,959 | 18,959 |
| Provisions for liabilities and charges | | |
| Deferred taxation | 14,371 | 15,273 |
| Other provisions | 8,815 | 15,693 |
| | ----- | ----- |
| Net assets excluding pension and other post-retirement benefit balances | 77,933 | 77,063 |
| Defined benefit pension plan surplus | 1,021 | - |
| Defined benefit pension plan and other post-retirement benefit plan deficits | (7,510) | - |
| | ----- | ----- |
| Net assets | 71,444 | 77,063 |
| Minority shareholders' interest | 1,125 | 1,125 |
| | ----- | ----- |
| BP shareholders' interest | 70,319 | 75,938 |
| | ===== | ===== |

Notes

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| Income statements | Restated | | Reported | |
|---|------------|---------|----------|---------|
| | Fourth | First | Fourth | First |
| | Quarter | Quarter | Quarter | Quarter |
| | 2003 | 2003 | 2003 | 2003 |
| | ===== | | | |
| | \$ million | | | |
| Exploration and Production | 2,848 | 4,718 | 2,889 | 4,759 |
| Refining and Marketing | 320 | 628 | 274 | 579 |
| Petrochemicals | 41 | 137 | 51 | 146 |
| Gas, Power and Renewables | 86 | 216 | 67 | 194 |
| Other businesses and corporate | 465 | (166) | (176) | (159) |
| | ----- | | | |
| Replacement cost profit before interest and tax | 3,760 | 5,533 | 3,105 | 5,519 |
| Stock holding gains (losses) | 84 | 799 | 84 | 799 |
| | ----- | | | |
| Historical cost profit before interest and tax | 3,844 | 6,332 | 3,189 | 6,318 |
| Interest expense | 160 | 176 | 227 | 220 |
| Other finance expense | 152 | 129 | - | - |
| | ----- | | | |
| Profit before taxation | 3,532 | 6,027 | 2,962 | 6,098 |
| Taxation | 1,157 | 1,782 | 949 | 1,805 |
| | ----- | | | |
| Profit after taxation | 2,375 | 4,245 | 2,013 | 4,293 |
| Minority shareholders' interest | 41 | 26 | 41 | 26 |
| | ----- | | | |
| Profit for the period | 2,334 | 4,219 | 1,972 | 4,267 |
| | ===== | | | |
| Distribution to shareholders | 1,495 | 1,386 | 1,495 | 1,386 |
| | ----- | | | |
| Earnings per ordinary share - cents | | | | |
| Basic | 10.56 | 18.90 | 8.93 | 19.11 |
| Diluted | 10.32 | 18.84 | 8.69 | 19.05 |
| | ===== | | | |

Notes

2. Turnover

| By business | First | Fourth | First |
|--------------------------------|------------|---------|---------|
| | Quarter | Quarter | Quarter |
| | 2004 | 2003 | 2003 |
| | ===== | | |
| | \$ million | | |
| Exploration and Production | 8,166 | 7,450 | 8,878 |
| Refining and Marketing | 41,694 | 36,378 | 39,678 |
| Petrochemicals | 4,510 | 4,336 | 3,938 |
| Gas, Power and Renewables | 20,975 | 16,701 | 18,080 |
| Other businesses and corporate | 121 | 137 | 111 |
| | ----- | | |
| | 75,466 | 65,002 | 70,685 |

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| | | | |
|----------------------------------|--------|--------|--------|
| Less: sales between businesses | 7,864 | 7,138 | 8,654 |
| | | | |
| Group excluding JVs | 67,602 | 57,864 | 62,031 |
| Share of sales by joint ventures | 1,878 | 1,798 | 398 |
| | | | |
| | 69,480 | 59,662 | 62,429 |
| | | | |

By geographical area

| | | | |
|---------------------------|--------|--------|--------|
| Group excluding JVs | | | |
| UK | 17,296 | 14,117 | 15,132 |
| Rest of Europe | 12,041 | 12,288 | 13,317 |
| USA | 31,803 | 26,347 | 29,341 |
| Rest of World | 15,817 | 13,894 | 13,736 |
| | | | |
| | 76,957 | 66,646 | 71,526 |
| Less: sales between areas | 9,355 | 8,782 | 9,495 |
| | | | |
| | 67,602 | 57,864 | 62,031 |
| | | | |

3. 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

4. Operating profits are after charging:

| | First Quarter 2004 | Fourth Quarter 2003 | First Quarter 2003 |
|---------------------------|--------------------------|---------------------------|--------------------------|
| | | | |
| | \$ million | | |
| Exploration expense | | | |
| UK | 2 | 1 | 3 |
| Rest of Europe | 2 | 5 | 4 |
| USA | 97 | 60 | 37 |
| Rest of World | 35 | 127 | 68 |
| | | | |
| | 136 | 193 | 112 |
| | | | |
| Production taxes (a) | | | |
| UK petroleum revenue tax | 126 | 44 | 133 |
| Overseas production taxes | 399 | 377 | 371 |
| | | | |
| | 525 | 421 | 504 |
| | | | |

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(a) Production taxes are charged against Exploration and Production's operating profit and are not included in the charge for taxation in Note 8.

5. Stock holding gains (losses)

| | | | |
|----------------------------|-------|----|-------|
| Exploration and Production | 8 | - | 6 |
| Refining and Marketing | 529 | 16 | 620 |
| Petrochemicals | 121 | 10 | 146 |
| Gas, Power and Renewables | (10) | 58 | 27 |
| | ----- | | ----- |
| | 648 | 84 | 799 |
| | ===== | | ===== |

Notes

6. Interest expense

| | First Quarter 2004 | Fourth Quarter 2003 | First Quarter 2003 |
|-------------------------|--------------------------|---------------------------|--------------------------|
| | ===== | | |
| | \$ million | | |
| Group interest payable | 149 | 172 | 187 |
| Capitalized | (50) | (60) | (34) |
| | ----- | | ----- |
| | 99 | 112 | 153 |
| Joint ventures | 41 | 36 | 13 |
| Associated undertakings | 12 | 12 | 10 |
| | ----- | | ----- |
| | 152 | 160 | 176 |
| | ===== | | ===== |

7. Other finance expense

| | | | |
|---|-------|-------|-------|
| Interest on pension and other post-retirement benefit plan liabilities | 500 | 460 | 460 |
| Expected return on pension and other post-retirement benefit plan assets | (498) | (375) | (375) |
| | ----- | | ----- |
| Interest net of expected return on plan assets | 2 | 85 | 85 |
| Unwinding of discount on provisions | 48 | 42 | 44 |
| Unwinding of discount on deferred consideration for acquisition of investment in TNK-BP | 26 | 25 | - |
| | ----- | | ----- |
| | 76 | 152 | 129 |
| | ===== | | ===== |

8. Charge for taxation

| | | | |
|----------|-------|-----|-------|
| Current | 1,706 | 404 | 1,581 |
| Deferred | 116 | 753 | 201 |
| | ----- | | ----- |

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| | | | |
|----------|-------|-------|-------|
| | 1,822 | 1,157 | 1,782 |
| | ===== | | |
| UK | 345 | 356 | 451 |
| Overseas | 1,477 | 801 | 1,331 |
| | ----- | | |
| | 1,822 | 1,157 | 1,782 |
| | ===== | | |

Notes

9. Analysis of changes in net debt

| | First Quarter 2004 | Fourth Quarter 2003 | First Quarter 2003 |
|---|--------------------------|---------------------------|--------------------------|
| | ===== | | |
| | \$ million | | |
| Opening balance | | | |
| Finance debt | 22,325 | 19,970 | 22,008 |
| Less: Cash | 1,947 | 1,091 | 1,520 |
| Current asset investments | 185 | 404 | 215 |
| | ----- | | |
| Opening net debt | 20,193 | 18,475 | 20,273 |
| | ----- | | |
| Closing balance | | | |
| Finance debt | 19,937 | 22,325 | 19,042 |
| Less: Cash | 2,006 | 1,947 | 1,151 |
| Current asset investments | 328 | 185 | 228 |
| | ----- | | |
| Closing net debt | 17,603 | 20,193 | 17,663 |
| | ----- | | |
| Decrease (increase) in net debt | 2,590 | (1,718) | 2,610 |
| | ===== | | |
| Movement in cash/bank overdrafts | 61 | 797 | (378) |
| Increase (decrease) in current asset investments | 138 | (223) | 13 |
| Net cash outflow (inflow) from financing (excluding share capital) | 2,460 | (2,350) | 2,661 |
| Exchange of Exchangeable Bonds for Lukoil American Depositary Shares | - | - | 420 |
| Other movements | 14 | 5 | 64 |
| Debt acquired | - | (3) | - |
| | ----- | | |
| Movement in net debt before exchange effects | 2,673 | (1,774) | 2,780 |
| Exchange adjustments | (83) | 56 | (170) |
| | ----- | | |
| Decrease (increase) in net debt | 2,590 | (1,718) | 2,610 |
| | ===== | | |

Notes

10. TNK-BP Operational and Financial Information

First Fourth

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| | Quarter 2004 ===== | Quarter 2003 ===== |
|---|-----------------------------------|------------------------------------|
| Production (Net of royalties) (BP share) | | |
| Crude oil (mb/d) | 766 | 669 |
| Natural gas (mmcf/d) | 382 | 296 |
| Total hydrocarbons (mboe/d) (a) | 832 | 720 |
| | ===== | ===== |
| | \$ million | |
| Income statement (BP share) | | |
| Replacement cost profit before interest and tax | 374 | 354 |
| Stock holding gains (losses) | - | - |
| Interest expense + | (30) | (24) |
| Taxation | (115) | (53) |
| Minority shareholders' interest | (10) | 1 |
| | ----- | ----- |
| Net Income | 219 | 278 |
| | ===== | ===== |
| + Excludes unwinding of discount on deferred consideration | 26 | 25 |
| | ===== | ===== |
| Balance Sheet | 31 March 2004 ===== | 31 December 2003 ===== |
| Fixed assets - investments | | |
| Gross assets | 12,011 | 10,339 |
| Gross liabilities | (3,509) | (3,290) |
| | ----- | ----- |
| | 8,502 | 7,049 |
| | ===== | ===== |
| Deferred consideration | | |
| Due within one year | 1,236 | 1,227 |
| Due after more than one year | 2,369 | 2,352 |
| | ----- | ----- |
| | 3,605 | 3,579 |
| | ===== | ===== |
| | First Quarter 2004 ===== | Fourth Quarter 2003 ===== |
| Cash Flow | | |
| Additional investment in TNK-BP joint venture | (1,416) | (23) |
| Dividends related to period prior to acquisition | 143 | 297 |
| | ----- | ----- |
| Net investment in TNK-BP joint venture | (1,273) | 274 |
| | ===== | ===== |
| Dividends received | 119 | - |
| | ===== | ===== |

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

BP's share of the result of the TNK-BP joint venture has been included within Exploration and Production with effect from 29 August 2003. TNK-BP operational and financial information for the first quarter has been estimated and includes an adjustment in respect of the period 29 August to 31 December 2003 amounting to charges of \$11 million and \$29 million respectively in replacement cost profit before interest and tax and net income. TNK-BP's 2003 audited financial statements are expected to be finalized in May 2004. Any further adjustment in respect of 2003 will be reflected in BP's second quarter results.

Notes

11. Statutory accounts

The financial information shown in this publication is unaudited and does not constitute statutory accounts. The 2003 Annual Report and Accounts have been delivered to the UK Registrar of Companies; the report of the auditors on those accounts was unqualified.

Contacts

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<http://www.bp.com/investors>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BP p.l.c.
(Registrant)

Dated: 27 April, 2004

/s/ D. J. PEARL

.....
D. J. PEARL

