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| Fourth<br>Quarter<br>2002                   | Third<br>Quarter<br>2003 | Fourth<br>Quarter<br>2003 | \$ million                   | 2003   | Year<br>2002 | %  |
|---------------------------------------------|--------------------------|---------------------------|------------------------------|--------|--------------|----|
| Replacement cost profit                     |                          |                           |                              |        |              |    |
| 1,697                                       | 2,142                    | 1,819                     | before exceptional items     | 9,543  | 4,698        |    |
| 416                                         | 228                      | 211                       | Special items (a)            | 444    | 1,443        |    |
| 522                                         | 498                      | 637                       | Acquisition amortization (b) | 2,392  | 2,574        |    |
| Pro forma result adjusted for special items |                          |                           |                              |        |              |    |
| 2,635                                       | 2,868                    | 2,667                     |                              | 12,379 | 8,715        | 42 |
| 7.61                                        | 8.07                     | 7.07                      | - per ordinary share (pence) | 34.25  | 25.93        | 32 |
| 11.78                                       | 13.00                    | 12.07                     | - per ordinary share (cents) | 55.83  | 38.90        | 44 |
| 0.71                                        | 0.78                     | 0.72                      | - per ADS (dollars)          | 3.35   | 2.33         |    |

- BP's fourth quarter pro forma result, adjusted for special items, was \$2,667 million, compared with \$2,635 million a year ago, an increase of 1%. For the year, the result was a record \$12,379 million compared with \$8,715 million, up 42%. Replacement cost profit, before exceptional items, for the fourth quarter and year was \$1,819 million and a record \$9,543 million respectively, compared with \$1,697 million and \$4,698 million a year ago.
- The fourth quarter overall trading environment was more favourable than a year ago.
- In Exploration and Production, the impact of higher prices and volumes in the fourth quarter was offset by higher depreciation, foreign exchange effects, one-time charges and an increase in the provision for Unrealized Profit in Stock.
- Reserve replacement in 2003 was 122%. Including equity-accounted entities and the effect of acquisitions (notably our interest in TNK-BP) and disposals, additions to year end reserves were 158% of 2003 production.
- On 16 January 2004, we completed the deal to include AAR's 50% interest in Slavneft into TNK-BP, at a cost of \$1.4 billion in cash. On 13 January 2004, we sold our investment in PetroChina for \$1.65 billion.
- Net cash outflow for the quarter was \$1,837 million and net cash inflow for the year was \$1,342 million, compared with an inflow of \$711 million and an outflow of \$344 million a year ago.
- The pro forma ratio of net debt to net debt plus equity was 24% at the end of the quarter.
- Return on average capital employed for the quarter and year respectively, on a pro forma basis adjusted for special items, was 13% and 16%, compared with 15% and 13% a year ago.

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- The quarterly dividend was 6.75 cents per share (\$0.405 per ADS). This compares with 6.25 cents a year ago. For the year the dividend showed an increase of 8.3%. In sterling terms, the quarterly dividend is 3.674 pence per share compared with 3.815 pence a year ago; for the year the decrease was 0.8%.

BP Group Chief Executive, Lord Browne, said:

"Our results in 2003 have set a new record. We have delivered a good result from our existing assets and operations, while building a strong platform for the future. Our focus is now on delivering the growth in free cash flow of which we believe our portfolio is capable. We intend to restart our share buyback programme this quarter, subject to market conditions."

The pro forma result is replacement cost profit before exceptional items excluding acquisition amortization. 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 BP's current performance against that of its competitors.

- (a) The special items refer to non-recurring charges and credits. The special items for the fourth quarter comprise impairment charges and restructuring costs in Exploration and Production, Veba integration costs in Refining and Marketing and a provision to cover future rental payments on surplus property in Other businesses and corporate and tax restructuring benefits.
- (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 fourth quarter 2003 includes accelerated depreciation of the revaluation adjustment in respect of the impairment of former ARCO assets.

### Summary Fourth Quarter Results

Exploration and Production's fourth quarter result was broadly in line with a year ago, after reflecting the effects of higher oil and gas prices and a full quarter of TNK-BP, offset by higher depreciation, foreign exchange effects, one-time charges and an increase in the provision for Unrealized Profit in Stock.

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.

The Refining and Marketing result increased 23% compared with a year ago due to improved refining margins and marketing margins, particularly retail margins in the USA and Europe, with some offset from higher gas fuel costs.

The Petrochemicals result reflects operational difficulties in the nitriles business, the strength of the euro on our European cost base and non-routine charges, partly offset by a slight improvement in margins.

Interest expense for the quarter was \$227 million compared with \$213 million for the prior quarter. The increase reflects the inclusion of TNK-BP for a full quarter, partly offset by lower debt buy-back costs and an increase in capitalized interest.

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The pro forma effective tax rate on replacement cost profit, before exceptional items, and adjusted for special items, was 33.5% for the quarter compared with 34.0% a year ago. The special items in the quarter include tax restructuring benefits of \$150 million.

Capital expenditure was \$4.7 billion for the quarter; there were no acquisitions. Disposal proceeds for the quarter were \$1.4 billion.

Net cash outflow was \$1,837 million compared with an inflow of \$711 million a year ago, due to lower cash flow from operating activities and higher tax payments, partly offset by higher disposal proceeds. The reduced cash flow from operating activities reflects the payments of \$1.6 billion to group pension schemes.

Net debt at the end of the quarter was \$20.2 billion. The pro forma ratio of net debt to net debt plus equity was 24%.

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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.

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

| Pro Forma Result<br>adjusted for ----- 4Q 2003 -----<br>special items |            |            |                   |                |                      | Pro Forma Result<br>adjusted for<br>special items |              |         |
|-----------------------------------------------------------------------|------------|------------|-------------------|----------------|----------------------|---------------------------------------------------|--------------|---------|
| 4Q<br>2002                                                            | 3Q<br>2003 | 4Q<br>2003 | Special<br>Items* | Acq.<br>Amort+ | Reported<br>Earnings | \$ million                                        | Year<br>2003 | 2002    |
| =====                                                                 |            |            |                   |                |                      | =====                                             |              |         |
|                                                                       |            |            |                   |                |                      | Exploration and                                   |              |         |
| 3,666                                                                 | 3,813      | 3,687      | 323               | 426            | 2,938                | Production                                        | 15,977       | 12,005  |
|                                                                       |            |            |                   |                |                      | Gas, Power                                        |              |         |
| 72                                                                    | 98         | 77         | -                 | -              | 77                   | and Renewables                                    | 472          | 384     |
|                                                                       |            |            |                   |                |                      | Refining and                                      |              |         |
| 587                                                                   | 978        | 722        | 146               | 211            | 365                  | Marketing                                         | 3,689        | 2,081   |
| 139                                                                   | 124        | 35         | -                 | -              | 35                   | Petrochemicals                                    | 606          | 765     |
|                                                                       |            |            |                   |                |                      | Other businesses                                  |              |         |
| (146)                                                                 | (320)      | (221)      | 74                | -              | (295)                | and corporate                                     | (840)        | (515)   |
| -----                                                                 |            |            |                   |                |                      | -----                                             |              |         |
| 4,318                                                                 | 4,693      | 4,300      | 543               | 637            | 3,120                | RC operating                                      | 19,904       | 14,720  |
| -----                                                                 |            |            |                   |                |                      | -----                                             |              |         |
| (317)                                                                 | (213)      | (227)      | -                 | -              | (227)                | Interest expense                                  | (851)        | (1,264) |
| (1,360)                                                               | (1,569)    | (1,365)    | (332)             | -              | (1,033)              | Taxation                                          | (6,504)      | (4,673) |
| (6)                                                                   | (43)       | (41)       | -                 | -              | (41)                 | MSI                                               | (170)        | (68)    |
| -----                                                                 |            |            |                   |                |                      | -----                                             |              |         |
| 2,635                                                                 | 2,868      | 2,667      | 211               | 637            | 1,819                | RC profit before                                  | 12,379       | 8,715   |
| -----                                                                 |            |            |                   |                |                      | -----                                             |              |         |
|                                                                       |            |            |                   |                |                      | exceptional items                                 |              |         |
|                                                                       |            |            |                   |                |                      | (15)Exceptional items before tax                  |              |         |

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|                                         |  |
|-----------------------------------------|--|
| 84 Taxation on exceptional items        |  |
| -----                                   |  |
| 1,888 RC profit after exceptional items |  |
| 84 Stock holding gains                  |  |
| -----                                   |  |
| 1,972 HC profit                         |  |
| =====                                   |  |

\* The special items refer to non-recurring charges and credits. The special items for the fourth quarter comprise impairment charges and restructuring costs in Exploration and Production, Veba integration costs in Refining and Marketing and a provision to cover future rental payments on surplus property in Other businesses and corporate and tax restructuring benefits.

+ Acquisition amortization is depreciation and amortization relating to the fixed asset revaluation adjustments and goodwill consequent upon the ARCO and Burmah Castrol acquisitions. The fourth quarter 2003 includes accelerated depreciation of the revaluation adjustment in respect of the impairment of former ARCO assets.

Operating Results

| Fourth Quarter | Third Quarter | Fourth Quarter |                                                        | Year   |        |
|----------------|---------------|----------------|--------------------------------------------------------|--------|--------|
| 2002           | 2003          | 2003           |                                                        | 2003   | 2002   |
| =====          |               |                |                                                        | =====  |        |
|                |               |                | Replacement cost operating profit (\$m)                | 16,413 | 10,246 |
| 3,181          | 3,844         | 3,120          | -----                                                  |        | -----  |
|                |               |                | Replacement cost profit before exceptional items (\$m) | 9,543  | 4,698  |
| 1,697          | 2,142         | 1,819          | -----                                                  |        | -----  |
|                |               |                | Profit after exceptional items (\$m)                   |        |        |
| 825            | 2,310         | 1,888          | Replacement cost                                       | 10,251 | 5,741  |
| 651            | 2,394         | 1,972          | Historical cost                                        | 10,267 | 6,845  |
|                |               |                | -----                                                  |        | -----  |
|                |               |                | Per ordinary share (cents)                             |        |        |
|                |               |                | Pro forma result                                       |        |        |
| 11.78          | 13.00         | 12.07          | adjusted for special items                             | 55.83  | 38.90  |
|                |               |                | RC profit before                                       |        |        |
| 7.58           | 9.71          | 8.23           | exceptional items                                      | 43.03  | 20.97  |
| 2.92           | 10.85         | 8.93           | HC profit after exceptional items                      | 46.30  | 30.55  |
|                |               |                | -----                                                  |        | -----  |
|                |               |                | Per ADS (cents)                                        |        |        |
|                |               |                | Pro forma result                                       |        |        |
| 70.68          | 78.00         | 72.42          | adjusted for special items                             | 334.98 | 233.40 |
|                |               |                | RC profit before                                       |        |        |
| 45.48          | 58.26         | 49.38          | exceptional items                                      | 258.18 | 125.82 |
| 17.52          | 65.10         | 53.58          | HC profit after exceptional items                      | 277.80 | 183.30 |
|                |               |                | -----                                                  |        | -----  |

Exploration and Production

| 4Q    | 3Q    | 4Q    |                                   | Year   |       |
|-------|-------|-------|-----------------------------------|--------|-------|
| 2002  | 2003  | 2003  | \$ million                        | 2003   | 2002  |
| ===== |       |       |                                   | =====  |       |
| 3,248 | 3,520 | 2,938 | Replacement cost operating profit | 13,937 | 9,206 |
| 99    | -     | 323   | Special items                     | 474    | 1,019 |
| 319   | 293   | 426   | Acquisition amortization          | 1,566  | 1,780 |
|       |       |       | -----                             |        | ----- |
|       |       |       | Pro forma operating result        |        |       |

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|                               |       |       |                                     |        |        |
|-------------------------------|-------|-------|-------------------------------------|--------|--------|
| 3,666                         | 3,813 | 3,687 | adjusted for special items          | 15,977 | 12,005 |
| =====                         |       |       |                                     |        |        |
| Results include:              |       |       |                                     |        |        |
| 179                           | 136   | 193   | Exploration expense                 | 542    | 644    |
| Of which:                     |       |       |                                     |        |        |
| 124                           | 75    | 129   | Exploration expenditure written off | 297    | 385    |
| -----                         |       |       |                                     |        |        |
| Production (Net of Royalties) |       |       |                                     |        |        |
| 1,787                         | 1,852 | 2,248 | Crude oil (mb/d)                    | 1,911  | 1,771  |
| 262                           | 202   | 206   | Natural gas liquids (mb/d)          | 210    | 247    |
| 2,049                         | 2,054 | 2,454 | Total liquids (mb/d) (a)            | 2,121  | 2,018  |
| 8,936                         | 8,401 | 8,600 | Natural gas (mmcf/d)                | 8,613  | 8,707  |
| 3,590                         | 3,502 | 3,936 | Total hydrocarbons (mboe/d) (b)     | 3,606  | 3,519  |
| =====                         |       |       |                                     |        |        |
| Average realizations          |       |       |                                     |        |        |
| 26.22                         | 27.72 | 28.18 | Crude oil (\$/bbl)                  | 28.23  | 24.06  |
| 14.62                         | 19.39 | 20.15 | Natural gas liquids (\$/bbl)        | 19.26  | 12.85  |
| 24.78                         | 26.79 | 27.30 | Total liquids (\$/bbl)              | 27.25  | 22.69  |
| 2.87                          | 3.08  | 3.18  | Natural gas (\$/mcf)                | 3.39   | 2.46   |
| 21.03                         | 22.58 | 23.15 | Total hydrocarbons (\$/bbl)         | 23.69  | 18.88  |
| =====                         |       |       |                                     |        |        |
| Average oil marker prices     |       |       |                                     |        |        |
| (\$/bbl)                      |       |       |                                     |        |        |
| 26.88                         | 28.38 | 29.43 | Brent                               | 28.83  | 25.03  |
| 28.31                         | 30.19 | 31.15 | West Texas Intermediate             | 31.06  | 26.14  |
| 26.86                         | 28.83 | 29.43 | Alaska North Slope US West Coast    | 29.59  | 24.77  |
| =====                         |       |       |                                     |        |        |
| 3.99                          | 4.97  | 4.58  | Henry Hub gas price (\$/mmbtu) (c)  | 5.37   | 3.22   |
| UK Gas - National             |       |       |                                     |        |        |
| 19.09                         | 15.08 | 27.30 | Balancing Point (p/therm)           | 20.28  | 15.78  |
| =====                         |       |       |                                     |        |        |

(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 result for the fourth quarter was \$3,687 million, slightly ahead of the result for the fourth quarter of 2002 when adjusted for special charges of \$323 million. Acquisition amortization of \$426 million includes accelerated amortization of \$121 million. The special items and the accelerated acquisition amortization relate to impairment of the Miller field (\$133 million) in the UK following a decision not to proceed with waterflood and gas import options and four assets in the Gulf of Mexico Shelf (\$296 million) following technical reassessments and re-evaluation of future investment options, and special restructuring charges of \$15 million in respect of ongoing restructuring in the UK and North America.

The quarter saw increased production and higher oil and gas prices. Liquids realizations increased by \$2.52/bbl, and natural gas realizations by \$0.31/mcf compared with a year ago. Higher depreciation, foreign exchange effects, one-time charges in the USA and an increase in the provision for Unrealized Profit in Stock (UPIS) offset the impact of higher volumes and prices in the

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quarter. The charge of \$57 million in the quarter for UPIS, which removes the upstream margin from downstream inventories, compares with a credit of \$49 million in the equivalent quarter of last year.

The full year result at \$15,977 million, up \$3,972 million on a year ago, reflects the impact of increased production, higher oil and gas prices and a reduction in exploration expense partly offset by an increase in the depreciation charge.

During the quarter we had further exploration success in Angola on Block 31 with the Marte discovery and in Block 15 with the Tchichumba discovery and in Deepwater Gulf of Mexico with the Tubular Bells and the Puma discoveries.

Progress continues in our new profit centres. During the fourth quarter, the deepwater developments of Jasmim and Xikomba in Angola and Na Kika in the Gulf of Mexico started production. Other deepwater developments in the Gulf of Mexico are progressing well with the Holstein and Mad Dog spars now on the Gulf Coast for final construction and installation. Hull construction on Atlantis has commenced in South Korea. In Azerbaijan, construction is well advanced on the Azeri project and the BTC pipeline is on track for start-up in the first half of 2005. The Cannonball gas development in Trinidad has been approved and in Angola we have commenced the awarding of major contracts on the Greater Plutonio deepwater project.

Production for the quarter was up by more than 9% at 3,936 mboe/d compared with the fourth quarter of 2002. This reflects a full quarter's production volumes from our interest in TNK-BP partly offset by a reduction from divestments. Total production for the year was 3,606 mboe/d, an increase of over 2% on last year and reflects the offsetting impacts of divestments and the inclusion of TNK-BP volumes from 29 August.

The reserve replacement ratio for the year was 122% with 1,342 billion barrels of oil equivalent booked through discoveries, extensions, revisions and improved recovery. Reserve replacement has exceeded production for the eleventh consecutive year. Including equity-accounted entities and the effect of acquisitions and disposals, additions to year end reserves were 158% of 2003 production.

During the fourth quarter we completed our 2003 programme of portfolio upgrading with the sale of our 50% interest in the In Salah gas project in Algeria with proceeds received on 23 December. This brought divestment proceeds for the year to \$4.9 billion.

On 16 January, we announced the completion of the transaction in which Alfa Group and Access-Renova's 50% interest in Slavneft was transferred into TNK-BP.

### Gas, Power and Renewables

| 4Q<br>2002 | 3Q<br>2003 | 4Q<br>2003 | \$ million                                               | Year   |       |
|------------|------------|------------|----------------------------------------------------------|--------|-------|
|            |            |            |                                                          | 2003   | 2002  |
| 72         | 98         | 77         | Replacement cost operating profit                        | 472    | 354   |
| -          | -          | -          | Special items                                            | -      | 30    |
| -          | -          | -          | Acquisition amortization                                 | -      | -     |
| -----      |            |            | Pro forma operating result<br>adjusted for special items | 472    | 384   |
| =====      |            |            | Gas sales volumes (mmcf/d)                               |        |       |
| 2,715      | 2,174      | 2,565      | UK                                                       | 2,631  | 2,372 |
| 442        | 362        | 511        | Rest of Europe                                           | 441    | 399   |
| 10,723     | 11,808     | 12,121     | USA                                                      | 11,528 | 9,315 |
| 10,659     | 11,133     | 13,138     | Rest of World                                            | 11,669 | 9,535 |

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|        |        |        |                          |        |        |
|--------|--------|--------|--------------------------|--------|--------|
| 24,539 | 25,477 | 28,335 | Total gas sales volumes  | 26,269 | 21,621 |
| =====  |        |        |                          |        |        |
|        |        |        | NGL sales volumes (mb/d) |        |        |
| -      | -      | -      | UK                       | -      | -      |
| -      | -      | -      | Rest of Europe           | -      | -      |
| 262    | 188    | 206    | USA                      | 164    | 196    |
| 244    | 163    | 209    | Rest of World            | 182    | 214    |
| -----  |        |        |                          |        |        |
| 506    | 351    | 415    | Total NGL sales volumes  | 346    | 410    |
| =====  |        |        |                          |        |        |

### Gas, Power and Renewables

The pro forma result for the fourth quarter was \$77 million compared with \$72 million a year ago. The year's result, after adjusting for special items, was \$472 million compared to \$384 million for 2002.

The fourth quarter result is up due to an improved marketing and trading result, including LNG, which more than offset a lower result in the natural gas liquids business. The full year result reflects a strong performance from marketing and trading, including LNG, partly offset by a lower result for the natural gas liquids business, restructuring charges in Solar and the absence of a contribution from Ruhrgas following the sale of our interest last year.

The increased marketing and trading results for the quarter and the year were driven by higher gas sales volumes in North America and a strong performance from the global LNG business. Fourth quarter gas sales volumes were up 15% and equity LNG sales were up 36%. During the quarter BP and Sonatrach announced a joint venture that has secured long term capacity rights to the Isle of Grain import regasification terminal in the South East of England, which will enable the two companies to source and then supply 500 mmscfd of LNG into the UK market from 2005. BP announced that it proposes to build an LNG terminal in New Jersey, USA, which is scheduled to come into service around 2008. BP and BPMIGAS of Indonesia have signed a Heads of Agreement with Sempra LNG Corporation for a 20-year supply of LNG from Indonesia to markets in the USA and Mexico. BP has acquired a 35% interest in SK Power (previously a subsidiary of SK Corporation of South Korea), which has begun construction of a power station in Gwangyang, South Korea. The Tangguh LNG project was selected earlier as the supplier to the power station.

The result for the natural gas liquids business for the fourth quarter and year is down due to high gas prices relative to liquids prices in North America, which has led to lower sales volumes.

### Refining and Marketing

|       | 4Q   | 3Q   | 4Q   |                                                       | Year  |       |
|-------|------|------|------|-------------------------------------------------------|-------|-------|
|       | 2002 | 2003 | 2003 | \$ million                                            | 2003  | 2002  |
| ===== |      |      |      |                                                       |       |       |
|       | (36) | 455  | 365  | Replacement cost operating profit                     | 2,340 | 872   |
|       | 420  | 318  | 146  | Special items                                         | 523   | 415   |
|       | 203  | 205  | 211  | Acquisition amortization                              | 826   | 794   |
| ----- |      |      |      |                                                       |       |       |
|       | 587  | 978  | 722  | Pro forma operating result adjusted for special items | 3,689 | 2,081 |
| ===== |      |      |      |                                                       |       |       |
|       |      |      |      | Refinery throughputs (mb/d)                           |       |       |
|       | 392  | 405  | 389  | UK                                                    | 397   | 389   |
|       | 959  | 909  | 873  | Rest of Europe                                        | 932   | 918   |



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|                                                 |        |        |                              |        |        |
|-------------------------------------------------|--------|--------|------------------------------|--------|--------|
| 1,439                                           | 1,406  | 1,374  | USA                          | 1,386  | 1,439  |
| 367                                             | 366    | 378    | Rest of World                | 382    | 357    |
| -----                                           |        |        |                              |        |        |
| 3,157                                           | 3,086  | 3,014  | Total throughput             | 3,097  | 3,103  |
| =====                                           |        |        |                              |        |        |
| 96.1                                            | 96.2   | 94.9   | Refining availability(a) (%) | 95.5   | 96.1   |
| =====                                           |        |        |                              |        |        |
| Oil sales volumes (mb/d)                        |        |        |                              |        |        |
| Refined products                                |        |        |                              |        |        |
| 269                                             | 270    | 257    | UK                           | 271    | 253    |
| 1,541                                           | 1,293  | 1,295  | Rest of Europe               | 1,316  | 1,467  |
| 1,875                                           | 1,828  | 1,788  | USA                          | 1,797  | 1,874  |
| 611                                             | 657    | 681    | Rest of World                | 648    | 586    |
| -----                                           |        |        |                              |        |        |
| 4,296                                           | 4,048  | 4,021  | Total marketing sales        | 4,032  | 4,180  |
| 2,064                                           | 2,647  | 2,350  | Trading/supply sales         | 2,691  | 2,383  |
| -----                                           |        |        |                              |        |        |
| 6,360                                           | 6,695  | 6,371  | Total refined product sales  | 6,723  | 6,563  |
| 5,314                                           | 5,316  | 4,504  | Crude oil                    | 5,007  | 4,671  |
| -----                                           |        |        |                              |        |        |
| 11,674                                          | 12,011 | 10,875 | Total oil sales              | 11,730 | 11,234 |
| =====                                           |        |        |                              |        |        |
| Global Indicator Refining Margin(b)<br>(\$/bbl) |        |        |                              |        |        |
| 2.19                                            | 2.47   | 2.21   | NWE                          | 2.62   | 1.04   |
| 2.98                                            | 5.61   | 3.53   | USGC                         | 4.71   | 2.36   |
| 4.09                                            | 6.39   | 2.89   | Midwest                      | 4.54   | 3.30   |
| 3.95                                            | 9.04   | 6.09   | USWC                         | 7.06   | 4.34   |
| 1.41                                            | 1.27   | 2.20   | Singapore                    | 1.77   | 0.57   |
| 2.76                                            | 4.59   | 3.14   | BP Average                   | 3.88   | 2.11   |
| =====                                           |        |        |                              |        |        |

(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 fourth quarter, adjusted for special items, was \$722 million. This compares with \$587 million a year ago, an increase of \$135 million. The net special items of \$146 million for the quarter consisted of Veba integration costs of \$156 million and a credit of \$10 million arising from the reversal of restructuring provisions. This represents the final charge in respect of the Veba integration.

The result for the year of \$3,689 million is up \$1,608 million compared to last year, an increase of 77%. The net special items for the year of \$523 million comprised a \$246 million charge resulting from a reassessment of our environmental remediation provisions, Veba integration costs of \$287 million and a credit of \$10 million arising from the reversal of restructuring provisions.

The results for the fourth quarter and year reflect improved refining margins despite higher gas fuel costs, and higher marketing margins, particularly retail

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margins in the USA and Europe. Improved operating performance in the marketing businesses also contributed to the results.

Refining throughputs for the quarter were 4.5% lower than the same period last year due to disposals, with refining availability at 94.9% compared with 96.1% a year ago. Full year refining throughputs were flat compared with 2002, while availability for the year was 95.5% compared with 96.1%. Marketing volumes for the quarter were 6% lower than the same period last year and 4% lower for the year, as expected, due to divestments.

The roll-out of our new premium retail fuels, Ultimate gasoline and diesel, continued this quarter. Ultimate is now available in the UK, the USA, Greece, Spain, Portugal and Australia.

During the quarter we reached agreement in principle for H&R WASAG to purchase BP's European Special Products business, including the Neuhof base oil refinery in Hamburg, Germany.

### Petrochemicals

| 4Q<br>2002 | 3Q<br>2003 | 4Q<br>2003 | \$ million                                | Year   |        |
|------------|------------|------------|-------------------------------------------|--------|--------|
|            |            |            |                                           | 2003   | 2002   |
| 104        | 81         | 35         | Replacement cost operating profit         | 568    | 515    |
| 35         | 43         | -          | Special items                             | 38     | 250    |
| -          | -          | -          | Acquisition amortization                  | -      | -      |
| -----      |            |            | Pro forma operating result                |        |        |
| 139        | 124        | 35         | adjusted for special items                | 606    | 765    |
| =====      |            |            | (b) Chemicals Indicator Margin(a) (\$/te) | 113(b) | 104    |
| 108        | 109        | 114        | =====                                     |        |        |
|            |            |            | Petrochemicals production (kte)           |        |        |
| 698        | 771        | 832        | UK                                        | 3,186  | 3,221  |
| 2,679      | 2,724      | 2,790      | Rest of Europe                            | 10,958 | 10,526 |
| 2,447      | 2,563      | 2,466      | USA                                       | 10,068 | 10,201 |
| 785        | 982        | 1,065      | Rest of World                             | 3,731  | 3,040  |
| -----      |            |            | Total production                          | 27,943 | 26,988 |
| =====      |            |            | =====                                     |        |        |

(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 fourth quarter is based on two months' actuals and one month of provisional data.

### Petrochemicals

Petrochemicals' pro forma result for the fourth quarter was \$35 million, down

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from \$124 million in the third quarter. A slight improvement in margins was more than offset by several factors including operational difficulties in the nitriles business, the strength of the euro on our European cost base and a number of non-routine charges.

There were no special items in the fourth quarter. Special items for the year were \$38 million.

The year's result of \$606 million was down \$159 million. In addition to the factors affecting the fourth quarter, the decrease reflected prolonged margin weakness, primarily in our European polymers businesses, and a lower result from SARS affected businesses in Asia during the first half year.

Petrochemicals production of 7,153 thousand tonnes in the fourth quarter was up 113 thousand tonnes on the previous quarter. Production for the year was 27,943 thousand tonnes, up 3.5% on 2002, establishing a new record for the business. The increase was due to improved asset utilization across the business as well as new production capacity and increased ownership in our Asian associated undertakings.

During the fourth quarter, our portfolio management actions continued. We sold our interest in AG International Chemical Company, a purified isophthalic acid associated undertaking in Japan. Engineering contracts were awarded for a new 300 thousand-tonne acetic acid plant to be built in Taiwan as part of the Formosa BP Chemicals Corporation joint venture.

### Other Businesses and Corporate

| 4Q<br>2002 | 3Q<br>2003 | 4Q<br>2003 | \$ million                      | Year<br>2003 | Year<br>2002 |
|------------|------------|------------|---------------------------------|--------------|--------------|
|            |            |            |                                 |              |              |
| (207)      | (310)      | (295)      | Replacement cost operating loss | (904)        | (701)        |
| 61         | (10)       | 74         | Special items                   | 64           | 186          |
| -          | -          | -          | Acquisition amortization        | -            | -            |
|            |            |            | Pro forma operating result      |              |              |
| (146)      | (320)      | (221)      | adjusted for special items      | (840)        | (515)        |
|            |            |            |                                 |              |              |

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. BP sold its interest in PetroChina for \$1.65 billion on 13 January 2004. The special item for the quarter is a provision for future rental payments on surplus leasehold property. Although not classified as special items, the result also includes charges of \$59 million in respect of additional provisions for litigation and \$41 million for BP Foundation funding and a foreign exchange credit of \$42 million.

### Exceptional Items

| 4Q<br>2002 | 3Q<br>2003 | 4Q<br>2003 | \$ million                                                                        | Year<br>2003 | Year<br>2002 |
|------------|------------|------------|-----------------------------------------------------------------------------------|--------------|--------------|
|            |            |            |                                                                                   |              |              |
| (893)      | 172        | (15)       | Profit (loss) on sale of fixed assets and businesses or termination of operations | 831          | 1,168        |
| 21         | (4)        | 84         | Taxation (charge) credit                                                          | (123)        | (125)        |
|            |            |            | Exceptional items after taxation                                                  |              |              |
| (872)      | 168        | 69         |                                                                                   | 708          | 1,043        |
|            |            |            |                                                                                   |              |              |

Exceptional items for the fourth quarter include a gain on the sale of our

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interest in PT Kaltim Prima Coal, more than offset by losses on various minor Exploration and Production and Refining and Marketing disposals.

### 2003 Dividends

| 4Q<br>2002 | 3Q<br>2003 | 4Q<br>2003 |                              | Year<br>2003 | 2002   |
|------------|------------|------------|------------------------------|--------------|--------|
| =====      |            |            |                              | =====        |        |
|            |            |            | Dividends per ordinary share |              |        |
| 6.25       | 6.50       | 6.75       | cents                        | 26.00        | 24.00  |
| 3.815      | 3.857      | 3.674      | pence                        | 15.517       | 15.638 |
| 37.5       | 39.0       | 40.5       | Dividends per ADS (cents)    | 156.0        | 144.0  |
| -----      |            |            |                              | -----        |        |

BP today announced a fourth quarterly dividend for 2003 of 6.75 cents per ordinary share. Holders of ordinary shares will receive 3.674 pence per share and holders of American Depositary Receipts (ADRs) \$0.405 per ADS share. The dividend is payable on 15 March to shareholders on the register on 20 February. 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 15 March. The first quarter 2004 results and dividend will be announced on 27 April 2004.

### Outlook

BP Group Chief Executive, Lord Browne, concluded:

"The world economy recovered in the fourth quarter. Growth was robust in the USA and in Asia, particularly China, but Europe continued to lag. The USA and Asia are expected to continue growing above trend in 2004 but European growth is expected to remain below trend, with the exception of the UK.

"Crude oil prices continued to strengthen in the fourth quarter, adding around \$1 per barrel compared with the third quarter to average \$29.43 per barrel (Dated Brent). Prices remained strong in January, averaging \$31.32 (Dated Brent) in the face of low US crude oil inventories and cold weather in the eastern USA. Underlying oil demand appears to be strong on the back of global economic recovery and the ongoing economic boom in China, and has been growing faster than oil supply outside OPEC. OPEC fourth quarter production is thought to have increased modestly, despite the 900,000 barrels per day quota cut that became effective on 1 November. We expect that future oil prices will largely depend on OPEC's ability to realign production in line with seasonal requirements.

"US natural gas prices continued to trade between residual fuel oil and distillate parity in the fourth quarter, with the Henry Hub First of the Month Index averaging \$4.58/mmbtu, 39 cents per mmbtu below the third quarter. Cold January weather raised prices to above \$6/mmbtu on average, but they have since eased. Working gas inventories are above last year's and 5-year average levels. We expect the path of gas prices will depend on weather during the balance of winter and movements in oil prices.

"Refining margins in the fourth quarter weakened relative to the third quarter in the face of crude market tightness and recovering product inventories, but remained above historic average levels. Margins have been mostly firm so far in 2004 on the back of strong global oil demand growth and cold US weather. Demand strength should continue to be a constructive factor for refining margins. Retail margins were lower in the fourth quarter relative to the third quarter.

"Petrochemical margins in the fourth quarter remained under pressure from

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high feedstock costs and this has carried over into the first quarter of 2004. However, margins and sales are expected to improve in 2004, reflecting modest increases in industry utilization rates.

"Capital expenditure for 2003 was \$14.0 billion, excluding acquisitions, and is projected to be approximately \$13.5 billion in 2004. Production capacity is expected to grow to more than 4 mmb/d in 2004, an increase of more than 10% from actual 2003 output. After adjusting for the impact of portfolio changes, this is consistent with the lower end of the guidance range for 2004 capacity of 3.6 to 3.7 mmb/d given in February 2003. The company intends to restart its share buyback programme this quarter, subject to market conditions. Purchases may be increased, decreased or discontinued at any time without prior notice."

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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, demand, future performance, gearing, growth and other trend projections, margins, prices, production, sales, share repurchases and the timing of pending transactions. 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

| Fourth<br>Quarter<br>2002 | Third<br>Quarter<br>2003 | Fourth<br>Quarter<br>2003 |                                    | Year<br>2003 | Year<br>2002 |
|---------------------------|--------------------------|---------------------------|------------------------------------|--------------|--------------|
| =====                     |                          |                           |                                    | =====        |              |
| \$ million                |                          |                           |                                    | \$ million   |              |
| 3,248                     | 3,520                    | 2,938                     | Exploration and Production         | 13,937       | 9,206        |
| 72                        | 98                       | 77                        | Gas, Power and Renewables          | 472          | 354          |
| (36)                      | 455                      | 365                       | Refining and Marketing             | 2,340        | 872          |
| 104                       | 81                       | 35                        | Petrochemicals                     | 568          | 515          |
| (207)                     | (310)                    | (295)                     | Other businesses and corporate     | (904)        | (701)        |
| -----                     |                          |                           |                                    | -----        |              |
|                           |                          |                           | Total replacement cost             |              |              |
| 3,181                     | 3,844                    | 3,120                     | operating profit                   | 16,413       | 10,246       |
|                           |                          |                           | Profit (loss) on sale of           |              |              |
|                           |                          |                           | fixed assets and businesses or     |              |              |
| (893)                     | 172                      | (15)                      | termination of operations (Note 4) | 831          | 1,168        |
| -----                     |                          |                           |                                    | -----        |              |

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|       |       |       |                                                 |        |        |
|-------|-------|-------|-------------------------------------------------|--------|--------|
|       |       |       | Replacement cost profit before interest and tax | 17,244 | 11,414 |
| 2,288 | 4,016 | 3,105 | Stock holding gains (losses) (Note 5)           | 16     | 1,129  |
| (174) | 84    | 84    | -----                                           |        |        |
|       |       |       | Historical cost profit before interest and tax  | 17,260 | 12,543 |
| 2,114 | 4,100 | 3,189 | Interest expense (Note 6)                       | 851    | 1,279  |
| 332   | 213   | 227   | -----                                           |        |        |
|       |       |       | Profit before taxation                          | 16,409 | 11,264 |
| 1,782 | 3,887 | 2,962 | Taxation (Note 7)                               | 5,972  | 4,342  |
| 1,125 | 1,450 | 949   | -----                                           |        |        |
|       |       |       | Profit after taxation                           | 10,437 | 6,922  |
| 657   | 2,437 | 2,013 | Minority shareholders' interest                 | 170    | 77     |
| 6     | 43    | 41    | -----                                           |        |        |
|       |       |       | Profit for the period                           | 10,267 | 6,845  |
| 651   | 2,394 | 1,972 | -----                                           |        |        |
|       |       |       | Distribution to shareholders                    | 5,753  | 5,375  |
| 1,398 | 1,438 | 1,495 | -----                                           |        |        |
|       |       |       | Retained profit (deficit) for the period        | 4,514  | 1,470  |
| (747) | 956   | 477   | =====                                           |        |        |
|       |       |       | Earnings per ordinary share - cents             |        |        |
| 2.92  | 10.85 | 8.93  | Basic                                           | 46.30  | 30.55  |
| 2.92  | 10.74 | 8.69  | Diluted                                         | 45.87  | 30.41  |
| ===== |       |       |                                                 |        |        |

### Replacement Cost Results

|       |       |       |                                                     |        |         |
|-------|-------|-------|-----------------------------------------------------|--------|---------|
|       |       |       | Historical cost profit for the period               | 10,267 | 6,845   |
| 651   | 2,394 | 1,972 | Stock holding (gains) losses net of MSI             | (16)   | (1,104) |
| 174   | (84)  | (84)  | -----                                               |        |         |
|       |       |       | Replacement cost profit for the period              | 10,251 | 5,741   |
| 825   | 2,310 | 1,888 | Exceptional items (net of tax)                      | (708)  | (1,043) |
| 872   | (168) | (69)  | -----                                               |        |         |
|       |       |       | Replacement cost profit before exceptional items    | 9,543  | 4,698   |
| 1,697 | 2,142 | 1,819 | -----                                               |        |         |
|       |       |       | Earnings per ordinary share - cents                 |        |         |
|       |       |       | On replacement cost profit before exceptional items | 43.03  | 20.97   |
| 7.58  | 9.71  | 8.23  | =====                                               |        |         |

### Summarized Group Balance Sheet

|                   | 31 December<br>2003 | 31 December<br>2002 |
|-------------------|---------------------|---------------------|
| -----             |                     |                     |
| \$ million        |                     |                     |
| Fixed assets      |                     |                     |
| Intangible assets | 13,642              | 15,566              |
| Tangible assets   | 91,911              | 87,682              |
| Investments       | 17,554              | 10,811              |
|                   | -----               | -----               |
|                   | 123,107             | 114,059             |
|                   | -----               | -----               |
| Current assets    |                     |                     |
| Stocks            | 11,617              | 10,181              |
| Debtors           | 40,716              | 33,150              |

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|                                                             |         |         |
|-------------------------------------------------------------|---------|---------|
| Investments                                                 | 185     | 215     |
| Cash at bank and in hand                                    | 1,947   | 1,520   |
|                                                             | -----   | -----   |
|                                                             | 54,465  | 45,066  |
| Creditors - amounts falling due within one year             |         |         |
| Finance debt                                                | 9,456   | 10,086  |
| Other creditors                                             | 41,128  | 36,215  |
|                                                             | -----   | -----   |
| Net current assets (liabilities)                            | 3,881   | (1,235) |
|                                                             | -----   | -----   |
| Total assets less current liabilities                       | 126,988 | 112,824 |
| Creditors - amounts falling due<br>after more than one year |         |         |
| Finance debt                                                | 12,869  | 11,922  |
| Other creditors                                             | 6,090   | 3,455   |
| Provisions for liabilities and charges                      |         |         |
| Deferred taxation                                           | 15,273  | 13,514  |
| Other provisions                                            | 15,693  | 13,886  |
|                                                             | -----   | -----   |
| Net assets                                                  | 77,063  | 70,047  |
| Minority shareholders' interest - equity                    | 1,125   | 638     |
|                                                             | -----   | -----   |
| BP shareholders' interest                                   | 75,938  | 69,409  |
|                                                             | =====   | =====   |

| Movement in BP shareholders' interest:                     | \$ million |
|------------------------------------------------------------|------------|
| At 31 December 2002                                        | 69,409     |
| Profit for the period                                      | 10,267     |
| Distribution to shareholders                               | (5,753)    |
| Currency translation differences (net of tax)              | 3,841      |
| Issue of ordinary share capital for employee share schemes | 173        |
| Repurchase of ordinary share capital                       | (1,999)    |
|                                                            | -----      |
| At 31 December 2003                                        | 75,938     |
|                                                            | =====      |

### Summarized Group Cash Flow Statement

| Fourth<br>Quarter<br>2002 | Third<br>Quarter<br>2003 | Fourth<br>Quarter<br>2003 | Year                                               |                    |
|---------------------------|--------------------------|---------------------------|----------------------------------------------------|--------------------|
| \$ million                |                          |                           | 2003                                               | 2002               |
| -----                     |                          |                           | -----                                              |                    |
| 6,197                     | 4,891                    | 3,500                     | \$ million                                         |                    |
| -----                     |                          |                           | -----                                              |                    |
| 69                        | 39                       | 51                        | Net cash inflow from<br>operating activities (a)   | 21,698    19,342   |
| -----                     |                          |                           | -----                                              |                    |
| 65                        | 65                       | 120                       | Dividends from joint ventures                      | 131    198         |
| -----                     |                          |                           | -----                                              |                    |
| 63                        | 41                       | 51                        | Dividends from<br>associated undertakings          | 417    368         |
| -----                     |                          |                           | -----                                              |                    |
| (335)                     | (163)                    | (190)                     | Servicing of finance and returns<br>on investments |                    |
| 38                        | 26                       | 66                        | Interest received                                  | 175    231         |
| (11)                      | (4)                      | (3)                       | Interest paid                                      | (1,006)    (1,204) |
| -----                     |                          |                           | -----                                              |                    |
|                           |                          |                           | Dividends received                                 | 140    102         |
|                           |                          |                           | Dividends paid to<br>minority shareholders         | (20)    (40)       |
| -----                     |                          |                           | -----                                              |                    |

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|         |         |         |                                                                          |          |          |
|---------|---------|---------|--------------------------------------------------------------------------|----------|----------|
|         |         |         | Net cash outflow from servicing of<br>finance and returns on investments | (711)    | (911)    |
| (245)   | (100)   | (76)    |                                                                          |          |          |
| -----   |         |         |                                                                          |          |          |
|         |         |         | Taxation                                                                 |          |          |
| (419)   | (264)   | (329)   | UK corporation tax                                                       | (1,185)  | (979)    |
| (642)   | (539)   | (1,187) | Overseas tax                                                             | (3,619)  | (2,115)  |
| -----   |         |         |                                                                          |          |          |
| (1,061) | (803)   | (1,516) | Tax paid                                                                 | (4,804)  | (3,094)  |
| -----   |         |         |                                                                          |          |          |
|         |         |         | Capital expenditure and<br>financial investment                          |          |          |
| (3,544) | (3,063) | (3,740) | Payments for fixed assets                                                | (12,440) | (12,116) |
| 726     | 874     | 1,410   | Proceeds from the sale<br>of fixed assets                                | 6,253    | 2,470    |
| -----   |         |         |                                                                          |          |          |
| (2,818) | (2,189) | (2,330) | Net cash outflow for<br>capital expenditure and<br>financial investment  | (6,187)  | (9,646)  |
| -----   |         |         |                                                                          |          |          |
|         |         |         | Acquisitions and disposals                                               |          |          |
| (28)    | (28)    | (33)    | Acquisitions, net of cash acquired                                       | (211)    | (4,324)  |
| 304     | -       | -       | Proceeds from the sale<br>of businesses                                  | 179      | 1,974    |
| -       | (2,625) | 274     | Acquisition of investment in<br>TNK-BP joint venture                     | (2,351)  | -        |
| (217)   | -       | (162)   | Net investment in<br>other joint ventures                                | (178)    | (354)    |
| (215)   | (243)   | (227)   | Investments in associated<br>undertakings                                | (987)    | (971)    |
| -       | -       | -       | Proceeds from the sale of<br>investment in Ruhrgas                       | -        | 2,338    |
| -----   |         |         |                                                                          |          |          |
| (156)   | (2,896) | (148)   | Net cash outflow for<br>acquisitions and disposals                       | (3,548)  | (1,337)  |
| -----   |         |         |                                                                          |          |          |
| (1,340) | (1,433) | (1,438) | Equity dividends paid                                                    | (5,654)  | (5,264)  |
| -----   |         |         |                                                                          |          |          |
| 711     | (2,426) | (1,837) | Net cash inflow (outflow)                                                | 1,342    | (344)    |
| =====   |         |         |                                                                          |          |          |
| 304     | (1,471) | (2,411) | Financing (b)                                                            | 1,066    | (181)    |
| (56)    | 76      | (223)   | Management of liquid resources                                           | (41)     | (220)    |
| 463     | (1,031) | 797     | Increase (decrease) in cash                                              | 317      | 57       |
| -----   |         |         |                                                                          |          |          |
| 711     | (2,426) | (1,837) |                                                                          | 1,342    | (344)    |
| =====   |         |         |                                                                          |          |          |

### Analysis of Cash Flow

| Fourth<br>Quarter<br>2002                                                                                                  | Third<br>Quarter<br>2003 | Fourth<br>Quarter<br>2003 |                                                   | Year       |        |
|----------------------------------------------------------------------------------------------------------------------------|--------------------------|---------------------------|---------------------------------------------------|------------|--------|
|                                                                                                                            |                          |                           |                                                   | 2003       | 2002   |
| \$ million                                                                                                                 |                          |                           |                                                   | \$ million |        |
| (a) Reconciliation of historical<br>cost profit before interest<br>and tax to net cash inflow<br>from operating activities |                          |                           |                                                   |            |        |
|                                                                                                                            |                          |                           | Historical cost profit before<br>interest and tax | 17,260     | 12,543 |
| 2,114                                                                                                                      | 4,100                    | 3,189                     | Depreciation and amounts provided                 | 10,940     | 10,401 |
| 2,515                                                                                                                      | 2,485                    | 3,093                     |                                                   |            |        |



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|       |         |         |                                                                |         |         |
|-------|---------|---------|----------------------------------------------------------------|---------|---------|
|       |         |         |                                                                |         |         |
| 124   | 75      | 129     | Exploration expenditure written off                            | 297     | 385     |
| (250) | (433)   | (494)   | Share of profits of joint ventures and associated undertakings | (1,438) | (966)   |
| (115) | (72)    | (121)   | Interest and other income                                      | (341)   | (358)   |
| 895   | (172)   | 15      | (Profit) loss on sale of fixed assets and businesses           | (831)   | (1,166) |
| 451   | 765     | 563     | Charge for provisions                                          | 1,734   | 1,277   |
| (424) | (278)   | (382)   | Utilization of provisions                                      | (1,204) | (1,427) |
| (63)  | (1,048) | (362)   | (Increase) decrease in stocks                                  | (841)   | (1,521) |
| (269) | (638)   | (1,307) | (Increase) decrease in debtors                                 | (5,628) | (2,672) |
| 1,219 | 107     | (823)   | Increase (decrease) in creditors                               | 1,750   | 2,846   |
| ----- |         |         | -----                                                          |         |         |
| 6,197 | 4,891   | 3,500   | Net cash inflow from operating activities                      | 21,698  | 19,342  |
| ===== |         |         | =====                                                          |         |         |

### (b) Financing

|         |         |         |                                          |         |         |
|---------|---------|---------|------------------------------------------|---------|---------|
|         |         |         |                                          |         |         |
| (651)   | (1,433) | (1,666) | Long-term borrowing                      | (4,322) | (3,707) |
| 905     | 1,774   | 776     | Repayments of long-term borrowing        | 3,560   | 2,369   |
| (3,970) | (1,924) | (1,738) | Short-term borrowing                     | (4,706) | (9,849) |
| 4,037   | 143     | 278     | Repayments of short-term borrowing       | 4,708   | 10,451  |
| -----   |         |         | -----                                    |         |         |
| 321     | (1,440) | (2,350) |                                          | (760)   | (736)   |
| (17)    | (31)    | (61)    | Issue of ordinary share capital          | (173)   | (195)   |
| -       | -       | -       | Repurchase of ordinary share capital     | 1,999   | 750     |
| -----   |         |         | -----                                    |         |         |
| 304     | (1,471) | (2,411) | Net cash outflow (inflow) from financing | 1,066   | (181)   |
| =====   |         |         | =====                                    |         |         |

### Capital Expenditure and Acquisitions

|                     |                    |                     |            |      |      |
|---------------------|--------------------|---------------------|------------|------|------|
|                     |                    |                     |            |      |      |
| Fourth Quarter 2002 | Third Quarter 2003 | Fourth Quarter 2003 |            | Year |      |
|                     |                    |                     |            | 2003 | 2002 |
| =====               |                    |                     | =====      |      |      |
| \$ million          |                    |                     | \$ million |      |      |

#### By business

|       |       |       |                            |        |       |
|-------|-------|-------|----------------------------|--------|-------|
|       |       |       |                            |        |       |
| 177   | 182   | 189   | Exploration and Production |        |       |
| 73    | 80    | 75    | UK                         | 787    | 955   |
| 1,079 | 989   | 1,145 | Rest of Europe             | 279    | 262   |
| 1,244 | 6,999 | 1,194 | USA                        | 4,109  | 4,303 |
|       |       |       | Rest of World(a)           | 10,277 | 4,179 |
| ----- |       |       | -----                      |        |       |
| 2,573 | 8,250 | 2,603 |                            | 15,452 | 9,699 |
| ----- |       |       | -----                      |        |       |
| -     | 15    | 21    | Gas, Power and Renewables  |        |       |
| 41    | 6     | 46    | UK                         | 68     | 28    |
| 60    | 18    | 44    | Rest of Europe (b)         | 76     | 161   |
| 22    | 19    | 24    | USA                        | 148    | 160   |
|       |       |       | Rest of World              | 67     | 59    |
| ----- |       |       | -----                      |        |       |
| 123   | 58    | 135   |                            | 359    | 408   |
| ----- |       |       | -----                      |        |       |

#### Refining and Marketing

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|       |       |       |                                        |        |        |
|-------|-------|-------|----------------------------------------|--------|--------|
| 163   | 89    | 249   | UK                                     | 477    | 395    |
| 273   | 169   | 446   | Rest of Europe (c)                     | 783    | 5,759  |
| 430   | 322   | 623   | USA                                    | 1,509  | 1,291  |
| 180   | 79    | 181   | Rest of World                          | 311    | 308    |
| <hr/> |       |       |                                        | <hr/>  |        |
| 1,046 | 659   | 1,499 |                                        | 3,080  | 7,753  |
| <hr/> |       |       |                                        | <hr/>  |        |
|       |       |       | Petrochemicals                         |        |        |
| 57    | 51    | 35    | UK                                     | 116    | 112    |
| 10    | 16    | 69    | Rest of Europe                         | 137    | 173    |
| 116   | 55    | 130   | USA                                    | 291    | 262    |
| 102   | 60    | 65    | Rest of World                          | 231    | 276    |
| <hr/> |       |       |                                        | <hr/>  |        |
| 285   | 182   | 299   |                                        | 775    | 823    |
| <hr/> |       |       |                                        | <hr/>  |        |
| 61    | 59    | 131   | Other businesses and corporate (d) (e) | 409    | 428    |
| <hr/> |       |       |                                        | <hr/>  |        |
| 4,088 | 9,208 | 4,667 |                                        | 20,075 | 19,111 |
| <hr/> |       |       |                                        | <hr/>  |        |
|       |       |       | By geographical area                   |        |        |
| 434   | 377   | 580   | UK                                     | 1,619  | 1,637  |
| 398   | 271   | 637   | Rest of Europe                         | 1,277  | 6,556  |
| 1,708 | 1,403 | 1,985 | USA                                    | 6,291  | 6,095  |
| 1,548 | 7,157 | 1,465 | Rest of World                          | 10,888 | 4,823  |
| <hr/> |       |       |                                        | <hr/>  |        |
| 4,088 | 9,208 | 4,667 |                                        | 20,075 | 19,111 |
| <hr/> |       |       |                                        | <hr/>  |        |

- (a) Third quarter includes \$5,888 million for the acquisition of our interest in TNK-BP. Fourth quarter includes a subsequent adjustment of \$94 million to give a net total cost for the year 2003 of \$5,794 million. Year 2002 included the acquisition of an additional interest in Sidanco.
- (b) Year 2002 included the acquisition of a 5% stake in Enagas.
- (c) Year 2002 included the acquisition of 100% of Veba.
- (d) Year 2003 included the acquisition of the preferred stock of CH-Twenty.
- (e) Year 2002 included the acquisition of the minority interest in Veba's upstream oil and gas assets.

### US dollar/Sterling exchange rates

|       |      |      |                             |       |      |
|-------|------|------|-----------------------------|-------|------|
| 1.57  | 1.61 | 1.70 | Average rate for the period | 1.63  | 1.50 |
| 1.60  | 1.66 | 1.78 | Period-end rate             | 1.78  | 1.60 |
| <hr/> |      |      |                             | <hr/> |      |

### Analysis of Replacement Cost Operating Profit

| Fourth<br>Quarter<br>2002 | Third<br>Quarter<br>2003 | Fourth<br>Quarter<br>2003 | Year        |      |
|---------------------------|--------------------------|---------------------------|-------------|------|
|                           |                          |                           | 2003        | 2002 |
| \$ million                |                          |                           | \$ million  |      |
|                           |                          |                           | By business |      |

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|       |       |       |  |                                             |        |        |
|-------|-------|-------|--|---------------------------------------------|--------|--------|
|       |       |       |  |                                             |        |        |
| 965   | 582   | 700   |  | Exploration and Production                  |        |        |
| 177   | 124   | 152   |  | UK                                          | 2,889  | 2,526  |
| 1,081 | 1,368 | 680   |  | Rest of Europe                              | 610    | 714    |
| 1,025 | 1,446 | 1,406 |  | USA                                         | 5,294  | 2,835  |
|       |       |       |  | Rest of World                               | 5,144  | 3,131  |
| ----- |       |       |  |                                             |        |        |
| 3,248 | 3,520 | 2,938 |  |                                             | 13,937 | 9,206  |
| ----- |       |       |  |                                             |        |        |
|       |       |       |  | Gas, Power and Renewables                   |        |        |
| (31)  | 13    | 40    |  | UK                                          | 74     | (94)   |
| 1     | (12)  | (11)  |  | Rest of Europe                              | (37)   | 100    |
| 9     | 54    | (3)   |  | USA                                         | 172    | 25     |
| 93    | 43    | 51    |  | Rest of World                               | 263    | 323    |
| ----- |       |       |  |                                             |        |        |
| 72    | 98    | 77    |  |                                             | 472    | 354    |
| ----- |       |       |  |                                             |        |        |
|       |       |       |  | Refining and Marketing                      |        |        |
| (155) | (119) | (84)  |  | UK                                          | (208)  | (498)  |
| (53)  | 325   | 141   |  | Rest of Europe                              | 1,226  | 571    |
| 80    | 51    | 161   |  | USA                                         | 632    | 335    |
| 92    | 198   | 147   |  | Rest of World                               | 690    | 464    |
| ----- |       |       |  |                                             |        |        |
| (36)  | 455   | 365   |  |                                             | 2,340  | 872    |
| ----- |       |       |  |                                             |        |        |
|       |       |       |  | Petrochemicals                              |        |        |
| (47)  | (94)  | (26)  |  | UK                                          | (177)  | (82)   |
| 65    | 85    | 37    |  | Rest of Europe                              | 457    | 337    |
| 24    | 31    | (10)  |  | USA                                         | 112    | 126    |
| 62    | 59    | 34    |  | Rest of World                               | 176    | 134    |
| ----- |       |       |  |                                             |        |        |
| 104   | 81    | 35    |  |                                             | 568    | 515    |
| ----- |       |       |  |                                             |        |        |
| (207) | (310) | (295) |  | Other businesses and corporate              | (904)  | (701)  |
| ----- |       |       |  |                                             |        |        |
| 3,181 | 3,844 | 3,120 |  |                                             | 16,413 | 10,246 |
| ===== |       |       |  |                                             |        |        |
|       |       |       |  | By geographical area                        |        |        |
| 793   | 283   | 943   |  | UK                                          | 2,594  | 1,696  |
| 171   | 525   | 277   |  | Rest of Europe                              | 2,208  | 1,703  |
| 944   | 1,279 | 193   |  | USA                                         | 5,201  | 2,818  |
| 1,273 | 1,757 | 1,707 |  | Rest of World                               | 6,410  | 4,029  |
| ----- |       |       |  |                                             |        |        |
| 3,181 | 3,844 | 3,120 |  |                                             | 16,413 | 10,246 |
| ===== |       |       |  |                                             |        |        |
|       |       |       |  | Included above                              |        |        |
| 83    | 303   | 402   |  | Share of profits of joint ventures          | 923    | 346    |
| 161   | 128   | 93    |  | Share of profits of associated undertakings | 511    | 616    |
| ----- |       |       |  |                                             |        |        |
| 244   | 431   | 495   |  |                                             | 1,434  | 962    |
| ===== |       |       |  |                                             |        |        |

### Notes

#### 1. Turnover

| Fourth<br>Quarter | Third<br>Quarter | Fourth<br>Quarter | Year      |
|-------------------|------------------|-------------------|-----------|
| 2002              | 2003             | 2003              | 2003 2002 |
| =====             |                  |                   |           |
|                   |                  |                   | =====     |

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| \$ million |        |        |                            | \$ million      |
|------------|--------|--------|----------------------------|-----------------|
|            |        |        | By business                |                 |
| 7,356      | 7,310  | 7,530  | Exploration and Production | 31,341 25,753   |
| 12,041     | 15,904 | 16,668 | Gas, Power and Renewables  | 65,445 37,357   |
| 33,443     | 38,353 | 36,378 | Refining and Marketing     | 149,477 125,836 |
| 3,118      | 3,798  | 4,336  | Petrochemicals             | 16,075 13,064   |
|            |        |        | Other businesses           |                 |
| 131        | 138    | 137    | and corporate              | 515 510         |
| -----      |        |        |                            | -----           |
| 56,089     | 65,503 | 65,049 |                            | 262,853 202,520 |
| 6,367      | 7,253  | 7,185  | Less: sales between        | 30,282 23,799   |
| -----      |        |        |                            | -----           |
| 49,722     | 58,250 | 57,864 | Group excluding JVs        | 232,571 178,721 |
| 413        | 914    | 1,798  | Share of sales by          | 3,474 1,465     |
| -----      |        |        |                            | -----           |
| 50,135     | 59,164 | 59,662 | joint ventures             | 236,045 180,186 |
| =====      |        |        |                            | =====           |
|            |        |        | By geographical area       |                 |
|            |        |        | Group excluding JVs        |                 |
| 13,084     | 12,561 | 14,117 | UK                         | 54,971 48,748   |
| 11,720     | 12,476 | 12,288 | Rest of Europe             | 50,582 46,518   |
| 22,573     | 29,119 | 26,347 | USA                        | 108,910 80,381  |
| 10,845     | 12,766 | 13,894 | Rest of World              | 52,498 34,401   |
| -----      |        |        |                            | -----           |
| 58,222     | 66,922 | 66,646 |                            | 266,961 210,048 |
| 8,500      | 8,672  | 8,782  | Less: sales between        | 34,390 31,327   |
| -----      |        |        |                            | -----           |
| 49,722     | 58,250 | 57,864 | areas                      | 232,571 178,721 |
| =====      |        |        |                            | =====           |

### 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:

| Fourth<br>Quarter<br>2002 | Third<br>Quarter<br>2003 | Fourth<br>Quarter<br>2003 | Year                      |           |
|---------------------------|--------------------------|---------------------------|---------------------------|-----------|
|                           |                          |                           | 2003                      | 2002      |
| \$ million                |                          |                           | \$ million                |           |
| -----                     |                          |                           | -----                     |           |
|                           |                          |                           | Exploration expense       |           |
| 1                         | 11                       | 1                         | UK                        | 17 27     |
| 6                         | 23                       | 5                         | Rest of Europe            | 37 47     |
| 30                        | 60                       | 60                        | USA                       | 204 258   |
| 142                       | 42                       | 127                       | Rest of World             | 284 312   |
| -----                     |                          |                           |                           | -----     |
| 179                       | 136                      | 193                       |                           | 542 644   |
| =====                     |                          |                           | =====                     |           |
|                           |                          |                           | Production taxes (a)      |           |
| 64                        | 65                       | 44                        | UK petroleum revenue tax  | 300 309   |
| 298                       | 351                      | 377                       | Overseas production taxes | 1,423 965 |
| -----                     |                          |                           |                           | -----     |

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|     |     |     |  |       |       |
|-----|-----|-----|--|-------|-------|
| 362 | 416 | 421 |  | 1,723 | 1,274 |
|     |     |     |  |       |       |

(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

|         |      |      |                                                                                   |       |       |
|---------|------|------|-----------------------------------------------------------------------------------|-------|-------|
| (1,133) | 196  | (49) | Exploration and Production                                                        | 913   | (726) |
| (33)    | (2)  | (10) | Gas, Power and Renewables                                                         | (6)   | 1,551 |
| 365     | (21) | (91) | Refining and Marketing                                                            | (213) | 613   |
| (122)   | 13   | 16   | Petrochemicals                                                                    | 38    | (256) |
| 30      | (14) | 119  | Other businesses and corporate                                                    | 99    | (14)  |
|         |      |      |                                                                                   |       |       |
| (893)   | 172  | (15) | Profit (loss) on sale of fixed assets and businesses or termination of operations | 831   | 1,168 |
| 21      | (4)  | 84   | Taxation (charge) credit                                                          | (123) | (125) |
|         |      |      |                                                                                   |       |       |
| (872)   | 168  | 69   | Exceptional items after taxation                                                  | 708   | 1,043 |
|         |      |      |                                                                                   |       |       |

### Notes

### 5. Stock holding gains (losses)

| Fourth<br>Quarter<br>2002 | Third<br>Quarter<br>2003 | Fourth<br>Quarter<br>2003 |                                 | Year       |       |
|---------------------------|--------------------------|---------------------------|---------------------------------|------------|-------|
|                           |                          |                           |                                 | 2003       | 2002  |
|                           |                          |                           |                                 |            |       |
| \$ million                |                          |                           |                                 | \$ million |       |
| (2)                       | -                        | -                         | Exploration and Production      | 3          | 3     |
| 41                        | (7)                      | 58                        | Gas, Power and Renewables       | 6          | 51    |
| (201)                     | 89                       | 16                        | Refining and Marketing          | (48)       | 1,049 |
| (12)                      | 2                        | 10                        | Petrochemicals                  | 55         | 26    |
|                           |                          |                           |                                 |            |       |
| (174)                     | 84                       | 84                        |                                 | 16         | 1,129 |
| -                         | -                        | -                         | Minority shareholders' interest | -          | 25    |
|                           |                          |                           |                                 |            |       |
| (174)                     | 84                       | 84                        |                                 | 16         | 1,104 |
|                           |                          |                           |                                 |            |       |

### 6. Interest expense

|      |      |      |                                     |                                                                               |       |
|------|------|------|-------------------------------------|-------------------------------------------------------------------------------|-------|
| 248  | 178  | 172  | Group interest payable(a)           | 700                                                                           | 1,026 |
| (33) | (53) | (60) | Capitalized                         | (190)                                                                         | (100) |
|      |      |      |                                     |                                                                               |       |
| 215  | 125  | 112  |                                     | 510                                                                           | 926   |
| 14   | 23   | 36   | Joint ventures                      | 89                                                                            | 58    |
| 19   | 11   | 12   | Associated undertakings             | 45                                                                            | 83    |
| 42   | 45   | 42   | Unwinding of discount on provisions | 173                                                                           | 170   |
|      |      |      |                                     |                                                                               |       |
|      |      |      |                                     | Unwinding of discount on deferred consideration for acquisition of investment |       |

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|       |       |       |                                           |       |       |
|-------|-------|-------|-------------------------------------------|-------|-------|
| -     | 9     | 25    | in TNK-BP                                 | 34    | -     |
| 42    | -     | -     | Change in discount rate<br>for provisions | -     | 42    |
| ----- | ----- | ----- |                                           | ----- | ----- |
| 332   | 213   | 227   |                                           | 851   | 1,279 |
| ===== | ===== | ===== |                                           | ===== | ===== |

|       |       |       |                                                                     |       |       |
|-------|-------|-------|---------------------------------------------------------------------|-------|-------|
| 15    | 18    | 10    | (a) Includes charges<br>relating to the early<br>redemption of debt | 31    | 15    |
| ----- | ----- | ----- |                                                                     | ----- | ----- |

7. Charge for taxation

|       |       |       |             |       |       |
|-------|-------|-------|-------------|-------|-------|
| 1,112 | 1,528 | 404   | Current     | 4,919 | 3,148 |
| 13    | (78)  | 545   | Deferred(a) | 1,053 | 1,194 |
| ----- | ----- | ----- |             | ----- | ----- |
| 1,125 | 1,450 | 949   |             | 5,972 | 4,342 |
| ===== | ===== | ===== |             | ===== | ===== |
| 366   | 280   | 390   | UK(a)       | 1,568 | 1,436 |
| 759   | 1,170 | 559   | Overseas    | 4,404 | 2,906 |
| ----- | ----- | ----- |             | ----- | ----- |
| 1,125 | 1,450 | 949   |             | 5,972 | 4,342 |
| ===== | ===== | ===== |             | ===== | ===== |

|       |       |       |                                                                                                                               |       |       |
|-------|-------|-------|-------------------------------------------------------------------------------------------------------------------------------|-------|-------|
| -     | -     | -     | (a) Includes the adjustment<br>to the North Sea deferred<br>tax balance for the<br>supplementary<br>UK corporation tax of 10% | -     | 355   |
| ----- | ----- | ----- |                                                                                                                               | ----- | ----- |

Notes

8. Analysis of changes in net debt

| Fourth<br>Quarter<br>2002 | Third<br>Quarter<br>2003 | Fourth<br>Quarter<br>2003 |                                      | Year       |        |
|---------------------------|--------------------------|---------------------------|--------------------------------------|------------|--------|
| -----                     | -----                    | -----                     |                                      | 2003       | 2002   |
| -----                     | -----                    | -----                     |                                      | -----      | -----  |
| \$ million                |                          |                           |                                      | \$ million |        |
| 22,276                    | 18,594                   | 19,970                    | Opening balance                      | 22,008     | 21,417 |
| 1,005                     | 2,115                    | 1,091                     | Finance debt                         | 1,520      | 1,358  |
| 285                       | 329                      | 404                       | Less: Cash                           | 215        | 450    |
| -----                     | -----                    | -----                     | Current asset investments            | -----      | -----  |
| 20,986                    | 16,150                   | 18,475                    | Opening net debt                     | 20,273     | 19,609 |
| -----                     | -----                    | -----                     |                                      | -----      | -----  |
| 22,008                    | 19,970                   | 22,325                    | Closing balance                      | 22,325     | 22,008 |
| 1,520                     | 1,091                    | 1,947                     | Finance debt                         | 1,947      | 1,520  |
| 215                       | 404                      | 185                       | Less: Cash                           | 185        | 215    |
| -----                     | -----                    | -----                     | Current asset investments            | -----      | -----  |
| 20,273                    | 18,475                   | 20,193                    | Closing net debt                     | 20,193     | 20,273 |
| -----                     | -----                    | -----                     |                                      | -----      | -----  |
| 713                       | (2,325)                  | (1,718)                   | Decrease (increase)<br>in net debt   | 80         | (664)  |
| =====                     | =====                    | =====                     |                                      | =====      | =====  |
| 463                       | (1,031)                  | 797                       | Movement in cash/<br>bank overdrafts | 317        | 57     |
| -----                     | -----                    | -----                     | (Decrease) increase in               | -----      | -----  |

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|       |         |         |                                |       |         |
|-------|---------|---------|--------------------------------|-------|---------|
| (56)  | 76      | (223)   | current asset investments      | (41)  | (220)   |
|       |         |         | Net cash (inflow) outflow      |       |         |
|       |         |         | from financing(excluding       |       |         |
| 321   | (1,440) | (2,350) | share capital)                 | (760) | (736)   |
|       |         |         | 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   | -       |
| 19    | (31)    | 5       | Other movements                | 144   | 76      |
| (3)   | (12)    | (3)     | Debt acquired                  | (15)  | (1,002) |
| ----- |         |         |                                | ----- |         |
|       |         |         | Movement in net debt before    |       |         |
| 744   | (2,345) | (1,774) | exchange effects               | 158   | (690)   |
| (31)  | 20      | 56      | Exchange adjustments           | (78)  | 26      |
| ----- |         |         |                                | ----- |         |
|       |         |         | (Increase) decrease            |       |         |
| 713   | (2,325) | (1,718) | in net debt                    | 80    | (664)   |
| ===== |         |         |                                | ===== |         |

Notes

9. TNK-BP Operational and Financial Information

|              |         |                                          |             |
|--------------|---------|------------------------------------------|-------------|
| 29 August -  | Fourth  |                                          | 29 August - |
| 30 September | Quarter |                                          | 31 December |
| 2003         | 2003    |                                          | 2003        |
| =====        | =====   |                                          | =====       |
|              |         | Production (Net of royalties) (BP share) |             |
| 654          | 669     | Crude oil (mb/d)                         | 665         |
| 239          | 296     | Natural gas (mmcf/d)                     | 281         |
| 695          | 720     | Total hydrocarbons (mboe/d) (a)          | 713         |
| =====        | =====   |                                          | =====       |
| \$ million   |         | Income statement (BP share)              | \$ million  |
| 158          | 354     | Replacement cost operating profit        | 512         |
| -            | -       | Profit (loss) on sale of fixed           | -           |
| -            | -       | assets and businesses                    | -           |
| (13)         | (24)    | Stock holding gains (losses)             | (37)        |
| (30)         | (53)    | Interest expense (b)                     | (83)        |
| (1)          | 1       | Taxation                                 | (83)        |
|              |         | Minority shareholders' interest          | -           |
| -----        |         |                                          | -----       |
| 114          | 278     | Net Income                               | 392         |
| =====        |         |                                          | =====       |
|              |         | Replacement cost profit                  |             |
| 114          | 278     | before exceptional items                 | 392         |
| =====        |         |                                          | =====       |
|              |         | (b) Excludes unwinding of discount       |             |
| 9            | 25      | or deferred consideration                | 34          |
| =====        | =====   |                                          | =====       |

Balance Sheet

31 December

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|                              |                             | 2003        |
|------------------------------|-----------------------------|-------------|
|                              |                             | =====       |
|                              |                             | \$ million  |
| Fixed assets - investments   |                             |             |
| Gross assets                 |                             | 10,339      |
| Gross liabilities            |                             | (3,290)     |
|                              |                             | -----       |
|                              |                             | 7,049       |
|                              |                             | =====       |
| Deferred consideration       |                             |             |
| Due within one year          |                             | 1,227       |
| Due after more than one year |                             | 2,352       |
|                              |                             | -----       |
|                              |                             | 3,579       |
|                              |                             | =====       |
| 29 August -                  | Fourth                      | 29 August - |
| 30 September                 | Quarter                     | 31 December |
| 2003                         | 2003                        | 2003        |
| =====                        | =====                       | =====       |
| \$ million                   | Cash Flow                   | \$ million  |
|                              | Acquisition of investment   |             |
| (2,625)                      | 274 in TNK-BP joint venture | (2,351)     |
|                              |                             | =====       |

(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. TNK-BP operational and financial information has been estimated.

Notes

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

| Fourth     | Third   | Fourth  | Year                          |               |
|------------|---------|---------|-------------------------------|---------------|
| Quarter    | Quarter | Quarter | 2003                          | 2002          |
| 2002       | 2003    | 2003    | =====                         |               |
| =====      |         |         | =====                         |               |
| \$ million |         |         | \$ million                    |               |
|            |         |         | Operating activities          |               |
| 657        | 2,437   | 2,013   | Profit after taxation         | 10,437 6,922  |
|            |         |         | Adjustments to reconcile      |               |
|            |         |         | profits after tax to net      |               |
|            |         |         | cash provided by              |               |
|            |         |         | operating activities          |               |
| 2,515      | 2,485   | 3,093   | Depreciation and              |               |
|            |         |         | amounts provided              | 10,940 10,401 |
| 124        | 75      | 129     | Exploration expenditure       |               |
|            |         |         | written off                   | 297 385       |
|            |         |         | Share of (profit) loss of     |               |
|            |         |         | joint ventures and associates |               |
| (8)        | (197)   | (217)   | less dividends received       | (532) 3       |
|            |         |         | (Profit) loss on sale         |               |
|            |         |         | of businesses and             |               |
| 895        | (172)   | 15      | fixed assets                  | (831) (1,166) |
|            |         |         | Working capital movement      |               |



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|         |         |         |                                                   |          |          |
|---------|---------|---------|---------------------------------------------------|----------|----------|
| 907     | (873)   | (3,712) | (see analysis below)                              | (4,953)  | (1,416)  |
| 13      | (78)    | 545     | Deferred taxation                                 | 1,053    | 1,194    |
| (33)    | 472     | 276     | Other                                             | 530      | (280)    |
| -----   |         |         |                                                   | -----    |          |
| 5,070   | 4,149   | 2,142   | Net cash provided by operating activities         | 16,941   | 16,043   |
| -----   |         |         |                                                   | -----    |          |
|         |         |         | Investing activities                              |          |          |
| (3,577) | (3,116) | (3,800) | Capital expenditures                              | (12,630) | (12,216) |
| (28)    | (28)    | (33)    | Acquisitions, net of cash acquired                | (211)    | (4,324)  |
| -       | (2,625) | 274     | Acquisition of investment in TNK-BP joint venture | (2,351)  | -        |
| (217)   | -       | (162)   | Net investment in other joint ventures            | (178)    | (354)    |
| (215)   | (243)   | (227)   | Investment in associated undertakings             | (987)    | (971)    |
| 1,030   | 874     | 1,410   | Proceeds from disposal of assets                  | 6,432    | 6,782    |
| -----   |         |         |                                                   | -----    |          |
| (3,007) | (5,138) | (2,538) | Net cash used in investing activities             | (9,925)  | (11,083) |
| -----   |         |         |                                                   | -----    |          |

Notes

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

| Fourth Quarter 2002 | Third Quarter 2003 | Fourth Quarter 2003 |                                                                        | Year       |         |
|---------------------|--------------------|---------------------|------------------------------------------------------------------------|------------|---------|
| 2002                | 2003               | 2003                |                                                                        | 2003       | 2002    |
| =====               |                    |                     |                                                                        | =====      |         |
| \$ million          |                    |                     |                                                                        | \$ million |         |
|                     |                    |                     | Financing activities                                                   |            |         |
| 17                  | 31                 | 61                  | Net proceeds from shares issued (repurchased)                          | (1,826)    | (555)   |
| 651                 | 1,433              | 1,666               | Proceeds from long-term financing                                      | 4,322      | 3,707   |
| (905)               | (1,774)            | (776)               | Repayments of long-term financing                                      | (3,560)    | (2,369) |
| (67)                | 1,781              | 1,460               | Net (decrease) increase in short-term debt                             | (2)        | (602)   |
| (1,340)             | (1,433)            | (1,438)             | Dividends paid                                                         | (5,654)    | (5,264) |
| (11)                | (4)                | (3)                 | - BP shareholders                                                      | (20)       | (40)    |
|                     |                    |                     | - Minority shareholders                                                |            |         |
| -----               |                    |                     |                                                                        | -----      |         |
| (1,655)             | 34                 | 970                 | Net cash used in financing activities                                  | (6,740)    | (5,123) |
| -----               |                    |                     |                                                                        | -----      |         |
| 37                  | 6                  | 63                  | Currency translation differences relating to cash and cash equivalents | 121        | 90      |
| -----               |                    |                     |                                                                        | -----      |         |
| 445                 | (949)              | 637                 | Increase (decrease) in cash and cash equivalents                       | 397        | (73)    |
| 1,290               | 2,444              | 1,495               | Cash and cash equivalents at beginning of period                       | 1,735      | 1,808   |
| -----               |                    |                     |                                                                        | -----      |         |
|                     |                    |                     | Cash and cash equivalents                                              |            |         |

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|       |         |         |                                      |         |         |
|-------|---------|---------|--------------------------------------|---------|---------|
| 1,735 | 1,495   | 2,132   | at end of period                     | 2,132   | 1,735   |
| ----- |         |         |                                      |         |         |
|       |         |         | Analysis of working capital movement |         |         |
| (63)  | (1,048) | (362)   | (Increase) decrease in stocks        | (841)   | (1,521) |
| (271) | (656)   | (1,243) | (Increase) decrease in debtors       | (5,611) | (2,750) |
| 1,241 | 831     | (2,107) | Increase (decrease) in creditors     | 1,499   | 2,855   |
| ----- |         |         |                                      |         |         |
| 907   | (873)   | (3,712) | Total working capital movement       | (4,953) | (1,416) |
| ===== |         |         |                                      |         |         |

Notes

11. Ordinary shares

| Fourth Quarter 2002 | Third Quarter 2003 | Fourth Quarter 2003 | Year                                     |            |  |
|---------------------|--------------------|---------------------|------------------------------------------|------------|--|
| =====               |                    |                     | 2003                                     | 2002       |  |
| (shares thousand)   |                    |                     | (shares thousand)                        |            |  |
| 22,378,651          | 22,107,715         | 22,122,610          | 22,122,610                               | 22,378,651 |  |
|                     |                    |                     | Shares in issue at period end (a)        |            |  |
| 22,351,122          | 22,092,365         | 22,103,542          | 22,170,741                               | 22,397,126 |  |
|                     |                    |                     | Average number of shares outstanding (b) |            |  |
| -----               |                    |                     |                                          |            |  |

(a) Each BP ADS represents six BP Ordinary Shares.

(b) Excludes shares held by the Employee Share Ownership Plans.

12. Statutory accounts

The above financial information for the year 2003 does not constitute statutory accounts. It is an extract from the 2003 Annual Accounts (except Notes 9 and 10), approved by a duly appointed and authorized committee of the Board of Directors at the Results Committee meeting held on 9 February 2004, but not yet delivered to the UK Registrar of Companies; the report of the auditors on those accounts was unqualified.

Contacts

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|--------------------|--------------------------------------|---------------------------------|
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BP p.l.c.  
Group Results  
Fourth Quarter and Full Year 2003

London 10 February 2004

## INVESTOR RELATIONS SUPPLEMENT

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

| Fourth<br>Quarter<br>2002      | Third<br>Quarter<br>2003 | Fourth<br>Quarter<br>2003 | Year    |        |
|--------------------------------|--------------------------|---------------------------|---------|--------|
|                                |                          |                           | 2003    | 2002   |
| =====                          |                          |                           | =====   |        |
| \$ million                     |                          |                           |         |        |
| Exploration and Production     |                          |                           |         |        |
| 1,011                          | 614                      | 879                       | 3,232   | 3,256  |
| 177                            | 124                      | 152                       | 610     | 714    |
| 1,421                          | 1,608                    | 1,234                     | 6,685   | 4,192  |
| 1,057                          | 1,467                    | 1,422                     | 5,450   | 3,843  |
| -----                          |                          |                           | -----   |        |
| 3,666                          | 3,813                    | 3,687                     | 15,977  | 12,005 |
| -----                          |                          |                           | -----   |        |
| Gas, Power and Renewables      |                          |                           |         |        |
| (31)                           | 13                       | 40                        | 74      | (64)   |
| 1                              | (12)                     | (11)                      | (37)    | 100    |
| 9                              | 54                       | (3)                       | 172     | 25     |
| 93                             | 43                       | 51                        | 263     | 323    |
| -----                          |                          |                           | -----   |        |
| 72                             | 98                       | 77                        | 472     | 384    |
| -----                          |                          |                           | -----   |        |
| Refining and Marketing         |                          |                           |         |        |
| (21)                           | (9)                      | 32                        | 238     | (45)   |
| 225                            | 397                      | 287                       | 1,503   | 936    |
| 235                            | 392                      | 256                       | 1,258   | 670    |
| 148                            | 198                      | 147                       | 690     | 520    |
| -----                          |                          |                           | -----   |        |
| 587                            | 978                      | 722                       | 3,689   | 2,081  |
| -----                          |                          |                           | -----   |        |
| Petrochemicals                 |                          |                           |         |        |
| (26)                           | (58)                     | (26)                      | (141)   | (39)   |
| 74                             | 85                       | 37                        | 457     | 364    |
| 29                             | 38                       | (10)                      | 114     | 166    |
| 62                             | 59                       | 34                        | 176     | 274    |
| -----                          |                          |                           | -----   |        |
| 139                            | 124                      | 35                        | 606     | 765    |
| -----                          |                          |                           | -----   |        |
| Other businesses and corporate |                          |                           |         |        |
| 81                             | (99)                     | 387                       | 90      | (101)  |
| (18)                           | 3                        | (42)                      | (48)    | (18)   |
| (210)                          | (235)                    | (635)                     | (1,019) | (373)  |
| 1                              | 11                       | 69                        | 137     | (23)   |

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|       |       |       |        |        |
|-------|-------|-------|--------|--------|
| (146) | (320) | (221) | (840)  | (515)  |
| 4,318 | 4,693 | 4,300 | 19,904 | 14,720 |

- (a) The special items refer to non-recurring charges and credits. The special items for the fourth quarter comprise impairment charges and restructuring costs in Exploration and Production, Veba integration costs in Refining and Marketing and a provision to cover future rental payments on surplus property in Other businesses and corporate and tax restructuring benefits.
- (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 fourth quarter 2003 includes accelerated depreciation of the revaluation adjustment in respect of the impairment of former ARCO assets.

PER SHARE AMOUNTS

| Fourth Quarter 2002 | Third Quarter 2003 | Fourth Quarter 2003 | Year 2003  | Year 2002  |
|---------------------|--------------------|---------------------|------------|------------|
| 22,378,651          | 22,107,715         | 22,122,610          | 22,122,610 | 22,378,651 |
| 3,729,775           | 3,684,619          | 3,687,102           | 3,687,102  | 3,729,775  |
| 22,351,122          | 22,092,365         | 22,103,542          | 22,170,741 | 22,397,126 |
| 3,725,187           | 3,682,061          | 3,683,924           | 3,695,124  | 3,732,854  |
| 825                 | 2,310              | 1,888               | 10,251     | 5,741      |
| 3.69                | 10.47              | 8.55                | 46.23      | 25.62      |
| 0.22                | 0.63               | 0.51                | 2.77       | 1.54       |
| 1,697               | 2,142              | 1,819               | 9,543      | 4,698      |
| 7.58                | 9.71               | 8.23                | 43.03      | 20.97      |
| 0.46                | 0.58               | 0.49                | 2.58       | 1.26       |
| 2,635               | 2,868              | 2,667               | 12,379     | 8,715      |
| 11.78               | 13.00              | 12.07               | 55.83      | 38.90      |
| 0.70                | 0.78               | 0.72                | 3.35       | 2.33       |

\* Excludes shares held by the Employee Share Ownership Plans.

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### ACQUISITION AMORTIZATION BY BUSINESS

| Fourth<br>Quarter<br>2002  | Third<br>Quarter<br>2003 | Fourth<br>Quarter<br>2003 |                                | Year  |       |
|----------------------------|--------------------------|---------------------------|--------------------------------|-------|-------|
|                            |                          |                           |                                | 2003  | 2002  |
| =====                      |                          |                           |                                |       |       |
| \$ million                 |                          |                           |                                |       |       |
| Exploration and Production |                          |                           |                                |       |       |
| 41                         | 32                       | 35                        | UK                             | 134   | 488   |
| 246                        | 240                      | 375                       | USA                            | 1,131 | 1,078 |
| 32                         | 21                       | 16                        | Rest of World                  | 301   | 214   |
| -----                      |                          |                           |                                |       |       |
| 319                        | 293                      | 426                       |                                | 1,566 | 1,780 |
| -----                      |                          |                           |                                |       |       |
| Refining and Marketing     |                          |                           |                                |       |       |
| 107                        | 110                      | 116                       | UK                             | 446   | 410   |
| 96                         | 95                       | 95                        | USA                            | 380   | 384   |
| -----                      |                          |                           |                                |       |       |
| 203                        | 205                      | 211                       |                                | 826   | 794   |
| -----                      |                          |                           |                                |       |       |
| 522                        | 498                      | 637                       | Total acquisition amortization | 2,392 | 2,574 |
| =====                      |                          |                           |                                |       |       |

### SPECIAL ITEMS BY BUSINESS (PRE-TAX)

| Fourth<br>Quarter<br>2002  | Third<br>Quarter<br>2003 | Fourth<br>Quarter<br>2003 |                | Year |       |
|----------------------------|--------------------------|---------------------------|----------------|------|-------|
|                            |                          |                           |                | 2003 | 2002  |
| =====                      |                          |                           |                |      |       |
| \$ million                 |                          |                           |                |      |       |
| Exploration and Production |                          |                           |                |      |       |
| 5                          | -                        | 144                       | UK             | 209  | 242   |
| -                          | -                        | -                         | Rest of Europe | -    | -     |
| 94                         | -                        | 179                       | USA            | 260  | 279   |
| -                          | -                        | -                         | Rest of World  | 5    | 498   |
| -----                      |                          |                           |                |      |       |
| 99                         | -                        | 323                       |                | 474  | 1,019 |
| -----                      |                          |                           |                |      |       |
| Gas, Power and Renewables  |                          |                           |                |      |       |
| -                          | -                        | -                         | UK             | -    | 30    |
| -                          | -                        | -                         | Rest of Europe | -    | -     |
| -                          | -                        | -                         | USA            | -    | -     |
| -                          | -                        | -                         | Rest of World  | -    | -     |
| -----                      |                          |                           |                |      |       |
| -                          | -                        | -                         |                | -    | 30    |
| -----                      |                          |                           |                |      |       |
| Refining and Marketing     |                          |                           |                |      |       |
| 27                         | -                        | -                         | UK             | -    | 43    |
| 278                        | 72                       | 146                       | Rest of Europe | 277  | 365   |
| 59                         | 246                      | -                         | USA            | 246  | (49)  |
| 56                         | -                        | -                         | Rest of World  | -    | 56    |
| -----                      |                          |                           |                |      |       |
| 420                        | 318                      | 146                       |                | 523  | 415   |
| -----                      |                          |                           |                |      |       |
| Petrochemicals             |                          |                           |                |      |       |
| 21                         | 36                       | -                         | UK             | 36   | 43    |
| 9                          | -                        | -                         | Rest of Europe | -    | 27    |
| 5                          | 7                        | -                         | USA            | 2    | 40    |
| -                          | -                        | -                         | Rest of World  | -    | 140   |

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|     |      |     |                                     |       |       |
|-----|------|-----|-------------------------------------|-------|-------|
| 35  | 43   | -   |                                     | 38    | 250   |
| 20  | -    | 74  | Other businesses and corporate      |       |       |
| 1   | -    | -   | UK                                  | 74    | 55    |
| 40  | (10) | -   | Rest of Europe                      | -     | 1     |
| -   | -    | -   | USA                                 | (10)  | 130   |
|     |      |     | Rest of World                       | -     | -     |
| 61  | (10) | 74  |                                     | 64    | 186   |
| 615 | 351  | 543 | Total special items before interest | 1,099 | 1,900 |
| 15  | -    | -   | Interest-bond redemption charges    | -     | 15    |
| 630 | 351  | 543 |                                     | 1,099 | 1,915 |

PRODUCTION AND REALIZATIONS

| Fourth Quarter 2002                           | Third Quarter 2003 | Fourth Quarter 2003 |                                      | Year  |       |
|-----------------------------------------------|--------------------|---------------------|--------------------------------------|-------|-------|
|                                               |                    |                     |                                      | 2003  | 2002  |
| Production                                    |                    |                     |                                      |       |       |
| Crude oil (mb/d) (net of royalties)           |                    |                     |                                      |       |       |
| 447                                           | 312                | 339                 | UK                                   | 354   | 439   |
| 90                                            | 74                 | 74                  | Rest of Europe                       | 79    | 98    |
| 556                                           | 558                | 570                 | USA                                  | 576   | 576   |
| 694                                           | 908                | 1,265               | Rest of World                        | 902   | 658   |
| 1,787                                         | 1,852              | 2,248               | Total crude oil production           | 1,911 | 1,771 |
| Natural gas liquids (mb/d) (net of royalties) |                    |                     |                                      |       |       |
| 25                                            | 23                 | 21                  | UK                                   | 23    | 23    |
| 5                                             | 5                  | 5                   | Rest of Europe                       | 5     | 6     |
| 200                                           | 141                | 147                 | USA                                  | 150   | 189   |
| 32                                            | 33                 | 33                  | Rest of World                        | 32    | 29    |
| 262                                           | 202                | 206                 | Total natural gas liquids production | 210   | 247   |
| Liquids (a) (mb/d) (net of royalties)         |                    |                     |                                      |       |       |
| 472                                           | 335                | 360                 | UK                                   | 377   | 462   |
| 95                                            | 79                 | 79                  | Rest of Europe                       | 84    | 104   |
| 756                                           | 699                | 717                 | USA                                  | 726   | 765   |
| 726                                           | 941                | 1,298               | Rest of World                        | 934   | 687   |
| 2,049                                         | 2,054              | 2,454               | Total liquids production             | 2,121 | 2,018 |
| Natural gas (b) (mmcf/d) (net of royalties)   |                    |                     |                                      |       |       |
| 1,752                                         | 1,267              | 1,318               | UK                                   | 1,446 | 1,555 |
| 140                                           | 98                 | 143                 | Rest of Europe                       | 119   | 147   |
| 3,360                                         | 3,005              | 2,933               | USA                                  | 3,128 | 3,483 |
| 3,684                                         | 4,031              | 4,206               | Rest of World                        | 3,920 | 3,522 |
| 8,936                                         | 8,401              | 8,600               | Total natural gas production         | 8,613 | 8,707 |
| Average realizations                          |                    |                     |                                      |       |       |
| Crude oil (\$/bbl)                            |                    |                     |                                      |       |       |
| 26.78                                         | 27.68              | 28.18               | UK                                   | 28.30 | 24.86 |
| 26.02                                         | 28.61              | 28.49               | USA                                  | 29.02 | 23.85 |
| 25.85                                         | 26.30              | 27.56               | Rest of World                        | 26.91 | 23.26 |

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|       |       |       |                              |       |       |
|-------|-------|-------|------------------------------|-------|-------|
| 26.22 | 27.72 | 28.18 | BP Average                   | 28.23 | 24.06 |
| ===== |       |       |                              |       |       |
|       |       |       | Natural gas liquids (\$/bbl) |       |       |
| 22.07 | 22.62 | 20.06 | UK                           | 20.08 | 16.47 |
| 13.65 | 18.37 | 19.11 | USA                          | 18.39 | 12.14 |
| 12.55 | 21.76 | 24.23 | Rest of World                | 22.31 | 12.93 |
| 14.62 | 19.39 | 20.15 | BP Average                   | 19.26 | 12.85 |
| ===== |       |       |                              |       |       |
|       |       |       | Liquids (a) (\$/bbl)         |       |       |
| 26.54 | 27.34 | 27.71 | UK                           | 27.80 | 24.44 |
| 23.28 | 26.90 | 26.92 | USA                          | 27.23 | 21.34 |
| 25.06 | 25.98 | 27.33 | Rest of World                | 26.60 | 22.65 |
| 24.78 | 26.79 | 27.30 | BP Average                   | 27.25 | 22.69 |
| ===== |       |       |                              |       |       |
|       |       |       | Natural gas (\$/mcf)         |       |       |
| 2.88  | 2.69  | 3.87  | UK                           | 3.19  | 2.78  |
| 3.31  | 4.14  | 3.85  | USA                          | 4.47  | 2.63  |
| 2.40  | 2.31  | 2.35  | Rest of World                | 2.47  | 2.10  |
| 2.87  | 3.08  | 3.18  | BP Average                   | 3.39  | 2.46  |
| ===== |       |       |                              |       |       |

(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 ADJUSTED FOR SPECIAL ITEMS

| \$ million                            | Reported<br>Earnings | Acquisition<br>Amortization | Special<br>Items (a) | pro forma result<br>adjusted for<br>special<br>items |
|---------------------------------------|----------------------|-----------------------------|----------------------|------------------------------------------------------|
|                                       | =====                |                             |                      |                                                      |
| 3Q 2003                               |                      |                             |                      |                                                      |
| Exploration and Production            | 3,520                | 293                         | -                    | 3,813                                                |
| Gas, Power and Renewables             | 98                   | -                           | -                    | 98                                                   |
| Refining and Marketing                | 455                  | 205                         | 318                  | 978                                                  |
| Petrochemicals                        | 81                   | -                           | 43                   | 124                                                  |
| Other businesses & corporate          | (310)                | -                           | (10)                 | (320)                                                |
|                                       | -----                |                             |                      |                                                      |
| RC operating profit                   | 3,844                | 498                         | 351                  | 4,693                                                |
|                                       | -----                |                             |                      |                                                      |
| Interest expense                      | (213)                | -                           | -                    | (213)                                                |
| Taxation                              | (1,446)              | -                           | (123)                | (1,569)                                              |
| MSI                                   | (43)                 | -                           | -                    | (43)                                                 |
|                                       | -----                |                             |                      |                                                      |
| RC profit before<br>exceptional items | 2,142                | 498                         | 228                  | 2,868                                                |
|                                       | =====                |                             |                      |                                                      |
| Exceptional items before tax          | 172                  |                             |                      |                                                      |
| Taxation on exceptional items         | (4)                  |                             |                      |                                                      |
|                                       | -----                |                             |                      |                                                      |
| RC profit after<br>exceptional items  | 2,310                |                             |                      |                                                      |
| Stock holding gains (losses)          | 84                   |                             |                      |                                                      |
|                                       | -----                |                             |                      |                                                      |
| HC profit                             | 2,394                |                             |                      |                                                      |
|                                       | =====                |                             |                      |                                                      |
| 4Q 2002                               |                      |                             |                      |                                                      |
| Exploration and Production            | 3,248                | 319                         | 99                   | 3,666                                                |

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|                                       |         |     |       |         |
|---------------------------------------|---------|-----|-------|---------|
| Gas, Power and Renewables             | 72      | -   | -     | 72      |
| Refining and Marketing                | (36)    | 203 | 420   | 587     |
| Petrochemicals                        | 104     | -   | 35    | 139     |
| Other businesses & corporate          | (207)   | -   | 61    | (146)   |
|                                       | -----   |     |       |         |
| RC operating profit                   | 3,181   | 522 | 615   | 4,318   |
|                                       | -----   |     |       |         |
| Interest expense                      | (332)   | -   | 15    | (317)   |
| Taxation                              | (1,146) | -   | (214) | (1,360) |
| MSI                                   | (6)     | -   | -     | (6)     |
|                                       | -----   |     |       |         |
| RC profit before<br>exceptional items | 1,697   | 522 | 416   | 2,635   |
|                                       | =====   |     |       |         |
| Exceptional items before tax          | (893)   |     |       |         |
| Taxation on exceptional items         | 21      |     |       |         |
|                                       | -----   |     |       |         |
| RC profit after<br>exceptional items  | 825     |     |       |         |
| Stock holding gains (losses)          | (174)   |     |       |         |
|                                       | -----   |     |       |         |
| HC profit                             | 651     |     |       |         |
|                                       | =====   |     |       |         |

(a) The special items refer to non-recurring charges and credits. The special items for the third quarter 2003 comprise a charge resulting from the reassessment of environmental remediation provisions and Veba integration costs in Refining and Marketing; a provision to cover future rental payments on surplus property in Petrochemicals; and a credit resulting from the reassessment of environmental remediation provisions in Other businesses and corporate. The special items in the fourth quarter 2002 include an asset writedown in Exploration and Production; integration and restructuring costs and an impairment charge in Refining and Marketing; integration and restructuring costs in Petrochemicals; provisions to cover future rental payments on surplus leasehold property and environmental charges in Other businesses and corporate; and a bond redemption charge.

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

| \$ million                   | Reported<br>Earnings | Acquisition<br>Amortization | pro forma result<br>adjusted for |                  |
|------------------------------|----------------------|-----------------------------|----------------------------------|------------------|
|                              |                      |                             | Special<br>Items (a)             | special<br>items |
| =====                        |                      |                             |                                  |                  |
| Year 2003                    |                      |                             |                                  |                  |
| Exploration and Production   | 13,937               | 1,566                       | 474                              | 15,977           |
| Gas, Power and Renewables    | 472                  | -                           | -                                | 472              |
| Refining and Marketing       | 2,340                | 826                         | 523                              | 3,689            |
| Petrochemicals               | 568                  | -                           | 38                               | 606              |
| Other businesses & corporate | (904)                | -                           | 64                               | (840)            |
|                              | -----                |                             |                                  |                  |
| RC operating profit          | 16,413               | 2,392                       | 1,099                            | 19,904           |
|                              | -----                |                             |                                  |                  |
| Interest expense             | (851)                | -                           | -                                | (851)            |
| Taxation                     | (5,849)              | -                           | (655)                            | (6,504)          |
| MSI                          | (170)                | -                           | -                                | (170)            |



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|                                       |        |       |     |        |
|---------------------------------------|--------|-------|-----|--------|
| RC profit before<br>exceptional items | 9,543  | 2,392 | 444 | 12,379 |
|                                       |        | ===== |     |        |
| Exceptional items before tax          | 831    |       |     |        |
| Taxation on exceptional items         | (123)  |       |     |        |
|                                       |        | ----- |     |        |
| RC profit after<br>exceptional items  | 10,251 |       |     |        |
| Stock holding gains (losses)          | 16     |       |     |        |
|                                       |        | ----- |     |        |
| HC profit                             | 10,267 |       |     |        |
|                                       |        | ===== |     |        |

|                                       |         |       |       |         |
|---------------------------------------|---------|-------|-------|---------|
| Year 2002                             |         |       |       |         |
| Exploration and Production            | 9,206   | 1,780 | 1,019 | 12,005  |
| Gas, Power and Renewables             | 354     | -     | 30    | 384     |
| Refining and Marketing                | 872     | 794   | 415   | 2,081   |
| Petrochemicals                        | 515     | -     | 250   | 765     |
| Other businesses & corporate          | (701)   | -     | 186   | (515)   |
|                                       |         | ----- |       |         |
| RC operating profit                   | 10,246  | 2,574 | 1,900 | 14,720  |
|                                       |         | ----- |       |         |
| Interest expense                      | (1,279) | -     | 15    | (1,264) |
| Taxation                              | (4,217) | -     | (456) | (4,673) |
| MSI                                   | (52)    | -     | (16)  | (68)    |
|                                       |         | ----- |       |         |
| RC profit before<br>exceptional items | 4,698   | 2,574 | 1,443 | 8,715   |
|                                       |         | ===== |       |         |
| Exceptional items before tax          | 1,168   |       |       |         |
| Taxation on exceptional items         | (125)   |       |       |         |
|                                       |         | ----- |       |         |
| RC profit after<br>exceptional items  | 5,741   |       |       |         |
| Stock holding gains (losses)          | 1,104   |       |       |         |
|                                       |         | ----- |       |         |
| HC profit                             | 6,845   |       |       |         |
|                                       |         | ===== |       |         |

(a) The special items refer to non-recurring charges and credits. The special items for 2003 comprise impairment charges and restructuring costs in Exploration and Production; Veba integration costs 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 and a provision to cover future rental payments on surplus property in Other businesses and corporate; and tax restructuring benefits.

The special items for the year 2002 comprise impairment charges, an asset writedown, restructuring and litigation costs for Exploration and Production; an impairment charge in Gas, Power and Renewables; integration and restructuring costs, business interruption insurance proceeds and certain other costs in Refining and Marketing; integration costs and an impairment charge in Petrochemicals; a provision to cover

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future rental payments on surplus leasehold property and environmental charges in Other businesses and corporate; and a bond redemption charge. Taxation includes a special charge for an adjustment to the North Sea deferred tax liability for the supplementary UK corporation tax as well as tax relief expected on impairments and related restructuring.

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

| Fourth<br>Quarter<br>2002                               | Third<br>Quarter<br>2003 | Fourth<br>Quarter<br>2003 |                                         | Year<br>2003 | 2002    |
|---------------------------------------------------------|--------------------------|---------------------------|-----------------------------------------|--------------|---------|
| =====                                                   |                          |                           |                                         | =====        |         |
| \$ million                                              |                          |                           |                                         |              |         |
|                                                         |                          |                           | Replacement cost operating profit       |              |         |
| 3,181                                                   | 3,844                    | 3,120                     | (reported) (a)                          | 16,413       | 10,246  |
| 2,515                                                   | 2,485                    | 3,093                     | Depreciation and amounts provided (b)   | 10,940       | 10,401  |
| 124                                                     | 75                       | 129                       | Exploration expenditure written off     | 297          | 385     |
|                                                         |                          |                           | Dividends from JVs and associates       |              |         |
| (110)                                                   | (327)                    | (324)                     | less share of RCOP                      | (886)        | (396)   |
| (11)                                                    | (4)                      | (3)                       | Dividends paid to minority shareholders | (20)         | (40)    |
| 27                                                      | 487                      | 181                       | Adjust provisions to cash basis (c)     | 530          | (150)   |
|                                                         |                          |                           | Adjust interest and other income        |              |         |
| (14)                                                    | (5)                      | (4)                       | to cash basis (d)                       | (26)         | (25)    |
| -----                                                   |                          |                           |                                         | -----        |         |
| 5,712                                                   | 6,555                    | 6,192                     |                                         | 27,248       | 20,421  |
| (1,199)                                                 | (856)                    | (1,666)                   | Tax paid adjusted for certain items*    | (5,033)      | (3,390) |
| -----                                                   |                          |                           |                                         | -----        |         |
| 4,513                                                   | 5,699                    | 4,526                     | Adjusted RCOP after tax paid            | 22,215       | 17,031  |
| -----                                                   |                          |                           |                                         | -----        |         |
| * Calculation of tax paid adjusted<br>for certain items |                          |                           |                                         |              |         |
| (1,061)                                                 | (803)                    | (1,516)                   | Cash tax paid                           | (4,804)      | (3,094) |
| (21)                                                    | 4                        | (84)                      | Tax charge on exceptional items         | 123          | 125     |
| (117)                                                   | (57)                     | (66)                      | Tax shield assumption +                 | (352)        | (421)   |
| -----                                                   |                          |                           |                                         | -----        |         |
| (1,199)                                                 | (856)                    | (1,666)                   |                                         | (5,033)      | (3,390) |
| -----                                                   |                          |                           |                                         | -----        |         |
| + Calculation of tax shield assumption                  |                          |                           |                                         |              |         |
| (335)                                                   | (163)                    | (190)                     | Interest paid                           | (1,006)      | (1,204) |
| 35%                                                     | 35%                      | 35%                       | Tax rate assumption (e)                 | 35%          | 35%     |
| -----                                                   |                          |                           |                                         | -----        |         |
| (117)                                                   | (57)                     | (66)                      |                                         | (352)        | (421)   |
| -----                                                   |                          |                           |                                         | -----        |         |

- (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.

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### RETURN ON AVERAGE CAPITAL EMPLOYED

| Fourth<br>Quarter<br>2002 | Third<br>Quarter<br>2003 | Fourth<br>Quarter<br>2003 | Year   |        |
|---------------------------|--------------------------|---------------------------|--------|--------|
|                           |                          |                           | 2003   | 2002   |
| =====                     |                          |                           |        |        |
| \$ million                |                          |                           |        |        |
| Replacement cost basis    |                          |                           |        |        |
| 1,697                     | 2,142                    | 1,819                     | 9,543  | 4,698  |
| 140                       | 82                       | 73                        | 332    | 602    |
| 6                         | 43                       | 41                        | 170    | 52     |
| -----                     |                          |                           | -----  |        |
| 1,843                     | 2,267                    | 1,933                     | 10,045 | 5,352  |
| =====                     |                          |                           |        |        |
| 91,767                    | 93,001                   | 96,857                    | 95,722 | 89,616 |
| 8.0%                      | 9.8%                     | 8.0%                      | 10.5%  | 6.0%   |
| -----                     |                          |                           |        |        |
| Pro forma basis           |                          |                           |        |        |
| 1,843                     | 2,267                    | 1,933                     | 10,045 | 5,352  |
| 522                       | 498                      | 637                       | 2,392  | 2,574  |
| 406                       | 228                      | 211                       | 444    | 1,449  |
| 91,767                    | 93,001                   | 96,857                    | 95,722 | 89,616 |
| 16,903                    | 14,110                   | 13,556                    | 15,017 | 17,777 |
| -----                     |                          |                           | -----  |        |
| 74,864                    | 78,891                   | 83,301                    | 80,705 | 71,839 |
| 14.8%                     | 15.2%                    | 13.4%                     | 16.0%  | 13.0%  |
| -----                     |                          |                           |        |        |
| Historical cost basis     |                          |                           |        |        |
| Historical cost profit    |                          |                           |        |        |
| 651                       | 2,394                    | 1,972                     | 10,267 | 6,845  |
| 140                       | 82                       | 73                        | 332    | 602    |
| 6                         | 43                       | 41                        | 170    | 77     |
| -----                     |                          |                           | -----  |        |
| 797                       | 2,519                    | 2,086                     | 10,769 | 7,524  |
| =====                     |                          |                           |        |        |
| 91,767                    | 93,001                   | 96,857                    | 95,722 | 89,616 |
| 3.5%                      | 10.8%                    | 8.6%                      | 11.3%  | 8.4%   |

+ Excludes interest on joint venture and associated undertakings debt as well as unwinding of discount on provisions and effect of change in discount rate on provisions and unwinding of discount on deferred consideration for acquisition of investment in TNK-BP, 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

| Fourth<br>Quarter<br>2002 | Third<br>Quarter<br>2003 | Fourth<br>Quarter<br>2003 | Year   |        |
|---------------------------|--------------------------|---------------------------|--------|--------|
|                           |                          |                           | 2003   | 2002   |
| =====                     |                          |                           |        |        |
| \$ million                |                          |                           |        |        |
| 22,008                    | 19,970                   | 22,325                    | 22,325 | 22,008 |
| 1,735                     | 1,495                    | 2,132                     | 2,132  | 1,735  |
| -----                     |                          |                           | -----  |        |
| 20,273                    | 18,475                   | 20,193                    | 20,193 | 20,273 |

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|        |        |        |                                  |        |        |
|--------|--------|--------|----------------------------------|--------|--------|
| 70,047 | 74,356 | 77,063 | Equity                           | 77,063 | 70,047 |
| 22%    | 20%    | 21%    | Net debt ratio                   | 21%    | 22%    |
| 16,672 | 13,751 | 13,362 | Acquisition adjustment           | 13,362 | 16,672 |
| 28%    | 23%    | 24%    | Net debt ratio - pro forma basis | 24%    | 28%    |

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: 10 February 2004

/s/ D. J. PEARL

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D. J. PEARL  
Deputy Company Secretary