

# Edgar Filing: BP PLC - Form 6-K

BP PLC  
Form 6-K  
April 25, 2006

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934

for the period ended 25 April, 2006

BP p.l.c.  
(Translation of registrant's name into English)

1 ST JAMES'S SQUARE, LONDON, SW1Y 4PD, ENGLAND  
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F                          |X|                          Form 40-F  
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Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes    |X|  
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BP p.l.c.  
Group Results  
First Quarter 2006

London 25 April 2006

FOR IMMEDIATE RELEASE

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STRONG PERFORMANCE DELIVERY AND CASH GENERATION  
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\$ million	1Q 2006	4Q 2005	1Q 2005	2006 vs.1Q 2005
Profit for the period*	5,623	3,685	6,602	
Inventory holding (gains) losses	(358)	747	(1,111)	
Replacement cost profit	5,265	4,432	5,491	(4%)
- per ordinary share (pence)	14.66	12.15	13.55	
- per ordinary share (cents)	25.66	21.34	25.61	0.2%
- per ADS (dollars)	1.54	1.28	1.54	

- o BP's first quarter replacement cost profit was \$5,265 million, compared with \$5,491 million a year ago, a decrease of 4%. Excluding non-operating items, the result increased by 7% on a year ago; on a per share basis this represents an increase of 12%.
- o The first quarter result included a net non-operating charge of \$17 million compared with a net non-operating gain of \$542 million in the first quarter of 2005.
- o The first quarter trading environment was generally stronger than a year ago with higher oil and gas realizations and similar overall marketing margins, but with slightly lower realized refining margins.
- o Net cash provided by operating activities for the quarter was \$8.9 billion compared with \$9.4 billion a year ago.
- o The ratio of net debt to net debt plus equity was 16% compared with 18% a year ago.
- o The quarterly dividend, to be paid in June, is 9.375 cents per share (\$0.5625 per ADS) compared with 8.50 cents per share a year ago, an increase of 10%. In sterling terms, the quarterly dividend is 5.251 pence per share, compared with 4.450 pence per share a year ago, an increase of 18%. During the quarter, the company repurchased 349 million of its own shares at a cost of \$4 billion.

BP Group Chief Executive, Lord Browne, said:

"BP's first quarter result reflected good overall operating performance and a strong recovery in Refining and Marketing from the fourth quarter. The Texas City refinery is now running at 200 mb/d and further units will be brought onstream across the balance of 2006. Our actions to control costs are on track. Results are being impacted by higher tax charges. Strong cash generation continues to support shareholder distributions through dividends and buybacks".

\* Profit attributable to BP shareholders.

### Summary Quarterly Results

Exploration and Production's first quarter result benefited from higher realizations in both liquids and gas versus a year ago, partially offset by the impact of lower volumes as a consequence of residual hurricane impacts, primarily at Mars in the Gulf of Mexico.

The Refining and Marketing result reflects slightly lower realized refining

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margins and similar overall marketing margins as the first quarter of 2005. The major impact on the first quarter's result was the margin loss and recommissioning costs associated with the shutdown of our Texas City refinery, although this was partly offset by improved supply optimization and business improvements elsewhere.

In Gas, Power and Renewables, the lower first quarter result relative to last year reflects negative impacts from non-operating items and IFRS fair value accounting charges, partially offset by a higher contribution from marketing and trading.

Finance costs and Other finance expense was \$143 million for the quarter.

The consolidation adjustment, which removes the margin on sales between segments in respect of inventory at the period end, was a charge of \$8 million in the first quarter.

The effective tax rate on replacement cost profit was 35% versus 31.5% a year earlier.

Capital expenditure was \$3.3 billion for the quarter; there were no significant acquisitions. Disposal proceeds were \$0.7 billion.

Net debt at the end of the quarter was \$15.7 billion. The ratio of net debt to net debt plus equity was 16%.

During the first quarter, the company repurchased 349 million of its own shares, at a cost of \$4 billion. These shares are held in treasury.

The commentaries above and following are based on replacement cost profit.

The financial information for 2005 has been restated to reflect the following, all with effect from 1 January 2006: (a) the transfer of three equity-accounted entities from Other businesses and corporate to Refining and Marketing following the sale of Innovene; (b) the transfer of certain mid-stream assets and activities from Refining and Marketing and Exploration and Production to Gas, Power and Renewables; and (c) the transfer of Hydrogen for Transport activities from Gas, Power and Renewables to Refining and Marketing. See Note 1 for further details.

### Non-Operating Items

\$ million	First Quarter 2006
	-----
Exploration and Production	(386)
Refining and Marketing	564
Gas, Power and Renewables	(55)
Other businesses and corporate	9
	-----
	132
Taxation	(46)
	-----
Continuing operations	86
Innovene operations	(96)
Taxation	(7)
	-----
Total for all operations	(17)

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## Reconciliation of Replacement Cost Profit to Profit for the Period

\$ million	First Quarter 2006	Fourth Quarter 2005	First Quarter 2005
	=====		
Exploration and Production	6,823	6,566	6,484
Refining and Marketing	1,612	(165)	1,411
Gas, Power and Renewables	301	129	412
Other businesses and corporate	(217)	(409)	(171)
Consolidation adjustments			
Unrealized profit in inventory	(8)	234	(153)
Net Profit on transactions between continuing and Innovene operations (a)	-	128	96
	-----		
RC profit before interest and tax	8,511	6,483	8,079
	-----		
Finance costs and other finance expense	(143)	(215)	(202)
Taxation	(2,929)	(2,029)	(2,479)
Minority interest	(71)	(93)	(61)
	-----		
RC profit for continuing operations attributable to BP shareholders (b)	5,368	4,146	5,337
	=====		
Inventory holding gains (losses) for continuing operations	358	(903)	961
Profit for the period for continuing operations attributable to BP shareholders	5,726	3,243	6,298
Profit (loss) for the period from Innovene operations (c)	(103)	442	304
	-----		
Profit for the period attributable to BP shareholders	5,623	3,685	6,602
	=====		
RC profit for continuing operations attributable to BP shareholders	5,368	4,146	5,337
RC profit (loss) for Innovene operations	(103)	286	154
	-----		
Replacement cost profit	5,265	4,432	5,491
	=====		

(a) In the circumstances of discontinued operations, Accounting Standards require that the profits earned by the discontinued operations, in this case the Innovene operations, on sales to the continuing operations be eliminated on consolidation from the discontinued operations, and attributed to the continuing operations and vice versa. This adjustment has two offsetting elements: the net margin on crude refined by Innovene as substantially all crude for their refineries was supplied by BP and most of the refined products manufactured were taken by BP; and the margin on sales of feedstock from BP's US refineries to Innovene's manufacturing plants. The profits attributable to individual segments were not affected by this adjustment. Neither does this representation

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indicate the profits earned by continuing or Innovene operations, as if they were stand-alone entities, for past periods or likely to be earned in future periods.

(b) Replacement cost profit reflects the current cost of supplies. The replacement cost profit for the period is arrived at by excluding from profit inventory holding gains and losses. BP uses this measure to assist investors to assess BP's performance from period to period. Replacement cost profit is not a recognized GAAP measure. Operating cash flow is calculated from the starting point of profit before taxation which includes inventory holding gains and losses. Operating cash flow also reflects working capital movements including inventories, trade and other receivables and trade and other payables. The carrying value of these working capital items will change for various reasons, including movements in oil, gas and products prices.

(c) See further detail in Note 2.

### Per Share Amounts

	First Quarter 2006	Fourth Quarter 2005	First Quarter 2005
=====			
Results for the period (\$m)			
Profit*	5,623	3,685	6,602
Replacement cost profit	5,265	4,432	5,491
-----			
Shares in issue at period end (thousand)	20,341,135	20,657,045	21,367,827
- ADS equivalent (thousand)	3,390,189	3,442,841	3,561,305
Average number of shares outstanding (thousand)	20,521,872	20,792,896	21,441,285
- ADS equivalent (thousand)	3,420,312	3,465,483	3,573,548
Per ordinary share (cents)			
Profit for the period	27.40	17.90	30.79
RC profit for the period	25.66	21.34	25.61
Per ADS (cents)			
Profit for the period	164.40	107.40	184.74
RC profit for the period	153.96	128.04	153.66
=====			

\* Profit attributable to BP shareholders.

### Exploration and Production

	First Quarter 2006	Fourth Quarter 2005	First Quarter 2005
=====			
\$ million			
Profit before interest and tax(a)	6,816	6,574	6,489

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Inventory holding (gains) losses	7	(8)	(5)
	-----		
Replacement cost profit before interest and tax	6,823	6,566	6,484
	=====		

Results include:

Impairment and gain (loss) on sale of businesses and fixed assets	9	62	940
Environmental and other provisions	-	-	-
Restructuring, integration and rationalization costs	-	-	-
Fair value gain (loss) on embedded derivatives	(395)	(801)	(160)
Other	-	(240)	-
	-----		
Total non-operating items	(386)	(979)	780
	=====		
Exploration expense	189	208	160
Of which:			
Exploration expenditure written off	114	81	84
	=====		

Production (Net of royalties) (b)

Crude oil (mb/d)	2,360	2,400	2,405
Natural gas liquids (mb/d)	173	164	188
Total liquids (mb/d) (c)	2,533	2,564	2,593
Natural gas (mmcf/d)	8,713	8,458	8,745
Total hydrocarbons (mboe/d) (d)	4,035	4,022	4,101

=====

Average realizations (e)

Crude oil (\$/bbl)	58.25	53.92	43.37
Natural gas liquids (\$/bbl)	35.47	39.29	28.14
Total liquids (\$/bbl)	55.88	52.44	41.74
Natural gas (\$/mcf)	5.54	6.24	4.26
Total hydrocarbons (\$/boe)	44.20	44.56	33.60

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Average oil marker prices (\$/bbl)

Brent	61.79	56.87	47.62
West Texas Intermediate	63.29	60.01	49.88
Alaska North Slope US West Coast	60.89	57.89	45.07

=====

Average natural gas marker prices

Henry Hub gas price (\$/mmbtu) (f)	9.01	13.00	6.27
UK Gas - National Balancing Point (p/therm)	70.00	65.30	37.96

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- (a) Profit from continuing operations and includes profit after interest and tax of equity-accounted entities.
- (b) Includes BP's share of production of equity-accounted entities.
- (c) Crude oil and natural gas liquids.
- (d) Natural gas is converted to oil equivalent at 5.8 billion cubic feet = 1 million barrels.
- (e) Based on sales of consolidated subsidiaries only - this excludes equity-

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accounted entities.

(f) Henry Hub First of the Month Index.

### Exploration and Production

The replacement cost profit before interest and tax for the first quarter was \$6,823 million, representing an increase of 5% over the first quarter of 2005. This result benefited from higher realizations in both liquids and gas, partially offset by the impact of lower volumes as a consequence of residual hurricane impacts, primarily at Mars in the Gulf of Mexico.

The result also included fair value losses of \$395 million on embedded derivatives relating to historical long-term North Sea gas contracts. The corresponding quarter in 2005 contained fair value losses of \$160 million on embedded derivatives and net gains of \$940 million on the sales of assets and charges for impairment.

Production for the quarter at 4,035 mboe/d was slightly higher than the fourth quarter of 2005, reflecting the progressive return of production affected by Hurricanes Katrina and Rita. Compared to the first quarter of 2005, production was at a similar level after taking account of the effect of severe weather disruptions.

Projects in our New Profit Centres are progressing well. In Trinidad, the first cargo of LNG from the Atlantic LNG Train 4 plant was loaded in January for delivery in the UK, and the Cannonball gas development project started production in mid March. In Azerbaijan, good progress has been made on the filling and commissioning of the BTC pipeline, with the first lifting at Ceyhan in Turkey expected in the second quarter of 2006. In the Gulf of Mexico, progress continued on the Thunder Horse project with the completion of the installation of all production and export risers on the platform. Production is expected to start in the second half of 2006.

During the quarter, we were the highest bidder on 73 blocks in the Central Gulf of Mexico lease sale and we were awarded three new exploration blocks in offshore Pakistan, subject to government approval.

We reached agreement for the sales of our 4.84% interest in the Statfjord oil and gas field and of our interest in the Luva gas discovery, both in the North Sea. Completion of these sales is expected in the second quarter. On 19 April it was announced that we had reached agreement with Apache to sell our remaining Gulf of Mexico Shelf assets, with reserves of 59 million barrels of oil equivalent and average daily production of 27 mboe, for \$1.3 billion. Completion is expected in mid 2006 once regulatory approvals have been received.

### Refining and Marketing

\$ million	First Quarter 2006	Fourth Quarter 2005	First Quarter 2005
	=====		
Profit (loss) before interest and tax(a)	2,038	(1,073)	2,353
Inventory holding (gains) losses	(426)	908	(942)
	-----		
Replacement cost profit (loss) before interest and tax	1,612	(165)	1,411

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Results include:			
Impairment and gain (loss) on sale of businesses and fixed assets	564	50	(27)
Environmental and other provisions	-	-	-
Restructuring, integration and rationalization costs	-	-	-
Fair value gain (loss) on embedded derivatives	-	-	-
Other	-	-	-
-----			
Total non-operating items	564	50	(27)
=====			
Refinery throughputs (mb/d)			
UK	111	144	164
Rest of Europe	639	664	647
USA	976	942	1,400
Rest of World	296	288	299
-----			
Total throughput	2,022	2,038	2,510
=====			
Refining availability (%) (b)	79.9	90.9	95.2
=====			
Oil sales volumes (mb/d)			
Refined products			
UK	345	358	338
Rest of Europe	1,315	1,343	1,323
USA	1,599	1,559	1,648
Rest of World	567	573	621
-----			
Total marketing sales	3,826	3,833	3,930
Trading/supply sales	2,213	1,448	2,196
-----			
Total refined product sales	6,039	5,281	6,126
Crude oil	3,141	2,710	2,871
-----			
Total oil sales	9,180	7,991	8,997
=====			
Global Indicator Refining Margin (\$/bbl) (c)			
NWE	2.88	5.51	2.84
USGC	10.86	11.64	7.30
Midwest	4.89	7.91	3.84
USWC	11.22	8.90	12.88
Singapore	3.54	4.42	4.98
BP Average	6.28	7.60	5.94
=====			
Chemicals production (kte)			
UK	303	281	317
Rest of Europe	842	811	806
USA	789	676	1,218
Rest of World	1,687	1,638	1,108
-----			
Total production	3,621	3,406	3,449
=====			



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(a) Profit from continuing operations and includes profit after interest and tax of equity-accounted entities.

(b) Refining availability is defined as the ratio of units which are available for processing, regardless of whether they are actually being used, to total capacity. Where there is planned maintenance, such capacity is not regarded as being available. During the first quarter of 2006, there was planned maintenance of a substantial part of the Texas City refinery.

(c) The Global Indicator Refining Margin (GIM) is the average of 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 replacement cost profit before interest and tax for the first quarter was \$1,612 million compared with \$1,411 million for the same period last year. The quarter's result includes a net non-operating gain of \$564 million, primarily in respect of net gains on divestments as described below. The non-operating charge for the same period last year was \$27 million.

Compared with the first quarter of 2005, realized refining margins were slightly lower and overall marketing margins were similar. The major impact on the first quarter's result was the margin loss and recommissioning costs associated with the shutdown of our Texas City refinery. Compared with the first quarter of 2005, the reduction in the result in respect of the Texas City closure, including the impact on associated businesses, was some \$650 million. Relative to the first quarter of 2005, this reduction was partly offset by improved supply optimization and business improvements elsewhere. The quarter was also adversely impacted by IFRS accounting effects.

The refining throughputs for the quarter were 2,022 mb/d compared with 2,510 mb/d for the same quarter last year. The reduction in throughputs was mainly due to the continued shutdown of our Texas City refinery. Recommissioning of the site began at the end of March, with current throughput of 200 mb/d, and is expected to continue in a phased manner for the remainder of the year, with the full financial potential of the site not expected to be realized until 2007. Excluding the Texas City refinery, refining availability for the first quarter of 2006 was 96.0%.

Marketing sales of 3,826 mb/d compared with 3,930 mb/d for the corresponding period in 2005 reflecting divestment activities.

During the first quarter of 2006, we completed the disposal of our shareholding in Zhenhai Refining and Chemicals Company to Sinopec and completed the sale of our Czech Republic retail network to Osterreichische Mineralol Verwaltung Aktiengesellschaft (OMV).

Also during the quarter, BP sold its shareholding in Eiffage, the French based construction company, and completed a restructuring of our Olympic Pipeline ownership.

The rationalization programme for the European marketing businesses is being implemented on schedule.

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### Gas, Power and Renewables

\$ million	First Quarter 2006	Fourth Quarter 2005	First Quarter 2005
	=====		
Profit before interest and tax(a)	238	126	426
Inventory holding (gains) losses	63	3	(14)
	-----		
Replacement cost profit before interest and tax	301	129	412
	=====		

Results include:

Impairment and gain (loss) on sale of businesses and fixed assets	-	(26)	63
Environmental and other provisions	-	-	-
Restructuring, integration and rationalization costs	-	-	-
Fair value gain (loss) on embedded derivatives	(55)	(546)	42
Other	-	265	-
	-----		
Total non-operating items	(55)	(307)	105
	=====		

(a) Profit from continuing operations and includes profit after interest and tax of equity-accounted entities.

The replacement cost profit before interest and tax for the first quarter was \$301 million compared with \$412 million a year ago. The non-operating item for the first quarter comprises fair value losses on embedded derivatives of \$55 million. The corresponding quarter in 2005 contained fair value gains of \$42 million on embedded derivatives and net gains of \$63 million on the sales of assets.

The first quarter's result is lower than the same period in 2005 primarily due to negative impacts from non-operating items and IFRS fair value accounting charges, partially offset by a higher contribution from marketing and trading.

In February, BP announced plans to build a 500 MW \$1 billion hydrogen-fuelled power plant alongside BP's Carson refinery near Los Angeles. The plant is expected to generate enough low carbon power to serve 325,000 homes in South California.

### Other Businesses and Corporate

\$ million	First Quarter 2006	Fourth Quarter 2005	First Quarter 2005
	=====		
Profit (loss) before interest and tax(a)	(215)	(409)	(171)
Inventory holding (gains) losses	(2)	-	-
	-----		

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Replacement cost profit (loss) before interest and tax	(217)	(409)	(171)
	=====		

Results include:

Impairment and gain (loss) on sale of businesses and fixed assets	1	-	-
Environmental and other provisions	-	(4)	-
Restructuring, integration and rationalization costs	-	(57)	(43)
Fair value gain (loss) on embedded derivatives	8	(3)	(4)
Other	-	-	-
	-----		
Total non-operating items	9	(64)	(47)
	=====		

(a) Profit from continuing operations and includes profit after interest and tax of equity-accounted entities.

Other businesses and corporate comprises Finance, the group's aluminium asset, interest income and costs relating to corporate activities. The first quarter's result includes a net gain of \$9 million in respect of non-operating items.

### Dividends Payable

	June 2006	March 2006	June 2005
	=====		
Dividends per ordinary share			
cents	9.375	9.375	8.50
pence	5.251	5.288	4.450
Dividends per ADS (cents)	56.25	56.25	51.0
	-----		

BP today announced a dividend of 9.375 cents per ordinary share to be paid in June. Holders of ordinary shares will receive 5.251 pence per share and holders of American Depository Receipts (ADRs) \$0.5625 per ADS share. The dividend is payable on 5 June to shareholders on the register on 12 May. Participants in the Dividend Reinvestment Plan (DRIP) or the DRIP facility in the US Direct Access Plan will receive the dividend in the form of shares, also on 5 June.

### Outlook

BP Group Chief Executive, Lord Browne, concluded:

"World economic growth appears robust. The US appears to have rebounded in the first quarter, Europe continues to show promise of an acceleration of growth, and Asia and Latin America are growing at or around trend. The near-term global outlook appears strong.

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"Crude oil prices averaged \$61.79 per barrel (Dated Brent) in the first quarter of 2006, an increase of nearly \$5 per barrel from the fourth quarter 2005 and more than \$14 per barrel above the same period last year. Prices rebounded in face of a disruption of Nigerian supplies and heightened geopolitical concerns. Ample inventories and increased OPEC production capacity have failed to stem the increase. Oil prices are expected to remain strong.

"US natural gas prices averaged \$9.01/mmbtu (Henry Hub first of month index) in the first quarter, nearly \$4/mmbtu below the fourth quarter of last year. Demand weakness has more than offset supply lost following last year's hurricanes, resulting in a substantial gain in inventories relative to seasonal norms. Mild winter weather has contributed to demand softness. As a result, prices have fallen below parity with residual fuel oil. US gas prices are expected to track broadly with oil prices but are vulnerable to further relative declines if demand remains weak.

"UK gas prices (National Balancing Point day-ahead) in the first quarter averaged 70 pence per therm, up from 65.3 pence per therm in the fourth quarter and 32 pence per therm above the same period last year. Cold weather and the closure of the Rough storage facility in mid-March prompted a brief price spike above 150 pence per therm amid concerns about physical supply availability. Prompt prices have recently eased to around 40 pence per therm.

"Global average refining margins softened to \$6.28/bbl in the first quarter compared with \$7.60/bbl in the fourth quarter of 2005. US refinery operations are still recovering from last autumn's hurricanes and a heavy maintenance programme has extended into the second quarter. So far in April, refining margins have risen strongly in anticipation of the US driving season and the impending switch from MTBE to ethanol-blended reformulated gasoline and are likely to remain underpinned in the near term.

"During the first quarter, an initial improvement in retail margins reversed resulting in an overall decline during the quarter. This was against a backdrop of increasing product prices, particularly in February and March. A further rise in wholesale gasoline and crude prices is evident in April and marketing margins are expected to remain volatile.

"Recommissioning of the Texas City refinery commenced late in the first quarter of 2006 with current throughput of 200 mb/d, and is expected to continue in a phased manner for the remainder of the year.

"The UK Government's announced increase in the North Sea supplemental tax rate will, when enacted, result in higher tax charges in subsequent quarters. This increase will have two effects; first to create a one-time deferred tax charge of around \$600 million and second to increase the ongoing group effective tax rate by 2%. The full year aggregate effective tax rate is expected to be around 39%.

"We expect production for 2006 to be consistent with our previously indicated range of 4,100 to 4,200 mboe/d (at our planning assumption of \$40/barrel), less any 2006 disposal effects, and less any effects of prices above \$40/barrel on volumes in Production Sharing Contracts.

"Our strategy is unchanged. We continue to execute it with discipline and focus. Capital expenditure excluding acquisitions is expected to be around \$15 billion for the year with divestments in the region of \$3 billion.

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The foregoing discussion, in particular the statements under "Outlook", contains forward looking statements particularly those regarding the bringing onstream of units at the Texas City refinery and the expected

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timing of the realization of the full financial potential of that site; the first lifting of oil from the BTC pipeline at Ceyhan, the timing of production from the Thunder Horse platform; the expected timing of the completion of sales in the Statfjord oil and gas field, our interest in the Luva gas discovery and our remaining Gulf of Mexico Shelf assets; the progress of implementation of the rationalization programme for the European marketing businesses; the expected effect of low carbon power produced from the planned hydrogen-fuelled power plant at Carson; world economic growth; oil prices, US gas prices, refining margins, the effect of the increase in the North Sea supplemental tax rate; the aggregate effective tax rate; production; and capital expenditure. By their nature, forward looking statements 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 including inflationary pressures; political stability; economic growth in relevant areas of the world; changes in governmental regulations; exchange rate fluctuations; development and use of new technology; the actions of competitors; natural disasters and other changes in business conditions; prolonged adverse weather conditions; wars and acts of terrorism or sabotage; and other factors discussed in this Announcement. For more information you should refer to our Annual Report and Accounts 2005 and our 2004 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 Income Statement

	First Quarter 2006	Fourth Quarter 2005	First Quarter 2005
	=====		
	\$ million		
Sales and other operating revenues (Note 3)	67,082	64,708	54,743
Earnings from jointly controlled entities - after interest and tax	573	835	486
Earnings from associates - after interest and tax	115	133	114
Interest and other revenues	198	229	166
	-----		
Total revenues	67,968	65,905	55,509
Gain on sale of businesses and fixed assets	597	210	1,162
	-----		
Total revenues and other income	68,565	66,115	56,671
Purchases	47,613	45,541	36,441
Production and manufacturing expenses	5,217	6,118	4,702
Production and similar taxes (Note 4)	932	830	649
Depreciation, depletion and amortization	2,184	2,351	2,147
Impairment and losses on sale of businesses and fixed assets	23	124	186
Exploration expense (Note 4)	189	208	160
Distribution and administration expenses	3,096	4,013	3,224
Fair value (gain) loss on embedded derivatives	442	1,350	122
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Profit before interest and taxation from continuing operations	8,869	5,580	9,040
Finance costs (Note 5)	191	172	172
Other finance (income) expense (Note 6)	(48)	43	30
	-----		
Profit before taxation from continuing operations	8,726	5,365	8,838
Taxation	2,929	2,029	2,479
	-----		
Profit from continuing operations	5,797	3,336	6,359
Profit (loss) from Innovene operations (Note 2)	(103)	442	304
	-----		
Profit for the period	5,694	3,778	6,663
	=====		
Attributable to:			
BP shareholders	5,623	3,685	6,602
Minority interest	71	93	61
	-----		
	5,694	3,778	6,663
	=====		
Earnings per share - cents			
Profit for the period attributable to BP shareholders			
Basic	27.40	17.90	30.79
Diluted	27.13	17.68	30.36
Profit from continuing operations attributable to BP shareholders			
Basic	27.90	15.82	29.37
Diluted	27.63	15.62	28.97

### Summarized Group Balance Sheet

	31 March 2006	31 December 2005
	=====	
	\$ million	
Non-current assets		
Property, plant and equipment	85,487	85,947
Goodwill	10,322	10,371
Other intangible assets	4,887	4,772
Investments in jointly controlled entities	15,007	13,556
Investments in associates	5,371	6,217
Other investments	700	967
	-----	
Fixed assets	121,774	121,830
Loans	849	821
Other receivables	875	770
Derivative financial instruments	3,278	3,652
Prepayments and accrued income	1,524	1,269
Defined benefit pension plan surplus	3,469	3,282
	-----	
	131,769	131,624
	-----	
Current assets		
Loans	125	132
Inventories	18,823	19,760
Trade and other receivables	39,757	40,902
Derivative financial instruments	8,381	9,726
Prepayments and accrued income	3,918	1,598

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Current tax receivable	222	212
Cash and cash equivalents	2,939	2,960
	-----	-----
	74,165	75,290
Assets classified as held for sale	1,160	-
	-----	-----
	75,325	75,290
	-----	-----
Total assets	207,094	206,914
	=====	=====
Current liabilities		
Trade and other payables	42,712	42,136
Derivative financial instruments	7,553	9,083
Accruals and deferred income	6,852	5,970
Finance debt	9,222	8,932
Current tax payable	3,909	4,274
Provisions	1,097	1,102
	-----	-----
	71,345	71,497
	-----	-----
Non-current liabilities		
Other payables	1,812	1,935
Derivative financial instruments	3,159	3,696
Accruals and deferred income	4,112	3,164
Finance debt	9,457	10,230
Deferred tax liabilities	17,066	16,443
Provisions	9,527	9,954
Defined benefit pension plan and other post-retirement benefit plan deficits	9,336	9,230
	-----	-----
	54,469	54,652
	-----	-----
Liabilities directly associated with the assets classified as held for sale	399	-
	-----	-----
	54,868	54,652
	-----	-----
Total liabilities	126,213	126,149
	-----	-----
Net assets	80,881	80,765
	=====	=====
Equity		
BP shareholders' equity	80,148	79,976
Minority interest	733	789
	-----	-----
	80,881	80,765
	=====	=====

Movement in BP Shareholders' Equity

Movement in BP shareholders' equity	\$ million
At 31 December 2005	79,976
Profit for the period	5,623
Distribution to shareholders	(1,922)
Currency translation differences (net of tax)	251
Repurchase of ordinary share capital	(3,999)

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Issue of ordinary share capital for employee share schemes	228
Purchase of shares by ESOP trusts	(90)
Share-based payments (net of tax)	118
Available-for-sale investments (net of tax)	(126)
Cash flow hedges (net of tax)	89
	-----
At 31 March 2006	80,148
	=====

### Summarized Group Cash Flow Statement

	First Quarter 2006	Fourth Quarter 2005	First Quarter 2005
	=====		
	\$ million		
<b>Operating activities</b>			
Profit before taxation from continuing operations	8,726	5,365	8,838
Adjustments to reconcile profits before tax to net cash provided by operating activities			
Exploration expenditure written off	114	81	84
Depreciation, depletion and amortization	2,183	2,351	2,147
Impairment and (gain) loss on sale of businesses and fixed assets	(574)	(86)	(976)
Earnings from jointly controlled entities and associates	(688)	(968)	(600)
Dividends received from jointly controlled entities and associates	1,011	844	355
Working capital and other movements	(1,849)	(4,171)	(886)
	-----		
Net cash provided by operating activities of continuing operations	8,923	3,416	8,962
Net cash provided by (used in) operating activities of Innovene operations	-	823	412
	-----		
Net cash provided by operating activities	8,923	4,239	9,374
	-----		
<b>Investing activities</b>			
Capital expenditure	(3,295)	(3,476)	(2,825)
Acquisitions, net of cash acquired	-	(60)	-
Investment in jointly controlled entities	-	(132)	(15)
Investment in associates	(157)	(252)	(99)
Proceeds from disposal of fixed assets	484	825	1,327
Proceeds from disposal of businesses	166	8,397	-
Proceeds from loan repayments	72	32	32
Other	-	93	-
	-----		
Net cash (used in) provided by investing activities	(2,730)	5,427	(1,580)
	-----		
<b>Financing activities</b>			
Net repurchase of shares	(3,861)	(3,687)	(1,933)
Proceeds from long-term financing	396	685	811
Repayments of long-term financing	(65)	(1,197)	(2,192)
Net increase (decrease) in short-term debt	(710)	(2,423)	(2,166)
Dividends paid - BP shareholders	(1,922)	(1,856)	(1,823)
- Minority interest	(66)	(405)	(320)



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Net cash used in financing activities	(6,228)	(8,883)	(7,623)
Currency translation differences relating to cash and cash equivalents	14	(5)	(9)
Increase (decrease) in cash and cash equivalents	(21)	778	162
Cash and cash equivalents at beginning of period	2,960	2,182	1,359
Cash and cash equivalents at end of period	2,939	2,960	1,521

### Summarized Group Cash Flow Statement

	First Quarter 2006	Fourth Quarter 2005	First Quarter 2005
\$ million			
Working capital and other movements			
Interest receivable	(130)	(228)	(63)
Interest received	146	208	34
Finance costs	191	172	172
Interest paid	(310)	(292)	(332)
Other finance expense	(48)	43	30
Share-based payments	83	56	77
Net operating charge for pensions and other post-retirement benefits, less contributions	(50)	(398)	(10)
Net charge for provisions, less payments	(207)	(284)	(63)
(Increase) decrease in inventories	1,008	(318)	(797)
(Increase) decrease in other current and non-current receivables	335	(386)	(1,317)
Increase (decrease) in other current and non-current payables	(106)	300	2,367
Income taxes paid	(2,761)	(3,044)	(984)
	(1,849)	(4,171)	(886)

### Group Statement of Recognized Income and Expense

	First Quarter 2006	Fourth Quarter 2005	First Quarter 2005
\$ million			
Currency translation differences	153	(308)	(752)
Exchange gain on translation of foreign operations transferred to gain or loss on sale of businesses and fixed assets	-	(315)	-

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Actuarial gain relating to pensions and other post-retirement benefits	-	975	-
Available-for-sale investments marked to market	197	236	2
Available-for-sale investments - recycled to the income statement	(346)	-	(43)
Cash flow hedges marked to market	57	(48)	(60)
Cash flow hedges - recycled to the income statement	57	43	(7)
Taxation	61	(295)	56
	-----		
Net income recognized directly in equity	179	288	(804)
Profit for the period	5,694	3,778	6,663
	-----		
Total recognized income and expense relating to the period	5,873	4,066	5,859
	=====		
Attributable to:			
BP shareholders	5,802	3,973	5,798
Minority interest	71	93	61
	-----		
	5,873	4,066	5,859
	=====		
Change in accounting policy - adoption of IAS 32 and 39 on 1 January 2005 (wholly attributable to BP shareholders)	-	-	(243)
	=====		

### Capital Expenditure and Acquisitions

	First Quarter 2006	Fourth Quarter 2005	First Quarter 2005
	=====		
	\$ million		
By business			
Exploration and Production			
UK	182	211	176
Rest of Europe	69	79	31
USA	1,021	1,001	997
Rest of World	1,428	1,671	1,097
	-----		
	2,700	2,962	2,301
	-----		
Refining and Marketing			
UK	61	203	43
Rest of Europe	65	291	67
USA	258	535	190
Rest of World	107	379	46
	-----		
	491	1,408	346
	-----		
Gas, Power and Renewables			
UK	1	10	1
Rest of Europe	5	15	1
USA	20	42	13
Rest of World	14	57	6

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	40	124	21
Other businesses and corporate			
UK	19	90	75
Rest of Europe	-	71	20
USA	8	131	64
Rest of World	-	4	1
	27	296	160
	3,258	4,790	2,828
By geographical area			
UK	263	514	295
Rest of Europe	139	456	119
USA	1,307	1,709	1,264
Rest of World	1,549	2,111	1,150
	3,258	4,790	2,828
Included above:			
Acquisitions and asset exchanges	10	60	85
Innovene operations	-	140	129
Exchange rates			
US dollar/sterling average rate for the period	1.75	1.75	1.89
US dollar/sterling period-end rate	1.75	1.73	1.88
US dollar/euro average rate for the period	1.20	1.19	1.31
US dollar/euro period-end rate	1.21	1.18	1.30

Analysis of Profit Before Interest and Tax

	First Quarter 2006	Fourth Quarter 2005	First Quarter 2005
	\$ million		
By business			
Exploration and Production			
UK	1,165	(295)	911
Rest of Europe	303	398	1,328
USA	2,304	2,972	2,008
Rest of World	3,044	3,499	2,242
	6,816	6,574	6,489
Refining and Marketing			
UK	(155)	(590)	(251)
Rest of Europe	686	(266)	835
USA	828	(316)	1,425
Rest of World	679	99	344
	2,038	(1,073)	2,353

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Gas, Power and Renewables			
UK	(72)	(157)	118
Rest of Europe	7	(19)	6
USA	168	141	176
Rest of World	135	161	126
	238	126	426
Other businesses and corporate			
UK	(141)	(141)	(179)
Rest of Europe	(1)	(124)	4
USA	(104)	(22)	(9)
Rest of World	31	(122)	13
	(215)	(409)	(171)
	8,877	5,218	9,097
Unrealized profit in inventory	(8)	234	(153)
Net profit on transactions between continuing and Innovene operations	-	128	96
Total for continuing operations	8,869	5,580	9,040
Innovene operations			
UK	(55)	490	58
Rest of Europe	(21)	(1)	366
USA	7	(42)	112
Rest of World	(27)	21	(4)
	(96)	468	532
Net profit on transactions between continuing and Innovene operations	-	(128)	(96)
Total for Innovene operations	(96)	340	436
Total for period	8,773	5,920	9,476
By geographical area			
UK	772	(1,039)	605
Rest of Europe	995	31	2,246
USA	3,245	2,974	3,464
Rest of World	3,857	3,614	2,725
Total for continuing operations	8,869	5,580	9,040

Analysis of Replacement Cost Profit  
Before Interest and Tax

First Quarter 2006	Fourth Quarter 2005	First Quarter 2005
--------------------------	---------------------------	--------------------------

\$ million

By business

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Exploration and Production			
UK	1,165	(295)	911
Rest of Europe	303	398	1,328
USA	2,311	2,964	2,003
Rest of World	3,044	3,499	2,242
	-----		
	6,823	6,566	6,484
	-----		
Refining and Marketing			
UK	(148)	(516)	(272)
Rest of Europe	564	(170)	423
USA	637	354	999
Rest of World	559	167	261
	-----		
	1,612	(165)	1,411
	-----		
Gas, Power and Renewables			
UK	(72)	(157)	118
Rest of Europe	1	(18)	6
USA	178	147	167
Rest of World	194	157	121
	-----		
	301	129	412
	-----		
Other businesses and corporate			
UK	(141)	(141)	(179)
Rest of Europe	(3)	(124)	4
USA	(104)	(22)	(9)
Rest of World	31	(122)	13
	-----		
	(217)	(409)	(171)
	-----		
	8,519	6,121	8,136
Unrealized profit in inventory	(8)	234	(153)
Net profit on transactions between continuing and Innovene operations	-	128	96
	-----		
Total for continuing operations	8,511	6,483	8,079
	-----		
Innovene operations			
UK	(55)	428	(13)
Rest of Europe	(21)	(4)	305
USA	7	(127)	90
Rest of World	(27)	15	-
	-----		
	(96)	312	382
Net profit on transactions between continuing and Innovene operations	-	(128)	(96)
	-----		
Total for Innovene operations	(96)	184	286
	-----		
Total for period	8,415	6,667	8,365
	=====		
By geographical area			
UK	779	(965)	585
Rest of Europe	865	128	1,834
USA	3,071	3,643	3,028
Rest of World	3,796	3,677	2,632
	-----		
Total for continuing operations	8,511	6,483	8,079
	=====		

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Analysis of Non-operating Items

	First Quarter 2006	Fourth Quarter 2005	First Quarter 2005
	=====		
	\$ million		
By business			
Exploration and Production			
UK	(394)	(975)	(290)
Rest of Europe	-	6	1,027
USA	2	(121)	(1)
Rest of World	6	111	44
	-----	-----	-----
	(386)	(979)	780
	-----	-----	-----
Refining and Marketing			
UK	20	(8)	8
Rest of Europe	229	(33)	1
USA	96	118	5
Rest of World	219	(27)	(41)
	-----	-----	-----
	564	50	(27)
	-----	-----	-----
Gas, Power and Renewables			
UK	(55)	(306)	105
Rest of Europe	-	-	-
USA	-	-	-
Rest of World	-	(1)	-
	-----	-----	-----
	(55)	(307)	105
	-----	-----	-----
Other businesses and corporate			
UK	-	(57)	(42)
Rest of Europe	-	-	(1)
USA	9	(7)	(4)
Rest of World	-	-	-
	-----	-----	-----
	9	(64)	(47)
	-----	-----	-----
Total before taxation for continuing operations	132	(1,300)	811
Taxation credit (charge)	(46)	421	(255)
	-----	-----	-----
Total after taxation for continuing operations	86	(879)	556
	-----	-----	-----
Innovene operations			
UK	(55)	242	(24)
Rest of Europe	(21)	(49)	-
USA	7	(51)	-
Rest of World	(27)	(6)	-
	-----	-----	-----
Total before taxation for Innovene operations (a)	(96)	136	(24)
Taxation credit (charge)	(7)	190	10
	-----	-----	-----
Total after taxation for Innovene operations	(103)	326	(14)

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	-----	-----	-----
Total after taxation for period	(17)	(553)	542
	-----	-----	-----

- (a) Includes the loss on re-measurement to fair value of \$96 million in the first quarter of 2006 and \$(133) million in the fourth quarter of 2005, impairment charges of \$24 million in the first quarter of 2005, and a gain on disposal of \$3 million in the fourth quarter of 2005.

### Depreciation of Fixed Asset Revaluation Adjustment

	First Quarter 2006	Fourth Quarter 2005	First Quarter 2005
	\$ million		
	-----		
Exploration and Production			
UK	8	7	8
USA	55	62	76
Rest of World	5	5	5
	-----	-----	-----
	68	74	89
	-----		
Refining and Marketing			
USA	25	26	25
	-----	-----	-----
	25	26	25
	-----		
Gas, Power and Renewables			
USA	6	5	6
	-----	-----	-----
	6	5	6
	-----		
Total depreciation of revaluation adjustment (a) (b)	99	105	120
	-----		

- (a) Relates to the revaluation adjustment consequent upon the ARCO acquisition.
- (b) Excludes impairment of the revaluation adjustment which is included in non-operating items.

### Net Debt Ratio - Net Debt: Net Debt + Equity

	First Quarter 2006	Fourth Quarter 2005	First Quarter 2005
	\$ million		
	-----		
Gross debt	18,679	19,162	19,564
Cash and cash equivalents	2,939	2,960	1,521
	-----		

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Net debt	15,740	16,202	18,043
	=====		
Equity	80,881	80,765	79,911
Net debt ratio	16%	17%	18%
	=====		

### Production and Realizations

	First Quarter 2006	Fourth Quarter 2005	First Quarter 2005
	=====		
Production (a)			
Crude oil (mb/d) (net of royalties)			
UK	268	244	288
Rest of Europe	64	69	76
USA	444	432	560
Rest of World	1,584	1,655	1,481
	-----		
Total crude oil production	2,360	2,400	2,405
	=====		
Natural gas liquids (mb/d) (net of royalties)			
UK	13	16	17
Rest of Europe	4	4	5
USA	122	111	135
Rest of World	34	33	31
	-----		
Total natural gas liquids production	173	164	188
	=====		
Liquids (b) (mb/d) (net of royalties)			
UK	281	260	305
Rest of Europe	68	73	81
USA	566	543	695
Rest of World	1,618	1,688	1,512
	-----		
Total liquids production	2,533	2,564	2,593
	=====		
Natural gas (mmcf/d) (net of royalties)			
UK	1,196	1,156	1,242
Rest of Europe	94	107	121
USA	2,485	2,359	2,648
Rest of World	4,938	4,836	4,734
	-----		
Total natural gas production	8,713	8,458	8,745
	=====		
Average realizations (c)			
Crude oil (\$/bbl)			
UK	60.57	54.70	45.54
USA	58.27	57.40	43.20
Rest of World	56.18	49.93	41.49
BP Average	58.25	53.92	43.37
	=====		
Natural gas liquids (\$/bbl)			
UK	48.19	43.68	29.82
USA	33.25	37.78	26.98
Rest of World	37.05	42.10	31.24



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BP Average	35.47	39.29	28.14
	=====		
Liquids (\$/bbl) (b)			
UK	60.00	54.02	44.68
USA	53.79	53.98	40.56
Rest of World	55.02	49.51	40.83
BP Average	55.88	52.44	41.74
	=====		
Natural gas (\$/mcf)			
UK	7.87	6.96	5.58
USA	6.91	9.48	5.31
Rest of World	3.94	4.08	3.10
BP Average	5.54	6.24	4.26
	=====		

- (a) Includes BP's share of production of equity-accounted entities.  
 (b) Crude oil and natural gas liquids.  
 (c) Based on sales of consolidated subsidiaries only - this excludes equity-accounted entities.

### Notes

#### 1. Resegmentation

With effect from 1 January 2006 the following changes to the business segment boundaries have been implemented:

- (a) Following the sale of Innovene to INEOS in December 2005, the transfer of three equity-accounted entities (Shanghai SECCO Petrochemical Company Limited in China and Polyethylene Malaysia Sdn Bhd (PEMSB) and Ethylene Malaysia Sdn Bhd (EMSB), both in Malaysia), previously reported in Other businesses and corporate, to Refining and Marketing.
- (b) The formation of BP Alternative Energy in November 2005 has resulted in the transfer of certain mid-stream assets and activities to Gas, Power and Renewables:
- South Houston Green Power (SHGP) co-generation facility (in Texas City refinery) from Refining and Marketing.
  - Watson Cogeneration (in Carson City refinery) from Refining and Marketing.
  - Phu My Phase 3 CCGT plant in Vietnam from Exploration and Production.
- (c) The transfer of Hydrogen for Transport activities from Gas, Power and Renewables to Refining and Marketing.

Comparative financial data is shown after resegmentation.

Restated		Reported	
Fourth Quarter 2005	First Quarter 2005	Fourth Quarter 2005	First Quarter 2005

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	\$ million			
Sales and other operating revenues				
Exploration and Production	14,769	10,186	14,769	10,186
Refining and Marketing	53,969	47,722	53,979	47,762
Gas, Power and Renewables	7,997	7,145	7,987	7,105
Other businesses and corporate	161	172	161	172
	-----	-----	-----	-----
	76,896	65,225	76,896	65,225
	=====			
Profit before interest and tax				
Exploration and Production	6,574	6,489	6,575	6,491
Refining and Marketing	(1,073)	2,353	(1,068)	2,363
Gas, Power and Renewables	126	426	114	418
Other businesses and corporate	(409)	(171)	(403)	(175)
	-----	-----	-----	-----
Profit before interest and tax	5,218	9,097	5,218	9,097
	=====			

### Notes

#### 2. Sale of Olefins and Derivatives business

The sale of Innovene, BP's olefins, derivatives and refining group, to INEOS, was completed on 16 December, 2005.

The Innovene operations represented a separate major line of business for BP. As a result of the sale, these operations were treated as discontinued operations for the year ended 31 December 2005. A single amount was shown on the face of the income statement comprising the post-tax result of discontinued operations and the post-tax loss recognized on the remeasurement to fair value less costs to sell of the discontinued operation. That is, the income and expenses of Innovene were reported separately from the continuing operations of the BP group. The table below provides further detail of the amount shown on the income statement.

In the cash flow statement the cash provided by the operating activities of Innovene in 2005 has been separated from that of the rest of the group and reported as a single line item.

First quarter 2006 includes a loss of \$96 million related mainly to post-closing working capital adjustments. We anticipate further adjustments during the second quarter 2006.

	First Quarter 2006	Fourth Quarter 2005	First Quarter 2005
	=====		
	\$ million		
Profit before tax from Innovene operations	-	335	532
Net profit on transactions between continuing and Innovene operations	-	(128)	(96)
	-----		
Profit before interest and taxation	-	207	436
Other finance income (expense)	-	1	1

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(Loss)/gain recognized on the re-measurement to fair value	(96)	133	-
	(96)	341	437
Taxation			
Related to profit before tax	-	(86)	(133)
Related to re-measurement to fair value	(7)	187	-
Profit (loss) from Innovene operations	(103)	442	304

### Notes

#### 3. Sales and other operating revenues

	First Quarter 2006	Fourth Quarter 2005	First Quarter 2005
	\$ million		
By business			
Exploration and Production	13,918	14,769	10,186
Refining and Marketing	56,605	53,969	47,722
Gas, Power and Renewables	8,279	7,997	7,145
Other businesses and corporate	206	161	172
Sales by continuing operations	79,008	76,896	65,225
Less: sales between businesses	11,926	10,595	8,369
sales to Innovene operations	-	1,593	2,113
Third party sales of continuing operations	67,082	64,708	54,743
Innovene sales	-	3,509	5,343
Less: sales to continuing operations	-	1,445	1,534
Third party sales of Innovene operations	-	2,064	3,809
Total third party sales	67,082	66,772	58,552
By geographical area			
UK	27,865	18,204	19,821
Rest of Europe	18,374	14,661	15,824
USA	25,728	23,185	23,395
Rest of World	18,375	20,693	12,725
Sales by continuing operations	90,342	76,743	71,765
Less: sales between areas	23,260	10,442	14,909
sales to Innovene operations	-	1,593	2,113
	67,082	64,708	54,743

#### 4. Profit before interest and taxation is after charging:

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	First Quarter 2006	Fourth Quarter 2005	First Quarter 2005
	=====		
	\$ million		
Exploration expense			
UK	7	11	5
Rest of Europe	-	-	1
USA	66	117	103
Rest of World	116	80	51
	-----		
	189	208	160
	=====		
Production and similar taxes (a)			
UK	235	133	114
Overseas	697	697	535
	-----		
	932	830	649
	=====		

(a) Production taxes are charged against Exploration and Production's profit before interest and taxation.

Notes

5. Finance costs

	First Quarter 2006	Fourth Quarter 2005	First Quarter 2005
	=====		
	\$ million		
Interest payable	293	278	191
Capitalized	(102)	(106)	(76)
	-----		
	191	172	115
Early redemption of finance leases	-	-	57
	-----		
	191	172	172
	=====		

6. Other finance (income) expense

	First Quarter 2006	Fourth Quarter 2005	First Quarter 2005
	=====		
	\$ million		
Interest on pension and other post-retirement benefit plan liabilities	471	497	514
Expected return on pension and other post-retirement benefit plan assets	(582)	(521)	(547)
	-----		

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Interest net of expected return on plan assets	(111)	(24)	(33)
Unwinding of discount on provisions	54	57	45
Unwinding of discount on deferred consideration for acquisition of investment in TNK-BP	9	9	17
	-----	-----	-----
	(48)	42	29
Innovene operations	-	1	1
	-----	-----	-----
Continuing operations	(48)	43	30
	=====	=====	=====

### 7. Dividends paid

	First Quarter 2006	Fourth Quarter 2005	First Quarter 2005
	=====	=====	=====
Dividends per ordinary share cents	9.375	8.925	8.50
pence	5.288	5.061	4.522
Dividends per ADS (cents)	56.25	53.55	51.0
	=====	=====	=====

### Notes

### 8. Analysis of changes in net debt

	First Quarter 2006	Fourth Quarter 2005	First Quarter 2005
	=====	=====	=====
	\$ million		
Opening balance			
Finance debt	19,162	22,159	23,091
Less: Cash and cash equivalents	2,960	2,182	1,359
	-----	-----	-----
Opening net debt	16,202	19,977	21,732
	-----	-----	-----
Closing balance			
Finance debt	18,679	19,162	19,564
Less: Cash and cash equivalents	2,939	2,960	1,521
	-----	-----	-----
Closing net debt	15,740	16,202	18,043
	-----	-----	-----
Decrease (increase) in net debt	462	3,775	3,689
	=====	=====	=====
Movement in cash and cash equivalents (excluding exchange adjustments)	(35)	783	171
Net cash outflow (inflow) from financing (excluding share capital)	379	2,936	3,547
Adoption of IAS 39	-	-	(147)
Fair value hedge adjustment	82	48	98
Other movements	32	11	49
	-----	-----	-----
Movement in net debt before exchange effects	458	3,778	3,718
Exchange adjustments	4	(3)	(29)
	-----	-----	-----
Decrease (increase) in net debt	462	3,775	3,689
	=====	=====	=====

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## Notes

### 9. TNK-BP Operational and Financial Information

	First Quarter 2006	Fourth Quarter 2005	First Quarter 2005
=====			
Production (Net of royalties) (BP share)			
Crude oil (mb/d)	896	936	875
Natural gas (mmcf/d)	567	530	527
Total hydrocarbons (mboe/d) (a)	994	1,027	966
	=====		
	\$ million		
Income statement (BP share)			
Profit before interest and tax	852	1,029	615
Interest expense *	(43)	(30)	(29)
Taxation	(350)	(234)	(167)
Minority interest	(41)	(31)	(8)
	-----		
Net Income (b)	418	734	411
	=====		
* Excludes unwinding of discount on deferred consideration	9	9	17
	=====		
Cash Flow			
Dividends received	771	525	250
Dividends receivable	-	771	-
	=====		
	First Quarter 2006	Fourth Quarter 2005	First Quarter 2005
	=====		
Average oil marker prices (\$/bbl)			
Urals (NWE - cif)	58.15	53.23	42.54
Urals (Med - cif)	58.26	54.07	43.21
Domestic Oil	35.27	31.73	19.14
	=====		
Balance sheet	31 March 2006	31 December 2005	
	=====		
Investments in jointly controlled entities	8,506	8,089	
	=====		
Deferred consideration			
Due within one year	1,236	1,227	
Due after more than one year	-	-	
	-----		
	1,236	1,227	
	=====		

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

(b) Fourth quarter 2005 includes a net gain of \$270 million on the disposal of non-core producing assets in the Saratov region, along with the Orsk refinery.

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As reported in previous quarters, various TNK-BP companies have received tax notifications. Upon entering into the joint venture arrangement, each party received indemnities from its co-venturers in respect of historical tax liabilities related to assets contributed to the joint venture. BP believes its provisions are adequate for its share of any liabilities arising from tax claims not covered by these indemnities.

### Notes

#### 10. Equity-accounted entities

The group's profit for the period includes the following in respect of equity-accounted entities.

	RC profit (loss) before interest and tax	Inventory holding gains (losses)	Profit (loss) before interest and tax
-----			
\$ million			
First Quarter 2006			
Exploration and Production	1,149	-	1,149
Refining and Marketing	95	6	101
Gas, Power and Renewables	29	-	29
Other businesses and corporate	(2)	-	(2)
-----			
Continuing operations	1,271	6	1,277
Innovene operations	-	-	-
-----			
	1,271	6	1,277
=====			
Fourth Quarter 2005			
Exploration and Production	1,291	-	1,291
Refining and Marketing	88	8	96
Gas, Power and Renewables	27	-	27
Other businesses and corporate	-	-	-
-----			
Continuing operations	1,406	8	1,414
Innovene operations	(17)	-	(17)
-----			
	1,389	8	1,397
=====			
First Quarter 2005			
Exploration and Production	839	-	839
Refining and Marketing	75	(4)	71
Gas, Power and Renewables	7	-	7
Other businesses and corporate	-	-	-
-----			
Continuing operations	921	(4)	917
Innovene operations	-	-	-
-----			
	921	(4)	917
=====			

### Notes

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10. Equity-accounted entities (continued)

	Interest	Tax	Minority interest	Profit (loss) for the period
----- \$ million -----				
First Quarter 2006				
Exploration and Production	(72)	(439)	(41)	597
Refining and Marketing	(19)	(10)	-	72
Gas, Power and Renewables	(4)	(4)	-	21
Other businesses and corporate	-	-	-	(2)
-----				
Continuing operations	(95)	(453)	(41)	688
Innovene operations	-	-	-	-
-----				
	(95)	(453)	(41)	688
=====				
Fourth Quarter 2005				
Exploration and Production	(56)	(313)	(30)	892
Refining and Marketing	(18)	(27)	-	51
Gas, Power and Renewables	(1)	(1)	-	25
Other businesses and corporate	-	-	-	-
-----				
Continuing operations	(75)	(341)	(30)	968
Innovene operations	-	-	-	(17)
-----				
	(75)	(341)	(30)	951
=====				
Fourth Quarter 2005				
Exploration and Production	(52)	(227)	(8)	552
Refining and Marketing	(8)	(18)	-	45
Gas, Power and Renewables	(2)	(2)	-	3
Other businesses and corporate	-	-	-	-
-----				
Continuing operations	(62)	(247)	(8)	600
Innovene operations	-	-	-	-
-----				
	(62)	(247)	(8)	600
=====				

Notes

11. Second quarter results

BP's second quarter results will be announced on 25 July 2006.

12. Statutory accounts

The financial information shown in this publication is unaudited and does not constitute statutory accounts. The 2005 Annual Report and Accounts have been delivered to the UK Registrar of Companies; the report of the auditors on those accounts (in accordance with section 235 of the Companies Act 2005) was unqualified.



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

SIGNATURES

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

BP p.l.c.  
(Registrant)

Dated: 25 April, 2006

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