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BP PLC  
Form 6-K  
October 29, 2002

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 29 October 2002

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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No            |X|  
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BP p.l.c.  
Group Results  
Third Quarter 2002

London 29 October 2002

FOR IMMEDIATE RELEASE

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### UNDERLYING PERFORMANCE IMPROVEMENT CONTINUES

| Third<br>Quarter<br>2001  | Second<br>Quarter<br>2002 | Third<br>Quarter<br>2002 | \$ million                   | Nine Months |       |      |
|---------------------------|---------------------------|--------------------------|------------------------------|-------------|-------|------|
|                           |                           |                          |                              | 2002        | 2001  | %    |
| =====                     |                           |                          |                              |             |       |      |
| Replacement cost profit   |                           |                          |                              |             |       |      |
| 1,936                     | 1,293                     | 761                      | before exceptional items     | 2,978       | 7,585 |      |
| 79                        | 351                       | 556                      | Special items(a)             | 1,027       | 222   |      |
| 630                       | 537                       | 977                      | Acquisition amortization(b)  | 2,052       | 1,981 |      |
| -----                     |                           |                          |                              |             |       |      |
| Pro forma result adjusted |                           |                          |                              |             |       |      |
| 2,645                     | 2,181                     | 2,294                    | for special items            | 6,057       | 9,788 | (38) |
| =====                     |                           |                          |                              |             |       |      |
| 8.20                      | 6.71                      | 6.61                     | - per ordinary share (pence) | 18.26       | 30.28 | (40) |
| 11.80                     | 9.72                      | 10.24                    | - per ordinary share (cents) | 27.02       | 43.60 | (38) |
| 0.71                      | 0.59                      | 0.61                     | - per ADS (dollars)          | 1.62        | 2.62  |      |
| =====                     |                           |                          |                              |             |       |      |

- o BP's third quarter pro forma result, adjusted for special items, was \$2,294 million, compared with \$2,645 million a year ago, a reduction of 13%. For the nine months, the result was \$6,057 million compared to \$9,788 million, down 38%. Replacement cost profit, before exceptional items, for the third quarter and nine months was \$761 million and \$2,978 million respectively, compared with \$1,936 million and \$7,585 million a year ago.
  
- o The third quarter trading environment was similar to a year ago for Exploration and Production but less favourable for Refining and

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Marketing. The nine months trading environment was significantly less favourable than a year ago for both businesses.

- o Underlying performance improvements were \$0.8 billion before tax for the nine months. The outcome for the year is expected to be in the range of \$1.2-\$1.4 billion. Hydrocarbon production increased by around 4% and 3% for the third quarter and nine months respectively. The increase for the year is expected to be about 3%.
  
- o There were significant exceptional and special items in the third quarter. Exceptional profits after tax of \$1,769 million were principally related to the sale of BP's interest in Ruhrgas. Special charges after tax were \$556 million, comprising mainly impairment charges and a provision. In addition, there was accelerated acquisition amortization of \$405 million, reflecting impairment of former ARCO assets.
  
- o Return on average capital employed for the nine months, on a pro forma basis adjusted for special items, was 13% compared with 22% in 2001.
  
- o Quarterly dividend is 6.0 cents per share (\$0.36 per ADS). This compares with 5.5 cents a year ago. For the nine months the dividend showed an increase of 9%. In sterling terms, the quarterly dividend is 3.897 pence per share compared with 3.805 pence a year ago; for the nine months the increase was 4%. The company purchased for cancellation 100 million of its own shares during the quarter, at a cost of \$750 million.

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BP Group Chief Executive, Lord Browne, said:

"Our trading environment has shown little improvement overall and, for the nine months, is well down on a year ago. Performance improvements have been impacted by weaker than expected production."

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

- (a) The special items refer to non-recurring charges and credits. Further details are shown on page 3.
  
- (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 third quarter 2002 includes accelerated depreciation of the revaluation adjustment in respect of the impairment of former ARCO assets.

### Summary Quarterly Results

Exploration and Production's third quarter result was similar to a year ago with higher production and stronger oil realizations offset by weaker gas realizations. Total hydrocarbon production for the quarter was up around 4% on a year ago. There were new discoveries in Angola, Trinidad and the Gulf of Mexico.

In Gas, Power and Renewables, the result reflected less favourable marketing and trading conditions and the sale of the Ruhrgas interest, partly offset by an improved NGL result.

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The Refining and Marketing result decreased significantly, primarily reflecting lower worldwide refining margins than a year ago.

The Chemicals result was slightly above the prior quarter's, primarily due to reduced fixed costs.

Interest expense for the quarter was \$300 million, compared to \$314 million for the prior quarter, reflecting lower average debt.

The pro forma effective tax rate on replacement cost profit, before exceptional items, and adjusted for special items, was 34.5% compared to 35.4% a year ago. The effective tax rate on special items was 49%, reflecting the tax relief expected on the asset impairments in Exploration and Production and related restructuring.

Capital expenditure, was \$3.2 billion for the quarter. There were no significant acquisitions in the third quarter. Disposal proceeds were \$2.9 billion, including \$2.3 billion for the sale of the Ruhrgas interest.

Net cash outflow was \$523 million, compared to an inflow of \$905 million a year ago. Higher disposal proceeds were more than offset by the payment for the remaining interest in Veba and lower operating cash flow.

Net debt at the end of the quarter was \$21.0 billion. The pro forma ratio of net debt to net debt plus equity was 29%.

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The financial information for 2001 has been restated to reflect (i) the adoption by the group of FRS 19 'Deferred Tax' with effect from 1 January 2002; and (ii) the transfer of the solar, renewables and alternative fuels activities from Other businesses and corporate to Gas and Power on 1 January 2002. To reflect this transfer, Gas and Power has been renamed Gas, Power and Renewables from the same date. See Note 1 on page 20 for further information.

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

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### Pro Forma Results Adjusted for Special Items

| Pro Forma Result |         |         |         |        |          |                                    | Pro Forma Result |             |
|------------------|---------|---------|---------|--------|----------|------------------------------------|------------------|-------------|
| adjusted for     | -----   | 3Q      | 2002    | -----  |          |                                    | adjusted for     |             |
| special items    |         |         |         |        |          |                                    | special items    |             |
| -----            |         |         |         |        |          |                                    | -----            |             |
| 3Q               | 2Q      | 3Q      | Special | Acq.   | Reported |                                    |                  | Nine months |
| 2001             | 2002    | 2002    | Items*  | Amort+ | Earnings | \$ million                         | 2002             | 2001        |
| =====            |         |         |         |        |          | =====                              |                  |             |
|                  |         |         |         |        |          | Exploration and                    |                  |             |
| 3,070            | 2,889   | 3,050   | 703     | 775    | 1,572    | Production                         | 8,339            | 12,124      |
|                  |         |         |         |        |          | Gas, Power                         |                  |             |
| 125              | 114     | 87      | 30      | -      | 57       | and Renewables                     | 312              | 386         |
|                  |         |         |         |        |          | Refining and                       |                  |             |
| 1,289            | 685     | 522     | 83      | 202    | 237      | Marketing                          | 1,494            | 4,045       |
| 113              | 246     | 272     | 140     | -      | 132      | Chemicals                          | 626              | 203         |
|                  |         |         |         |        |          | Other businesses                   |                  |             |
| (117)            | (128)   | (116)   | 125     | -      | (241)    | and corporate                      | (369)            | (348)       |
| -----            |         |         |         |        |          | -----                              |                  |             |
|                  |         |         |         |        |          | RC operating                       |                  |             |
| 4,480            | 3,806   | 3,815   | 1,081   | 977    | 1,757    | profit                             | 10,402           | 16,410      |
| -----            |         |         |         |        |          | -----                              |                  |             |
| (367)            | (314)   | (300)   | -       | -      | (300)    | Interest expense                   | (947)            | (1,194)     |
| (1,456)          | (1,243) | (1,213) | (525)   | -      | (688)    | Taxation                           | (3,313)          | (5,390)     |
| (12)             | (68)    | (8)     | -       | -      | (8)      | MSI                                | (85)             | (38)        |
| -----            |         |         |         |        |          | -----                              |                  |             |
|                  |         |         |         |        |          | RC profit before                   |                  |             |
| 2,645            | 2,181   | 2,294   | 556     | 977    | 761      | exceptional items                  | 6,057            | 9,788       |
| -----            |         |         |         |        |          | -----                              |                  |             |
|                  |         |         |         |        |          | 1,794 Exceptional items before tax |                  |             |
|                  |         |         |         |        |          | (25) Taxation on exceptional items |                  |             |

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2,530 RC profit after exceptional items
    305 Stock holding gains
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2,835 HC profit
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\* The special items refer to non-recurring charges and credits. The special items for the third quarter include impairment charges and restructuring costs in Exploration and Production, an impairment charge in Gas, Power and Renewables, integration and certain other costs in Refining and Marketing, an impairment charge in Chemicals, and a provision to cover future rental payments on surplus leasehold office accommodation in Other Businesses and Corporate.

+ Acquisition amortization is depreciation and amortization relating to the fixed asset revaluation adjustments and goodwill consequent upon the ARCO and Burmah Castrol acquisitions. The third quarter 2002 includes accelerated depreciation of the revaluation adjustment in respect of the impairment of former ARCO assets.

Operating Results

| Third<br>Quarter | Second<br>Quarter | Third<br>Quarter |                        | Nine Months |        |
|------------------|-------------------|------------------|------------------------|-------------|--------|
| 2001             | 2002              | 2002             |                        | 2002        | 2001   |
| =====            |                   |                  |                        | =====       |        |
|                  |                   |                  | Replacement cost       |             |        |
| 3,730            | 3,250             | 1,757            | operating profit (\$m) | 7,065       | 14,147 |

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|       |       |       |                                      |        |        |
|-------|-------|-------|--------------------------------------|--------|--------|
|       |       |       |                                      |        |        |
|       |       |       | Replacement cost profit              |        |        |
| 1,936 | 1,293 | 761   | before exceptional items (\$m)       | 2,978  | 7,585  |
|       |       |       |                                      |        |        |
|       |       |       | Profit after exceptional items (\$m) |        |        |
| 1,993 | 1,509 | 2,530 | Replacement cost                     | 4,893  | 7,762  |
| 1,588 | 2,040 | 2,835 | Historical cost                      | 6,171  | 7,159  |
|       |       |       |                                      |        |        |
|       |       |       | Per ordinary share (cents)           |        |        |
|       |       |       | Pro forma result                     |        |        |
| 11.80 | 9.72  | 10.24 | adjusted for special items           | 27.02  | 43.60  |
|       |       |       | RC profit before                     |        |        |
| 8.63  | 5.77  | 3.39  | exceptional items                    | 13.28  | 33.78  |
|       |       |       | HC profit after exceptional items    |        |        |
| 7.09  | 9.10  | 12.65 | HC profit after exceptional items    | 27.53  | 31.89  |
|       |       |       |                                      |        |        |
|       |       |       | Per ADS (cents)                      |        |        |
|       |       |       | Pro forma result                     |        |        |
| 70.80 | 58.32 | 61.44 | adjusted for special items           | 162.12 | 261.60 |
|       |       |       | RC profit before                     |        |        |
| 51.78 | 34.62 | 20.34 | exceptional items                    | 79.68  | 202.68 |
|       |       |       | HC profit after exceptional items    |        |        |
| 42.54 | 54.60 | 75.90 | HC profit after exceptional items    | 165.18 | 191.34 |
|       |       |       |                                      |        |        |

### Exploration and Production

|      |      |      |            |                |
|------|------|------|------------|----------------|
| 3Q   | 2Q   | 3Q   |            | Nine Months    |
| 2001 | 2002 | 2002 | \$ million | 2002      2001 |



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|       |       |       |                                     |              |
|-------|-------|-------|-------------------------------------|--------------|
| ===== |       |       |                                     | =====        |
| 2,627 | 2,458 | 1,572 | Replacement cost operating profit   | 5,958 10,720 |
| -     | 90    | 703   | Special items                       | 920 -        |
| 443   | 341   | 775   | Acquisition amortization            | 1,461 1,404  |
| ----- |       |       |                                     | -----        |
|       |       |       | Pro forma operating result          |              |
| 3,070 | 2,889 | 3,050 | adjusted for special items          | 8,339 12,124 |
| ===== |       |       |                                     | =====        |
|       |       |       | Results include:                    |              |
| 86    | 222   | 119   | Exploration expense                 | 465 336      |
|       |       |       | Of which:                           |              |
| 23    | 147   | 55    | Exploration expenditure written off | 261 153      |
| ----- |       |       |                                     | -----        |
|       |       |       | Crude oil and natural gas           |              |
|       |       |       | liquids production (mb/d)           |              |
|       |       |       | (Net of Royalties)                  |              |
| 457   | 481   | 414   | UK                                  | 459 480      |
| 96    | 108   | 107   | Rest of Europe                      | 106 95       |
| 741   | 791   | 754   | USA                                 | 768 735      |
| 589   | 672   | 708   | Rest of World                       | 675 592      |
| ----- |       |       |                                     | -----        |
| 1,883 | 2,052 | 1,983 | Total liquids production            | 2,008 1,902  |
| ===== |       |       |                                     | =====        |
|       |       |       | Natural gas production(a)           |              |
|       |       |       | (mmcf/d) (Net of Royalties)         |              |
| 1,305 | 1,602 | 1,240 | UK                                  | 1,488 1,713  |
| 139   | 157   | 131   | Rest of Europe                      | 150 143      |
| 3,577 | 3,565 | 3,450 | USA                                 | 3,525 3,531  |
| 3,298 | 3,343 | 3,661 | Rest of World                       | 3,468 3,200  |
| ----- |       |       |                                     | -----        |
| 8,319 | 8,667 | 8,482 | Total natural gas production        | 8,631 8,587  |

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|                                  |       |       |                                    |       |       |
|----------------------------------|-------|-------|------------------------------------|-------|-------|
| =====                            |       |       |                                    | ===== |       |
| Average liquids realizations (b) |       |       |                                    |       |       |
| (\$/bbl)                         |       |       |                                    |       |       |
| 24.34                            | 24.59 | 26.26 | UK                                 | 23.74 | 25.33 |
| 22.38                            | 21.81 | 22.94 | USA                                | 20.71 | 23.58 |
| 22.71                            | 22.20 | 24.43 | Rest of World                      | 21.81 | 23.40 |
| 23.08                            | 22.81 | 24.40 | BP Average                         | 21.99 | 24.22 |
| =====                            |       |       |                                    | ===== |       |
| Average oil marker prices        |       |       |                                    |       |       |
| (\$/bbl)                         |       |       |                                    |       |       |
| 25.30                            | 25.07 | 26.91 | Brent                              | 24.40 | 26.14 |
| 26.72                            | 26.30 | 28.26 | West Texas Intermediate            | 25.40 | 27.77 |
| 24.05                            | 25.04 | 27.26 | Alaska North Slope US West Coast   | 24.06 | 25.01 |
| =====                            |       |       |                                    | ===== |       |
| Average natural gas realizations |       |       |                                    |       |       |
| (\$/mcf)                         |       |       |                                    |       |       |
| 2.52                             | 2.50  | 2.58  | UK                                 | 2.75  | 3.05  |
| 2.63                             | 2.76  | 2.34  | USA                                | 2.41  | 4.68  |
| 2.27                             | 2.04  | 1.99  | Rest of World                      | 1.99  | 2.73  |
| 2.49                             | 2.45  | 2.25  | BP Average                         | 2.32  | 3.66  |
| -----                            |       |       |                                    | ----- |       |
| 2.93                             | 3.38  | 3.16  | Henry Hub gas price (c) (\$/mmBtu) | 2.94  | 4.88  |
| UK Gas - National                |       |       |                                    |       |       |
| 17.07                            | 12.10 | 12.74 | Balancing Point (p/therm)          | 14.53 | 22.17 |
| =====                            |       |       |                                    | ===== |       |

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

(b) Crude oil and natural gas liquids.

(c) Henry Hub First of the Month Index.

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### Exploration and Production

The pro forma result for the third quarter was \$3,050 million, similar to the third quarter of 2001 when adjusted for special charges of \$686 million and accelerated acquisition amortization of \$405 million, relating to the impairments of Shearwater in the North Sea, Rhourde El Baguel in Algeria, LL652 and Boqueron in Venezuela, Pagerungan in Indonesia and Badami in Alaska, following full technical reassessments and evaluations of future investment opportunities. In addition, there were special restructuring charges of \$17 million.

Overall hydrocarbon production for the quarter at 3,445 mboe/d was up around 4% on a year ago reflecting new production from Alaska, Deep Water Gulf of Mexico, Trinidad, Angola and China and from our increased holding in Sidanco. These increases more than offset the impact of operational problems in the UK and USA and tropical storms in the Gulf of Mexico. During the quarter, King's Peak in the Gulf of Mexico and Trinidad LNG train 2 came on stream. Horn Mountain, Aspen, Princess and the Vietnam integrated gas project are due on stream in the fourth quarter.

The third quarter result reflected an increase in liquids realizations of \$1.32/bbl. There was some offset from the charge of \$64 million for Unrealized Profit In Stock (UPIS) to remove the upstream margin from downstream inventories following price rises since the second quarter. There was a negligible UPIS effect in the equivalent quarter last year. Overall natural gas realizations were down by \$0.24 per thousand cubic feet. North American natural gas realizations suffered from widening regional differentials to the Henry Hub marker caused by continued transportation capacity restrictions and weak local demand in the Rockies region.

The nine months result at \$8,339 million, down \$3,785 million on a year ago, reflected the impact of significantly lower oil and gas prices and higher exploration expense, mainly due to the second quarter write-off of the Neptune project in the Gulf of Mexico; these adverse factors were partly offset by volume growth and unit lifting cost reductions. Total hydrocarbon production for the nine months at 3,496 mboe/d was up 3% compared with a year ago.

During the quarter BP participated in three discoveries: in Angola, the Plutao oil discovery in Block 31 (BP 26.7% and operator), offshore Trinidad, the Iron Horse gas discovery (BP 90% and operator) and in the Gulf of Mexico, the Great White prospect (BP 33%).

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### Gas, Power and Renewables

| 3Q     | 2Q     | 3Q     |                                   | Nine Months |        |
|--------|--------|--------|-----------------------------------|-------------|--------|
| 2001   | 2002   | 2002   | \$ million                        | 2002        | 2001   |
| =====  |        |        |                                   |             |        |
| 125    | 114    | 57     | Replacement cost operating profit | 282         | 386    |
| -      | -      | 30     | Special items                     | 30          | -      |
| -      | -      | -      | Acquisition amortization          | -           | -      |
| -----  |        |        |                                   |             |        |
|        |        |        | Pro forma operating result        |             |        |
| 125    | 114    | 87     | adjusted for special items        | 312         | 386    |
| =====  |        |        |                                   |             |        |
|        |        |        | Gas sales volumes (mmcf/d)        |             |        |
| 2,170  | 2,349  | 1,809  | UK                                | 2,256       | 2,682  |
| 170    | 390    | 353    | Rest of Europe                    | 385         | 207    |
| 8,692  | 8,451  | 9,332  | USA                               | 8,841       | 8,403  |
| 7,331  | 8,618  | 9,556  | Rest of World                     | 9,155       | 7,191  |
| -----  |        |        |                                   |             |        |
| 18,363 | 19,808 | 21,050 | Total gas sales volumes           | 20,637      | 18,483 |
| =====  |        |        |                                   |             |        |
|        |        |        | NGL sales volumes (mb/d)          |             |        |
| -      | -      | -      | UK                                | -           | -      |
| -      | -      | -      | Rest of Europe                    | -           | -      |
| 233    | 189    | 178    | USA                               | 190         | 220    |
| 162    | 196    | 185    | Rest of World                     | 187         | 180    |
| -----  |        |        |                                   |             |        |
| 395    | 385    | 363    | Total NGL sales volumes           | 377         | 400    |
| =====  |        |        |                                   |             |        |

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## Gas, Power and Renewables

The pro forma result for the third quarter and nine months, adjusted for special items, was \$87 million and \$312 million respectively, compared with \$125 million and \$386 million a year ago. The special item of \$30 million relates to the impairment of a cogeneration power plant in the UK. The third quarter's marketing and trading result was down, despite a 15% increase in gas sales volumes, due to lower margins in North America and losses associated with the unscheduled shutdown of the UK/Belgium Interconnector. The NGL business result was up on a year ago due to improved margins. The result includes only one month of contribution from Ruhrgas due to the disposal of this investment during the third quarter. The nine months result reflects lower marketing and trading margins and a lower Ruhrgas contribution, partly offset by an improvement in the NGL business.

During the quarter BP and its partners entered into two liquefied natural gas (LNG) agreements with China National Offshore Oil Corporation. The Australian North West Shelf consortium (BP 16.6%) was selected to supply up to 3.3 million tonnes a year to China's Guangdong terminal (BP 30%). In addition, an agreement was signed to supply LNG to the Fujian terminal from Indonesia's Tangguh natural gas project (BP 49.7%). The 25-year LNG Sales and Purchase Agreement will involve the supply of up to 2.6 million tonnes of LNG a year to Fujian. Both projects are due to start up in 2006 or 2007. Separately, a supply and purchase agreement has been signed with Qatar Liquefied Gas Company Ltd. (Qatargas) for the delivery of 750,000 tonnes of LNG per year to the Spanish market over a three year period. The first LNG cargo to Spain is scheduled for delivery in the third quarter of 2003.

In North America, BP announced a multi-year agreement with Kinder Morgan that will provide BP with natural gas supply and gas transportation and storage facilities on Kinder Morgan's Texas intra-state pipeline systems.

## Refining and Marketing

| 3Q    | 2Q   | 3Q   |            | Nine Months |
|-------|------|------|------------|-------------|
| 2001  | 2002 | 2002 | \$ million | 2002 2001   |
| ===== |      |      |            | =====       |

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|                                     |        |        |                                   |        |        |
|-------------------------------------|--------|--------|-----------------------------------|--------|--------|
| 990                                 | 603    | 237    | Replacement cost operating profit | 908    | 3,194  |
| 112                                 | (114)  | 83     | Special items                     | (5)    | 274    |
| 187                                 | 196    | 202    | Acquisition amortization          | 591    | 577    |
| -----                               |        |        |                                   |        |        |
| Pro forma operating result          |        |        |                                   |        |        |
| 1,289                               | 685    | 522    | adjusted for special items        | 1,494  | 4,045  |
| =====                               |        |        |                                   |        |        |
| Refinery throughputs (mb/d)         |        |        |                                   |        |        |
| 414                                 | 376    | 394    | UK                                | 387    | 347    |
| 646                                 | 924    | 956    | Rest of Europe                    | 905    | 654    |
| 1,568                               | 1,464  | 1,455  | USA                               | 1,438  | 1,578  |
| 375                                 | 339    | 349    | Rest of World                     | 354    | 379    |
| -----                               |        |        |                                   |        |        |
| 3,003                               | 3,103  | 3,154  | Total throughput                  | 3,084  | 2,958  |
| =====                               |        |        |                                   |        |        |
| Oil sales volumes (mb/d)            |        |        |                                   |        |        |
| Refined products                    |        |        |                                   |        |        |
| 269                                 | 230    | 258    | UK                                | 248    | 266    |
| 1,058                               | 1,444  | 1,604  | Rest of Europe                    | 1,441  | 1,055  |
| 1,863                               | 1,941  | 1,847  | USA                               | 1,874  | 1,897  |
| 612                                 | 522    | 613    | Rest of World                     | 578    | 599    |
| -----                               |        |        |                                   |        |        |
| 3,802                               | 4,137  | 4,322  | Total marketing sales             | 4,141  | 3,817  |
| 2,744                               | 2,342  | 2,589  | Trading/supply sales              | 2,489  | 2,308  |
| -----                               |        |        |                                   |        |        |
| 6,546                               | 6,479  | 6,911  | Total refined product sales       | 6,630  | 6,125  |
| 4,680                               | 4,915  | 3,648  | Crude oil                         | 4,458  | 4,431  |
| -----                               |        |        |                                   |        |        |
| 11,226                              | 11,394 | 10,559 | Total oil sales                   | 11,088 | 10,556 |
| =====                               |        |        |                                   |        |        |
| Global Indicator Refining Margin(a) |        |        |                                   |        |        |

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(\$/bbl)

|      |      |      |            |      |      |
|------|------|------|------------|------|------|
| 1.74 | 0.59 | 1.28 | NWE        | 0.66 | 2.48 |
| 3.24 | 2.62 | 1.82 | USGC       | 2.16 | 5.87 |
| 7.20 | 3.76 | 3.27 | Midwest    | 3.03 | 7.20 |
| 8.17 | 4.46 | 3.54 | USWC       | 4.47 | 9.40 |
| 0.75 | 0.18 | 0.47 | Singapore  | 0.28 | 0.80 |
| 3.83 | 2.06 | 1.98 | BP Average | 1.90 | 4.62 |

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(a) The Global Indicator Refining Margin (GIM) is the average of seven 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.

### Refining and Marketing

The pro forma result, adjusted for special items, for the third quarter was \$522 million, a decrease of \$767 million or 60% on the same period last year. The special items comprised Veba and other European integration costs of \$54 million, settlement costs associated with a pre-acquisition ARCO US MTBE supply contract of \$22 million, and costs related to the Olympic pipeline incident of \$7 million. Although not classified as a special item, the third quarter result also included a charge of \$80 million in respect of environmental liabilities. For the nine months the result was \$1,494 million, down \$2,551 million or 63%.

Significantly lower refining margins are the primary reason for the decreases versus last year. Refining margins declined in the third quarter compared with the second quarter, reflecting high product stocks early in the quarter and pressure from higher crude prices. Retail margins for the quarter were lower than a year ago, particularly in the US, with the nine months similar to the prior year. Partly offsetting the poorer trading environment were the contributions from Veba and improved refining and marketing operational performance.

Refining throughputs increased by 5% compared with the third quarter of 2001 due

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to the Veba acquisition and better availability; these factors more than offset the Yorktown, Mandan and Salt Lake City refinery divestments. Marketing volumes increased by 14%, largely due to Veba. Excluding Veba marketing volumes were flat.

Shop sales increased by 64%, primarily due to Veba. Excluding Veba shop sales increased by 11%, reflecting the growing number of BP Connect stations and same store sales growth.

During the quarter, BP opened an additional 13 BP Connect stations, primarily in the USA and UK, bringing the total number of BP Connect stations worldwide to 446. An additional 1,900 sites were reimaged in the third quarter, bringing the total number of sites with the BP Helios to some 8,800 worldwide.

### Chemicals

| 3Q<br>2001 | 2Q<br>2002 | 3Q<br>2002 | \$ million                            | Nine Months |       |
|------------|------------|------------|---------------------------------------|-------------|-------|
| 2001       | 2002       | 2002       |                                       | 2002        | 2001  |
| =====      |            |            |                                       | =====       |       |
| 105        | 203        | 132        | Replacement cost operating profit     | 411         | 195   |
| 8          | 43         | 140        | Special items                         | 215         | 8     |
| -          | -          | -          | Acquisition amortization              | -           | -     |
| -----      |            |            |                                       | -----       |       |
|            |            |            | Pro forma operating result            |             |       |
| 113        | 246        | 272        | adjusted for special items            | 626         | 203   |
| =====      |            |            |                                       | =====       |       |
| 114        | 109        | 115(b)     | Chemicals Indicator Margin(a) (\$/te) | 101(b)      | 109   |
| =====      |            |            |                                       | =====       |       |
|            |            |            | Chemicals production (kte)            |             |       |
| 804        | 837        | 858        | UK                                    | 2,523       | 2,333 |
| 2,164      | 2,595      | 2,669      | Rest of Europe                        | 7,847       | 5,648 |
| 2,299      | 2,695      | 2,570      | USA                                   | 7,754       | 6,664 |



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|       |       |       |                  |        |        |
|-------|-------|-------|------------------|--------|--------|
| 703   | 762   | 783   | Rest of World    | 2,255  | 2,023  |
| ----- |       |       |                  | -----  |        |
| 5,970 | 6,889 | 6,880 | Total production | 20,379 | 16,668 |
| ===== |       |       |                  | =====  |        |

- (a) The Chemicals Indicator Margin (CIM) is a weighted average of externally-based product margins. It is based on market data collected by Chem Systems in their quarterly market analyses, then weighted based on BP's product portfolio. While it does not cover our entire portfolio, it includes a broad range of products. Amongst the products and businesses covered in the CIM are olefins and derivatives, aromatics and derivatives, linear alpha-olefins, acetic acid, vinyl acetate monomer and nitriles. Not included are fabrics and fibres, plastic fabrications, poly alpha-olefins, anhydrides, engineering polymers and carbon fibres, speciality intermediates, and the remaining parts of the solvents and acetyls businesses.
- (b) Provisional. The data for the third quarter is based on two months' actuals and one month of provisional data.

Chemicals

Chemicals' pro forma result for the third quarter, adjusted for special items, was \$272 million, which is slightly above the second quarter primarily due to lower fixed costs. The special item of \$140 million is a writedown of our Indonesian manufacturing assets following a review of its immediate prospects and opportunities for future growth in a highly competitive regional market.

The third quarter result was \$159 million higher than a year ago, primarily reflecting a lower cost structure and the benefits of portfolio additions, restructuring and reliability improvements. The nine months result was \$626 million compared with \$203 million in 2001 due to volume growth through improved operations, organic growth and acquisitions, and lower costs, against a weaker margin environment.

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Chemicals production for the third quarter and nine months was up 15% and 22% respectively, as a result of the Solvay, Erdolchemie and Veba transactions, new plants and improved reliability.

During the quarter we completed the sale of two-thirds of our interest in the European ethylene pipeline company, ARG, in accordance with EU commission requirements in relation to the Veba acquisition.

### Other Businesses and Corporate

| 3Q    | 2Q    | 3Q    |                                 | Nine Months |       |
|-------|-------|-------|---------------------------------|-------------|-------|
| 2001  | 2002  | 2002  | \$ million                      | 2002        | 2001  |
| ===== |       |       |                                 | =====       |       |
| (117) | (128) | (241) | Replacement cost operating loss | (494)       | (348) |
| -     | -     | 125   | Special items                   | 125         | -     |
| -     | -     | -     | Acquisition amortization        | -           | -     |
| ----- |       |       |                                 | -----       |       |
|       |       |       | Pro forma operating result      |             |       |
| (117) | (128) | (116) | adjusted for special items      | (369)       | (348) |
| ===== |       |       |                                 | =====       |       |

Other businesses and corporate comprises Finance, the group's coal asset and aluminium asset, its investments in PetroChina and Sinopec, interest income and costs relating to corporate activities. The special item of \$125 million is a provision to cover future rental payments on surplus leasehold office accommodation.

### Exceptional Items

| 3Q   | 2Q   | 3Q   |            | Nine Months |      |
|------|------|------|------------|-------------|------|
| 2001 | 2002 | 2002 | \$ million | 2002        | 2001 |

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|                  |   |             |
|------------------|---|-------------|
| =====            |   | =====       |
|                  | Profit (loss) on sale of fixed assets and |             |
| 184 376 1,794    | businesses or termination of operations   | 2,061 573   |
| (127) (160) (25) | Taxation credit (charge)                  | (146) (396) |
| -----            |   | -----       |
| 57 216 1,769     | Exceptional items after taxation          | 1,915 177   |
| =====            |   | =====       |

Exceptional items for the third quarter include the profit on disposal of BP's Ruhrgas interest and an electronic payment system.

2002 Dividends

|       |       |       |                              |               |
|-------|-------|-------|------------------------------|---------------|
| 3Q    | 2Q    | 3Q    |                              | Nine Months   |
| 2001  | 2002  | 2002  |                              | 2002 2001     |
| ===== |       | ===== |                              |               |
|       |       |       | Dividends per ordinary share |               |
| 5.50  | 6.00  | 6.00  | cents                        | 17.75 16.25   |
| 3.805 | 3.875 | 3.897 | pence                        | 11.823 11.381 |
| 33.0  | 36.0  | 36.0  | Dividends per ADS (cents)    | 106.5 97.5    |
| ----- |       | ----- |                              |               |

BP today announced a third quarterly dividend for 2002 of 6.0 cents per ordinary share. Holders of ordinary shares will receive 3.897 pence per share and holders of American Depositary Receipts (ADRs) \$0.36 per ADS share. The dividend is payable on 9 December to shareholders on the register on 15 November. Participants in the Dividend Reinvestment Plan (DRIP) or the DRIP facility in the US Direct Access Plan will receive the dividend in the form of shares, also on 9 December.

Outlook

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BP Group Chief Executive, Lord Browne, concluded:

"The world economy sustained its gradual recovery in the third quarter, and some modest growth is expected to continue in the fourth quarter, though the current environment has little upside and significant downside risks. BP's overall trading environment remained broadly at "mid-cycle" during the third quarter.

"Recent demand growth has been partly met by increased OPEC production, though quotas remain unchanged. Oil inventories are below normal seasonal levels. In the fourth quarter, assuming a normal seasonal demand increase and no material increase in OPEC production beyond high September levels, crude oil prices should remain around third quarter levels.

"Though storage levels for US natural gas remain high relative to seasonal norms, prices have strengthened recently. This reflects declining production and the expectation of firming seasonal demand.

"Refining margins have improved in recent weeks, and are now above the weak third quarter level, with commercial product inventories below the 1997-2001 average. Oil product inventories are likely to tighten further during the fourth quarter and should underpin margins.

"Average third quarter retail margins were broadly in line with the second quarter, though US margins came under pressure in the latter part of the quarter. Retail margins may come under further pressure in the fourth quarter reflecting a seasonal slowdown in demand and an increasingly competitive market.

"The Chemicals business environment has weakened in recent weeks with demand softening and margins under pressure from high feedstock prices.

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"Capital expenditure is on track for the upper end of the year's target range, at around \$13 billion, excluding acquisitions. The net debt ratio was below the mid-point of the 25-35% range at the end of the third quarter and is likely to remain relatively stable around this level for the remainder of the year."

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The foregoing discussion, in particular certain statements in the introductory bullet point assessment and under 'Outlook', focuses on certain trends and general market and economic conditions and outlook on production levels or rates, prices, margins, debt, targeted performance improvement, levels of annual investment and currency exchange rates and, as such, are forward-looking statements that involve risk and uncertainty that could cause actual results and developments to differ materially from those expressed or implied by this discussion. By their nature, trends and outlook on production, price, margin, debt, profitability and currency exchange rates are difficult to forecast with any precision, and there are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including specific factors accompanying such statements; future levels of industry product supply, demand and pricing; currency exchange rates; political stability and economic growth in relevant areas of the world; development and use of new technology and successful partnering; the actions of competitors; natural disasters and other changes to business conditions; prolonged adverse weather conditions; and wars and acts of terrorism and sabotage. Additional information, including information on factors which may affect BP's business, is contained in BP's Annual Report and Accounts and in the Annual Report on Form 20-F filed with the US Securities and Exchange Commission.

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BP p.l.c. and Subsidiaries

Summarized Group Results

| Third<br>Quarter<br>2001 | Second<br>Quarter<br>2002 | Third<br>Quarter<br>2002 |                                       | Nine Months<br>2002 | 2001   |
|--------------------------|---------------------------|--------------------------|---------------------------------------|---------------------|--------|
| =====                    |                           |                          |                                       | =====               |        |
| \$ million               |                           |                          |                                       | \$ million          |        |
| 2,627                    | 2,458                     | 1,572                    | Exploration and Production            | 5,958               | 10,720 |
| 125                      | 114                       | 57                       | Gas, Power and Renewables             | 282                 | 386    |
| 990                      | 603                       | 237                      | Refining and Marketing                | 908                 | 3,194  |
| 105                      | 203                       | 132                      | Chemicals                             | 411                 | 195    |
| (117)                    | (128)                     | (241)                    | Other businesses and corporate        | (494)               | (348)  |
| -----                    |                           |                          |                                       | -----               |        |
|                          |                           |                          | Total replacement cost                |                     |        |
| 3,730                    | 3,250                     | 1,757                    | operating profit                      | 7,065               | 14,147 |
|                          |                           |                          | Profit (loss) on sale of              |                     |        |
|                          |                           |                          | fixed assets and businesses or        |                     |        |
| 184                      | 376                       | 1,794                    | termination of operations (Note 4)    | 2,061               | 573    |
| -----                    |                           |                          |                                       | -----               |        |
|                          |                           |                          | Replacement cost profit before        |                     |        |
| 3,914                    | 3,626                     | 3,551                    | interest and tax                      | 9,126               | 14,720 |
| (405)                    | 525                       | 305                      | Stock holding gains (losses) (Note 6) | 1,303               | (603)  |
| -----                    |                           |                          |                                       | -----               |        |
|                          |                           |                          | Historical cost profit before         |                     |        |
| 3,509                    | 4,151                     | 3,856                    | interest and tax                      | 10,429              | 14,117 |
| 369                      | 314                       | 300                      | Interest expense (Note 7)             | 947                 | 1,256  |

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|       |       |       |                                     |              |
|-------|-------|-------|-------------------------------------|--------------|
| ----- |       |       |                                     | -----        |
| 3,140 | 3,837 | 3,556 | Profit before taxation              | 9,482 12,861 |
| 1,540 | 1,751 | 713   | Taxation (Note 8)                   | 3,217 5,664  |
| ----- |       |       |                                     | -----        |
| 1,600 | 2,086 | 2,843 | Profit after taxation               | 6,265 7,197  |
| 12    | 46    | 8     | Minority shareholders' interest     | 94 38        |
| ----- |       |       |                                     | -----        |
| 1,588 | 2,040 | 2,835 | Profit for the period               | 6,171 7,159  |
| ----- |       |       |                                     | -----        |
| 1,232 | 1,347 | 1,340 | Distribution to shareholders        | 3,977 3,646  |
| ===== |       |       |                                     | =====        |
|       |       |       | Earnings per ordinary share - cents |              |
| 7.08  | 9.10  | 12.65 | Basic                               | 27.53 31.88  |
| 7.03  | 9.05  | 12.59 | Diluted                             | 27.39 31.68  |
| ===== |       |       |                                     | =====        |

Replacement Cost Results

|       |       |         |                                |               |
|-------|-------|---------|--------------------------------|---------------|
|       |       |         | Historical cost profit         |               |
| 1,588 | 2,040 | 2,835   | for the period                 | 6,171 7,159   |
|       |       |         | Stock holding (gains) losses   |               |
| 405   | (531) | (305)   | net of MSI                     | (1,278) 603   |
| ----- |       |         |                                | -----         |
|       |       |         | Replacement cost profit        |               |
| 1,993 | 1,509 | 2,530   | for the period                 | 4,893 7,762   |
| (57)  | (216) | (1,769) | Exceptional items, net of tax  | (1,915) (177) |
| ----- |       |         |                                | -----         |
|       |       |         | Replacement cost profit before |               |
| 1,936 | 1,293 | 761     | exceptional items              | 2,978 7,585   |

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|      |                                     |      |                   |                |
|------|-------------------------------------|------|-------------------|----------------|
|      |                                     |      |                   |                |
|      | Earnings per ordinary share - cents |      |                   |                |
|      | On replacement cost profit before   |      |                   |                |
| 8.63 | 5.77                                | 3.39 | exceptional items | 13.28    33.78 |
|      |                                     |      |                   |                |

### Summarized Group Balance Sheet

|   | 30 September<br>2002 | 31 December<br>2001 |
|---|----------------------|---------------------|
|   | -----                |                     |
|   | \$ million           |                     |
| Fixed assets                                    |                      |                     |
| Intangible assets                               | 15,902               | 16,489              |
| Tangible assets                                 | 85,521               | 77,410              |
| Investments                                     | 11,646               | 11,963              |
|   | -----                |                     |
|   | 113,069              | 105,862             |
|   | -----                |                     |
| Current assets                                  |                      |                     |
| Stocks  | 9,917                | 7,631               |
| Debtors   | 31,781               | 26,669              |
| Investments                                     | 285                  | 450                 |
| Cash at bank and in hand                        | 1,005                | 1,358               |
|   | -----                |                     |
|   | 42,988               | 36,108              |
| Creditors - amounts falling due within one year |                      |                     |
| Finance debt                                    | 10,582               | 9,090               |



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|   |         |         |
|---|---------|---------|
| Other creditors   | 34,870  | 28,524  |
|   | -----   |         |
| Net current liabilities                                     | (2,464) | (1,506) |
|   | -----   |         |
| Total assets less current liabilities                       | 110,605 | 104,356 |
| Creditors - amounts falling due<br>after more than one year |         |         |
| Finance debt  | 11,694  | 12,327  |
| Other creditors   | 3,261   | 3,086   |
| Provisions for liabilities and charges                      |         |         |
| Deferred taxation   | 13,391  | 11,702  |
| Other provisions  | 13,056  | 11,482  |
|   | -----   |         |
| Net assets  | 69,203  | 65,759  |
| Minority shareholders' interest                             | 556     | 598     |
|   | -----   |         |
| BP shareholders' interest                                   | 68,647  | 65,161  |
|   | =====   |         |

Movement in BP shareholders' interest: \$ million

|  |         |
|--|---------|
| At 31 December 2001  | 74,367  |
| Prior year adjustment - change in accounting policy (see Note 1) | (9,206) |
|  | -----   |
| As restated  | 65,161  |
| Profit for the period  | 6,171   |
| Distribution to shareholders                                     | (3,977) |

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|                                  |        |
|----------------------------------|--------|
| Currency translation differences | 1,864  |
| Employee share schemes           | 178    |
| Share buyback                    | (750)  |
|                                  | -----  |
| At 30 September 2002             | 68,647 |
|                                  | =====  |

### Summarized Group Cash Flow Statement

| Third<br>Quarter<br>2001 | Second<br>Quarter<br>2002 | Third<br>Quarter<br>2002 |                                  | Nine Months<br>2002 | 2001    |
|--------------------------|---------------------------|--------------------------|----------------------------------|---------------------|---------|
| =====                    |                           |                          |                                  | =====               |         |
| \$ million               |                           |                          |                                  | \$ million          |         |
|                          |                           |                          | Net cash inflow from             |                     |         |
| 5,046                    | 5,133                     | 4,376                    | operating activities (a)         | 13,145              | 16,862  |
| -----                    |                           |                          |                                  | -----               |         |
| 26                       | 16                        | 30                       | Dividends from joint ventures    | 129                 | 92      |
| -----                    |                           |                          |                                  | -----               |         |
|                          |                           |                          | Dividends from                   |                     |         |
| 155                      | 154                       | 96                       | associated undertakings          | 303                 | 424     |
| -----                    |                           |                          |                                  | -----               |         |
|                          |                           |                          | Servicing of finance and returns |                     |         |
|                          |                           |                          | on investments                   |                     |         |
| 23                       | 57                        | 63                       | Interest received                | 168                 | 173     |
| (308)                    | (342)                     | (218)                    | Interest paid                    | (869)               | (1,053) |
| 59                       | 58                        | 4                        | Dividends received               | 64                  | 97      |
|                          |                           |                          | Dividends paid to                |                     |         |

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|   |         |         |                                    |         |         |
|---|---------|---------|------------------------------------|---------|---------|
| (11)  | (3)     | (13)    | minority shareholders              | (29)    | (16)    |
| -----   |         |         |                                    |         |         |
| Net cash outflow from servicing of                                      |         |         |                                    |         |         |
| (237)   | (230)   | (164)   | finance and returns on investments | (666)   | (799)   |
| -----   |         |         |                                    |         |         |
| Taxation  |         |         |                                    |         |         |
| (231)   | (167)   | (206)   | UK corporation tax                 | (560)   | (604)   |
| (486)   | (760)   | (455)   | Overseas tax                       | (1,473) | (2,634) |
| -----   |         |         |                                    |         |         |
| (717)   | (927)   | (661)   | Tax paid                           | (2,033) | (3,238) |
| -----   |         |         |                                    |         |         |
| Capital expenditure and<br>financial investment                         |         |         |                                    |         |         |
| (2,933)   | (2,793) | (2,980) | Payments for fixed assets          | (8,572) | (8,526) |
| Proceeds from the sale  |         |         |                                    |         |         |
| 824   | 939     | 488     | of fixed assets                    | 1,744   | 1,750   |
| -----   |         |         |                                    |         |         |
| Net cash outflow for<br>capital expenditure and<br>financial investment |         |         |                                    |         |         |
| (2,109)   | (1,854) | (2,492) |                                    | (6,828) | (6,776) |
| -----   |         |         |                                    |         |         |
| Acquisitions and disposals  |         |         |                                    |         |         |
| Investments in associated   |         |         |                                    |         |         |
| (139)   | (488)   | (125)   | undertakings                       | (756)   | (407)   |
| Proceeds from sale of   |         |         |                                    |         |         |
| -   | -       | 2,338   | investment in Ruhrgas              | 2,338   | -       |
| (48)  | (139)   | (2,607) | Acquisitions, net of cash acquired | (4,296) | (608)   |
| (144)   | (68)    | (23)    | Net investment in joint ventures   | (137)   | (277)   |
| Proceeds from the sale  |         |         |                                    |         |         |
| 307   | 1,584   | 55      | of businesses                      | 1,670   | 307     |
| -----   |         |         |                                    |         |         |

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|         |         |         | Net cash (outflow) inflow for  |         |         |
|---------|---------|---------|--------------------------------|---------|---------|
| (24)    | 889     | (362)   | acquisitions and disposals     | (1,181) | (985)   |
| -----   |         |         |                                |         |         |
| (1,235) | (1,290) | (1,346) | Equity dividends paid          | (3,924) | (3,595) |
| -----   |         |         |                                |         |         |
| 905     | 1,891   | (523)   | Net cash (outflow) inflow      | (1,055) | 1,985   |
| =====   |         |         |                                |         |         |
|         |         |         |                                |         |         |
| 630     | 2,017   | (219)   | Financing (b)                  | (485)   | 1,827   |
| (44)    | 33      | (32)    | Management of liquid resources | (164)   | (146)   |
| 319     | (159)   | (272)   | Increase (decrease) in cash    | (406)   | 304     |
| -----   |         |         |                                |         |         |
| 905     | 1,891   | (523)   |                                | (1,055) | 1,985   |
| =====   |         |         |                                |         |         |

### Analysis of Cash Flow

| Third<br>Quarter<br>2001 | Second<br>Quarter<br>2002 | Third<br>Quarter<br>2002 | Nine Months |      |
|--------------------------|---------------------------|--------------------------|-------------|------|
|                          |                           |                          | 2002        | 2001 |
| =====                    |                           |                          |             |      |
| \$ million               |                           |                          | \$ million  |      |

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

Historical cost profit before

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|         |         |         |                                    |         |         |
|---------|---------|---------|------------------------------------|---------|---------|
| 3,509   | 4,151   | 3,856   | interest and tax                   | 10,429  | 14,117  |
| 2,104   | 2,227   | 3,506   | Depreciation and amounts provided  | 7,886   | 6,401   |
|         |         |         | Exploration expenditure            |         |         |
| 23      | 147     | 55      | written off                        | 261     | 153     |
|         |         |         | Share of profits of joint ventures |         |         |
| (278)   | (288)   | (172)   | and associated undertakings        | (716)   | (891)   |
| (116)   | (118)   | (62)    | Interest and other income          | (243)   | (346)   |
|         |         |         | (Profit) loss on sale of fixed     |         |         |
| (184)   | (374)   | (1,796) | assets and businesses              | (2,061) | (573)   |
| 115     | 325     | 332     | Charge for provisions              | 826     | 821     |
| (263)   | (373)   | (392)   | Utilization of provisions          | (1,003) | (898)   |
| 135     | (807)   | (155)   | (Increase) decrease in stocks      | (1,458) | 122     |
| 2,216   | (1,614) | (379)   | (Increase) decrease in debtors     | (2,403) | 748     |
| (2,215) | 1,857   | (417)   | Increase (decrease) in creditors   | 1,627   | (2,792) |
| -----   |         |         |                                    | -----   |         |
|         |         |         | Net cash inflow from               |         |         |
| 5,046   | 5,133   | 4,376   | operating activities               | 13,145  | 16,862  |
| =====   |         |         |                                    | =====   |         |

### (b) Financing

|       |       |         |                                   |         |         |
|-------|-------|---------|-----------------------------------|---------|---------|
| (7)   | (752) | (558)   | Long-term borrowing               | (3,056) | (1,029) |
| 988   | 663   | 567     | Repayments of long-term borrowing | 1,464   | 2,168   |
| (743) | (753) | (1,627) | Short-term borrowing              | (5,879) | (3,493) |
|       |       |         | Repayments of short-term          |         |         |
| 40    | 2,891 | 704     | borrowing                         | 6,414   | 3,167   |
| ----- |       |         |                                   | -----   |         |
| 278   | 2,049 | (914)   |                                   | (1,057) | 813     |
| (48)  | (32)  | (55)    | Issue of ordinary share capital   | (178)   | (168)   |
|       |       |         | Repurchase of ordinary            |         |         |

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|                   |       |       |                        |       |       |
|-------------------|-------|-------|------------------------|-------|-------|
| 400               | -     | 750   | share capital          | 750   | 1,182 |
| -----             |       |       |                        |       |       |
| Net cash (inflow) |       |       |                        |       |       |
| 630               | 2,017 | (219) | outflow from financing | (485) | 1,827 |
| =====             |       |       |                        |       |       |

Capital Expenditure and Acquisitions

|            |         |         |            |      |             |
|------------|---------|---------|------------|------|-------------|
| Third      | Second  | Third   |            |      |             |
| Quarter    | Quarter | Quarter |            |      | Nine Months |
| 2001       | 2002    | 2002    |            | 2002 | 2001        |
| =====      |         |         |            |      |             |
| \$ million |         |         | \$ million |      |             |

By business

|                            |       |       |                  |       |       |
|----------------------------|-------|-------|------------------|-------|-------|
| Exploration and Production |       |       |                  |       |       |
| 326                        | 247   | 270   | UK               | 778   | 783   |
| 79                         | 57    | 61    | Rest of Europe   | 189   | 230   |
| 1,123                      | 1,077 | 980   | USA              | 3,224 | 3,293 |
| 891                        | 1,192 | 929   | Rest of World(a) | 2,935 | 2,402 |
| -----                      |       |       |                  |       |       |
| 2,419                      | 2,573 | 2,240 |                  | 7,126 | 6,708 |
| -----                      |       |       |                  |       |       |

Gas, Power and Renewables

|       |    |    |                    |     |    |
|-------|----|----|--------------------|-----|----|
| 37    | 5  | 7  | UK                 | 28  | 51 |
| 23    | 87 | 29 | Rest of Europe (b) | 120 | 49 |
| 15    | 32 | 52 | USA                | 100 | 72 |
| 12    | 8  | 19 | Rest of World      | 37  | 19 |
| ----- |    |    |                    |     |    |

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|                        |       |       |                                    |        |       |
|------------------------|-------|-------|------------------------------------|--------|-------|
| 87                     | 132   | 107   |                                    | 285    | 191   |
| -----                  |       |       |                                    |        |       |
| Refining and Marketing |       |       |                                    |        |       |
| 89                     | 100   | 56    | UK                                 | 232    | 267   |
| 10                     | 2,556 | 198   | Rest of Europe (c)                 | 5,486  | 171   |
| 281                    | 260   | 298   | USA                                | 861    | 688   |
| 62                     | 49    | 53    | Rest of World                      | 128    | 173   |
| -----                  |       |       |                                    |        |       |
| 442                    | 2,965 | 605   |                                    | 6,707  | 1,299 |
| -----                  |       |       |                                    |        |       |
| Chemicals              |       |       |                                    |        |       |
| 50                     | 17    | 30    | UK                                 | 55     | 179   |
| 69                     | 60    | 58    | Rest of Europe (d)                 | 163    | 623   |
| 119                    | 55    | 49    | USA                                | 146    | 293   |
| 112                    | 38    | 43    | Rest of World                      | 174    | 237   |
| -----                  |       |       |                                    |        |       |
| 350                    | 170   | 180   |                                    | 538    | 1,332 |
| -----                  |       |       |                                    |        |       |
| 65                     | 267   | 48    | Other businesses and corporate (e) | 367    | 166   |
| -----                  |       |       |                                    |        |       |
| 3,363                  | 6,107 | 3,180 |                                    | 15,023 | 9,696 |
| =====                  |       |       |                                    |        |       |
| By geographical area   |       |       |                                    |        |       |
| 541                    | 400   | 394   | UK                                 | 1,203  | 1,383 |
| 181                    | 2,953 | 353   | Rest of Europe                     | 6,158  | 1,078 |
| 1,564                  | 1,467 | 1,389 | USA                                | 4,387  | 4,402 |
| 1,077                  | 1,287 | 1,044 | Rest of World                      | 3,275  | 2,833 |
| -----                  |       |       |                                    |        |       |
| 3,363                  | 6,107 | 3,180 |                                    | 15,023 | 9,696 |
| =====                  |       |       |                                    |        |       |

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Capital Expenditure and Acquisitions (continued)

- (a) 2Q and nine months 2002 included the acquisition of an additional interest in Sidanco.
- (b) 2Q and nine months 2002 included the acquisition of a 5% stake in Enagas.
- (c) 2Q and nine months 2002 included the acquisition of 49% and 100% of Veba respectively.
- (d) Nine months 2001 included the acquisition of Bayer's 50% interest in Erdolchemie.
- (e) 2Q and nine months 2002 included the acquisition of the minority interest in Veba's upstream oil and gas assets.

US dollar/Sterling exchange rates

|       |      |      |                             |       |      |
|-------|------|------|-----------------------------|-------|------|
| 1.44  | 1.46 | 1.55 | Average rate for the period | 1.48  | 1.44 |
| 1.48  | 1.52 | 1.55 | Period-end rate             | 1.55  | 1.48 |
| ===== |      |      |                             | ===== |      |



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### Analysis of Replacement Cost Operating Profit

| Third<br>Quarter<br>2001   | Second<br>Quarter<br>2002 | Third<br>Quarter<br>2002 |                | Nine Months<br>2002    2001 |        |
|----------------------------|---------------------------|--------------------------|----------------|-----------------------------|--------|
| =====                      |                           |                          |                | =====                       |        |
| \$ million                 |                           |                          |                | \$ million                  |        |
| By business                |                           |                          |                |                             |        |
| Exploration and Production |                           |                          |                |                             |        |
| 729                        | 649                       | 185                      | UK             | 1,561                       | 2,853  |
| 188                        | 172                       | 213                      | Rest of Europe | 537                         | 604    |
| 836                        | 771                       | 661                      | USA            | 1,754                       | 4,147  |
| 874                        | 866                       | 513                      | Rest of World  | 2,106                       | 3,116  |
| -----                      |                           |                          |                | -----                       |        |
| 2,627                      | 2,458                     | 1,572                    |                | 5,958                       | 10,720 |
| -----                      |                           |                          |                | -----                       |        |
| Gas, Power and Renewables  |                           |                          |                |                             |        |
| 34                         | 1                         | (66)                     | UK             | (63)                        | 81     |
| 27                         | 35                        | 17                       | Rest of Europe | 99                          | 125    |
| 82                         | 13                        | 28                       | USA            | 16                          | 193    |
| (18)                       | 65                        | 78                       | Rest of World  | 230                         | (13)   |
| -----                      |                           |                          |                | -----                       |        |
| 125                        | 114                       | 57                       |                | 282                         | 386    |
| -----                      |                           |                          |                | -----                       |        |
| Refining and Marketing     |                           |                          |                |                             |        |
| (51)                       | (61)                      | (158)                    | UK             | (343)                       | (278)  |
| 222                        | 249                       | 236                      | Rest of Europe | 624                         | 535    |
| 683                        | 279                       | 55                       | USA            | 255                         | 2,539  |
| 136                        | 136                       | 104                      | Rest of World  | 372                         | 398    |
| -----                      |                           |                          |                | -----                       |        |

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|       |       |       |                                |       |        |
|-------|-------|-------|--------------------------------|-------|--------|
| 990   | 603   | 237   |                                | 908   | 3,194  |
| ----- |       |       |                                |       |        |
|       |       |       | Chemicals                      |       |        |
| (58)  | (10)  | 6     | UK                             | (35)  | (141)  |
| 87    | 64    | 161   | Rest of Europe                 | 272   | 186    |
| 59    | 84    | 54    | USA                            | 161   | 71     |
| 17    | 65    | (89)  | Rest of World                  | 13    | 79     |
| ----- |       |       |                                |       |        |
| 105   | 203   | 132   |                                | 411   | 195    |
| ----- |       |       |                                |       |        |
| (117) | (128) | (241) | Other businesses and corporate | (494) | (348)  |
| ----- |       |       |                                |       |        |
| 3,730 | 3,250 | 1,757 |                                | 7,065 | 14,147 |
| ===== |       |       |                                |       |        |

By geographical area

|       |       |       |                |       |        |
|-------|-------|-------|----------------|-------|--------|
| 552   | 504   | (131) | UK             | 903   | 2,293  |
| 512   | 526   | 620   | Rest of Europe | 1,532 | 1,426  |
| 1,555 | 1,103 | 672   | USA            | 1,933 | 6,725  |
| 1,111 | 1,117 | 596   | Rest of World  | 2,697 | 3,703  |
| ----- |       |       |                |       |        |
| 3,730 | 3,250 | 1,757 |                | 7,065 | 14,147 |
| ===== |       |       |                |       |        |

Included above

|       |     |     |                                    |     |     |
|-------|-----|-----|------------------------------------|-----|-----|
| 125   | 89  | 104 | Share of profits of joint ventures | 263 | 352 |
|       |     |     | Share of profits of                |     |     |
| 155   | 196 | 71  | associated undertakings            | 455 | 541 |
| ----- |     |     |                                    |     |     |
| 280   | 285 | 175 |                                    | 718 | 893 |
| ===== |     |     |                                    |     |     |

Notes

1. Restatement of comparative information

Comparative information for 2001 has been restated to reflect the changes described below.

(a) Transfer of solar, renewables and alternative fuels activities

With effect from 1 January 2002, the solar, renewables and alternative fuels activities have been transferred from Other businesses and corporate to Gas and Power. To reflect this transfer Gas and Power has been renamed Gas, Power and Renewables from the same date.

(b) New accounting standard for deferred tax

With effect from 1 January 2002 BP has adopted Financial Reporting Standard No.19 'Deferred Tax' (FRS 19). This standard generally requires that deferred tax should be provided on a full liability basis rather than on a restricted liability basis as required by Statement of Standard Accounting Practice No.15 'Accounting for Deferred Tax'. The adoption of FRS 19 has been treated as a change in accounting policy.

Under FRS 19 deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date

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that will result in an obligation to pay more, or a right to pay less tax in the future. In particular:

- o Provision is made for tax on gains arising from the disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the replacement assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
  
- o Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, joint ventures and associated undertakings only to the extent that, at the balance sheet date, dividends have been accrued as receivable.

Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

As a consequence of adopting FRS 19 acquisitions have been restated as if the new standard applied at that time. This leads

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to the creation of higher deferred tax liabilities and greater amounts of goodwill on those acquisitions.

### Notes

| Balance sheet at 31 December 2001      | Restated Reported |         |
|--|-------------------|---------|
|  | =====             |         |
|  | \$ million        |         |
| Fixed assets                           |                   |         |
| Intangible assets                      | 16,489            | 15,593  |
| Tangible assets                        | 77,410            | 77,410  |
| Investments                            | 11,963            | 12,047  |
|  | -----             |         |
|  | 105,862           | 105,050 |
|  | -----             |         |
| Current assets                         | 36,108            | 36,108  |
| Creditors - amounts falling due        |                   |         |
| within one year                        | 37,614            | 37,614  |
|  | -----             |         |
| Net current liabilities                | (1,506)           | (1,506) |
|  | -----             |         |
| Total assets less current liabilities  | 104,356           | 103,544 |
| Creditors - amounts falling due        |                   |         |
| after more than one year               | 15,413            | 15,413  |
| Provisions for liabilities and charges |                   |         |
| Deferred taxation                      | 11,702            | 1,655   |
| Other provisions                       | 11,482            | 11,482  |
|  | -----             |         |
| Net assets                             | 65,759            | 74,994  |

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|                                 |        |        |
|---------------------------------|--------|--------|
| Minority shareholders' interest | 598    | 627    |
|                                 | -----  |        |
| BP shareholders' interest       | 65,161 | 74,367 |
|                                 | =====  |        |

Notes

| Income statements   | Restated                 |                        | Reported                 |                        |
|---|--------------------------|------------------------|--------------------------|------------------------|
|   | Third<br>Quarter<br>2001 | Nine<br>Months<br>2001 | Third<br>Quarter<br>2001 | Nine<br>Months<br>2001 |
|   | =====                    |                        |                          |                        |
|   | \$ million               |                        |                          |                        |
| Exploration and Production  | 2,627                    | 10,720                 | 2,641                    | 10,762                 |
| Gas, Power and Renewables   | 125                      | 386                    | 130                      | 415                    |
| Refining and Marketing  | 990                      | 3,194                  | 1,003                    | 3,233                  |
| Chemicals   | 105                      | 195                    | 105                      | 195                    |
| Other businesses and corporate  | (117)                    | (348)                  | (122)                    | (377)                  |
|   | -----                    |                        |                          |                        |
| Total replacement cost operating profit   | 3,730                    | 14,147                 | 3,757                    | 14,228                 |
| Profit (loss) on sale of fixed assets<br>and businesses or termination<br>of operations | 184                      | 573                    | 184                      | 573                    |
|   | -----                    |                        |                          |                        |
| Replacement cost profit before<br>interest and tax                                      | 3,914                    | 14,720                 | 3,941                    | 14,801                 |
| Stock holding gains (losses)  | (405)                    | (603)                  | (405)                    | (603)                  |

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|                                     |       |        |       |        |
|-------------------------------------|-------|--------|-------|--------|
| Historical cost profit before       |       |        |       |        |
| interest and tax                    | 3,509 | 14,117 | 3,536 | 14,198 |
| Interest expense                    | 369   | 1,256  | 369   | 1,256  |
| Profit before taxation              | 3,140 | 12,861 | 3,167 | 12,942 |
| Taxation                            | 1,540 | 5,664  | 1,212 | 4,480  |
| Profit after taxation               | 1,600 | 7,197  | 1,955 | 8,462  |
| Minority shareholders' interest     | 12    | 38     | 15    | 47     |
| Profit for the period               | 1,588 | 7,159  | 1,940 | 8,415  |
| Distribution to shareholders        | 1,232 | 3,646  | 1,232 | 3,646  |
| Earnings per ordinary share - cents |       |        |       |        |
| Basic                               | 7.08  | 31.88  | 8.66  | 37.48  |
| Diluted                             | 7.03  | 31.68  | 8.59  | 37.24  |

Notes

2. Turnover(a)

| Third<br>Quarter | Second<br>Quarter | Third<br>Quarter | Nine Months |       |
|------------------|-------------------|------------------|-------------|-------|
| 2001             | 2002              | 2002             | 2002        | 2001  |
| =====            |                   |                  | =====       | ===== |

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| \$ million           |        |        | \$ million                 |         |         |
|----------------------|--------|--------|----------------------------|---------|---------|
| By business          |        |        |                            |         |         |
| 6,335                | 6,539  | 6,220  | Exploration and Production | 18,397  | 22,893  |
| 9,307                | 8,235  | 9,313  | Gas, Power and Renewables  | 25,316  | 31,920  |
| 30,925               | 31,870 | 35,634 | Refining and Marketing     | 92,393  | 93,705  |
| 3,272                | 3,584  | 3,720  | Chemicals                  | 9,946   | 9,034   |
| Other businesses     |        |        |                            |         |         |
| 138                  | 136    | 108    | and corporate              | 379     | 403     |
| -----                |        |        |                            |         |         |
| 49,977               | 50,364 | 54,995 |                            | 146,431 | 157,955 |
| Less: sales between  |        |        |                            |         |         |
| 6,397                | 6,709  | 5,941  | businesses                 | 17,432  | 20,554  |
| -----                |        |        |                            |         |         |
| 43,580               | 43,655 | 49,054 | Group excluding JVs        | 128,999 | 137,401 |
| 306                  | 404    | 504    | Sales of joint ventures    | 1,187   | 874     |
| -----                |        |        |                            |         |         |
| 43,886               | 44,059 | 49,558 |                            | 130,186 | 138,275 |
| =====                |        |        |                            |         |         |
| By geographical area |        |        |                            |         |         |
| Group excluding JVs  |        |        |                            |         |         |
| 12,272               | 12,509 | 12,160 | UK                         | 35,664  | 36,186  |
| 9,026                | 12,219 | 13,460 | Rest of Europe             | 34,798  | 28,044  |
| 21,375               | 19,663 | 22,880 | USA                        | 57,808  | 68,657  |
| 8,006                | 8,035  | 8,537  | Rest of World              | 23,556  | 26,626  |
| -----                |        |        |                            |         |         |
| 50,679               | 52,426 | 57,037 |                            | 151,826 | 159,513 |
| Less: sales between  |        |        |                            |         |         |
| 7,099                | 8,771  | 7,983  | areas                      | 22,827  | 22,112  |
| -----                |        |        |                            |         |         |
| 43,580               | 43,655 | 49,054 |                            | 128,999 | 137,401 |



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(a) Contracts for the sale and purchase of crude oil, refined products, natural gas and power, which are held for trading purposes and marked-to-market, that require delivery of the underlying commodity are reported on a gross basis.

Notes

3. Operating profits are after charging:

| Third<br>Quarter     | Second<br>Quarter | Third<br>Quarter |                           | Nine Months |      |
|----------------------|-------------------|------------------|---------------------------|-------------|------|
| 2001                 | 2002              | 2002             |                           | 2002        | 2001 |
| =====                |                   |                  |                           | =====       |      |
| \$ million           |                   |                  |                           | \$ million  |      |
| Exploration expense  |                   |                  |                           |             |      |
| 1                    | 4                 | 16               | UK                        | 26          | 5    |
| 10                   | 13                | 5                | Rest of Europe            | 41          | 15   |
| 41                   | 133               | 53               | USA                       | 228         | 174  |
| 34                   | 72                | 45               | Rest of World             | 170         | 142  |
| -----                |                   |                  |                           |             |      |
| 86                   | 222               | 119              |                           | 465         | 336  |
| =====                |                   |                  |                           | =====       |      |
| Production taxes (a) |                   |                  |                           |             |      |
| 80                   | 90                | 92               | UK petroleum revenue tax  | 245         | 453  |
| 257                  | 225               | 258              | Overseas production taxes | 667         | 900  |
| -----                |                   |                  |                           |             |      |

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|       |     |     |  |       |       |
|-------|-----|-----|--|-------|-------|
| 337   | 315 | 350 |  | 912   | 1,353 |
| ===== |     |     |  | ===== |       |

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

### 4. Analysis of exceptional items

|       |       |       |   |       |       |
|-------|-------|-------|---|-------|-------|
| 3     | 427   | (25)  | Exploration and Production  | 407   | 280   |
| -     | (1)   | 1,585 | Gas, Power and Renewables   | 1,584 | (1)   |
| 247   | 31    | 262   | Refining and Marketing  | 248   | 453   |
| (81)  | (85)  | 11    | Chemicals   | (134) | (167) |
| 15    | 4     | (39)  | Other businesses and corporate  | (44)  | 8     |
| ----- |       |       |   | ----- |       |
|       |       |       | Profit (loss) on sale of fixed<br>assets and businesses or<br>termination of operations |       |       |
| 184   | 376   | 1,794 |   | 2,061 | 573   |
| (127) | (160) | (25)  | Taxation charge   | (146) | (396) |
| ----- |       |       |   | ----- |       |
|       |       |       | Exceptional items<br>after taxation   |       |       |
| 57    | 216   | 1,769 |   | 1,915 | 177   |
| ===== |       |       |   | ===== |       |

### 5. 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

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the historical cost profit stock holding gains and losses.

### Notes

#### 6. Stock holding gains (losses)

| Third<br>Quarter<br>2001 | Second<br>Quarter<br>2002 | Third<br>Quarter<br>2002 |                                 | Nine Months<br>2002 | 2001  |
|--------------------------|---------------------------|--------------------------|---------------------------------|---------------------|-------|
| =====                    |                           |                          |                                 | =====               |       |
| \$ million               |                           |                          |                                 | \$ million          |       |
| (1)                      | (1)                       | 3                        | Exploration and Production      | 5                   | (1)   |
| (17)                     | 4                         | 2                        | Gas, Power and Renewables       | 10                  | (61)  |
| (301)                    | 444                       | 311                      | Refining and Marketing          | 1,250               | (445) |
| (86)                     | 78                        | (11)                     | Chemicals                       | 38                  | (96)  |
| -----                    |                           |                          |                                 | -----               |       |
| (405)                    | 525                       | 305                      |                                 | 1,303               | (603) |
| -                        | (6)                       | -                        | Minority shareholders' interest | 25                  | -     |
| -----                    |                           |                          |                                 | -----               |       |
| (405)                    | 531                       | 305                      |                                 | 1,278               | (603) |
| =====                    |                           |                          |                                 | =====               |       |

#### 7. Interest expense

|       |      |      |                            |       |       |
|-------|------|------|----------------------------|-------|-------|
| 292   | 261  | 250  | Group interest payable (a) | 778   | 1,022 |
| (19)  | (25) | (27) | Capitalized                | (67)  | (74)  |
| ----- |      |      |                            | ----- |       |

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|       |     |     |                               |       |       |
|-------|-----|-----|-------------------------------|-------|-------|
| 273   | 236 | 223 |                               | 711   | 948   |
| 16    | 15  | 15  | Joint ventures                | 44    | 49    |
| 33    | 21  | 19  | Associated undertakings       | 64    | 109   |
|       |     |     | Unwinding of discount         |       |       |
| 47    | 42  | 43  | on provisions                 | 128   | 150   |
| ----- |     |     |                               | ----- |       |
| 369   | 314 | 300 |                               | 947   | 1,256 |
| ===== |     |     |                               | ===== |       |
|       |     |     | (a) Includes charges relating |       |       |
|       |     |     | to the early redemption       |       |       |
| 2     | -   | -   | of debt                       | -     | 62    |
| ----- |     |     |                               | ----- |       |

8. Charge for taxation

|       |       |     |                             |       |       |
|-------|-------|-----|-----------------------------|-------|-------|
| 1,206 | 1,040 | 463 | Current                     | 2,036 | 4,581 |
| 334   | 711   | 250 | Deferred(a)                 | 1,181 | 1,083 |
| ----- |       |     |                             | ----- |       |
| 1,540 | 1,751 | 713 |                             | 3,217 | 5,664 |
| ===== |       |     |                             | ===== |       |
| 244   | 646   | 235 | UK(a)                       | 1,070 | 766   |
| 1,296 | 1,105 | 478 | Overseas                    | 2,147 | 4,898 |
| ----- |       |     |                             | ----- |       |
| 1,540 | 1,751 | 713 |                             | 3,217 | 5,664 |
| ===== |       |     |                             | ===== |       |
|       |       |     | (a) Includes the adjustment |       |       |
|       |       |     | to the North Sea deferred   |       |       |
|       |       |     | tax balance for the         |       |       |
|       |       |     | supplementary               |       |       |
| -     | 355   | -   | UK corporation tax of 10%   | 355   | -     |

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Notes

9. Analysis of changes in net debt

| Third<br>Quarter<br>2001 | Second<br>Quarter<br>2002 | Third<br>Quarter<br>2002 |                           | Nine Months<br>2002 | 2001   |
|--------------------------|---------------------------|--------------------------|---------------------------|---------------------|--------|
| =====                    |                           |                          |                           | =====               |        |
| \$ million               |                           |                          |                           | \$ million          |        |
|                          |                           |                          | Opening balance           |                     |        |
| 20,498                   | 24,531                    | 21,409                   | Finance debt              | 21,417              | 21,190 |
| 1,103                    | 1,379                     | 1,284                    | Less: Cash                | 1,358               | 1,170  |
| 563                      | 286                       | 285                      | Current asset investments | 450                 | 661    |
| -----                    |                           |                          |                           | -----               |        |
| 18,832                   | 22,866                    | 19,840                   | Opening net debt          | 19,609              | 19,359 |
| -----                    |                           |                          |                           | -----               |        |
|                          |                           |                          | Closing balance           |                     |        |
| 20,474                   | 21,409                    | 22,276                   | Finance debt              | 22,276              | 20,474 |
| 1,438                    | 1,284                     | 1,005                    | Less: Cash                | 1,005               | 1,438  |
| 519                      | 285                       | 285                      | Current asset investments | 285                 | 519    |
| -----                    |                           |                          |                           | -----               |        |
| 18,517                   | 19,840                    | 20,986                   | Closing net debt          | 20,986              | 18,517 |
| -----                    |                           |                          |                           | -----               |        |
|                          |                           |                          | (Increase) decrease       |                     |        |
| 315                      | 3,026                     | (1,146)                  | in net debt               | (1,377)             | 842    |

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|       |       |         |                             |         |       |
|-------|-------|---------|-----------------------------|---------|-------|
| ===== |       |         |                             | =====   |       |
|       |       |         | Movement in cash/           |         |       |
| 319   | (159) | (272)   | bank overdrafts             | (406)   | 304   |
|       |       |         | (Decrease) increase in      |         |       |
| (43)  | 33    | (32)    | current asset investments   | (164)   | (145) |
|       |       |         | Net cash (inflow) outflow   |         |       |
|       |       |         | from financing(excluding    |         |       |
| 278   | 2,049 | (914)   | share capital)              | (1,057) | 813   |
|       |       |         | Partnership interests       |         |       |
| -     | 1,135 | -       | exchanged for BP loan notes | 1,135   | -     |
| (102) | 19    | 13      | Other movements             | 57      | (20)  |
| -     | -     | -       | Debt acquired               | (999)   | (47)  |
| ----- |       |         |                             | -----   |       |
|       |       |         | Movement in net debt before |         |       |
| 452   | 3,077 | (1,205) | exchange effects            | (1,434) | 905   |
| (137) | (51)  | 59      | Exchange adjustments        | 57      | (63)  |
| ----- |       |         |                             | -----   |       |
|       |       |         | (Increase) decrease         |         |       |
| 315   | 3,026 | (1,146) | in net debt                 | (1,377) | 842   |
| ===== |       |         |                             | =====   |       |

Notes

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

|         |         |         |      |             |
|---------|---------|---------|------|-------------|
| Third   | Second  | Third   |      |             |
| Quarter | Quarter | Quarter |      | Nine Months |
| 2001    | 2002    | 2002    | 2002 | 2001        |

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| =====      |         |         |                               | =====      |         |
|------------|---------|---------|-------------------------------|------------|---------|
| \$ million |         |         |                               | \$ million |         |
|            |         |         | Operating activities          |            |         |
| 1,600      | 2,086   | 2,843   | Profit after taxation         | 6,265      | 7,197   |
|            |         |         | Adjustments to reconcile      |            |         |
|            |         |         | profits after tax to net      |            |         |
|            |         |         | cash provided by              |            |         |
|            |         |         | operating activities          |            |         |
|            |         |         | Depreciation and              |            |         |
| 2,104      | 2,227   | 3,506   | amounts provided              | 7,886      | 6,401   |
|            |         |         | Exploration expenditure       |            |         |
| 23         | 147     | 55      | written off                   | 261        | 153     |
|            |         |         | Share of (profit) loss of     |            |         |
|            |         |         | joint ventures and associates |            |         |
| 17         | (23)    | 51      | less dividends received       | 11         | (8)     |
|            |         |         | (Profit) loss on sale         |            |         |
|            |         |         | of businesses and             |            |         |
| (184)      | (374)   | (1,796) | fixed assets                  | (2,061)    | (573)   |
|            |         |         | Working capital movement      |            |         |
| 561        | (652)   | (1,002) | (see analysis below)          | (2,323)    | (768)   |
| 334        | 711     | 250     | Deferred taxation             | 1,181      | 1,083   |
| (151)      | 52      | (191)   | Other                         | (247)      | (53)    |
| -----      |         |         |                               | -----      |         |
|            |         |         | Net cash provided by          |            |         |
| 4,304      | 4,174   | 3,716   | operating activities          | 10,973     | 13,432  |
| -----      |         |         |                               | -----      |         |
|            |         |         | Investing activities          |            |         |
| (2,952)    | (2,818) | (3,007) | Capital expenditures          | (8,639)    | (8,600) |
|            |         |         | Acquisitions, net of          |            |         |
| (48)       | (139)   | (2,607) | cash acquired                 | (4,296)    | (608)   |

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|         |       |         |                         |         |         |
|---------|-------|---------|-------------------------|---------|---------|
|         |       |         | Investment in           |         |         |
| (139)   | (488) | (125)   | associated undertakings | (756)   | (407)   |
|         |       |         | Net investment in       |         |         |
| (144)   | (68)  | (23)    | joint ventures          | (137)   | (277)   |
|         |       |         | Proceeds from           |         |         |
| 1,131   | 2,523 | 2,881   | disposal of assets      | 5,752   | 2,057   |
| -----   |       |         |                         | -----   |         |
|         |       |         | Net cash used in        |         |         |
| (2,152) | (990) | (2,881) | investing activities    | (8,076) | (7,835) |
| -----   |       |         |                         | -----   |         |

Notes

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

(continued)

| Third<br>Quarter<br>2001 | Second<br>Quarter<br>2002 | Third<br>Quarter<br>2002 |                          | Nine Months<br>2002 | 2001    |
|--------------------------|---------------------------|--------------------------|--------------------------|---------------------|---------|
| =====                    |                           |                          |                          | =====               |         |
| \$ million               |                           |                          |                          | \$ million          |         |
|                          |                           |                          | Financing activities     |                     |         |
|                          |                           |                          | Net proceeds from shares |                     |         |
| (352)                    | 32                        | (695)                    | issued (repurchased)     | (572)               | (1,014) |
|                          |                           |                          | Proceeds from            |                     |         |
| 7                        | 752                       | 558                      | long-term financing      | 3,056               | 1,029   |
|                          |                           |                          | Repayments of            |                     |         |
| (988)                    | (663)                     | (567)                    | long-term financing      | (1,464)             | (2,168) |



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|         |         |         |                           |         |         |
|---------|---------|---------|---------------------------|---------|---------|
|         |         |         | Net (decrease) increase   |         |         |
| 703     | (2,138) | 923     | in short-term debt        | (535)   | 326     |
|         |         |         | Dividends paid            |         |         |
| (1,235) | (1,290) | (1,346) | - BP shareholders         | (3,924) | (3,595) |
| (11)    | (3)     | (13)    | - Minority shareholders   | (29)    | (16)    |
| -----   |         |         |                           |         |         |
|         |         |         | Net cash used in          |         |         |
| (1,876) | (3,310) | (1,140) | financing activities      | (3,468) | (5,438) |
| -----   |         |         |                           |         |         |
|         |         |         | Currency translation      |         |         |
|         |         |         | differences relating to   |         |         |
| 15      | 30      | 26      | cash and cash equivalents | 53      | (33)    |
| -----   |         |         |                           |         |         |
|         |         |         | (Decrease) increase in    |         |         |
| 291     | (96)    | (279)   | cash and cash equivalents | (518)   | 126     |
|         |         |         | Cash and cash equivalents |         |         |
| 1,666   | 1,665   | 1,569   | at beginning of period    | 1,808   | 1,831   |
| -----   |         |         |                           |         |         |
|         |         |         | Cash and cash equivalents |         |         |
| 1,957   | 1,569   | 1,290   | at end of period          | 1,290   | 1,957   |
| -----   |         |         |                           |         |         |
|         |         |         | Analysis of working       |         |         |
|         |         |         | capital movement          |         |         |
|         |         |         | (Increase) decrease       |         |         |
| 135     | (807)   | (155)   | in stocks                 | (1,458) | 122     |
|         |         |         | (Increase) decrease       |         |         |
| 2,249   | (1,691) | (345)   | in debtors                | (2,479) | 703     |
|         |         |         | Increase (decrease)       |         |         |

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|         |       |         |                  |         |         |
|---------|-------|---------|------------------|---------|---------|
| (1,823) | 1,846 | (502)   | in creditors     | 1,614   | (1,593) |
| -----   |       |         |                  |         |         |
|         |       |         | Total working    |         |         |
| 561     | (652) | (1,002) | capital movement | (2,323) | (768)   |
| =====   |       |         |                  |         |         |

Notes

11. Ordinary shares

| Third<br>Quarter<br>2001 | Second<br>Quarter<br>2002 | Third<br>Quarter<br>2002 |                | Nine Months |            |
|--------------------------|---------------------------|--------------------------|----------------|-------------|------------|
|                          |                           |                          |                | 2002        | 2001       |
| =====                    |                           |                          |                |             |            |
|                          |                           |                          | Shares in      |             |            |
|                          |                           |                          | issue at       |             |            |
|                          |                           |                          | period end     |             |            |
| 22,442,480               | 22,463,182                | 22,374,747               | (thousand) (a) | 22,374,747  | 22,442,480 |
|                          |                           |                          | Average        |             |            |
|                          |                           |                          | number         |             |            |
|                          |                           |                          | of shares      |             |            |
|                          |                           |                          | outstanding    |             |            |
| 22,425,374               | 22,426,830                | 22,408,297               | (thousand) (b) | 22,412,655  | 22,449,041 |
| -----                    |                           |                          |                |             |            |

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

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

### 12. Statutory accounts

The financial information shown in this publication is unaudited and does not constitute statutory accounts. The 2001 group accounts have been delivered to the UK Registrar of Companies; the report of the auditors on those accounts was unqualified.

#### Contacts

|           | London              | New York        | Frankfurt            |
|-----------|---------------------|-----------------|----------------------|
|           | -----               | -----           | -----                |
| Press     | Roddy Kennedy       | Ian Fowler      |                      |
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<http://www.bp.com/investors>

BP p.l.c.

Group Results

Third Quarter 2002

London 29 October 2002

INVESTOR RELATIONS SUPPLEMENT

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

| Third<br>Quarter<br>2001   | Second<br>Quarter<br>2002 | Third<br>Quarter<br>2002 |                | Nine Months<br>2002    2001 |        |
|----------------------------|---------------------------|--------------------------|----------------|-----------------------------|--------|
| =====                      |                           |                          |                |                             |        |
| \$ million                 |                           |                          |                |                             |        |
| Exploration and Production |                           |                          |                |                             |        |
| 771                        | 768                       | 668                      | UK             | 2,245                       | 2,963  |
| 188                        | 172                       | 213                      | Rest of Europe | 537                         | 604    |
| 1,203                      | 1,047                     | 1,059                    | USA            | 2,771                       | 5,340  |
| 908                        | 902                       | 1,110                    | Rest of World  | 2,786                       | 3,217  |
| -----                      |                           |                          |                |                             |        |
| 3,070                      | 2,889                     | 3,050                    |                | 8,339                       | 12,124 |
| -----                      |                           |                          |                |                             |        |
| Gas, Power and Renewables  |                           |                          |                |                             |        |
| 34                         | 1                         | (36)                     | UK             | (33)                        | 81     |
| 27                         | 35                        | 17                       | Rest of Europe | 99                          | 125    |
| 82                         | 13                        | 28                       | USA            | 16                          | 193    |
| (18)                       | 65                        | 78                       | Rest of World  | 230                         | (13)   |
| -----                      |                           |                          |                |                             |        |
| 125                        | 114                       | 87                       |                | 312                         | 386    |
| -----                      |                           |                          |                |                             |        |
| Refining and Marketing     |                           |                          |                |                             |        |
| 60                         | 39                        | (36)                     | UK             | (24)                        | 78     |
| 255                        | 272                       | 274                      | Rest of Europe | 711                         | 658    |
| 788                        | 238                       | 180                      | USA            | 435                         | 2,840  |
| 186                        | 136                       | 104                      | Rest of World  | 372                         | 469    |
| -----                      |                           |                          |                |                             |        |

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|       |       |       |                                |        |        |
|-------|-------|-------|--------------------------------|--------|--------|
| 1,289 | 685   | 522   |                                | 1,494  | 4,045  |
| ----- |       |       |                                |        |        |
|       |       |       | Chemicals                      |        |        |
| (58)  | 12    | 6     | UK                             | (13)   | (141)  |
| 95    | 80    | 161   | Rest of Europe                 | 290    | 194    |
| 59    | 89    | 54    | USA                            | 196    | 71     |
| 17    | 65    | 51    | Rest of World                  | 153    | 79     |
| ----- |       |       |                                |        |        |
| 113   | 246   | 272   |                                | 626    | 203    |
| ----- |       |       |                                |        |        |
|       |       |       | Other businesses and corporate |        |        |
| (102) | (75)  | (63)  | UK                             | (182)  | (222)  |
| (12)  | 6     | (7)   | Rest of Europe                 | -      | (24)   |
| (103) | (44)  | (36)  | USA                            | (163)  | (223)  |
| 100   | (15)  | (10)  | Rest of World                  | (24)   | 121    |
| ----- |       |       |                                |        |        |
| (117) | (128) | (116) |                                | (369)  | (348)  |
| ----- |       |       |                                |        |        |
| 4,480 | 3,806 | 3,815 |                                | 10,402 | 16,410 |
| ===== |       |       |                                |        |        |

(a) The special items refer to non-recurring charges and credits. The special items for the third quarter include impairment charges and restructuring costs in Exploration and Production, an impairment charge in Gas, Power and Renewables, integration and certain other costs in Refining and Marketing, an impairment charge in Chemicals, and a provision to cover future rental payments on surplus leasehold office accommodation in Other Businesses and Corporate.

(b) Acquisition amortization is depreciation and amortization relating to the fixed asset revaluation adjustments and goodwill consequent upon the

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ARCO and Burmah Castrol acquisitions.

### PER SHARE AMOUNTS

| Third<br>Quarter<br>2001 | Second<br>Quarter<br>2002 | Third<br>Quarter<br>2002 |   | Nine Months<br>2002 | 2001       |
|--------------------------|---------------------------|--------------------------|---|---------------------|------------|
|                          |                           |                          |   |                     |            |
|                          |                           |                          | Shares in issue<br>at period                    |                     |            |
| 22,442,480               | 22,463,182                | 22,374,747               | end (thousand)                                  | 22,374,747          | 22,442,480 |
|                          |                           |                          | - ADS equivalent                                |                     |            |
| 3,740,413                | 3,743,864                 | 3,729,125                | (thousand)                                      | 3,729,125           | 3,740,413  |
|                          |                           |                          | Average number<br>of shares<br>outstanding      |                     |            |
| 22,425,374               | 22,426,830                | 22,408,297               | (thousand)                                      | 22,412,655          | 22,449,041 |
|                          |                           |                          | - ADS equivalent                                |                     |            |
| 3,737,562                | 3,737,805                 | 3,734,716                | (thousand)                                      | 3,735,443           | 3,741,507  |
|                          |                           |                          |   |                     |            |
|                          |                           |                          | Replacement cost<br>profit after<br>exceptional |                     |            |
| 1,993                    | 1,509                     | 2,530                    | items (\$m)                                     | 4,893               | 7,762      |
|                          |                           |                          | cents/ordinary                                  |                     |            |
| 8.89                     | 6.73                      | 11.29                    | share   | 21.83               | 34.57      |
| 0.53                     | 0.40                      | 0.68                     | dollars/ADS                                     | 1.31                | 2.07       |

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|       |       |       |                      |       |       |  |
|-------|-------|-------|----------------------|-------|-------|--|
|       |       |       | Replacement cost     |       |       |  |
|       |       |       | profit before        |       |       |  |
|       |       |       | exceptional          |       |       |  |
| 1,936 | 1,293 | 761   | items (\$m)          | 2,978 | 7,585 |  |
|       |       |       | cents/ordinary       |       |       |  |
| 8.63  | 5.77  | 3.39  | share                | 13.28 | 33.78 |  |
| 0.52  | 0.34  | 0.21  | dollars/ADS          | 0.80  | 2.03  |  |
|       |       |       | Pro forma result     |       |       |  |
|       |       |       | adjusted for special |       |       |  |
| 2,645 | 2,181 | 2,294 | items (\$m)          | 6,057 | 9,788 |  |
| 11.80 | 9.72  | 10.24 | cents/ordinary share | 27.02 | 43.60 |  |
| 0.71  | 0.59  | 0.61  | dollars/ADS          | 1.62  | 2.62  |  |
|       |       |       |                      |       |       |  |

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

### ACQUISITION AMORTIZATION BY BUSINESS

| Third<br>Quarter<br>2001   | Second<br>Quarter<br>2002 | Third<br>Quarter<br>2002 |     | Nine Months<br>2002    2001 |       |
|----------------------------|---------------------------|--------------------------|-----|-----------------------------|-------|
|                            |                           |                          |     |                             |       |
| \$ million                 |                           |                          |     |                             |       |
| Exploration and Production |                           |                          |     |                             |       |
| 42                         | 37                        | 378                      | UK  | 447                         | 110   |
| 367                        | 268                       | 283                      | USA | 832                         | 1,193 |

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|                        |     |     |                                |       |       |
|------------------------|-----|-----|--------------------------------|-------|-------|
| 34                     | 36  | 114 | Rest of World                  | 182   | 101   |
| -----                  |     |     |                                |       |       |
| 443                    | 341 | 775 |                                | 1,461 | 1,404 |
| -----                  |     |     |                                |       |       |
| Refining and Marketing |     |     |                                |       |       |
| 93                     | 100 | 106 | UK                             | 303   | 295   |
| 94                     | 96  | 96  | USA                            | 288   | 282   |
| -----                  |     |     |                                |       |       |
| 187                    | 196 | 202 |                                | 591   | 577   |
| -----                  |     |     |                                |       |       |
| 630                    | 537 | 977 | Total acquisition amortization | 2,052 | 1,981 |
| =====                  |     |     |                                |       |       |

SPECIAL ITEMS BY BUSINESS (PRE-TAX)

|         |         |         |  |             |      |
|---------|---------|---------|--|-------------|------|
| Third   | Second  | Third   |  |             |      |
| Quarter | Quarter | Quarter |  | Nine Months |      |
| 2001    | 2002    | 2002    |  | 2002        | 2001 |
| =====   |         |         |  |             |      |

\$ million

|                            |    |     |                |     |   |
|----------------------------|----|-----|----------------|-----|---|
| Exploration and Production |    |     |                |     |   |
| -                          | 82 | 105 | UK             | 237 | - |
| -                          | -  | -   | Rest of Europe | -   | - |
| -                          | 8  | 115 | USA            | 185 | - |
| -                          | -  | 483 | Rest of World  | 498 | - |
| -----                      |    |     |                |     |   |
| -                          | 90 | 703 |                | 920 | - |



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|                                |       |     |                |       |     |
|--------------------------------|-------|-----|----------------|-------|-----|
| -----                          |       |     |                |       |     |
| Gas, Power and Renewables      |       |     |                |       |     |
| -                              | -     | 30  | UK             | 30    | -   |
| -                              | -     | -   | Rest of Europe | -     | -   |
| -                              | -     | -   | USA            | -     | -   |
| -                              | -     | -   | Rest of World  | -     | -   |
| -----                          |       |     |                |       |     |
| -                              | -     | 30  |                | 30    | -   |
| -----                          |       |     |                |       |     |
| Refining and Marketing         |       |     |                |       |     |
| 18                             | -     | 16  | UK             | 16    | 61  |
| 33                             | 23    | 38  | Rest of Europe | 87    | 123 |
| 11                             | (137) | 29  | USA            | (108) | 19  |
| 50                             | -     | -   | Rest of World  | -     | 71  |
| -----                          |       |     |                |       |     |
| 112                            | (114) | 83  |                | (5)   | 274 |
| -----                          |       |     |                |       |     |
| Chemicals                      |       |     |                |       |     |
| -                              | 22    | -   | UK             | 22    | -   |
| 8                              | 16    | -   | Rest of Europe | 18    | 8   |
| -                              | 5     | -   | USA            | 35    | -   |
| -                              | -     | 140 | Rest of World  | 140   | -   |
| -----                          |       |     |                |       |     |
| 8                              | 43    | 140 |                | 215   | 8   |
| -----                          |       |     |                |       |     |
| Other businesses and corporate |       |     |                |       |     |
| -                              | -     | 35  | UK             | 35    | -   |
| -                              | -     | -   | Rest of Europe | -     | -   |
| -                              | -     | 90  | USA            | 90    | -   |
| -                              | -     | -   | Rest of World  | -     | -   |
| -----                          |       |     |                |       |     |

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|       |    |       |                                     |       |     |
|-------|----|-------|-------------------------------------|-------|-----|
| -     | -  | 125   |                                     | 125   | -   |
| ----- |    |       |                                     |       |     |
| 120   | 19 | 1,081 | Total special items before interest | 1,285 | 282 |
| 2     | -  | -     | Interest - bond redemption charges  | -     | 62  |
| ----- |    |       |                                     |       |     |
| 122   | 19 | 1,081 | Total                               | 1,285 | 344 |
| ===== |    |       |                                     |       |     |

RECONCILIATION OF HISTORICAL COST PROFIT (LOSS)

TO PRO FORMA RESULT ADJUSTED FOR SPECIAL ITEMS

| \$ million                   | Reported Earnings | Acquisition Amortization | pro forma result adjusted for special items |               |
|------------------------------|-------------------|--------------------------|---|---------------|
|                              |                   |                          | Special Items(a)                            | special items |
| =====                        |                   |                          |   |               |
| 2Q 2002                      |                   |                          |   |               |
| Exploration and Production   | 2,458             | 341                      | 90  | 2,889         |
| Gas, Power and Renewables    | 114               | -                        | -   | 114           |
| Refining and Marketing       | 603               | 196                      | (114)                                       | 685           |
| Chemicals                    | 203               | -                        | 43  | 246           |
| Other businesses & corporate | (128)             | -                        | -   | (128)         |
| -----                        |                   |                          |   |               |
| RC operating profit          | 3,250             | 537                      | 19  | 3,806         |
| -----                        |                   |                          |   |               |
| Interest expense             | (314)             | -                        | -   | (314)         |
| Taxation                     | (1,591)           | -                        | 348   | (1,243)       |

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|                               |         |     |      |         |
|-------------------------------|---------|-----|------|---------|
| MSI                           | (52)    | -   | (16) | (68)    |
| -----                         |         |     |      |         |
| RC profit before              |         |     |      |         |
| exceptional items             | 1,293   | 537 | 351  | 2,181   |
| =====                         |         |     |      |         |
| Exceptional items before tax  | 376     |     |      |         |
| Taxation on exceptional items | (160)   |     |      |         |
| -----                         |         |     |      |         |
| RC profit after               |         |     |      |         |
| exceptional items             | 1,509   |     |      |         |
| Stock holding gains (losses)  | 531     |     |      |         |
| -----                         |         |     |      |         |
| HC profit                     | 2,040   |     |      |         |
| =====                         |         |     |      |         |
| 3Q 2001                       |         |     |      |         |
| Exploration and Production    | 2,627   | 443 | -    | 3,070   |
| Gas, Power and Renewables     | 125     | -   | -    | 125     |
| Refining and Marketing        | 990     | 187 | 112  | 1,289   |
| Chemicals                     | 105     | -   | 8    | 113     |
| Other businesses & corporate  | (117)   | -   | -    | (117)   |
| -----                         |         |     |      |         |
| RC operating profit           | 3,730   | 630 | 120  | 4,480   |
| -----                         |         |     |      |         |
| Interest expense              | (369)   | -   | 2    | (367)   |
| Taxation                      | (1,413) | -   | (43) | (1,456) |
| MSI                           | (12)    | -   | -    | (12)    |
| -----                         |         |     |      |         |
| RC profit before              |         |     |      |         |
| exceptional items             | 1,936   | 630 | 79   | 2,645   |
| =====                         |         |     |      |         |

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|                               |       |
|-------------------------------|-------|
| Exceptional items before tax  | 184   |
| Taxation on exceptional items | (127) |
|                               | ----- |
| RC profit after               |       |
| exceptional items             | 1,993 |
| Stock holding gains (losses)  | (405) |
|                               | ----- |
| HC profit                     | 1,588 |
|                               | ===== |

(a) The special items refer to non-recurring charges and credits. The special items for the second quarter 2002 comprise restructuring charges for Exploration and Production and Chemicals, business interruption insurance proceeds and costs related to a pipeline incident in Refining and Marketing, Veba, Solvay and Erdolchemie integration costs and an adjustment to the North Sea deferred tax balance for the supplementary UK corporation tax rate. The special items for the third quarter 2001 comprise Castrol integration costs, Erdolchemie rationalization costs and a bond redemption charge.

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

|            |          |              | pro forma result |         |
|------------|----------|--------------|------------------|---------|
|            |          |              | adjusted for     |         |
|            | Reported | Acquisition  | Special          | special |
|            | Earnings | Amortization | Items (a)        | items   |
| \$ million |          |              |                  |         |

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|                               |         |       |       |         |
|-------------------------------|---------|-------|-------|---------|
| =====                         |         |       |       |         |
| Nine months 2002              |         |       |       |         |
| Exploration and Production    | 5,958   | 1,461 | 920   | 8,339   |
| Gas, Power and Renewables     | 282     | -     | 30    | 312     |
| Refining and Marketing        | 908     | 591   | (5)   | 1,494   |
| Chemicals                     | 411     | -     | 215   | 626     |
| Other businesses & corporate  | (494)   | -     | 125   | (369)   |
| -----                         |         |       |       |         |
| RC operating profit           | 7,065   | 2,052 | 1,285 | 10,402  |
| -----                         |         |       |       |         |
| Interest expense              | (947)   | -     | -     | (947)   |
| Taxation                      | (3,071) | -     | (242) | (3,313) |
| MSI                           | (69)    | -     | (16)  | (85)    |
| -----                         |         |       |       |         |
| RC profit before              |         |       |       |         |
| exceptional items             | 2,978   | 2,052 | 1,027 | 6,057   |
| =====                         |         |       |       |         |
| Exceptional items before tax  | 2,061   |       |       |         |
| Taxation on exceptional items | (146)   |       |       |         |
| -----                         |         |       |       |         |
| RC profit after               |         |       |       |         |
| exceptional items             | 4,893   |       |       |         |
| Stock holding gains (losses)  | 1,278   |       |       |         |
| -----                         |         |       |       |         |
| HC profit                     | 6,171   |       |       |         |
| =====                         |         |       |       |         |
| Nine months 2001              |         |       |       |         |
| Exploration and Production    | 10,720  | 1,404 | -     | 12,124  |
| Gas, Power and Renewables     | 386     | -     | -     | 386     |
| Refining and Marketing        | 3,194   | 577   | 274   | 4,045   |

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|                               |         |       |       |         |
|-------------------------------|---------|-------|-------|---------|
| Chemicals                     | 195     | -     | 8     | 203     |
| Other businesses & corporate  | (348)   | -     | -     | (348)   |
| -----                         |         |       |       |         |
| RC operating profit           | 14,147  | 1,981 | 282   | 16,410  |
| -----                         |         |       |       |         |
| Interest expense              | (1,256) | -     | 62    | (1,194) |
| Taxation                      | (5,268) | -     | (122) | (5,390) |
| MSI                           | (38)    | -     | -     | (38)    |
| -----                         |         |       |       |         |
| RC profit before              |         |       |       |         |
| exceptional items             | 7,585   | 1,981 | 222   | 9,788   |
| =====                         |         |       |       |         |
| Exceptional items before tax  | 573     |       |       |         |
| Taxation on exceptional items | (396)   |       |       |         |
| -----                         |         |       |       |         |
| RC profit after               |         |       |       |         |
| exceptional items             | 7,762   |       |       |         |
| Stock holding gains (losses)  | (603)   |       |       |         |
| -----                         |         |       |       |         |
| HC profit                     | 7,159   |       |       |         |
| =====                         |         |       |       |         |

(a) The special items refer to non-recurring charges and credits. The special items for the nine months 2002 comprise restructuring charges for Exploration and Production and Chemicals, Veba, Solvay and Erdolchemie integration costs, business interruption insurance proceeds and costs related to a pipeline incident in Refining and Marketing, an adjustment to the North Sea deferred tax balance for the supplementary UK corporation tax rate, impairment charges in Exploration and Production and Gas, Power and Renewables and provisions against the

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investment in Indonesia in Chemicals and for lease payments for vacant office space in Other Businesses and Corporate. The special items for the nine months 2001 comprise Castrol integration costs, Erdolchemie and downstream European commercial business rationalization costs and bond redemption charges.

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

| Third<br>Quarter<br>2001          | Second<br>Quarter<br>2002 | Third<br>Quarter<br>2002 |   | Nine Months<br>2002 | 2001   |
|-----------------------------------|---------------------------|--------------------------|---|---------------------|--------|
| =====                             |                           |                          |   | =====               |        |
| \$ million                        |                           |                          |   |                     |        |
| Replacement cost operating profit |                           |                          |   |                     |        |
| 3,730                             | 3,250                     | 1,757                    | (reported) (a)                          | 7,065               | 14,147 |
| 2,104                             | 2,227                     | 3,506                    | Depreciation and amounts provided (b)   | 7,886               | 6,401  |
| 23                                | 147                       | 55                       | Exploration expenditure written off     | 261                 | 153    |
| Dividends from JVs and associates |                           |                          |   |                     |        |
| (99)                              | (115)                     | (49)                     | less share of RCOP                      | (286)               | (377)  |
| (11)                              | (3)                       | (13)                     | Dividends paid to minority shareholders | (29)                | (16)   |
| (148)                             | (48)                      | (60)                     | Adjust provisions to cash basis (c)     | (177)               | (77)   |
| Adjust interest and other income  |                           |                          |   |                     |        |
| (34)                              | (3)                       | 5                        | to cash basis (d)                       | (11)                | (76)   |

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|   |       |       |                                      |         |         |
|---|-------|-------|--------------------------------------|---------|---------|
| 5,565   | 5,455 | 5,201 |                                      | 14,709  | 20,155  |
| (682)   | (869) | (702) | Tax paid adjusted for certain items* | (2,148) | (3,158) |
| 4,883   | 4,586 | 4,499 | Adjusted RCOP after tax paid         | 12,561  | 16,997  |
| * Calculation of tax paid adjusted<br>for certain items |       |       |                                      |         |         |
| (717)   | (927) | (661) | Cash tax paid                        | (2,033) | (3,238) |
| 127   | 160   | 25    | Tax charge on exceptional items      | 146     | 396     |
| (92)  | (102) | (66)  | Tax shield assumption +              | (261)   | (316)   |
| (682)   | (869) | (702) |                                      | (2,148) | (3,158) |
| + Calculation of tax shield assumption                  |       |       |                                      |         |         |
| (308)   | (342) | (218) | Interest paid                        | (869)   | (1,053) |
| 30%   | 30%   | 30%   | Tax rate assumption (e)              | 30%     | 30%     |
| (92)  | (102) | (66)  |                                      | (261)   | (316)   |

- (a) Total replacement cost operating profit is before 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) Calculated as the net of charge for provisions and utilization of provisions.
- (d) Calculated as interest and other income, less interest received and dividends received from the group cash flow statement.



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(e) Deemed tax rate for tax shield adjustment is equal to the UK statutory tax rate.

### RETURN ON AVERAGE CAPITAL EMPLOYED

| Third<br>Quarter<br>2001 | Second<br>Quarter<br>2002 | Third<br>Quarter<br>2002 |                                    | Nine Months<br>2002      2001 |        |
|--------------------------|---------------------------|--------------------------|------------------------------------|-------------------------------|--------|
|                          |                           |                          |                                    |                               |        |
| \$ million               |                           |                          |                                    |                               |        |
| Replacement cost basis   |                           |                          |                                    |                               |        |
| 1,936                    | 1,293                     | 761                      | RC profit before exceptional items | 2,978                         | 7,585  |
| 369                      | 314                       | 300                      | Interest                           | 947                           | 1,256  |
| 12                       | 52                        | 8                        | Minority shareholders' interest    | 69                            | 38     |
|                          |                           |                          | Adjusted RC profit                 | 3,994                         | 8,879  |
|                          |                           |                          |                                    |                               |        |
| 87,892                   | 90,774                    | 90,507                   | Average capital employed           | 89,328                        | 87,874 |
| 10.5%                    | 7.3%                      | 4.7%                     | ROACE - replacement cost basis     | 6.0%                          | 13.5%  |
|                          |                           |                          |                                    |                               |        |
| Pro forma basis          |                           |                          |                                    |                               |        |
| 2,317                    | 1,659                     | 1,069                    | Adjusted RC profit                 | 3,994                         | 8,879  |
| 630                      | 537                       | 977                      | Acquisition amortization           | 2,052                         | 1,981  |
| 77                       | 367                       | 556                      | Special items (post tax)           | 1,043                         | 160    |
| 87,892                   | 90,774                    | 90,507                   | Average capital employed           | 89,328                        | 87,874 |

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|        |        |        |                                 |        |        |
|--------|--------|--------|---------------------------------|--------|--------|
|        |        |        | Average capital employed        |        |        |
| 20,673 | 18,163 | 17,581 | acquisition adjustment          | 18,008 | 21,504 |
| -----  |        |        |                                 | -----  |        |
|        |        |        | Average capital employed        |        |        |
|        |        |        | (pro forma basis)               |        |        |
| 67,219 | 72,611 | 72,926 |                                 | 71,320 | 66,370 |
|        |        |        | ROACE - Pro forma basis         |        |        |
| 18.0%  | 14.1%  | 14.3%  | adjusted for special items      | 13.3%  | 22.1%  |
| -----  |        |        |                                 | -----  |        |
|        |        |        | Historical cost basis           |        |        |
|        |        |        | Historical cost profit (loss)   |        |        |
| 1,588  | 2,040  | 2,835  | after exceptional items         | 6,171  | 7,159  |
| 369    | 314    | 300    | Interest                        | 947    | 1,256  |
| 12     | 46     | 8      | Minority shareholders' interest | 94     | 38     |
| -----  |        |        |                                 | -----  |        |
| 1,969  | 2,400  | 3,143  | Adjusted historical cost profit | 7,212  | 8,453  |
| =====  |        |        |                                 | =====  |        |
| 87,892 | 90,774 | 90,507 | Average capital employed        | 89,328 | 87,874 |
| 9.0%   | 10.6%  | 13.9%  | ROACE                           | 10.8%  | 12.8%  |

NET DEBT RATIO - NET DEBT: NET DEBT + EQUITY

| Third<br>Quarter<br>2001 | Second<br>Quarter<br>2002 | Third<br>Quarter<br>2002 | Nine Months<br>2002      2001 |  |
|--------------------------|---------------------------|--------------------------|-------------------------------|--|
| =====                    |                           |                          | =====                         |  |

\$ million

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|        |        |        |                                    |        |        |
|--------|--------|--------|------------------------------------|--------|--------|
| 20,474 | 21,409 | 22,276 | Gross debt                         | 22,276 | 20,474 |
| 1,957  | 1,569  | 1,290  | Cash and current asset investments | 1,290  | 1,957  |
| -----  |        |        |                                    | -----  |        |
| 18,517 | 19,840 | 20,986 | Net debt                           | 20,986 | 18,517 |
| =====  |        |        |                                    | =====  |        |
| 67,931 | 68,126 | 69,203 | Equity                             | 69,203 | 67,931 |
| 21%    | 23%    | 23%    | Net debt ratio                     | 23%    | 21%    |
| -----  |        |        |                                    | -----  |        |
| 20,412 | 18,028 | 17,134 | Acquisition adjustment             | 17,134 | 20,412 |
| -----  |        |        |                                    | -----  |        |
| 28%    | 28%    | 29%    | Net debt ratio - pro forma basis   | 29%    | 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: 29 October 2002

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