

Edgar Filing: BP PLC - Form 6-K

BP PLC
Form 6-K
February 10, 2004

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 10 February 2004

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 ☒ Form 40-F ☐

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 ☐ No ☒

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

London 10 February 2004

FOR IMMEDIATE RELEASE

RECORD ANNUAL RESULT, UP 42%; CONTINUING STRONG CASH GENERATION

Edgar Filing: BP PLC - Form 6-K

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

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

Edgar Filing: BP PLC - Form 6-K

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

BP Group Chief Executive, Lord Browne, said:

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

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

- (a) The special items refer to non-recurring charges and credits. The special items for the fourth quarter comprise impairment charges and restructuring costs in Exploration and Production, Veba integration costs in Refining and Marketing and a provision to cover future rental payments on surplus property in Other businesses and corporate and tax restructuring benefits.
- (b) Acquisition amortization is depreciation and amortization relating to the fixed asset revaluation adjustments and goodwill consequent upon the ARCO and Burmah Castrol acquisitions. The fourth quarter 2003 includes accelerated depreciation of the revaluation adjustment in respect of the impairment of former ARCO assets.

Summary Fourth Quarter Results

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

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

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

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

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

Edgar Filing: BP PLC - Form 6-K

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

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

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

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

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

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

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

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

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

Edgar Filing: BP PLC - Form 6-K

84 Taxation on exceptional items

1,888 RC profit after exceptional items
84 Stock holding gains

1,972 HC profit
=====

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

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

Operating Results

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

Exploration and Production

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

Edgar Filing: BP PLC - Form 6-K

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

(a) Crude oil and natural gas liquids.

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

(c) Henry Hub First of the Month Index.

Exploration and Production

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

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

Edgar Filing: BP PLC - Form 6-K

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

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

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

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

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

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

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

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

Gas, Power and Renewables

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

Edgar Filing: BP PLC - Form 6-K

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

Gas, Power and Renewables

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

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

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

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

Refining and Marketing

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

Edgar Filing: BP PLC - Form 6-K

1,439	1,406	1,374	USA	1,386	1,439
367	366	378	Rest of World	382	357

3,157	3,086	3,014	Total throughput	3,097	3,103
=====					
96.1	96.2	94.9	Refining availability(a) (%)	95.5	96.1
=====					
Oil sales volumes (mb/d)					
Refined products					
269	270	257	UK	271	253
1,541	1,293	1,295	Rest of Europe	1,316	1,467
1,875	1,828	1,788	USA	1,797	1,874
611	657	681	Rest of World	648	586

4,296	4,048	4,021	Total marketing sales	4,032	4,180
2,064	2,647	2,350	Trading/supply sales	2,691	2,383

6,360	6,695	6,371	Total refined product sales	6,723	6,563
5,314	5,316	4,504	Crude oil	5,007	4,671

11,674	12,011	10,875	Total oil sales	11,730	11,234
=====					
Global Indicator Refining Margin(b)					
(\$/bbl)					
2.19	2.47	2.21	NWE	2.62	1.04
2.98	5.61	3.53	USGC	4.71	2.36
4.09	6.39	2.89	Midwest	4.54	3.30
3.95	9.04	6.09	USWC	7.06	4.34
1.41	1.27	2.20	Singapore	1.77	0.57
2.76	4.59	3.14	BP Average	3.88	2.11
=====					

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

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

Refining and Marketing

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

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

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

Edgar Filing: BP PLC - Form 6-K

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

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

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

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

Petrochemicals

4Q 2002	3Q 2003	4Q 2003	\$ million	Year 2003	2002
104	81	35	Replacement cost operating profit	568	515
35	43	-	Special items	38	250
-	-	-	Acquisition amortization	-	-
139	124	35	Pro forma operating result adjusted for special items	606	765
108	109	114	(b) Chemicals Indicator Margin(a) (\$/te)	113	104
698	771	832	Petrochemicals production (kte)	3,186	3,221
2,679	2,724	2,790	UK	10,958	10,526
2,447	2,563	2,466	Rest of Europe	10,068	10,201
785	982	1,065	USA	3,731	3,040
6,609	7,040	7,153	Rest of World	27,943	26,988
			Total production		

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

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

Petrochemicals

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

Edgar Filing: BP PLC - Form 6-K

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

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

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

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

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

Other Businesses and Corporate

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

Other businesses and corporate comprises Finance, the group's coal asset and aluminium asset, its investments in PetroChina and Sinopec, interest income and costs relating to corporate activities. BP sold its interest in PetroChina for \$1.65 billion on 13 January 2004. The special item for the quarter is a provision for future rental payments on surplus leasehold property. Although not classified as special items, the result also includes charges of \$59 million in respect of additional provisions for litigation and \$41 million for BP Foundation funding and a foreign exchange credit of \$42 million.

Exceptional Items

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

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

Edgar Filing: BP PLC - Form 6-K

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

2003 Dividends

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

BP today announced a fourth quarterly dividend for 2003 of 6.75 cents per ordinary share. Holders of ordinary shares will receive 3.674 pence per share and holders of American Depositary Receipts (ADRs) \$0.405 per ADS share. The dividend is payable on 15 March to shareholders on the register on 20 February. Participants in the Dividend Reinvestment Plan (DRIP) or the DRIP facility in the US Direct Access Plan will receive the dividend in the form of shares, also on 15 March. The first quarter 2004 results and dividend will be announced on 27 April 2004.

Outlook

BP Group Chief Executive, Lord Browne, concluded:

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

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

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

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

"Petrochemical margins in the fourth quarter remained under pressure from

Edgar Filing: BP PLC - Form 6-K

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

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

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

BP p.l.c. and Subsidiaries

Summarized Group Results

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

Edgar Filing: BP PLC - Form 6-K

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

Replacement Cost Results

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

Summarized Group Balance Sheet

	31 December 2003	31 December 2002

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

Edgar Filing: BP PLC - Form 6-K

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

Movement in BP shareholders' interest: \$ million

At 31 December 2002	69,409
Profit for the period	10,267
Distribution to shareholders	(5,753)
Currency translation differences (net of tax)	3,841
Issue of ordinary share capital for employee share schemes	173
Repurchase of ordinary share capital	(1,999)

At 31 December 2003	75,938
	=====

Summarized Group Cash Flow Statement

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

Edgar Filing: BP PLC - Form 6-K

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

Analysis of Cash Flow

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

Edgar Filing: BP PLC - Form 6-K

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

(b) Financing

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

Capital Expenditure and Acquisitions

Fourth Quarter 2002	Third Quarter 2003	Fourth Quarter 2003		Year	
				2003	2002
=====				=====	
\$ million				\$ million	
			By business		
			Exploration and Production		
177	182	189	UK	787	955
73	80	75	Rest of Europe	279	262
1,079	989	1,145	USA	4,109	4,303
1,244	6,999	1,194	Rest of World(a)	10,277	4,179
-----			-----		
2,573	8,250	2,603		15,452	9,699
-----			-----		
			Gas, Power and Renewables		
-	15	21	UK	68	28
41	6	46	Rest of Europe (b)	76	161
60	18	44	USA	148	160
22	19	24	Rest of World	67	59
-----			-----		
123	58	135		359	408
-----			-----		
			Refining and Marketing		

Edgar Filing: BP PLC - Form 6-K

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

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

US dollar/Sterling exchange rates

1.57	1.61	1.70	Average rate for the period	1.63	1.50
1.60	1.66	1.78	Period-end rate	1.78	1.60
=====			=====		

Analysis of Replacement Cost Operating Profit

Fourth Quarter 2002	Third Quarter 2003	Fourth Quarter 2003	Year 2003 2002	
=====			=====	
\$ million			\$ million	
By business				

Edgar Filing: BP PLC - Form 6-K

			Exploration and Production		
965	582	700	UK	2,889	2,526
177	124	152	Rest of Europe	610	714
1,081	1,368	680	USA	5,294	2,835
1,025	1,446	1,406	Rest of World	5,144	3,131

3,248	3,520	2,938		13,937	9,206

			Gas, Power and Renewables		
(31)	13	40	UK	74	(94)
1	(12)	(11)	Rest of Europe	(37)	100
9	54	(3)	USA	172	25
93	43	51	Rest of World	263	323

72	98	77		472	354

			Refining and Marketing		
(155)	(119)	(84)	UK	(208)	(498)
(53)	325	141	Rest of Europe	1,226	571
80	51	161	USA	632	335
92	198	147	Rest of World	690	464

(36)	455	365		2,340	872

			Petrochemicals		
(47)	(94)	(26)	UK	(177)	(82)
65	85	37	Rest of Europe	457	337
24	31	(10)	USA	112	126
62	59	34	Rest of World	176	134

104	81	35		568	515

(207)	(310)	(295)	Other businesses and corporate	(904)	(701)

3,181	3,844	3,120		16,413	10,246
=====					=====

By geographical area

793	283	943	UK	2,594	1,696
171	525	277	Rest of Europe	2,208	1,703
944	1,279	193	USA	5,201	2,818
1,273	1,757	1,707	Rest of World	6,410	4,029

3,181	3,844	3,120		16,413	10,246
=====					=====
			Included above		
83	303	402	Share of profits of joint ventures	923	346
161	128	93	Share of profits of associated undertakings	511	616

244	431	495		1,434	962
=====					=====

Notes

1. Turnover

Fourth Quarter	Third Quarter	Fourth Quarter	Year	
2002	2003	2003	2003	2002
=====			=====	

Edgar Filing: BP PLC - Form 6-K

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

2. Replacement cost profit

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

Notes

3. Operating profits are after charging:

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

Edgar Filing: BP PLC - Form 6-K

362	416	421		1,723	1,274
=====				=====	

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

4. Analysis of exceptional items

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

Notes

5. Stock holding gains (losses)

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

6. Interest expense

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

Edgar Filing: BP PLC - Form 6-K

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

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

7. Charge for taxation

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

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

Notes

8. Analysis of changes in net debt

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

Edgar Filing: BP PLC - Form 6-K

(56)	76	(223)	current asset investments	(41)	(220)
			Net cash (inflow) outflow		
			from financing(excluding		
321	(1,440)	(2,350)	share capital)	(760)	(736)
			Partnership interests		
-	-	-	exchanged for BP loan notes	-	1,135
-	93	-	Debt transferred to TNK-BP	93	-
			Exchange of Exchangeable Bonds		
			for Lukoil American		
-	-	-	Depository Shares	420	-
19	(31)	5	Other movements	144	76
(3)	(12)	(3)	Debt acquired	(15)	(1,002)
-----				-----	
			Movement in net debt before		
744	(2,345)	(1,774)	exchange effects	158	(690)
(31)	20	56	Exchange adjustments	(78)	26
-----				-----	
			(Increase) decrease		
713	(2,325)	(1,718)	in net debt	80	(664)
=====				=====	

Notes

9. TNK-BP Operational and Financial Information

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

Balance Sheet

31 December

Edgar Filing: BP PLC - Form 6-K

		2003
		=====
		\$ million
Fixed assets - investments		
Gross assets		10,339
Gross liabilities		(3,290)

		7,049
		=====
Deferred consideration		
Due within one year		1,227
Due after more than one year		2,352

		3,579
		=====
29 August -	Fourth	29 August -
30 September	Quarter	31 December
2003	2003	2003
=====	=====	=====
\$ million	Cash Flow	\$ million
	Acquisition of investment	
(2,625)	274 in TNK-BP joint venture	(2,351)
		=====

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

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

Notes

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

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

Edgar Filing: BP PLC - Form 6-K

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

Notes

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

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

Edgar Filing: BP PLC - Form 6-K

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

Notes

11. Ordinary shares

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

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

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

12. Statutory accounts

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

Contacts

	London	New York
	-----	-----
Press Office	Roddy Kennedy +44 (0)20 7496 4624	Ian Stewart +1 212 451 8026
Investor Relations	Fergus McLeod +44 (0)20 7496 4717	Terry LaMore +1 212 451 8034

Edgar Filing: BP PLC - Form 6-K

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

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

London 10 February 2004

INVESTOR RELATIONS SUPPLEMENT

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

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

Edgar Filing: BP PLC - Form 6-K

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

- (a) The special items refer to non-recurring charges and credits. The special items for the fourth quarter comprise impairment charges and restructuring costs in Exploration and Production, Veba integration costs in Refining and Marketing and a provision to cover future rental payments on surplus property in Other businesses and corporate and tax restructuring benefits.
- (b) Acquisition amortization is depreciation and amortization relating to the fixed asset revaluation adjustments and goodwill consequent upon the ARCO and Burmah Castrol acquisitions. The fourth quarter 2003 includes accelerated depreciation of the revaluation adjustment in respect of the impairment of former ARCO assets.

PER SHARE AMOUNTS

Fourth Quarter 2002	Third Quarter 2003	Fourth Quarter 2003		Year 2003	2002
			Shares in issue at period end (thousand)	22,122,610	22,378,651
22,378,651	22,107,715	22,122,610	- ADS equivalent (thousand)	3,687,102	3,729,775
3,729,775	3,684,619	3,687,102	Average number of shares outstanding (thousand) *	22,170,741	22,397,126
22,351,122	22,092,365	22,103,542	- ADS equivalent (thousand)	3,695,124	3,732,854
3,725,187	3,682,061	3,683,924	Replacement cost profit after exceptional items (\$m)	10,251	5,741
825	2,310	1,888	cents/ordinary share	46.23	25.62
3.69	10.47	8.55	dollars/ADS	2.77	1.54
0.22	0.63	0.51	Replacement cost profit before exceptional items (\$m)	9,543	4,698
1,697	2,142	1,819	cents/ordinary share	43.03	20.97
7.58	9.71	8.23	dollars/ADS	2.58	1.26
0.46	0.58	0.49	Pro forma result adjusted for special items (\$m)	12,379	8,715
2,635	2,868	2,667	cents/ordinary share	55.83	38.90
11.78	13.00	12.07	dollars/ADS	3.35	2.33
0.70	0.78	0.72			

* Excludes shares held by the Employee Share Ownership Plans.

Edgar Filing: BP PLC - Form 6-K

ACQUISITION AMORTIZATION BY BUSINESS

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

SPECIAL ITEMS BY BUSINESS (PRE-TAX)

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

Edgar Filing: BP PLC - Form 6-K

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

PRODUCTION AND REALIZATIONS

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

Edgar Filing: BP PLC - Form 6-K

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

(a) Crude oil and natural gas liquids.

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

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

\$ million	Reported Earnings	Acquisition Amortization	Special Items (a)	pro forma result adjusted for special items
=====				
3Q 2003				
Exploration and Production	3,520	293	-	3,813
Gas, Power and Renewables	98	-	-	98
Refining and Marketing	455	205	318	978
Petrochemicals	81	-	43	124
Other businesses & corporate	(310)	-	(10)	(320)

RC operating profit	3,844	498	351	4,693

Interest expense	(213)	-	-	(213)
Taxation	(1,446)	-	(123)	(1,569)
MSI	(43)	-	-	(43)

RC profit before exceptional items	2,142	498	228	2,868
=====				
Exceptional items before tax	172			
Taxation on exceptional items	(4)			

RC profit after exceptional items	2,310			
Stock holding gains (losses)	84			

HC profit	2,394			
=====				
4Q 2002				
Exploration and Production	3,248	319	99	3,666

Edgar Filing: BP PLC - Form 6-K

Gas, Power and Renewables	72	-	-	72
Refining and Marketing	(36)	203	420	587
Petrochemicals	104	-	35	139
Other businesses & corporate	(207)	-	61	(146)

RC operating profit	3,181	522	615	4,318

Interest expense	(332)	-	15	(317)
Taxation	(1,146)	-	(214)	(1,360)
MSI	(6)	-	-	(6)

RC profit before exceptional items	1,697	522	416	2,635
=====				
Exceptional items before tax	(893)			
Taxation on exceptional items	21			

RC profit after exceptional items	825			
Stock holding gains (losses)	(174)			

HC profit	651			
=====				

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

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

			pro forma result	
	Reported	Acquisition	Special	adjusted for
\$ million	Earnings	Amortization	Items (a)	special
				items
=====				
Year 2003				
Exploration and Production	13,937	1,566	474	15,977
Gas, Power and Renewables	472	—	—	472
Refining and Marketing	2,340	826	523	3,689
Petrochemicals	568	—	38	606
Other businesses & corporate	(904)	—	64	(840)

RC operating profit	16,413	2,392	1,099	19,904

Interest expense	(851)	—	—	(851)
Taxation	(5,849)	—	(655)	(6,504)
MSI	(170)	—	—	(170)

Edgar Filing: BP PLC - Form 6-K

RC profit before exceptional items	9,543	2,392	444	12,379
		=====		
Exceptional items before tax	831			
Taxation on exceptional items	(123)			

RC profit after exceptional items	10,251			
Stock holding gains (losses)	16			

HC profit	10,267			
	=====			
Year 2002				
Exploration and Production	9,206	1,780	1,019	12,005
Gas, Power and Renewables	354	-	30	384
Refining and Marketing	872	794	415	2,081
Petrochemicals	515	-	250	765
Other businesses & corporate	(701)	-	186	(515)
	-----	-----	-----	-----
RC operating profit	10,246	2,574	1,900	14,720
	-----	-----	-----	-----
Interest expense	(1,279)	-	15	(1,264)
Taxation	(4,217)	-	(456)	(4,673)
MSI	(52)	-	(16)	(68)
	-----	-----	-----	-----
RC profit before exceptional items	4,698	2,574	1,443	8,715
		=====		
Exceptional items before tax	1,168			
Taxation on exceptional items	(125)			

RC profit after exceptional items	5,741			
Stock holding gains (losses)	1,104			

HC profit	6,845			
	=====			

(a) The special items refer to non-recurring charges and credits. The special items for 2003 comprise impairment charges and restructuring costs in Exploration and Production; Veba integration costs and environmental charges in Refining and Marketing; restructuring costs, environmental charges and a reduction in the provision for costs associated with closure of polypropylene capacity in Petrochemicals; a credit related to environmental remediation provisions and a provision to cover future rental payments on surplus property in Other businesses and corporate; and tax restructuring benefits.

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

Edgar Filing: BP PLC - Form 6-K

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

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

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

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

Edgar Filing: BP PLC - Form 6-K

RETURN ON AVERAGE CAPITAL EMPLOYED

Fourth Quarter 2002	Third Quarter 2003	Fourth Quarter 2003		Year 2003 2002	
=====				=====	
			\$ million		
			Replacement cost basis		
1,697	2,142	1,819	RC profit before exceptional items	9,543	4,698
140	82	73	Interest +	332	602
6	43	41	Minority shareholders' interest	170	52
-----				-----	
1,843	2,267	1,933	Adjusted RC profit	10,045	5,352
=====				=====	
91,767	93,001	96,857	Average capital employed	95,722	89,616
8.0%	9.8%	8.0%	ROACE - replacement cost basis	10.5%	6.0%
-----				-----	
			Pro forma basis		
1,843	2,267	1,933	Adjusted RC profit	10,045	5,352
522	498	637	Acquisition amortization	2,392	2,574
406	228	211	Special items (post-tax)	444	1,449
91,767	93,001	96,857	Average capital employed	95,722	89,616
16,903	14,110	13,556	Average capital employed acquisition adjustment	15,017	17,777
-----				-----	
74,864	78,891	83,301	Average capital employed (pro forma basis)	80,705	71,839
14.8%	15.2%	13.4%	ROACE - Pro forma basis adjusted for special items	16.0%	13.0%
-----				-----	
			Historical cost basis		
			Historical cost profit		
651	2,394	1,972	after exceptional items	10,267	6,845
140	82	73	Interest +	332	602
6	43	41	Minority shareholders' interest	170	77
-----				-----	
797	2,519	2,086	Adjusted historical cost profit	10,769	7,524
=====				=====	
91,767	93,001	96,857	Average capital employed	95,722	89,616
3.5%	10.8%	8.6%	ROACE - historical cost basis	11.3%	8.4%

+ Excludes interest on joint venture and associated undertakings debt as well as unwinding of discount on provisions and effect of change in discount rate on provisions and unwinding of discount on deferred consideration for acquisition of investment in TNK-BP, and is on a post-tax basis, using a deemed tax rate equal to the US statutory tax rate.

NET DEBT RATIO - NET DEBT: NET DEBT + EQUITY

Fourth Quarter 2002	Third Quarter 2003	Fourth Quarter 2003		Year 2003 2002	
=====				=====	
			\$ million		
22,008	19,970	22,325	Gross debt	22,325	22,008
1,735	1,495	2,132	Cash and current asset investments	2,132	1,735
-----				-----	
20,273	18,475	20,193	Net debt	20,193	20,273

Edgar Filing: BP PLC - Form 6-K

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

SIGNATURES

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

BP p.l.c.
(Registrant)

Dated: 10 February 2004

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