





## Edgar Filing: BP PLC - Form 6-K

- BP's second quarter replacement cost profit was \$3,140 million, compared with \$6,746 million a year ago, a decrease of 53%. For the half year, replacement cost profit was \$5,527 million compared with \$12,977 million a year ago, down 57%.
- Non-operating items and fair value accounting effects for the second quarter had a net \$202 million favourable impact compared to a net \$1,775 million unfavourable impact in the second quarter of 2008. For the half year, the respective amounts were \$8 million favourable and \$1,779 million unfavourable - see further details on page 2.
- Finance costs and net finance income or expense relating to pensions and other post-retirement benefits were \$321 million for the second quarter, compared to \$221 million for the same period last year. For the half year, the respective amounts were \$689 million and \$467 million. The net increase in cost was primarily due to a reduction in the expected return on pension plan assets.
- The effective tax rate on replacement cost profit for the second quarter and half year was 35% and 36% respectively, the same as a year ago.
- Net cash provided by operating activities for the quarter and half year was \$6.8 billion and \$12.3 billion compared with \$6.7 billion and \$17.6 billion respectively a year ago.
- Net debt at the end of the quarter was \$27.1 billion. The ratio of net debt to net debt plus equity was 22% compared with 20% a year ago.
- Total capital expenditure for the second quarter and half year was \$4.8 billion and \$9.4 billion respectively. Capital expenditure, excluding acquisitions and asset exchanges, is expected to be less than \$20 billion for the year. Disposal proceeds were \$0.7 billion for the quarter and \$1.0 billion for the half year.
- The quarterly dividend, to be paid in September, is 14 cents per share (\$0.84 per ADS), the same as a year ago. In sterling terms, the quarterly dividend is 8.503 pence per share, compared with 7.039 pence per share a year ago, an increase of 21%.

- (a) This results announcement also represents BP's half-yearly financial report for the purposes of the Disclosure and Transparency Rules made by the UK Financial Services Authority. In this context: (i) the condensed set of financial statements can be found on pages 10 - 15 and 19 - 23; (ii) pages 1 - 8, 16 - 18 and 24 - 26 comprise the interim management report; and (iii) the directors' responsibility statement and auditors' independent review report can be found on page 9.
- (b) Profit attributable to BP shareholders.

*The commentaries above and following are based on replacement cost profit and should be read in conjunction with the cautionary statement on page 8.*

**Analysis of replacement cost profit before interest and tax and reconciliation to profit for the period**

<b>Second quarter 2008</b>	<b>First quarter 2009</b>	<b>Second quarter 2009</b>		<b>First half</b>	
				<b>2009</b>	<b>2008</b>
			<b>\$ million</b>		
10,771	4,320	<b>5,046</b>	Exploration and Production	<b>9,366</b>	20,843
539	1,090	<b>680</b>	Refining and Marketing	<b>1,770</b>	1,788
(314)	(761)	<b>(583)</b>	Other businesses and corporate	<b>(1,344)</b>	(527)
(221)	(405)	<b>76</b>	Consolidation adjustment(a)	<b>(329)</b>	(1,005)
10,775	4,244	<b>5,219</b>	RC profit before interest and tax(b)	<b>9,463</b>	21,099
			Finance costs and net finance income or expense relating to pensions and other post-retirement benefits		
(221)	(368)	<b>(321)</b>		<b>(689)</b>	(467)
(3,696)	(1,454)	<b>(1,714)</b>	Taxation on a replacement cost basis	<b>(3,168)</b>	(7,425)
(112)	(35)	<b>(44)</b>	Minority interest	<b>(79)</b>	(230)
			<b>Replacement cost profit attributable to BP shareholders</b>		
6,746	2,387	<b>3,140</b>		<b>5,527</b>	12,977
			Inventory holding gains (losses) Taxation (charge) credit on inventory holding gains and losses		
3,952	254	<b>1,874</b>		<b>2,128</b>	5,278
(1,340)	(79)	<b>(629)</b>		<b>(708)</b>	(1,803)
			<b>Profit for the period attributable to BP shareholders</b>		
9,358	2,562	<b>4,385</b>		<b>6,947</b>	16,452

(a) The consolidation adjustment for the first quarter of 2009 was the outcome of higher margins and volumes.

(b) Replacement cost profit reflects the replacement cost of supplies. For further information see page 15.

**Total of non-operating items and fair value accounting effects(a)(b)**

<b>Second quarter 2008</b>	<b>First quarter 2009</b>	<b>Second quarter 2009</b>		<b>First half</b>	
				<b>2009</b>	<b>2008</b>
			<b>\$ million</b>		
(2,349)	469	<b>642</b>	Exploration and Production	<b>1,111</b>	(2,984)

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(260)	(459)	<b>(292)</b> Refining and Marketing	<b>(751)</b>	450
(123)	(321)	<b>(39)</b> Other businesses and corporate	<b>(360)</b>	(204)
(2,732)	(311)	<b>311</b>	-	(2,738)
957	117	<b>(109)</b> Taxation credit (charge)(c)	<b>8</b>	959
(1,775)	(194)	<b>202</b>	<b>8</b>	(1,779)

- (a) An analysis of non-operating items by type is provided on page 16 and an analysis by region is shown on pages 5, 7 and 8.
- (b) Information on fair value accounting effects is non-GAAP. For further details, see page 17.
- (c) Tax is calculated using the quarter's effective tax rate on replacement cost profit .

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**Per share amounts**

<b>Second quarter 2008</b>	<b>First quarter 2009</b>	<b>Second quarter 2009</b>	<b>First half</b>	
			<b>2009</b>	<b>2008</b>
<b>Per ordinary share (cents) (a)</b>				