

Edgar Filing: BP PLC - Form 6-K

UNDERLYING PERFORMANCE IMPROVEMENT CONTINUES

Third Quarter 2001	Second Quarter 2002	Third Quarter 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

Edgar Filing: BP PLC - Form 6-K

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.

Edgar Filing: BP PLC - Form 6-K

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.

Edgar Filing: BP PLC - Form 6-K

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%.

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.

Edgar Filing: BP PLC - Form 6-K

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		

Edgar Filing: BP PLC - Form 6-K

```

-----
2,530 RC profit after exceptional items
    305 Stock holding gains
-----
2,835 HC profit
=====

```

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

Edgar Filing: BP PLC - Form 6-K

			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
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
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

Edgar Filing: BP PLC - Form 6-K

=====				=====
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

Edgar Filing: BP PLC - Form 6-K

=====				=====	
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.

Edgar Filing: BP PLC - Form 6-K

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%).

Edgar Filing: BP PLC - Form 6-K

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
=====					

Edgar Filing: BP PLC - Form 6-K

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
=====				=====

Edgar Filing: BP PLC - Form 6-K

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)					

Edgar Filing: BP PLC - Form 6-K

(\$/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

=====

=====

(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

Edgar Filing: BP PLC - Form 6-K

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

Edgar Filing: BP PLC - Form 6-K

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.

Edgar Filing: BP PLC - Form 6-K

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

Edgar Filing: BP PLC - Form 6-K

=====		=====
	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

Edgar Filing: BP PLC - Form 6-K

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.

Edgar Filing: BP PLC - Form 6-K

"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."

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.

Edgar Filing: BP PLC - Form 6-K

BP p.l.c. and Subsidiaries

Summarized Group Results

Third Quarter 2001	Second Quarter 2002	Third Quarter 2002		Nine Months 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

Edgar Filing: BP PLC - Form 6-K

-----				-----
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

Edgar Filing: BP PLC - Form 6-K

	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	31 December
	2002	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

Edgar Filing: BP PLC - Form 6-K

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 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)

Edgar Filing: BP PLC - Form 6-K

Currency translation differences	1,864
Employee share schemes	178
Share buyback	(750)

At 30 September 2002	68,647
	=====

Summarized Group Cash Flow Statement

Third Quarter 2001	Second Quarter 2002	Third Quarter 2002		Nine Months 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		

Edgar Filing: BP PLC - Form 6-K

(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 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 capital expenditure and 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

Edgar Filing: BP PLC - Form 6-K

			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 Quarter 2001	Second Quarter 2002	Third Quarter 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

Edgar Filing: BP PLC - Form 6-K

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		

Edgar Filing: BP PLC - Form 6-K

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 Quarter 2001	Second Quarter 2002	Third Quarter 2002		Nine Months	
				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

Edgar Filing: BP PLC - Form 6-K

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
=====					

Edgar Filing: BP PLC - Form 6-K

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
=====				=====	

Edgar Filing: BP PLC - Form 6-K

Analysis of Replacement Cost Operating Profit

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

Edgar Filing: BP PLC - Form 6-K

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

Edgar Filing: BP PLC - Form 6-K

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

Edgar Filing: BP PLC - Form 6-K

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

Edgar Filing: BP PLC - Form 6-K

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

Edgar Filing: BP PLC - Form 6-K

\$ million			By business	\$ million	
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

Edgar Filing: BP PLC - Form 6-K

=====

=====

(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 Quarter	Second Quarter	Third 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

Edgar Filing: BP PLC - Form 6-K

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 assets and businesses or termination of operations		
184	376	1,794		2,061	573
(127)	(160)	(25)	Taxation charge	(146)	(396)
-----				-----	
			Exceptional items 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

Edgar Filing: BP PLC - Form 6-K

the historical cost profit stock holding gains and losses.

Notes

6. Stock holding gains (losses)

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

Edgar Filing: BP PLC - Form 6-K

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	-

Edgar Filing: BP PLC - Form 6-K

Notes

9. Analysis of changes in net debt

Third Quarter 2001	Second Quarter 2002	Third Quarter 2002		Nine Months 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

Edgar Filing: BP PLC - Form 6-K

=====				=====	
			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

Edgar Filing: BP PLC - Form 6-K

=====				=====	
\$ 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)

Edgar Filing: BP PLC - Form 6-K

			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 Quarter 2001	Second Quarter 2002	Third Quarter 2002		Nine Months 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)

Edgar Filing: BP PLC - Form 6-K

			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)		

Edgar Filing: BP PLC - Form 6-K

(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 Quarter 2001	Second Quarter 2002	Third Quarter 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.

Edgar Filing: BP PLC - Form 6-K

(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	
Office	+44 (0)20 7496 4624	+1 212 451 8008	
Investor	Fergus McLeod	Terry LaMore	Karl Weckel
Relations	+44 (0)20 7496 4717	+1 212 451 8034	+49 (0)69 71 37 9990

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

BP p.l.c.

Group Results

Third Quarter 2002

London 29 October 2002

INVESTOR RELATIONS SUPPLEMENT

Edgar Filing: BP PLC - Form 6-K

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

Third Quarter 2001	Second Quarter 2002	Third Quarter 2002		Nine Months	
				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

Edgar Filing: BP PLC - Form 6-K

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

Edgar Filing: BP PLC - Form 6-K

ARCO and Burmah Castrol acquisitions.

PER SHARE AMOUNTS

Third Quarter 2001	Second Quarter 2002	Third Quarter 2002	Nine Months	
			2002	2001
=====				
Shares in issue				
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				
of shares				
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				
profit after				
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

Edgar Filing: BP PLC - Form 6-K

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

Edgar Filing: BP PLC - Form 6-K

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	-

Edgar Filing: BP PLC - Form 6-K

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	-	-

Edgar Filing: BP PLC - Form 6-K

-	-	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)

Edgar Filing: BP PLC - Form 6-K

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
=====				

Edgar Filing: BP PLC - Form 6-K

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				

Edgar Filing: BP PLC - Form 6-K

=====				
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

Edgar Filing: BP PLC - Form 6-K

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

Edgar Filing: BP PLC - Form 6-K

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 Quarter 2001	Second Quarter 2002	Third Quarter 2002		Nine Months 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)

Edgar Filing: BP PLC - Form 6-K

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 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.

Edgar Filing: BP PLC - Form 6-K

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

RETURN ON AVERAGE CAPITAL EMPLOYED

Third Quarter 2001	Second Quarter 2002	Third Quarter 2002		Nine Months 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

2,317	1,659	1,069	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

Edgar Filing: BP PLC - Form 6-K

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

\$ million

Edgar Filing: BP PLC - Form 6-K

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