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Fourth Quarter	Third Quarter	Fourth Quarter		Year	
2001	2002	2002	\$ million	2002	2001
=====				=====	
			Replacement cost profit		
706	766	1,697	before exceptional items	4,698	8,291
461	556	416	Special items (a)	1,443	683
604	977	522	Acquisition amortization (b)	2,574	2,585
-----				-----	
			Pro forma result adjusted		
1,771	2,299	2,635	for special items	8,715	11,559 (25)
=====				=====	
5.50	6.60	7.61	- per ordinary share (pence)	25.93	35.77 (28)
7.91	10.26	11.78	- per ordinary share (cents)	38.90	51.51 (24)
0.47	0.62	0.71	- per ADS (dollars)	2.33	3.09
=====				=====	

- o BP's fourth quarter pro forma result, adjusted for special items, was \$2,635 million, compared with \$1,771 million a year ago, an increase of 49%. For the year, the result was \$8,715 million compared with \$11,559 million, down 25%. Replacement cost profit, before exceptional items, for the fourth quarter and year was \$1,697 million and \$4,698 million respectively, compared with \$706 million and \$8,291 million a year ago.
  
- o The fourth quarter trading environment was more favourable than a year ago for Exploration and Production with higher oil and gas realizations, though less favourable for Refining and Marketing where adverse crude price differentials depressed BP's refining margins relative to the industry marker. The trading environment for the year

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reflected significantly less favourable gas prices and refining margins.

- o Underlying performance improvements were \$1.2 billion before tax for the year. Hydrocarbon production increased by 1.8% and 2.9% for the fourth quarter and year respectively. The increase for the year reflected 4.5% growth in liquids production and a 0.9% increase for gas. The reserve replacement ratio for 2002 was 175%. Production growth and reserve replacement represent a strong competitive position.
- o Net special and exceptional items after tax for the fourth quarter and for the year were charges of \$1,288 million and \$400 million respectively.
- o Return on average capital employed for the year, on a pro forma basis adjusted for special items, was 13% compared with 19% in 2001.
- o Quarterly dividend increased to 6.25 cents per share (\$0.375 per ADS). This compares with 5.75 cents a year ago. For the year the dividend showed an increase of 9.1%. In sterling terms, the quarterly dividend is 3.815 pence per share compared with 4.055 pence a year ago; for the year the increase was 1.3%. The company did not repurchase any shares during the quarter. In 2002, 100 million of its own shares were purchased for cancellation at a cost of \$750 million.
- o BP has determined to repurchase \$2 billion of its own shares, subject to market conditions and continuing AGM support.

BP Group Chief Executive, Lord Browne, said:

"The year's trading environment showed significant deterioration, with

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gas prices lower and refining margins depressed. The effect of this was partly offset by underlying performance improvements. Our reserve replacement ratio places us in a strong position for the future. The net debt ratio was 28%, below the mid-point of our target range. The decision to repurchase shares reflects our confidence in our present financial condition and future cash flows, and our desire to give shareholders increased cash returns as the situation warrants."

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. The special items for the fourth quarter include an asset write-down in Exploration and Production, integration and restructuring costs and an impairment charge in Refining and Marketing, integration and restructuring costs in Chemicals, provisions to cover future rental payments on surplus leasehold property and environmental charges in Other businesses and corporate, and a bond redemption charge.
- (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.

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Exploration and Production's pro forma fourth quarter result, adjusted for special items, was up 54% on a year ago as a result of higher average realizations, record production and reduced unit lifting costs. There were six new discoveries and seven new field start-ups.

In Gas, Power and Renewables, the result reflected the absence of the Ruhrgas contribution, partly offset by higher volumes and margins in marketing and trading.

The Refining and Marketing result decreased significantly, reflecting lower US West Coast refining margins and lower US retail margins than a year ago. BP's achieved refining margins suffered from adverse crude price differentials versus the industry marker.

The Chemicals result was down on the prior quarter's, due to margin pressure from high feedstock costs, particularly in Europe, and weaker demand.

Interest expense for the quarter was \$317 million after adjusting for bond redemption charges, compared to \$300 million for the prior quarter. The fourth quarter charge included \$42 million resulting from revaluation of environmental and other provisions at a lower interest rate. This was partly offset by lower average interest rates on debt.

The pro forma effective tax rate on replacement cost profit, before exceptional items, and adjusted for special items, was 34.0% compared to 35.6% a year ago.

Capital expenditure, excluding acquisitions, was \$4.1 billion for the quarter. Disposal proceeds were \$1.0 billion.

Net cash inflow was \$711 million, compared to an outflow of \$983 million a year ago. The increase reflects higher operating cash flow, lower tax payments and lower acquisition spending.

Net debt at the end of the year was \$20.3 billion. The pro forma ratio of net debt to net debt plus equity was 28%.

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The financial information for 2001 has been restated to reflect (i) the adoption

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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.

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

Pro Forma Result							Pro Forma Result
adjusted for ----- 4Q 2002 -----							adjusted for
special items							special items
-----							
4Q	3Q	4Q Special	Acq. Reported			Year	
2001	2002	2002	Items* Amort+	Earnings	\$ million	2002	2001
=====							=====
					Exploration and		
2,374	3,050	3,666	99	319	3,248	Production	12,005 14,498
						Gas, Power	
102	87	72	-	-	72	and Renewables	384 488
						Refining and	
785	522	587	420	203	(36)	Marketing	2,081 4,830
39	272	139	35	-	104	Chemicals	765 242
						Other businesses	
(102)	(116)	(146)	61	-	(207)	and corporate	(515) (450)
-----							-----
						RC operating	
3,198	3,815	4,318	615	522	3,181	profit	14,720 19,608
-----							-----
(414)	(300)	(317)	15	-	(332)	Interest expense	(1,264) (1,608)

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(990)	(1,213)	(1,360)	(214)	-	(1,146)	Taxation	(4,673)	(6,380)
(23)	(3)	(6)	-	-	(6)	MSI	(68)	(61)
-----								
RC profit before								
1,771	2,299	2,635	416	522	1,697	exceptional items	8,715	11,559
-----								
(893)Exceptional items before tax								
21 Taxation on exceptional items								
-----								
825 RC profit after exceptional items								
(174)Stock holding losses								
-----								
651 HC profit								
=====								

\* The special items refer to non-recurring charges and credits. The special items for the fourth quarter include an asset write-down in Exploration and Production, integration and restructuring costs and an impairment charge in Refining and Marketing, integration and restructuring costs in Chemicals, provisions to cover future rental payments on surplus leasehold property and environmental charges in Other businesses and corporate, and a bond redemption charge.

+ 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.

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Fourth Quarter 2001	Third Quarter 2002	Fourth Quarter 2002		Year 2002 2001	
=====				=====	
			Replacement cost		
1,880	1,757	3,181	operating profit (\$m)	10,246	16,027
-----				-----	
			Replacement cost profit		
706	766	1,697	before exceptional items (\$m)	4,698	8,291
-----				-----	
			Profit after exceptional items (\$m)		
694	2,535	825	Replacement cost	5,741	8,456
(603)	2,840	651	Historical cost	6,845	6,556
-----				-----	
			Per ordinary share (cents)		
			Pro forma result		
7.91	10.26	11.78	adjusted for special items	38.90	51.51
			RC profit before		
3.17	3.42	7.58	exceptional items	20.97	36.95
			HC profit after exceptional items	30.55	29.21
(2.67)	12.67	2.92			
			Per ADS (cents)		
			Pro forma result		
47.46	61.56	70.68	adjusted for special items	233.40	309.06
			RC profit before		
19.02	20.52	45.48	exceptional items	125.82	221.70
			HC profit after exceptional items	183.30	175.26
(16.02)	76.02	17.52			
-----				-----	



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Exploration and Production

4Q	3Q	4Q		Year	
2001	2002	2002	\$ million	2002	2001
=====				=====	
1,641	1,572	3,248	Replacement cost operating profit	9,206	12,361
322	703	99	Special items	1,019	322
411	775	319	Acquisition amortization	1,780	1,815
-----				-----	
			Pro forma operating result		
2,374	3,050	3,666	adjusted for special items	12,005	14,498
=====				=====	
			Results include:		
144	119	179	Exploration expense	644	480
			Of which:		
85	55	124	Exploration expenditure written off	385	238
-----				-----	
			Crude oil and natural gas		
			liquids production (mb/d)		
			(Net of Royalties)		
500	414	472	UK	462	485
116	107	96	Rest of Europe	104	100
772	754	756	USA	765	744
629	708	725	Rest of World	687	602
-----				-----	
2,017	1,983	2,049	Total liquids production	2,018	1,931
=====				=====	
			Natural gas production(a)		

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			(mmcf/d) (Net of Royalties)				
1,715	1,240	1,752	UK	1,555	1,713		
160	131	140	Rest of Europe	147	147		
3,621	3,450	3,360	USA	3,483	3,554		
3,268	3,661	3,684	Rest of World	3,522	3,218		
-----				-----			
8,764	8,482	8,936	Total natural gas production	8,707	8,632		
=====				=====			
			Average liquids realizations (b)				
			(\$/bbl)				
18.53	26.26	26.54	UK	24.44	23.55		
17.05	22.94	23.28	USA	21.34	21.87		
17.70	24.43	25.06	Rest of World	22.65	21.90		
17.72	24.40	24.78	BP Average	22.69	22.50		
=====				=====			
			Average oil marker prices				
			(\$/bbl)				
19.41	26.91	26.88	Brent	25.03	24.44		
20.31	28.26	28.31	West Texas Intermediate	26.14	25.89		
17.79	27.26	26.86	Alaska North Slope US West Coast	24.77	23.18		
=====				=====			
			Average natural gas realizations				
			(\$/mcf)				
3.15	2.58	2.88	UK	2.78	3.07		
2.06	2.34	3.31	USA	2.63	3.99		
1.99	1.99	2.40	Rest of World	2.10	2.52		
2.28	2.25	2.87	BP Average	2.46	3.30		
-----				-----			
2.43	3.16	3.99	Henry Hub gas price (c) (\$/mmBtu)	3.22	4.26		

UK Gas - National

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22.32 12.74 19.09 Balancing Point (p/therm) 15.78 22.21

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(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.

### Exploration and Production

The pro forma result for the fourth quarter, adjusted for special items, was \$3,666 million, up \$1,292 million on a year ago. The special items for the quarter are \$94 million for the write-off of our Gas to Liquids demonstration plant in Alaska and \$5 million restructuring charges.

The result for the quarter benefited from higher average liquids realizations, up \$7.06 on a year ago. There was a benefit from a credit of \$49 million for Unrealized Profit in Stock (UPIS) to remove the upstream margin from downstream inventories following a decrease in the ANS oil price. This compares to a credit of \$119 million in the equivalent quarter of last year. Average natural gas realizations have increased by \$0.59 per thousand cubic feet compared with the fourth quarter of 2001. North American natural gas realizations have improved reflecting the strong North American gas market.

Fourth quarter production of 3,590 mboe/d was a record and benefited from seven new field start-ups. Increased production was partly offset by the effects of Gulf of Mexico hurricanes, shut-ins in Venezuela and an earthquake in Alaska.

The full year result reflects production growth of 4.5% for liquids and 0.9% for gas, a 6% decrease in unit lifting costs and slightly higher liquids realizations, which were more than offset by significantly lower natural gas realizations.

The reserve replacement ratio for the year was 175% with 2,016 billion barrels of oil equivalent booked through discoveries, extensions, revisions and improved recovery. Reserve replacement has exceeded production for ten consecutive years at an average ratio of 145% over that period.

In support of growth, 2002 capital expenditure at \$9.7 billion (including \$434 million of acquisitions) was 9% higher than 2001. During the quarter the development of Atlantis in the Gulf of Mexico and an expansion of the development at In Amenas in Algeria were approved and there were a total of six discoveries in the Gulf of Mexico, Angola and Egypt.

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In December, the sale of the Arbroath, Montrose and Arkwright fields in the North Sea to Paladin Resources was announced. In January, we announced the sale of our stake in the North Sea Forties oil field, together with a package of shallow-water assets in the Gulf of Mexico, to Apache. Also in January, we completed the sale of 20% of our upstream interests in Trinidad to Repsol. We also announced a transaction with Amerada Hess, under which BP will exchange its interest in block A-18 of the Malaysia Thailand Joint Development Area for Amerada Hess's interests in Colombia. In February, we announced the sale of a 12.5% share in the Tangguh liquefied natural gas project in Indonesia to China National Offshore Oil Corporation.

### Gas, Power and Renewables

4Q	3Q	4Q		Year	
2001	2002	2002	\$ million	2002	2001
=====				=====	
102	57	72	Replacement cost operating profit	354	488
-	30	-	Special items	30	-
-	-	-	Acquisition amortization	-	-
-----				-----	
			Pro forma operating result		
102	87	72	adjusted for special items	384	488
=====				=====	
			Gas sales volumes (mmcf/d)		
2,534	1,809	2,715	UK	2,372	2,641
232	353	442	Rest of Europe	399	213
8,094	9,332	10,723	USA	9,315	8,327
8,867	9,556	10,659	Rest of World	9,535	7,613
-----				-----	
19,727	21,050	24,539	Total gas sales volumes	21,621	18,794
=====				=====	
			NGL sales volumes (mb/d)		
-	-	-	UK	-	-
-	-	-	Rest of Europe	-	-

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226	178	262	USA	208	221
215	185	244	Rest of World	202	189
-----					
441	363	506	Total NGL sales volumes	410	410
=====					

### Gas, Power and Renewables

The pro forma result for the fourth quarter was \$72 million, compared with \$102 million a year ago and \$87 million during the third quarter. The year's result, after adjusting for special items, was \$384 million compared to \$488 million for 2001.

The fourth quarter result is down versus the prior year due to the absence of contributions from Ruhrgas, partly offset by higher volumes and margins in marketing and trading. The sale of the Ruhrgas shareholding was effective 1 August 2002.

The full year result is down on 2001 due to a lower contribution from Ruhrgas and a weaker marketing and trading environment, partly offset by better performance in the NGL business and increased gas sales volumes, up by 15%.

During the fourth quarter, BP announced a restructuring of its Solar operation and the withdrawal from Thin Film manufacturing. We also announced the start-up of our 22.5 megawatt wind farm at the Nerefco oil refinery in the Netherlands and the first commercial sale of green electricity into the Dutch national power grid. The refinery and the wind farm are jointly (BP 69%) owned with ChevronTexaco. In the fourth quarter BP took delivery of the British Trader, the first of three new LNG ships.

### Refining and Marketing

4Q	3Q	4Q		Year	
2001	2002	2002	\$ million	2002	2001
=====					
379	237	(36)	Replacement cost operating profit	872	3,573
=====					

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213	83	420	Special items	415	487
193	202	203	Acquisition amortization	794	770
-----					
Pro forma operating result					
785	522	587	adjusted for special items	2,081	4,830
=====					
Refinery throughputs (mb/d)					
415	394	392	UK	389	364
692	956	959	Rest of Europe	918	663
1,371	1,455	1,439	USA	1,439	1,526
369	349	367	Rest of World	357	376
-----					
2,847	3,154	3,157	Total throughput	3,103	2,929
=====					
Oil sales volumes (mb/d)					
Refined products					
268	258	269	UK	253	266
1,084	1,604	1,541	Rest of Europe	1,467	1,062
1,773	1,847	1,875	USA	1,874	1,866
612	613	611	Rest of World	586	603
-----					
3,737	4,322	4,296	Total marketing sales	4,180	3,797
2,710	2,589	2,064	Trading/supply sales	2,383	2,409
-----					
6,447	6,911	6,360	Total refined product sales	6,563	6,206
4,599	3,648	5,314	Crude oil	4,671	4,473
-----					
11,046	10,559	11,674	Total oil sales	11,234	10,679
=====					
Global Indicator Refining Margin(a)					
(\$/bbl)					

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1.53	1.28	2.19	NWE		1.04	2.24
1.79	1.82	2.98	USGC		2.36	4.84
2.63	3.27	4.09	Midwest		3.30	6.05
6.25	3.54	3.95	USWC		4.34	8.60
1.20	0.47	1.41	Singapore		0.57	0.90
2.40	1.98	2.76	BP Average		2.11	4.06
=====					=====	

(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 fourth quarter was \$587 million, a decrease of \$198 million on the same period last year. The special items include \$261 million Veba integration costs, \$116 million restructuring costs, a \$35 million write-down of retail assets in Venezuela and \$8 million costs associated with the Olympic pipeline incident. The lower result was primarily due to lower US retail and US West Coast refining margins, which more than offset the contribution from Veba. Refining throughputs increased by 11% compared with a year ago due to Veba and a smaller maintenance programme in the USA. Marketing volumes increased by 15%, but were down slightly excluding Veba. Shop sales increased by 66%, 7% excluding Veba.

The result for the year was \$2,081 million, a decrease of \$2,749 million from a year ago. The result reflects the impact of a halving of worldwide refining margins with a further adverse effect from price differentials in BP's crude slate, and lower US retail margins, with some offset from Veba. Refining throughputs increased by 6% over the previous year and marketing volumes by 10%, primarily due to Veba. Excluding Veba, marketing volumes were slightly down. Retail shop sales grew 60% due to Veba and the increased number of BP Connect stations, 10% excluding Veba.

A total of 486 BP Connect stations were open in the USA, Europe, Australia and

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New Zealand at year end. In addition, BP has reimaged over 10,000 retail stations worldwide to BP's new Helios logo.

In December, BP completed the sale of its interest in Colonial Pipeline in the USA. BP also announced that it had signed an agreement to sell 494 service stations to PKN Orlen. On 10 February, BP announced that it had agreed to sell a 45% stake in the Bayernoil Refinery, an 18% stake in the Trans Alpine Pipeline (TAL), 247 retail stations in Germany, 55 stations in Hungary and 11 in Slovakia to OMV AG for EUR377 million in cash and assumption of debt. The sale is conditional on regulatory approvals and the nonexercise of certain pre-emption rights. The sale of the German assets enables BP to fully comply with the conditions imposed by the German Federal Cartel Office (FCO) when it approved BP's acquisition of Veba Oil in April 2002.

### Chemicals

4Q	3Q	4Q		Year	
2001	2002	2002	\$ million	2002	2001
=====					
(67)	132	104	Replacement cost operating profit	515	128
106	140	35	Special items	250	114
-	-	-	Acquisition amortization	-	-
-----					
Pro forma operating result					
39	272	139	adjusted for special items	765	242
=====					
112	120	100	(b) Chemicals Indicator Margin (a) (\$/te)	102	109
=====					
Chemicals production (kte)					
792	858	698	UK	3,221	3,126
2,278	2,669	2,679	Rest of Europe	10,526	7,925
2,279	2,570	2,447	USA	10,201	8,943
699	783	785	Rest of World	3,040	2,722
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6,048	6,880	6,609	Total production	26,988	22,716
=====				=====	

(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 fourth quarter is based on two months' actuals and one month of provisional data.

### Chemicals

Chemicals' pro forma result for the fourth quarter, after adjusting for special items, was \$139 million, down from \$272 million in the third quarter. The decline was the result of margin compression due to higher feedstock costs, particularly in Europe, and weaker demand. The fourth quarter result was an increase of \$100 million over a year ago, reflecting higher production and lower costs than in 2001, despite a weaker environment.

Chemicals production of 6,609 thousand tonnes in the fourth quarter was down 271 thousand tonnes on the previous quarter, as demand weakened. Production for the year was 26,988 thousand tonnes, up 19%, as a result of new production from existing and acquired assets.

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The year's result of \$765 million was an increase of \$523 million, in an overall trading environment which was similar. This improvement was driven by significantly lower costs and increased production.

Major restructuring continued throughout the year, aimed at repositioning the portfolio and lowering the cost base. The fourth quarter and full year results include \$14 million and \$39 million respectively for restructuring costs not classified as special. Special items for the fourth quarter include \$17 million Solvay integration costs and \$18 million for restructuring.

During the fourth quarter, we announced the intention to exit from a polyethylene joint venture in Bataan, Philippines and the closure of an older 118 thousand tonnes per annum high-density polyethylene plant at Deer Park, Texas. Also during the quarter, we sold one of the remaining Burmah Castrol chemicals businesses and have since announced the sale of the other two. We also announced the formation of an acetic acid joint venture in Taiwan and plans to expand our olefins production at Chocolate Bayou, Texas.

### Other Businesses and Corporate

4Q	3Q	4Q		Year	
2001	2002	2002	\$ million	2002	2001
=====				=====	
(175)	(241)	(207)	Replacement cost operating loss	(701)	(523)
73	125	61	Special items	186	73
-	-	-	Acquisition amortization	-	-
-----				-----	
			Pro forma operating result		
(102)	(116)	(146)	adjusted for special items	(515)	(450)
=====				=====	

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 items for the quarter include provision of \$15 million for future rentals on surplus leasehold property and a charge of \$46 million for environmental liabilities.

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### Exceptional Items

4Q	3Q	4Q		Year	
2001	2002	2002	\$ million	2002	2001
=====					
			Profit (loss) on sale of fixed assets and		
(38)	1,794	(893)	businesses or termination of operations	1,168	535
26	(25)	21	Taxation credit (charge)	(125)	(370)
-----					
(12)	1,769	(872)	Exceptional items after taxation	1,043	165
=====					

Exceptional items for the fourth quarter include provisions for losses on disposal of certain upstream interests announced since the year end and profit on disposal of BP's interest in the Colonial pipeline in the USA.

### 2002 Dividends

4Q	3Q	4Q		Year	
2001	2002	2002		2002	2001
=====					
			Dividends per ordinary share		
5.75	6.00	6.25	cents	24.00	22.00
4.055	3.897	3.815	pence	15.638	15.436
34.5	36.0	37.5	Dividends per ADS (cents)	144.0	132.0
-----					

BP today announced a fourth quarterly dividend for 2002 of 6.25 cents per ordinary share. Holders of ordinary shares will receive 3.815 pence per share and holders of American Depositary Receipts (ADRs) \$0.375 per ADS share. The dividend is payable on 24 March to shareholders on the register on 28 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 24 March.

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### Outlook

BP Group Chief Executive, Lord Browne, concluded:

"The world economy slowed during the fourth quarter with weaker growth in both the USA and much of Continental Europe. Evidence of sustained recovery is limited and confidence fragile.

"Brent crude oil prices have recently exceeded \$30 per barrel compared to an average of \$27 in the fourth quarter. Venezuelan oil production has declined sharply as a result of the general strike that commenced in early December. Other OPEC producers have begun to raise production to replace some of this lost output. Crude oil inventories have fallen, especially in the USA, and are below normal seasonal levels. The prospect for crude oil prices is particularly uncertain, and will be affected by such issues as the timing and extent of developments in Venezuela and Iraq and global economic growth.

"US natural gas prices have strengthened further as demand has firmed seasonally, oil prices have increased and production has been weak. Prices are expected to remain at a premium to residual fuel oil through the winter heating season.

"Refining margins remain volatile. Crude oil prices have risen and product inventories are adequate. Although product demand is improving, margins remain susceptible to market uncertainties.

"Retail margins weakened towards the end of the fourth quarter, especially in the USA. Margins have since shown some signs of recovery,

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although they remain vulnerable to further increases in oil product prices.

"The Chemicals business environment has remained weak, with demand soft and margins under pressure from high feedstock prices.

"Capital expenditure for 2002 was \$13.5 billion, excluding acquisitions, and is projected to be in the range of \$14-14.5 billion in 2003.

"Our strategy remains to create value from a distinctive set of opportunities, biased towards the upstream, which, through a disciplined approach to long term investment growth, can produce returns which are both secure and highly competitive."

-----  
The foregoing discussion, in particular certain statements under 'Outlook', focuses on certain trends and general market and economic conditions and outlook on production levels or rates, prices, margins, debt, 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

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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.

			BP p.l.c. and Subsidiaries Summarized Group Results			
Fourth Quarter 2001	Third Quarter 2002	Fourth Quarter 2002		Year 2002    2001		
=====				=====		
\$ million				\$ million		
1,641	1,572	3,248	Exploration and Production	9,206	12,361	
102	57	72	Gas, Power and Renewables	354	488	
379	237	(36)	Refining and Marketing	872	3,573	
(67)	132	104	Chemicals	515	128	
(175)	(241)	(207)	Other businesses and corporate	(701)	(523)	
-----				-----		
1,880	1,757	3,181	Total replacement cost operating profit	10,246	16,027	
(38)	1,794	(893)	Profit (loss) on sale of fixed assets and businesses or termination of operations (Note 4)	1,168	535	
-----				-----		
1,842	3,551	2,288	Replacement cost profit before interest and tax	11,414	16,562	
(1,297)	305	(174)	Stock holding gains (losses) (Note 6)	1,129	(1,900)	
-----				-----		
545	3,856	2,114	Historical cost profit before interest and tax	12,543	14,662	
414	300	332	Interest expense (Note 7)	1,279	1,670	
-----				-----		
131	3,556	1,782	Profit before taxation	11,264	12,992	
711	713	1,125	Taxation (Note 8)	4,342	6,375	

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-----			-----		
(580)	2,843	657	Profit (loss) after taxation	6,922	6,617
23	3	6	Minority shareholders' interest	77	61
-----			-----		
(603)	2,840	651	Profit (loss) for the period	6,845	6,556
1,289	1,340	1,398	Distribution to shareholders	5,375	4,935
-----			-----		
(1,892)	1,500	(747)	Retained profit (deficit) for the period	1,470	1,621
=====			=====		
			Earnings per ordinary share - cents		
(2.67)	12.67	2.92	Basic	30.55	29.21
(2.64)	12.61	2.92	Diluted	30.41	29.04
=====			=====		

Replacement Cost Results

(603)	2,840	651	Historical cost profit (loss) for the period	6,845	6,556
1,297	(305)	174	Stock holding (gains) losses net of MSI	(1,104)	1,900
-----			-----		
694	2,535	825	Replacement cost profit for the period	5,741	8,456
12	(1,769)	872	Exceptional items, net of tax	(1,043)	(165)
-----			-----		
706	766	1,697	Replacement cost profit before exceptional items	4,698	8,291
-----			-----		
3.17	3.42	7.58	Earnings per ordinary share - cents On replacement cost profit before exceptional items	20.97	36.95
=====			=====		

Summarized Group Balance Sheet

31 December	31 December
2002	2001

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	----- \$ million	
Fixed assets		
Intangible assets	15,566	16,489
Tangible assets	87,682	77,410
Investments	10,811	11,963
	-----	
	114,059	105,862
	-----	
Current assets		
Stocks	10,181	7,631
Debtors	33,150	26,669
Investments	215	450
Cash at bank and in hand	1,520	1,358
	-----	
	45,066	36,108
	-----	
Creditors - amounts falling due within one year		
Finance debt	10,086	9,090
Other creditors	36,215	28,524
	-----	
Net current liabilities	(1,235)	(1,506)
	-----	
Total assets less current liabilities	112,824	104,356
	-----	
Creditors - amounts falling due after more than one year		
Finance debt	11,922	12,327
Other creditors	3,455	3,086
	-----	
Provisions for liabilities and charges		
Deferred taxation	13,514	11,702
Other provisions	13,886	11,482
	-----	
Net assets	70,047	65,759
Minority shareholders' interest - equity	638	598
	-----	
BP shareholders' interest	69,409	65,161



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=====

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 year	6,845
Distribution to shareholders	(5,375)
Currency translation differences	3,333
Issue of ordinary share capital for employee share schemes	195
Repurchase of ordinary share capital	(750)
	-----
At 31 December 2002	69,409
	=====

## Summarized Group Cash Flow Statement

Fourth Quarter 2001	Third Quarter 2002	Fourth Quarter 2002		Year 2002	2001
=====				=====	
\$ million				\$ million	
5,547	4,376	6,197	Net cash inflow from operating activities (a)	19,342	22,409
-----				-----	
12	30	69	Dividends from joint ventures	198	104
-----				-----	
104	96	65	Dividends from associated undertakings	368	528
-----				-----	
83	63	63	Servicing of finance and returns on investments	231	256
			Interest received	231	256

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(229)	(218)	(335)	Interest paid	(1,204)	(1,282)
35	4	38	Dividends received	102	132
			Dividends paid to		
(38)	(13)	(11)	minority shareholders	(40)	(54)
-----					
(149)	(164)	(245)	Net cash outflow from servicing of finance and returns on investments	(911)	(948)
-----					
			Taxation		
(454)	(206)	(419)	UK corporation tax	(979)	(1,058)
(968)	(455)	(642)	Overseas tax	(2,115)	(3,602)
-----					
(1,422)	(661)	(1,061)	Tax paid	(3,094)	(4,660)
-----					
			Capital expenditure and financial investment		
(3,688)	(2,980)	(3,544)	Payments for fixed assets	(12,116)	(12,214)
615	488	726	Proceeds from the sale of fixed assets	2,470	2,365
-----					
(3,073)	(2,492)	(2,818)	Net cash outflow for capital expenditure and financial investment	(9,646)	(9,849)
-----					
			Acquisitions and disposals		
(179)	(125)	(215)	Investments in associated undertakings	(971)	(586)
-	2,338	-	Proceeds from sale of investment in Ruhrgas	2,338	-
(602)	(2,607)	(28)	Acquisitions, net of cash acquired	(4,324)	(1,210)
(220)	(23)	(217)	Net investment in joint ventures	(354)	(497)
231	55	304	Proceeds from the sale of businesses	1,974	538
-----					
(770)	(362)	(156)	Net cash outflow for acquisitions and disposals	(1,337)	(1,755)
-----					
(1,232)	(1,346)	(1,340)	Equity dividends paid	(5,264)	(4,827)
-----					
(983)	(523)	711	Net cash (outflow) inflow	(344)	1,002
=====					

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(855)	(219)	304	Financing (b)	(181)	972
(65)	(32)	(56)	Management of liquid resources	(220)	(211)
(63)	(272)	463	Increase (decrease) in cash	57	241
-----					
(983)	(523)	711		(344)	1,002
=====					

Analysis of Cash Flow

Fourth Quarter 2001	Third Quarter 2002	Fourth Quarter 2002		Year	
				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 interest and tax	12,543	14,662
545	3,856	2,114	Depreciation and amounts provided	10,401	8,858
2,457	3,506	2,515	Exploration expenditure written off	385	238
85	55	124	Share of profits of joint ventures and associated undertakings	(966)	(1,194)
(303)	(172)	(250)	Interest and other income	(358)	(478)
(132)	(62)	(115)	(Profit) loss on sale of fixed assets and businesses	(1,166)	(537)
36	(1,796)	895	Charge for provisions	1,277	1,008
187	332	451	Utilization of provisions	(1,427)	(1,119)
(221)	(392)	(424)	(Increase) decrease in stocks	(1,521)	1,490
1,368	(155)	(63)	(Increase) decrease in debtors	(2,672)	1,989
1,241	(379)	(269)	Increase (decrease) in creditors	2,846	(2,508)
284	(417)	1,219			
-----					
5,547	4,376	6,197	Net cash inflow from operating activities	19,342	22,409
=====					

(b) Financing

(267)	(558)	(651)	Long-term borrowing	(3,707)	(1,296)
434	567	905	Repayments of long-term borrowing	2,369	2,602

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(2,764)	(1,627)	(3,970)	Short-term borrowing	(9,849)	(6,257)
			Repayments of short-term borrowing		
1,656	704	4,037		10,451	4,823
(941)	(914)	321		(736)	(128)
			Issue of ordinary share capital	(195)	(181)
(13)	(55)	(17)	Repurchase of ordinary share capital	750	1,281
99	750	-			
(855)	(219)	304	Net cash (inflow) outflow from financing	(181)	972

### Capital Expenditure and Acquisitions

Fourth Quarter 2001	Third Quarter 2002	Fourth Quarter 2002		Year 2002	2001
\$ million				\$ million	

#### By business

#### Exploration and Production

312	270	177	UK	955	1,095
99	61	73	Rest of Europe	262	329
862	980	1,079	USA	4,303	4,155
880	929	1,244	Rest of World(a)	4,179	3,282
2,153	2,240	2,573		9,699	8,861

#### Gas, Power and Renewables

51	7	-	UK	28	102
107	29	41	Rest of Europe (b)	161	156
83	52	60	USA	160	155
60	19	22	Rest of World	59	79
301	107	123		408	492

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### Refining and Marketing

127	56	163	UK	395	394
209	198	273	Rest of Europe (c)	5,759	380
623	298	430	USA	1,291	1,311
157	53	180	Rest of World	308	330
-----				-----	
1,116	605	1,046		7,753	2,415
-----				-----	
Chemicals					
26	30	57	UK	112	205
294	58	10	Rest of Europe (d)	173	917
167	49	116	USA	262	460
107	43	102	Rest of World	276	344
-----				-----	
594	180	285		823	1,926
-----				-----	
264	48	61	Other businesses and corporate (e)	428	430
-----				-----	
4,428	3,180	4,088		19,111	14,124
=====				=====	

### By geographical area

745	394	434	UK	1,637	2,128
709	353	398	Rest of Europe	6,556	1,787
1,758	1,389	1,708	USA	6,095	6,160
1,216	1,044	1,548	Rest of World	4,823	4,049
-----				-----	
4,428	3,180	4,088		19,111	14,124
=====				=====	

(a) 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.

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(d) 4Q 2001 included the formation of the joint venture with Solvay. Year 2001 also included the acquisition of Bayer's 50% interest in Erdolchemie.

(e) Year 2002 included the acquisition of the minority interest in Veba's upstream oil and gas assets.

### US dollar/Sterling exchange rates

1.44	1.55	1.57	Average rate for the period	1.50	1.44
1.45	1.55	1.60	Period-end rate	1.60	1.45
=====				=====	

### Analysis of Replacement Cost Operating Profit

Fourth Quarter 2001	Third Quarter 2002	Fourth Quarter 2002		Year 2002	2001
=====				=====	
\$ million				\$ million	
By business					
Exploration and Production					
571	185	965	UK	2,526	3,424
144	213	177	Rest of Europe	714	748
426	661	1,081	USA	2,835	4,573
500	513	1,025	Rest of World	3,131	3,616
-----				-----	
1,641	1,572	3,248		9,206	12,361
-----				-----	
Gas, Power and Renewables					
(29)	(66)	(31)	UK	(94)	52
64	17	1	Rest of Europe	100	189
36	28	9	USA	25	229

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31	78	93		323	18
<hr style="border-top: 1px dashed black;"/>					
102	57	72		354	488
<hr style="border-top: 1px dashed black;"/>					
Refining and Marketing					
(197)	(158)	(155)	UK	(498)	(475)
227	236	(53)	Rest of Europe	571	762
46	55	80	USA	335	2,585
303	104	92	Rest of World	464	701
<hr style="border-top: 1px dashed black;"/>					
379	237	(36)		872	3,573
<hr style="border-top: 1px dashed black;"/>					
Chemicals					
(75)	6	(47)	UK	(82)	(216)
(1)	161	65	Rest of Europe	337	185
(9)	54	37	USA	198	62
18	(89)	49	Rest of World	62	97
<hr style="border-top: 1px dashed black;"/>					
(67)	132	104		515	128
<hr style="border-top: 1px dashed black;"/>					
(175)	(241)	(207)	Other businesses and corporate	(701)	(523)
<hr style="border-top: 1px dashed black;"/>					
1,880	1,757	3,181		10,246	16,027
<hr style="border-top: 1px dashed black;"/>					
By geographical area					
375	(131)	793	UK	1,696	2,668
388	620	171	Rest of Europe	1,703	1,814
216	672	957	USA	2,890	6,941
901	596	1,260	Rest of World	3,957	4,604
<hr style="border-top: 1px dashed black;"/>					
1,880	1,757	3,181		10,246	16,027
<hr style="border-top: 1px dashed black;"/>					
Included above					
91	104	83	Share of profits of joint ventures	346	443
219	71	161	Share of profits of associated undertakings	616	760

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-----	-----
310      175      244	962    1,203
=====	=====

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 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



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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 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)

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

Notes

Income statements	Restated		Reported	
	Fourth Quarter 2001	Year 2001	Fourth Quarter 2001	Year 2001
	\$ million			
Exploration and Production	1,641	12,361	1,655	12,417
Gas, Power and Renewables	102	488	106	521
Refining and Marketing	379	3,573	392	3,625
Chemicals	(67)	128	(67)	128
Other businesses and corporate	(175)	(523)	(179)	(556)
Total replacement cost operating profit	1,880	16,027	1,907	16,135
Profit (loss) on sale of fixed assets and businesses or termination of operations	(38)	535	(38)	535
Replacement cost profit before interest and tax	1,842	16,562	1,869	16,670
Stock holding gains (losses)	(1,297)	(1,900)	(1,297)	(1,900)
Historical cost profit before				

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interest and tax	545	14,662	572	14,770
Interest expense	414	1,670	414	1,670
-----				
Profit before taxation	131	12,992	158	13,100
Taxation	711	6,375	537	5,017
-----				
Profit (loss) after taxation	(580)	6,617	(379)	8,083
Minority shareholders' interest	23	61	26	73
-----				
Profit (loss) for the period	(603)	6,556	(405)	8,010
Distribution to shareholders	1,289	4,935	1,289	4,935
-----				
Retained profit (deficit) for the period	(1,892)	1,621	(1,694)	3,075
=====				
Earnings (loss) per ordinary share - cents				
Basic	(2.67)	29.21	(1.78)	35.70
Diluted	(2.64)	29.04	(1.76)	35.48
=====				

Notes

2. Turnover

Fourth Quarter 2001	Third Quarter 2002	Fourth Quarter 2002	Year	
=====			2002	2001
=====			=====	
\$ million			\$ million	
			By business	
5,336	6,220	7,356	Exploration and Production	25,753 28,229
7,522	9,313	12,041	Gas, Power and Renewables	37,357 39,442
26,528	35,634	33,443	Refining and Marketing	125,836 120,233
2,481	3,720	3,118	Chemicals	13,064 11,515
			Other businesses	
146	108	131	and corporate	510 549
-----			-----	
42,013	54,995	56,089		202,520 199,968
			Less: sales between	
5,196	5,941	6,367	businesses	23,799 25,750

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-----				-----	
36,817	49,054	49,722	Group excluding JVs	178,721	174,218
297	369	413	Sales of joint ventures	1,465	1,171
-----				-----	
37,114	49,423	50,135		180,186	175,389
=====				=====	
By geographical area					
Group excluding JVs					
11,432	12,160	13,084	UK	48,748	47,618
8,657	13,460	11,720	Rest of Europe	46,518	36,701
16,039	22,880	22,573	USA	80,381	84,696
7,285	8,537	10,845	Rest of World	34,401	33,911
-----				-----	
43,413	57,037	58,222		210,048	202,926
			Less: sales between		
6,596	7,983	8,500	areas	31,327	28,708
-----				-----	
36,817	49,054	49,722		178,721	174,218
=====				=====	

Notes

3. Operating profits are after charging:

Fourth Quarter 2001	Third Quarter 2002	Fourth Quarter 2002		Year	
				2002	2001
=====				=====	
\$ million				\$ million	
Exploration expense					
9	16	1	UK	27	14
7	5	6	Rest of Europe	47	22
82	53	30	USA	258	256
46	45	142	Rest of World	312	188

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-----				-----
144	119	179		644      480
=====				=====
			Production taxes (a)	
147	92	64	UK petroleum revenue tax	309      600
189	258	298	Overseas production taxes	965      1,089
-----				-----
336	350	362		1,274      1,689
=====				=====

(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

-----				-----
(85)	(25)	(1,133)	Exploration and Production	(726)      195
1	1,585	(33)	Gas, Power and Renewables	1,551      -
18	262	365	Refining and Marketing	613      471
(130)	11	(122)	Chemicals	(256)      (297)
158	(39)	30	Other businesses and corporate	(14)      166
-----				-----
			Profit (loss) on sale of fixed assets and businesses or termination of operations	1,168      535
(38)	1,794	(893)	Taxation (credit) charge	(125)      (370)
26	(25)	21		
-----				-----
			Exceptional items after taxation	1,043      165
(12)	1,769	(872)		
=====				=====

#### 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 the historical cost profit stock holding gains and losses.

Notes

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6. Stock holding gains (losses)

Fourth Quarter 2001	Third Quarter 2002	Fourth Quarter 2002		Year	
				2002	2001
=====				=====	
\$ million				\$ million	
(5)	3	(2)	Exploration and Production	3	(6)
(20)	2	41	Gas, Power and Renewables	51	(81)
(1,138)	311	(201)	Refining and Marketing	1,049	(1,583)
(134)	(11)	(12)	Chemicals	26	(230)
-----				-----	
(1,297)	305	(174)		1,129	(1,900)
-	-	-	Minority shareholders' interest	25	-
-----				-----	
(1,297)	305	(174)		1,104	(1,900)
=====				=====	

7. Interest expense

286	250	248	Group interest payable (a)	1,026	1,308
(7)	(27)	(33)	Capitalized	(100)	(81)
-----				-----	
279	223	215		926	1,227
21	15	14	Joint ventures	58	70
26	19	19	Associated undertakings	83	135
46	43	42	Unwinding of discount on provisions	170	196
42	-	42	Change in discount rate for provisions	42	42
-----				-----	
414	300	332		1,279	1,670
=====				=====	
-	-	15	(a) Includes charges relating to the early redemption of debt	15	62
-----				-----	

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8. Charge for taxation

550	463	1,112	Current	3,148	5,131
161	250	13	Deferred(a)	1,194	1,244
-----				-----	
711	713	1,125		4,342	6,375
=====				=====	
174	235	366	UK(a)	1,436	940
537	478	759	Overseas	2,906	5,435
-----				-----	
711	713	1,125		4,342	6,375
=====				=====	
			(a) Includes the adjustment to the North Sea deferred tax balance for the supplementary UK corporation tax of 10%	355	-
-	-	-		-----	

Notes

9. Analysis of changes in net debt

Fourth Quarter 2001	Third Quarter 2002	Fourth Quarter 2002		Year	
				2002	2001
=====				=====	
\$ million				\$ million	
			Opening balance		
20,474	21,409	22,276	Finance debt	21,417	21,190
1,438	1,284	1,005	Less: Cash	1,358	1,170
519	285	285	Current asset investments	450	661
-----				-----	
18,517	19,840	20,986	Opening net debt	19,609	19,359
-----				-----	
			Closing balance		
21,417	22,276	22,008	Finance debt	22,008	21,417
1,358	1,005	1,520	Less: Cash	1,520	1,358

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450	285	215	Current asset investments	215	450
-----					
19,609	20,986	20,273	Closing net debt	20,273	19,609
-----					
(1,092)	(1,146)	713	(Increase) decrease in net debt	(664)	(250)
=====					
(63)	(272)	463	Movement in cash/ bank overdrafts	57	241
(66)	(32)	(56)	Decrease in current asset investments	(220)	(211)
(941)	(914)	321	Net cash (inflow) outflow from financing(excluding share capital)	(736)	(128)
-	-	-	Partnership interests exchanged for BP loan notes	1,135	-
(16)	13	19	Other movements	76	(36)
(8)	-	(3)	Debt acquired	(1,002)	(55)
-----					
(1,094)	(1,205)	744	Movement in net debt before exchange effects	(690)	(189)
2	59	(31)	Exchange adjustments	26	(61)
-----					
(1,092)	(1,146)	713	(Increase) decrease in net debt	(664)	(250)
=====					

Notes

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

Fourth Quarter 2001	Third Quarter 2002	Fourth Quarter 2002		Year 2002	2001
=====				=====	
\$ million				\$ million	
(580)	2,843	657	Operating activities	6,922	6,617
			Profit after taxation		
			Adjustments to reconcile profits after tax to net cash provided by operating activities		



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2,457	3,506	2,515	Depreciation and amounts provided	10,401	8,858
85	55	124	Exploration expenditure written off	385	238
(52)	51	(8)	Share of (profit) loss of joint ventures and associates less dividends received	3	(60)
36	(1,796)	895	(Profit) loss on sale of businesses and fixed assets	(1,166)	(537)
2,087	(1,002)	907	Working capital movement (see analysis below)	(1,416)	1,319
161	250	13	Deferred taxation	1,194	1,244
(58)	(191)	(33)	Other	(280)	(111)
-----				-----	
4,136	3,716	5,070	Net cash provided by operating activities	16,043	17,568
-----				-----	
(3,695)	(3,007)	(3,577)	Investing activities		
			Capital expenditures	(12,216)	(12,295)
(602)	(2,607)	(28)	Acquisitions, net of cash acquired	(4,324)	(1,210)
(179)	(125)	(215)	Investment in associated undertakings	(971)	(586)
(220)	(23)	(217)	Net investment in joint ventures	(354)	(497)
846	2,881	1,030	Proceeds from disposal of assets	6,782	2,903
-----				-----	
(3,850)	(2,881)	(3,007)	Net cash used in investing activities	(11,083)	(11,685)
-----				-----	

Notes

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

Fourth Quarter 2001	Third Quarter 2002	Fourth Quarter 2002		Year	
=====	=====	=====		2002	2001
=====	=====	=====		=====	=====
\$ million				\$ million	
			Financing activities		
(86)	(695)	17	Net proceeds from shares issued (repurchased)	(555)	(1,100)
			Proceeds from		

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267	558	651	long-term financing	3,707	1,296
			Repayments of		
(434)	(567)	(905)	long-term financing	(2,369)	(2,602)
1,108	923	(67)	Net (decrease) increase		
			in short-term debt	(602)	1,434
			Dividends paid		
(1,232)	(1,346)	(1,340)	- BP shareholders	(5,264)	(4,827)
(38)	(13)	(11)	- Minority shareholders	(40)	(54)
-----				-----	
(415)	(1,140)	(1,655)	Net cash used in		
			financing activities	(5,123)	(5,853)
-----				-----	
			Currency translation		
			differences relating to		
(20)	26	37	cash and cash equivalents	90	(53)
-----				-----	
(149)	(279)	445	(Decrease) increase in		
			cash and cash equivalents	(73)	(23)
-----				-----	
1,957	1,569	1,290	Cash and cash equivalents		
			at beginning of period	1,808	1,831
-----				-----	
1,808	1,290	1,735	Cash and cash equivalents		
			at end of period	1,735	1,808
-----				-----	
			Analysis of working		
			capital movement		
1,368	(155)	(63)	(Increase) decrease		
			in stocks	(1,521)	1,490
1,202	(345)	(271)	(Increase) decrease		
			in debtors	(2,750)	1,905
(483)	(502)	1,241	Increase (decrease)		
			in creditors	2,855	(2,076)
-----				-----	
2,087	(1,002)	907	Total working		
			capital movement	(1,416)	1,319
=====				=====	

Notes

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### 11. Ordinary shares

Fourth Quarter 2001	Third Quarter 2002	Fourth Quarter 2002	Year	
=====			2002	2001
(shares thousand)			(Shares thousand)	
22,432,077	22,374,747	22,378,651	22,378,651	22,432,077
			Shares in issue at period end (a)	
22,396,315	22,408,297	22,351,122	22,397,126	22,435,737
			Average number of shares outstanding (b)	
-----			-----	

(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 2002 does not constitute statutory accounts. It is an extract from the 2002 Annual Accounts (except Note 10), approved by a duly appointed and authorized committee of the Board of Directors at today's Results Committee, but not yet delivered to the UK Registrar of Companies; the report of the auditors on those accounts was unqualified. In preparing the financial statements for the current year, the group has adopted Financial Reporting Standard No. 19 'Deferred Tax' (FRS 19). The adoption of FRS 19 has resulted in a change in accounting policy for deferred tax. Prior year figures have been restated - see Note 1 for further details. Quarterly results are unaudited.

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BP p.l.c.  
Group Results  
Fourth Quarter and Full Year 2002

London 11 February 2003

## INVESTOR RELATIONS SUPPLEMENT

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

Fourth Quarter	Third Quarter	Fourth Quarter		Year	
2001	2002	2002		2002	2001
=====					
\$ million					
Exploration and Production					
682	668	1,011	UK	3,256	3,645
144	213	177	Rest of Europe	714	748
840	1,059	1,421	USA	4,192	6,180
708	1,110	1,057	Rest of World	3,843	3,925
-----					
2,374	3,050	3,666		12,005	14,498
-----					
Gas, Power and Renewables					
(29)	(36)	(31)	UK	(64)	52
64	17	1	Rest of Europe	100	189
36	28	9	USA	25	229
31	78	93	Rest of World	323	18
-----					
102	87	72		384	488

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-----						
Refining and Marketing						
(28)	(36)	(21)	UK	(45)	50	
271	274	225	Rest of Europe	936	929	
203	180	235	USA	670	3,043	
339	104	148	Rest of World	520	808	
-----						
785	522	587		2,081	4,830	
-----						
Chemicals						
14	6	(26)	UK	(39)	(127)	
32	161	74	Rest of Europe	364	226	
(25)	54	42	USA	238	46	
18	51	49	Rest of World	202	97	
-----						
39	272	139		765	242	
-----						
Other businesses and corporate						
105	(63)	81	UK	(101)	(117)	
(46)	(7)	(18)	Rest of Europe	(18)	(70)	
(210)	(36)	(210)	USA	(373)	(433)	
49	(10)	1	Rest of World	(23)	170	
-----						
(102)	(116)	(146)		(515)	(450)	
-----						
3,198	3,815	4,318		14,720	19,608	
=====						

(a) The special items refer to non-recurring charges and credits. The special items for the fourth quarter include an asset write-down in Exploration and Production, integration and restructuring costs and an

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impairment charge in Refining and Marketing, integration and restructuring costs in Chemicals, provisions to cover future rental payments on surplus leasehold property and environmental charges in Other businesses and corporate, and a bond redemption charge.

(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.

PER SHARE AMOUNTS

Fourth Quarter 2001	Third Quarter 2002	Fourth Quarter 2002		Year 2002	Year 2001
=====				=====	
			Shares in issue at period end (thousand)		
22,432,077	22,374,747	22,378,651		22,378,651	22,432,077
			- ADS equivalent (thousand)		
3,738,680	3,729,125	3,729,775		3,729,775	3,738,680
			Average number of shares outstanding (thousand) *		
22,396,315	22,408,297	22,351,122		22,397,126	22,435,737
			- ADS equivalent (thousand)		
3,732,719	3,734,716	3,725,187		3,732,854	3,739,290
-----				-----	

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			Replacement cost		
			profit after		
			exceptional		
694	2,535	825	items (\$m)	5,741	8,456
			cents/ordinary		
3.11	11.31	3.69	share	25.62	37.68
0.19	0.68	0.22	dollars/ADS	1.54	2.26
-----					
			Replacement cost		
			profit before		
			exceptional		
706	766	1,697	items (\$m)	4,698	8,291
			cents/ordinary		
3.17	3.42	7.58	share	20.97	36.95
0.19	0.20	0.45	dollars/ADS	1.26	2.22
-----					
			Pro forma result		
			adjusted for special		
1,771	2,299	2,635	items (\$m)	8,715	11,559
7.91	10.26	11.78	cents/ordinary share	38.90	51.51
0.47	0.62	0.71	dollars/ADS	2.33	3.09
-----					

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

ACQUISITION AMORTIZATION BY BUSINESS

Fourth	Third	Fourth	Year	
Quarter	Quarter	Quarter	2002	2001
2001	2002	2002		
=====			=====	

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\$ million

			Exploration and Production		
41	378	41	UK	488	151
337	283	246	USA	1,078	1,530
33	114	32	Rest of World	214	134
411	775	319		1,780	1,815
			Refining and Marketing		
99	106	107	UK	410	394
94	96	96	USA	384	376
193	202	203		794	770
604	977	522	Total acquisition amortization	2,574	2,585

### SPECIAL ITEMS BY BUSINESS (PRE-TAX)

Fourth Quarter 2001	Third Quarter 2002	Fourth Quarter 2002	Year	
			2002	2001

\$ million

			Exploration and Production		
70	105	5	UK	242	70
-	-	-	Rest of Europe	-	-
77	115	94	USA	279	77



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175	483	-	Rest of World	498	175
-----					
322	703	99		1,019	322
-----					
Gas, Power and Renewables					
-	30	-	UK	30	-
-	-	-	Rest of Europe	-	-
-	-	-	USA	-	-
-	-	-	Rest of World	-	-
-----					
-	30	-		30	-
-----					
Refining and Marketing					
70	16	27	UK	43	131
44	38	278	Rest of Europe	365	167
63	29	59	USA	(49)	82
36	-	56	Rest of World	56	107
-----					
213	83	420		415	487
-----					
Chemicals					
89	-	21	UK	43	89
33	-	9	Rest of Europe	27	41
(16)	-	5	USA	40	(16)
-	140	-	Rest of World	140	-
-----					
106	140	35		250	114
-----					
Other businesses and corporate					
-	35	20	UK	55	-
-	-	1	Rest of Europe	1	-

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73	90	40	USA	130	73
-	-	-	Rest of World	-	-
-----					
73	125	61		186	73
-----					
714	1,081	615	Total special items before interest	1,900	996
-	-	15	Interest - bond redemption charges	15	62
-----					
714	1,081	630	Total	1,915	1,058
=====					

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
=====				
3Q 2002				
Exploration and Production	1,572	775	703	3,050
Gas, Power and Renewables	57	-	30	87
Refining and Marketing	237	202	83	522
Chemicals	132	-	140	272
Other businesses & corporate	(241)	-	125	(116)
-----				
RC operating profit	1,757	977	1,081	3,815
-----				

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Interest expense	(300)	-	-	(300)
Taxation	(688)	-	(525)	(1,213)
MSI	(3)	-	-	(3)

-----

RC profit before

exceptional items	766	977	556	2,299
-------------------	-----	-----	-----	-------

=====

Exceptional items before tax

Taxation on exceptional items	(25)
-------------------------------	------

-----

RC profit after

exceptional items	2,535
-------------------	-------

Stock holding gains (losses)	305
------------------------------	-----

-----

HC profit

=====

4Q 2001

Exploration and Production	1,641	411	322	2,374
----------------------------	-------	-----	-----	-------

Gas, Power and Renewables	102	-	-	102
---------------------------	-----	---	---	-----

Refining and Marketing	379	193	213	785
------------------------	-----	-----	-----	-----

Chemicals	(67)	-	106	39
-----------	------	---	-----	----

Other businesses & corporate	(175)	-	73	(102)
------------------------------	-------	---	----	-------

-----

RC operating profit	1,880	604	714	3,198
---------------------	-------	-----	-----	-------

-----

Interest expense	(414)	-	-	(414)
------------------	-------	---	---	-------

Taxation	(737)	-	(253)	(990)
----------	-------	---	-------	-------

MSI	(23)	-	-	(23)
-----	------	---	---	------

-----

RC profit before

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exceptional items	706	604	461	1,771
=====				
Exceptional items before tax	(38)			
Taxation on exceptional items	26			
	-----			
RC profit after				
exceptional items	694			
Stock holding gains (losses)	(1,297)			
	-----			
HC profit	(603)			
	=====			

(a) The special items refer to non-recurring charges and credits. The special items for the third quarter 2002 comprise impairment charges and restructuring costs for 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 property in Other businesses and corporate. The special items for the fourth quarter 2001 comprise additional severance charges, mainly related to former ARCO employees, an impairment charge for our partner operated Venezuelan Lake Maracaibo operations, Castrol, Solvay and Erdolchemie integration costs, Grangemouth restructuring, and litigation costs.

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

			pro forma result
			adjusted for
Reported	Acquisition	Special	special

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\$ million	Earnings	Amortization	Items (a)	items
	=====			
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
Chemicals	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			
	=====			
Year 2001				
Exploration and Production	12,361	1,815	322	14,498
Gas, Power and Renewables	488	-	-	488

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Refining and Marketing	3,573	770	487	4,830
Chemicals	128	-	114	242
Other businesses & corporate	(523)	-	73	(450)
-----				
RC operating profit	16,027	2,585	996	19,608
-----				
Interest expense	(1,670)	-	62	(1,608)
Taxation	(6,005)	-	(375)	(6,380)
MSI	(61)	-	-	(61)
-----				
RC profit before				
exceptional items	8,291	2,585	683	11,559
=====				
Exceptional items before tax	535			
Taxation on exceptional items	(370)			
-----				
RC profit after				
exceptional items	8,456			
Stock holding gains (losses)	(1,900)			
-----				
HC profit	6,556			
=====				

(a) The special items refer to non-recurring charges and credits. 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 Chemicals; a provision to cover future rental payments on surplus leasehold property and environmental charges

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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. The special items for the year 2001 comprise additional severance charges, mainly related to former ARCO employees, an impairment charge for our partner operated Venezuelan Lake Maracaibo operations, rationalization costs in the European downstream commercial business, Castrol, Solvay and Erdolchemie integration costs, Grangemouth restructuring, and litigation costs.

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

Fourth Quarter	Third Quarter	Fourth Quarter	Year	
2001	2002	2002	2002	2001
=====			=====	
\$ million				
Replacement cost operating profit				
1,880	1,757	3,181	(reported) (a)	10,246 16,027
2,457	3,506	2,515	Depreciation and amounts provided (b)	10,401 8,858
85	55	124	Exploration expenditure written off	385 238
Dividends from JVs and associates				
(194)	(49)	(110)	less share of RCOP	(396) (571)
(38)	(13)	(11)	Dividends paid to minority shareholders (40)	(54)

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(34)	(60)	27	Adjust provisions to cash basis (c)	(150)	(111)
			Adjust interest and other income		
(14)	5	(14)	to cash basis (d)	(25)	(90)
-----					
4,142	5,201	5,712		20,421	24,297
(1,528)	(712)	(1,199)	Tax paid adjusted for certain items*	(3,390)	(4,738)
-----					
2,614	4,489	4,513	Adjusted RCOP after tax paid	17,031	19,559
-----					
* Calculation of tax paid adjusted					
for certain items					
(1,422)	(661)	(1,061)	Cash tax paid	(3,094)	(4,660)
(26)	25	(21)	Tax charge on exceptional items	125	370
(80)	(76)	(117)	Tax shield assumption +	(421)	(448)
-----					
(1,528)	(712)	(1,199)		(3,390)	(4,738)
-----					
+ Calculation of tax shield assumption					
(229)	(218)	(335)	Interest paid	(1,204)	(1,282)
35%	35%	35%	Tax rate assumption (e)	35%	35%
-----					
(80)	(76)	(117)		(421)	(448)
-----					

(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



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provisions.

(d) Calculated as interest and other income, less 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.

### RETURN ON AVERAGE CAPITAL EMPLOYED

Fourth Quarter 2001	Third Quarter 2002	Fourth Quarter 2002		Year	
				2002	2001
=====				=====	
\$ million					
Replacement cost basis					
706	766	1,697	RC profit before exceptional items	4,698	8,291
181	145	140	Interest +	602	798
23	3	6	Minority shareholders' interest	52	61
-----				-----	
910	914	1,843	Adjusted RC profit	5,352	9,150
=====				=====	
87,791	90,507	91,767	Average capital employed	89,616	87,259
4.1%	4.0%	8.0%	ROACE - replacement cost basis	6.0%	10.5%
-----				-----	
Pro forma basis					
910	914	1,843	Adjusted RC profit	5,352	9,150
604	977	522	Acquisition amortization	2,574	2,585
461	556	406	Special items (post-tax)	1,449	643

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87,791	90,507	91,767	Average capital employed	89,616	87,259
			Average capital employed		
19,647	17,581	16,903	acquisition adjustment	17,777	20,739
-----					
			Average capital employed		
68,144	72,926	74,864	(pro forma basis)	71,839	66,520
			ROACE - Pro forma basis		
11.6%	13.4%	14.8%	adjusted for special items	13.0%	18.6%
-----					
			Historical cost basis		
			Historical cost profit (loss)		
(603)	2,840	651	after exceptional items	6,845	6,556
181	145	140	Interest +	602	798
23	3	6	Minority shareholders' interest	77	61
-----					
(399)	2,988	797	Adjusted historical cost profit	7,524	7,415
=====					
87,791	90,507	91,767	Average capital employed	89,616	87,259
(1.8)%	13.2%	3.5%	ROACE	8.4%	8.5%

+ 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 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	Third Quarter	Fourth Quarter		Year	
2001	2002	2002		2002	2001

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=====				=====		
			\$ million			
21,417	22,276	22,008	Gross debt	22,008	21,417	
1,808	1,290	1,735	Cash and current asset investments	1,735	1,808	
-----				-----		
19,609	20,986	20,273	Net debt	20,273	19,609	
=====				=====		
65,759	69,203	70,047	Equity	70,047	65,759	
23%	23%	22%	Net debt ratio	22%	23%	
-----				-----		
18,882	17,134	16,672	Acquisition adjustment	16,672	18,882	
-----				-----		
29%	29%	28%	Net debt ratio - pro forma basis	28%	29%	
=====				=====		

END

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)

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Dated: 11 February, 2003

/s/ D. J. PEARL

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D. J. PEARL

Deputy Company Secretary