

BP PLC
Form 6-K
October 29, 2013
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

for the period ended October, 2013

BP p.l.c.
(Translation of registrant's name into English)

1 ST JAMES'S SQUARE, LONDON, SW1Y 4PD, ENGLAND
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual
reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F
----- -----

Indicate by check mark whether the registrant by furnishing the information

Edgar Filing: BP PLC - Form 6-K

contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No |X|

BP p.l.c.
Group results
Third quarter and nine months 2013

Top of page 1

FOR IMMEDIATE RELEASE
London 29 October 2013

Third quarter 2012	Second quarter 2013	Third quarter 2013	\$ million	Nine months 2013	Nine months 2012
5,281	2,042	3,504	Profit for the period (a)	22,409	9,529
(747)	358	(326)	Inventory holding (gains) losses, net of tax	(235)	(110)
4,534	2,400	3,178	Replacement cost profit (b)	22,174	9,419
			Net (favourable) unfavourable impact of non-operating items and fair value accounting effects, net of tax (c)	(11,555)	3,800
5,017	2,712	3,692	Underlying replacement cost profit (b)	10,619	13,219
			Replacement cost profit		
23.82	12.62	16.84	per ordinary share (cents)	116.62	49.54
1.43	0.76	1.01	per ADS (dollars)	7.00	2.97
			Underlying replacement cost profit		
26.35	14.26	19.57	per ordinary share (cents)	55.85	69.52
1.58	0.86	1.17	per ADS (dollars)	3.35	4.17

· BP's third-quarter replacement cost (RC) profit was \$3,178 million, compared with \$4,534 million a year ago. After adjusting for a net charge for non-operating items of \$522 million and net favourable fair value accounting effects of \$8 million (both on a post-tax basis), underlying RC profit for the third quarter was \$3,692 million, compared with \$5,017 million for the same period in 2012. For the nine months, RC profit was \$22,174 million, compared with \$9,419

million a year ago. After adjusting for a net gain for non-operating items of \$11,536 million and net favourable fair value accounting effects of \$19 million (both on a post-tax basis), underlying RC profit for the nine months was \$10,619 million, compared with \$13,219 million for the same period last year. RC profit or loss for the group, underlying RC profit or loss and fair value accounting effects are non-GAAP measures and further information is

provided

on pages 3, 19 and 21.

· All amounts relating to the Gulf of Mexico oil spill have been treated as non-operating items, with a net adverse impact on a pre-tax basis of \$39 million for the quarter and \$280 million for the nine months. For further information on

the Gulf of Mexico oil spill and its consequences, including information on utilization of the Deepwater Horizon Oil Spill Trust fund, see page 12 and Note 2 on pages 25 - 30. Information on the Gulf of Mexico oil spill is also included

in Legal proceedings on pages 35 - 37.

· Including the impact of the Gulf of Mexico oil spill, net cash provided by operating activities for the quarter and nine months was \$6.3 billion and \$15.7 billion respectively, compared with \$6.2 billion and \$14.1 billion in the same periods of 2012. Excluding amounts related to the Gulf of Mexico oil spill, net cash provided by operating activities for the third quarter and nine months was \$6.3 billion and \$15.9 billion respectively, compared with \$6.4 billion and \$17.1 billion in the same periods last year.

· Net debt at the end of the quarter was \$20.1 billion, compared with \$31.3 billion a year ago. The ratio of net debt to net debt plus equity at the end of the quarter was 13.3% compared with 20.9% a year ago. Net debt and the ratio of net debt to net debt plus equity are non-GAAP measures. See page 4 for more information. Total capital expenditure for the third quarter was \$5.9 billion, all of which was organic (d) . For the nine months, total capital expenditure

was \$29.4 billion (including the Rosneft transaction), of which organic capital expenditure was \$17.5 billion. Organic capital expenditure for the full year 2013 is expected to be \$24 - \$25 billion with a similar level of expenditure

expected in 2014. Organic capital expenditure through 2020 is expected to be \$24 - \$27 billion per annum. Disposal proceeds received in cash were \$0.4 billion for the quarter and \$21.6 billion for the nine months. . BP intends to continue to focus its global business portfolio around key assets and strategic strengths, and, as a result, expects to divest a further \$10 billion of assets before the end of 2015. Post-tax proceeds from these divestments are expected to be used predominantly for additional distributions to shareholders, with a bias for share buybacks.

· BP today announced a quarterly dividend of 9.5 cents per ordinary share (\$0.57 per ADS), which is expected to be paid on 20 December 2013. The corresponding amount in sterling will be announced on 9 December 2013. See page 4 for further information. Moving forward, BP's board intends to review the level of dividend with the first and the third quarter results each year

(a) Profit attributable to BP shareholders.

(b) See page 3 for definitions of RC profit and underlying RC profit.

(c) See pages 20 and 21 respectively for further information on non-operating items and fair value accounting effects.

(d) Organic capital expenditure excludes acquisitions, asset exchanges, and other inorganic capital expenditure. See page 18 for further information.

The commentaries above and following are based on RC profit and should be read in conjunction with the cautionary statement on page 39.

Top of page 2

Group headlines (continued)

· The effective tax rate (ETR) on RC profit for the third quarter and nine months was 31% and 22% respectively, compared with 34% and 35% for the same periods in 2012. Adjusting for non-operating items and fair value

accounting

effects, the underlying ETR in the third quarter and nine months was 31% and 38% respectively, compared with 34% and 34% for the same periods in 2012. Recently enacted UK corporation tax rate changes have resulted in a \$99-million deferred tax benefit in the third quarter. In the third quarter 2012 changes in the taxation of UK oil and gas production resulted in a \$256-million deferred tax charge. The increase in the underlying ETR for the nine months is mainly due to a reduction in equity-accounted earnings (which are reported net of tax) and foreign exchange impacts on deferred tax, partly offset by the deferred tax adjustments for changes in UK taxation noted above

- Finance costs and net finance expense relating to pensions and other post-retirement benefits were a charge of \$397 million for the third quarter, compared with \$376 million for the same period in 2012. For the nine months, the respective amounts were \$1,170 million and \$1,171 million.
- As at 30 September 2013, BP had bought back 465 million shares for a total amount of \$3.3 billion, including fees and stamp duty, since the announcement on 22 March 2013 of an \$8-billion share repurchase programme expected to be fulfilled over 12- 18 month.
- Total production for the third quarter, including Rosneft, was 3.17 million barrels of oil equivalent per day. BP's share of Rosneft production in the third quarter was 965 thousand barrels of oil equivalent per day.

Top of page 3

Analysis of RC profit before interest and tax
and reconciliation to profit for the period

Third quarter 2012	Second quarter 2013	Third quarter 2013	\$ million	Nine months 2013	Nine months 2012
			RC profit before interest and tax		
4,907	4,400	4,158	Upstream	14,120	14,803
2,408	1,016	616	Downstream	3,279	1,535
1,282	-	-	TNK-BP (a)	12,500	2,798
-	218	792	Rosneft (b)	1,095	-
(1,096)	(573)	(674)	Other businesses and corporate	(1,714)	(2,289)
(56)	(199)	(30)	Gulf of Mexico oil spill response (c)	(251)	(869)
(64)	129	263	Consolidation adjustment - UPII (d)	819	(148)
7,381	4,991	5,125	RC profit before interest and tax	29,848	15,830
			Finance costs and net finance expense relating to		
(376)	(369)	(397)	pensions and other post-retirement benefits	(1,170)	(1,171)
(2,405)	(2,138)	(1,462)	Taxation on a RC basis	(6,253)	(5,068)
(66)	(84)	(88)	Non-controlling interests	(251)	(172)
4,534	2,400	3,178	RC profit attributable to BP shareholders	22,174	9,419
1,059	(506)	444	Inventory holding gains (losses)	344	172
			Taxation (charge) credit on inventory holding		
(312)	148	(118)	gains and losses	(109)	(62)
5,281	2,042	3,504	Profit for the period attributable to BP shareholders	22,409	9,529

- (a)BP ceased equity accounting for its share of TNK-BP's earnings from 22 October 2012. See Note 3 on page 31 for further information.
- (b)BP's investment in Rosneft is accounted under the equity method from 21 March 2013. See page 10 for further information.
- (c)See Note 2 on pages 25 - 30 for further information on the accounting for the Gulf of Mexico oil spill response.
- (d)Unrealized profit in inventory.

Replacement cost (RC) profit or loss reflects the replacement cost of supplies and is arrived at by excluding inventory holding gains and losses from profit or loss. RC profit or loss is the measure of profit or loss for each operating segment that is required to be disclosed under International Financial Reporting Standards (IFRS). RC profit or loss for the group is not a recognized GAAP measure. See page 19 for further information on RC profit or loss.

Analysis of underlying RC profit before interest and tax

Third quarter 2012	Second quarter 2013	Third quarter 2013	\$ million	Nine months 2013	Nine months 2012
			Underlying RC profit before interest and tax		
4,366	4,288	4,423	Upstream	14,413	15,061
3,009	1,201	720	Downstream	3,562	5,069
1,294	-	-	TNK-BP	-	2,903
-	218	808	Rosneft	1,111	-
(573)	(438)	(385)	Other businesses and corporate	(1,284)	(1,548)
(64)	129	263	Consolidation adjustment - UPII	819	(148)
8,032	5,398	5,829	Underlying RC profit before interest and tax	18,621	21,337
			Finance costs and net finance expense relating to		
(373)	(359)	(388)	pensions and other post-retirement benefits	(1,141)	(1,158)
(2,576)	(2,243)	(1,661)	Taxation on an underlying RC basis	(6,610)	(6,788)
(66)	(84)	(88)	Non-controlling interests	(251)	(172)
5,017	2,712	3,692	Underlying RC profit attributable to BP shareholders	10,619	13,219

Underlying RC profit or loss is RC profit or loss after adjusting for non-operating items and fair value accounting effects. Underlying RC profit or loss and fair value accounting effects are not recognized GAAP measures. On pages 20 and 21 respectively, we provide additional information on the non-operating items and fair value accounting effects that are used to arrive at underlying RC profit or loss in order to enable a full understanding of the events and their financial impact.

Reconciliations of underlying RC profit or loss to the nearest equivalent IFRS measure are provided on page 1 for the group and on pages 6 - 11 for the segments.

BP believes that underlying RC profit or loss is a useful measure for investors because it is a measure closely tracked by management to evaluate BP's operating performance and to make financial, strategic and operating decisions and because it may help investors to understand and evaluate, in the same manner as management, the underlying trends in BP's operational performance on a comparable basis, period on period, by adjusting for the effects of these non-operating items and fair value accounting effects.

Per share amounts