BP PLC
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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 05 February, 2019

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 |X| Form 40-F
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Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No |X|
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4Q18 part 1 of 1 dated 05 February 2019

FOR
IMMEDIATE
RELEASE

London
5 February 2019

BP p.l.c. Group
results

Fourth quarter
and full year
2018

For a printer friendly copy of this announcement, please click on the link below to open a PDF version:

http://www.rns-pdf.londonstockexchange.com/rns/0431P_1-2019-2-4.pdf

Top of page 1

Highlights   Building business momentum, growing earnings and returns

More than double full-year earnings, near double returns

- Underlying replacement cost profit for full year 2018 was $12.7 billion, more than double that reported for 2017. The fourth quarter result was $3.5 billion, driven by the strong operating performance across all business segments.
- Return on average capital employed was 11.2% compared to 5.8% in 2017.
- Operating cash flow, excluding Gulf of Mexico oil spill payments, for full year 2018 was $26.1 billion, including a $2.6 billion working capital build (after adjusting for inventory holding losses). This compares with $24.1 billion for 2017, which included a working capital release of $2.6 billion.
- Gulf of Mexico oil spill payments in 2018 totalled $3.2 billion on a post-tax basis.
- Total divestments and other proceeds in 2018 were $3.5 billion. BP intends to complete more than $10 billion divestments over the next two years, which includes plans announced following the BHP transaction.
- Dividend of 10.25 cents a share announced for the fourth quarter, 2.5% higher than a year earlier.

Record Upstream reliability, record refining throughput

- Operational reliability was very strong in 2018 for both main business segments.
- For the year, BP-operated Upstream plant reliability was a record 96%, and Downstream delivered refining availability of 95% and record refining throughput.

- Reported oil and gas production averaged 3.7 million barrels of oil equivalent a day for 2018. Upstream underlying production, which excludes Rosneft, was 8.2% higher than 2017.

Growing the business, advancing the energy transition

- Six Upstream major projects started up in 2018, making a total of 19 brought online since 2016.
- Reserves replacement ratio (RRR) for 2018, including Rosneft, is 100%. Including acquisitions and disposals, RRR is 209%, primarily reflecting the BHP transaction.
- Fuels marketing continued to grow, with over 25% more convenience partnership sites, as well as further retail expansion in Mexico.
- BP set out its approach to advancing the energy transition in 2018, introducing its 'reduce-improve-create' framework and setting clear targets for operational greenhouse gas emissions, towards which it is already making significant progress.
- BP acquired UK electric vehicle charging company Chargemaster and Lightsource BP saw important expansion internationally.

See chart on PDF

Bob Dudley - Group chief executive:

We now have a powerful track record of safe and reliable performance, efficient execution and capital discipline. And we're doing this while growing the business - bringing more high-quality projects online, expanding marketing in the Downstream and doing transformative deals such as BHP. Our strategy is clearly working and will serve the company and our shareholders well through the energy transition.

Financial summary

$ million	Fourth quarter 2018	Third quarter 2018	Fourth quarter 2017	Year 2018	Year 2017
Profit for the period attributable to BP shareholders	766	3,349	27	9,383	3,389
Inventory holding (gains) losses, net of tax	1,951	(258)	(610)	603	(628)
RC profit (loss)	2,717	3,091	(583)	9,986	2,761
Net (favourable) adverse impact of non-operating items and fair value accounting effects, net of tax	760	747	2,690	2,737	3,405
Underlying RC profit	3,477	3,838	2,107	12,723	6,166
RC profit (loss) per ordinary share (cents)	13.58	15.45	(2.94)	50.00	14.02

RC profit (loss) per ADS (dollars)	0.81	0.93	(0.18)	3.00	0.84
Underlying RC profit per ordinary share (cents)	17.38	19.18	10.64	63.70	31.31
Underlying RC profit per ADS (dollars)	1.04	1.15	0.64	3.82	1.88

RC profit (loss), underlying RC profit, return on average capital employed, operating cash flow excluding Gulf of Mexico oil spill payments and working capital are non-GAAP measures. These measures and Upstream plant reliability, refining availability, major projects, inventory holding gains and losses, non-operating items, fair value accounting effects, underlying production and reserves replacement ratio are defined in the Glossary on page 32.

The commentary above and following should be read in conjunction with the cautionary statement on page 36.

Top of page 2

Group headlines

Results

For the full year, underlying replacement cost (RC) profit* was $12,723 million, compared with $6,166 million in 2017. Underlying RC profit is after adjusting RC profit* for a net charge for non-operating items* of $2,805 million and net favourable fair value accounting effects* of $68 million (both on a post-tax basis). RC profit was $9,986 million for the full year, compared with $2,761 million a year ago.

For the fourth quarter, underlying RC profit was $3,477 million, compared with $2,107 million in 2017. Underlying RC profit is after adjusting RC profit for a net charge for non-operating items of $1,186 million and net favourable fair value accounting effects of $426 million (both on a post-tax basis). RC profit was $2,717 million for the fourth quarter, compared with a loss of $583 million in 2017.

BP's profit for the fourth quarter and full year was $766 million and $9,383 million respectively, compared with $27 million and $3,389 million for the same periods in 2017. See further information on pages 3, 28 and 29.

Depreciation, depletion and amortization

The charge for depreciation, depletion and amortization was $15.5 billion in 2018,

Share buybacks

BP repurchased 2 million ordinary shares at a cost of $16 million, including fees and stamp duty, during the fourth quarter of 2018. For the full year, BP repurchased 50 million ordinary shares at a cost of $355 million, including fees and stamp duty. We expect to continue our share buyback programme, and to fully offset the impact of scrip dilution since the third quarter of 2017 by the end of 2019.

Operating cash flow*

Excluding post-tax amounts related to the Gulf of Mexico oil spill, operating cash flow* for the fourth quarter was $7.1 billion, including a $1.5-billion working capital* build (after adjusting for inventory holding losses*) and $26.1 billion in the full year, including a $2.6-billion working capital build (after adjusting for inventory holding losses), compared with $6.2 billion and $24.1 billion for the same periods in 2017. Including amounts relating to the Gulf of Mexico oil spill, operating cash flow for the fourth quarter and full year was $6.8 billion and $22.9 billion respectively (after a $0.8-billion working capital release for the quarter and a $4.8-billion working capital build for the full year), compared with $5.9 billion and $18.9 billion for the same periods in 2017. See also the Glossary on page 32 for further information on working capital.

Capital expenditure*

Organic capital expenditure* for the fourth quarter and full year was $4.4 billion and $15.1 billion respectively, compared with $4.6 billion and $16.5 billion for the same periods in 2017.

Inorganic capital expenditure* for the fourth quarter and full year was $8.5 billion and $9.9 billion respectively, including $6.7 billion relating to the BHP acquisition (see Note 3), compared with $0.2

compared with $15.6 billion in 2017. In 2019, we expect the charge to be in line with 2018.

Non-operating items

Non-operating items amounted to a post-tax charge of $1,186 million for the quarter and $2,805 million for the full year. The charge for the quarter includes the impact of the annual update of environmental provisions, changes to non-Gulf of Mexico oil spill related legal provisions, as well as further restructuring costs. The group restructuring programme originally announced in 2014 has now been completed. See further information on page 28.

Effective tax rate

The effective tax rate (ETR) on RC profit or loss* for the fourth quarter and full year was 45% and 42% respectively. The ETR for both periods in 2017 was significantly impacted by the effect of non-operating items and therefore was not a meaningful measure.

Adjusting for non-operating items and fair value accounting effects, the underlying ETR* for the fourth quarter and full year was 38% for both periods, compared with 27% and 38% for the same periods in 2017. The higher underlying ETR for the fourth quarter reflects the reassessment of the recognition of deferred tax assets, partly offset by changes in the geographical mix of profits. In the current environment the underlying ETR for 2019 is expected to be around 40%. ETR on RC profit or loss and underlying ETR are non-GAAP measures.

Dividend

BP today announced a quarterly dividend of 10.25 cents per ordinary share ($0.615 per ADS), which is expected to be paid on 29 March 2019. The corresponding amount in sterling will be announced on 18 March 2019. See page 25 for further information.

billion and $1.3 billion for the same periods in 2017.

Organic capital expenditure and inorganic capital expenditure are non-GAAP measures. See page 27 for further information.

Divestment and other proceeds

Total divestment and other proceeds for the year were $3.5 billion, compared with $4.3 billion a year ago, and includes $0.6 billion loan repayment to BP relating to the refinancing of Trans Adriatic Pipeline AG in the fourth quarter. Divestment proceeds* were $2.4 billion for the fourth quarter and $2.9 billion for the full year, compared with $2.5 billion and $3.4 billion for the same periods in 2017.

Gearing*

Net debt* at 31 December 2018 was $44.1 billion, compared with $37.8 billion a year ago. Gearing at 31 December 2018 was 30.3%, compared with 27.4% a year ago. Net debt and gearing are non-GAAP measures. See page 25 for more information.

Reserves replacement ratio*

The organic reserves replacement ratio on a combined basis of subsidiaries and equity-accounted entities was 100% for the year. Including acquisitions and divestments, such as the BHP transaction and investment in LLC Kharampurneftegaz in Russia, the total reserves replacement ratio was 209%.

Brian Gilvary - Chief financial officer:

Operating cash flow excluding working capital change* was up 33% for the full year and 17% higher than last quarter, including a positive contribution from our new US assets. The continued strong cash flow growth underpins the balance sheet as we absorb the BHP acquisition and deliver more than $10 billion of divestments over the next two years.

* For items marked with an asterisk throughout this document, definitions are provided in the Glossary on page 32.

The commentary above contains forward-looking statements and should be read in conjunction with the cautionary statement on page 36.

Top of page 3

Analysis of underlying RC profit* before interest and tax

$ million	Fourth quarter 2018	Third quarter 2018	Fourth quarter 2017	Year 2018	Year 2017
Underlying RC profit before interest and tax					
Upstream	3,886	3,999	2,223	14,550	5,865
Downstream	2,169	2,111	1,474	7,561	6,967
Rosneft	431	872	321	2,316	836
Other businesses and corporate	(344)	(345)	(394)	(1,558)	(1,598)
Consolidation adjustment - UPII*	142	78	(149)	211	(212)
Underlying RC profit before interest and tax	6,284	6,715	3,475	23,080	11,858
Finance costs and net finance expense relating to pensions and other post-retirement benefits	(654)	(610)	(550)	(2,176)	(1,801)
Taxation on an underlying RC basis	(2,148)	(2,213)	(782)	(7,986)	(3,812)
Non-controlling interests	(5)	(54)	(36)	(195)	(79)
Underlying RC profit attributable to BP shareholders	3,477	3,838	2,107	12,723	6,166

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.

Analysis of RC profit (loss)* before interest and tax and reconciliation to profit for the period

	Fourth	Third	Fourth

$ million	quarter 2018	quarter 2018	quarter 2017	Year 2018	Year 2017
RC profit before interest and tax					
Upstream	4,168	3,472	1,928	14,328	5,221
Downstream	2,138	2,249	1,773	6,940	7,221
Rosneft	400	808	321	2,221	836
Other businesses and corporate(a)	(1,110)	(815)	(2,833)	(3,521)	(4,445)
Consolidation adjustment - UPII	142	78	(149)	211	(212)
RC profit before interest and tax	5,738	5,792	1,040	20,179	8,621
Finance costs and net finance expense relating to pensions and other post-retirement benefits	(776)	(729)	(674)	(2,655)	(2,294)
Taxation on a RC basis	(2,240)	(1,918)	(913)	(7,343)	(3,487)
Non-controlling interests	(5)	(54)	(36)	(195)	(79)
RC profit (loss) attributable to BP shareholders	2,717	3,091	(583)	9,986	2,761
Inventory holding gains (losses)*	(2,574)	371	816	(801)	853
Taxation (charge) credit on inventory holding gains and losses	623	(113)	(206)	198	(225)
Profit for the period attributable to BP shareholders	766	3,349	27	9,383	3,389

(a) Includes costs related to the Gulf of Mexico oil spill. See page 11 and also Note 2 on page 19 for further information on the accounting for the Gulf of Mexico oil spill.

Top of page 4

Strategic progress

Upstream

2018 Upstream production, which excludes Rosneft, was 3% higher than in 2017, the highest since 2010. Adjusted for portfolio changes and PSA* impacts, underlying production* was 8.2% higher than 2017 due to major project* ramp-ups and improved plant reliability*. Upstream production for the fourth quarter was 2,627mboe/d, 1.8% higher than a year earlier. Upstream unit production costs* for 2018 were higher than 2017 due to increased wellwork* activity and the impact of higher prices on production entitlements.

Advancing the energy transition

Solar development company Lightsource BP (BP 43%) has doubled its global footprint over the past year, with a presence now in 10 countries. Most recently it announced it would enter Brazil. During the fourth quarter, Lightsource BP was awarded power purchase agreements (PPAs) in Australia and in the US. In the UK, it announced an agreement to power AB InBev's manufacturing plants through an innovative 100MW PPA.

The Clair Ridge project, west of Shetland in the North Sea, was the sixth Upstream major project to come onstream in 2018, following earlier start-ups in Egypt, Russia, Azerbaijan, the Gulf of Mexico and Australia. BP has brought 19 new major projects online over 2016-2018.
Sanction for the first phase of the Greater Tortue Ahmeyim LNG development offshore Mauritania and Senegal and the Cassia Compression and Matapal gas projects in Trinidad were announced in the quarter. In January, BP announced approval of the Atlantis Phase 3 development in the Gulf of Mexico.

Downstream
Strong Downstream performance in 2018, with record earnings in a fourth quarter.
2018 manufacturing performance was strong with Solomon availability* for the year of 95% and record refining throughput on a current portfolio basis.
There was continued growth in marketing, with our convenience partnership model now rolled out to around 1,400 sites across the network, an increase of more than 25% in the year, and BP's retail network in Mexico reaching 440 sites by year end.
In the quarter, BP and SOCAR announced an agreement to explore the creation of a joint venture to build and operate a new world-scale petrochemicals complex in Turkey.

BP made a series of investments in electric vehicle technology and infrastructure during the year that significantly progress its advanced mobility agenda. This included the purchase of Chargemaster, operator of the UK's largest vehicle charging network, as well as venturing investment into battery company StoreDot.
Financial framework
Operating cash flow excluding Gulf of Mexico oil spill payments* was $26.1 billion for the full year of 2018. This compares with $24.1 billion for the full year of 2017.

Organic capital expenditure* for the full year of 2018 was $15.1 billion, in the range of $15-16 billion previously indicated. BP expects 2019 organic capital expenditure to be in the range of $15-17 billion.

Divestments and other proceeds totalled $3.5 billion for the full year. BP intends to complete more than $10 billion divestments over the next two years, which includes plans announced following the BHP transaction.
Gulf of Mexico oil spill payments on a post-tax basis totalled $3.2 billion in the full year of 2018. Payments for 2019 are expected to be around $2 billion on a post-tax basis.

Gearing* at the end of the quarter was 30.3%. At current oil prices, and in line with growing free cash flow* supported by divestment proceeds, we expect gearing to move towards the middle of our targeted range of 20-30% in 2020.

Operating metrics	Year 2018 (vs. Year 2017)	Financial metrics	Year 2018 (vs. Year 2017)
Tier 1 process safety events*	16 (-2)	Underlying RC profit*	$12.7bn (+$6.6bn)
Reported recordable injury frequency*	0.20 (-9%)	Operating cash flow excluding Gulf of Mexico oil spill payments (post-tax)	$26.1bn (+$2.0bn)
Group production	3,683mboe/d	Organic capital expenditure	$15.1bn

	(+2.4%)		(-$1.4bn)
Upstream production (excludes Rosneft segment)	2,539mboe/d (+3.0%)	Gulf of Mexico oil spill payments (post-tax)	$3.2bn (-$1.9bn)
Upstream unit production costs	$7.15/boe (+0.6%)	Divestment proceeds*	$2.9bn (-$0.6bn)
BP-operated Upstream plant reliability(a)	95.7% (+1.0)	Net debt ratio* (gearing)	30.3% (+2.9)
Refining availability*	94.9% (-0.4)	Dividend per ordinary share(b)	10.25 cents (+2.5%)
		Return on average capital employed*(c)	11.2% (+5.4)

(a) BP-operated Upstream operating efficiency* has been replaced with Upstream plant reliability as a group operating metric in the first quarter 2018. It is more comparable with the equivalent metric disclosed for the Downstream, which is 'Refining availability'.
(b) Represents dividend announced in the quarter (vs. prior year quarter).
(c) Return on average capital employed is included as this is a full year report.

The commentary above contains forward-looking statements and should be read in conjunction with the cautionary statement on page 36.

Top of page 5

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Top of page 6
Upstream

$ million	Fourth quarter 2018	Third quarter 2018	Fourth quarter 2017	Year 2018	Year 2017
Profit before interest and tax	4,156	3,473	1,928	14,322	5,229
Inventory holding (gains) losses*	12	(1)	-	6	(8)
RC profit before interest and tax	4,168	3,472	1,928	14,328	5,221
Net (favourable) adverse impact of non-operating items* and fair value accounting effects*	(282)	527	295	222	644
Underlying RC profit before interest and tax*(a)	3,886	3,999	2,223	14,550	5,865

(a) See page 7 for a reconciliation to segment RC profit before interest and tax by region.

Financial results
The replacement cost profit before interest and tax for the fourth quarter and full year was $4,168 million and $14,328 million respectively, compared with $1,928 million and $5,221 million for the same periods in 2017. The fourth quarter and full year included a net non-operating gain of $136 million and a net charge of $183 million respectively, compared with a net charge of $144 million and $671 million for the same periods in 2017. Fair value accounting effects in the fourth quarter and full year had a favourable impact of $146 million and an adverse impact of $39 million respectively, compared with an adverse impact of $151 million and a favourable impact of $27 million in the same periods of 2017.

After adjusting for non-operating items and fair value accounting effects, the underlying replacement cost profit before interest and tax for the fourth quarter and full year was $3,886 million and $14,550 million respectively, compared with $2,223 million and $5,865 million for the same periods in 2017. The result for the fourth quarter mainly reflected higher liquids and gas realizations, strong gas marketing and trading results and higher production including BHP assets acquired by BPX Energy (previously known as the US Lower 48 business). The result for the full year mainly reflected higher liquids and gas realizations, higher production and lower exploration write-offs.

Production
Production for the quarter was 2,627mboe/d, 1.8% higher than 2017. Underlying production* for the quarter increased by 3.4%, due to major project ramp-ups.

For the full year, production was 2,539mboe/d, 3.0% higher than 2017. Underlying production for the full year was 8.2% higher than 2017 due to major project ramp-ups and improved plant reliability.

Key events
On 31 October, BP completed the acquisition of BHP's US unconventional oil and gas assets.

On 23 November, BP announced the start-up of the Clair Ridge project. This was the sixth major project to start up in 2018 (BP operator 45.1%, Shell 28%, Chevron 19.4% and ConocoPhillips 7.5%).

On 14 December, BP announced the sanction for two new gas developments offshore Trinidad, Cassia Compression and Matapal.

On 17 December, Sonangol and BP signed an agreement to progress to final investment decision the development of the Platina field in deepwater Block 18, offshore Angola. Sonangol also agreed to extend the production licence for the BP-operated Greater Plutonio project on Block 18 to 2032, subject to government approval, and for Sonangol to assume an equity interest in the block (BP operator 50% and Sonangol Sinopec International Limited 50%).

On 21 December, BP announced final investment decision, subject to regulatory approvals, for Phase 1 of the Greater Tortue Ahmeyim LNG development in Mauritania and Senegal (BP operator 62% in Mauritania and 60% in Senegal).

On 8 January, BP announced sanction of Atlantis Phase 3 development (BP operator 56% and BHP 44%) in US Gulf of Mexico. In addition, two oil discoveries were also announced: Manuel (BP operator 50% and Shell 50%) and Nearly Headless Nick (LLOG operator 26.84%, BP 20.25% and other partners) in the Gulf of Mexico.

On 14 January, BP and Eni signed a heads of agreement with the Ministry of Oil and Gas of the Sultanate of Oman to work jointly towards the award of a new exploration and production-sharing agreement (EPSA) for Block 77 in central Oman (Eni operator 50% and BP 50%).

Outlook
We expect full-year 2019 underlying production to be higher than 2018 due to major projects. The actual reported outcome will depend on the exact timing of project start-ups, acquisition and divestment activities, OPEC quotas and entitlement impacts in our production-sharing agreements*.

We expect first-quarter 2019 reported production to be flat with fourth-quarter 2018 with divestments of assets in the North Sea and Alaska and turnaround and maintenance activities mainly in the high margin Gulf of Mexico region, offset by major project start-ups and the benefit of the BHP assets acquired by BPX Energy.

The commentary above contains forward-looking statements and should be read in conjunction with the cautionary statement on page 36.

Upstream (continued)

	Fourth quarter	Third quarter	Fourth quarter	Year	Year

$ million	2018	2018	2017	2018	2017
Underlying RC profit before interest and tax					
US	1,400	1,025	629	3,693	1,238
Non-US	2,486	2,974	1,594	10,857	4,627
	3,886	3,999	2,223	14,550	5,865
Non-operating items					
US(a)(b)	(267)	(149)	(187)	(590)	(330)
Non-US(c)	403	(93)	43	407	(341)
	136	(242)	(144)	(183)	(671)
Fair value accounting effects					
US	127	(10)	8	(35)	192
Non-US	19	(275)	(159)	(4)	(165)
	146	(285)	(151)	(39)	27
RC profit before interest and tax					
US	1,260	866	450	3,068	1,100
Non-US	2,908	2,606	1,478	11,260	4,121
	4,168	3,472	1,928	14,328	5,221
Exploration expense					
US(b)	84	39	27	509	282
Non-US(d)	373	271	494	936	1,798
	457	310	521	1,445	2,080
Of which: Exploration expenditure written off(b)(d)	351	227	372	1,085	1,603
Production (net of royalties)(e)					
Liquids* (mb/d)					
US	495	424	430	445	426
Europe	154	128	117	142	119

Rest of World	673	663	796	681	811
	1,321	1,216	1,344	1,268	1,356
Natural gas (mmcf/d)					
US	2,255	1,805	1,759	1,900	1,659
Europe	215	212	186	211	235
Rest of World	5,104	5,201	5,231	5,263	4,543
	7,574	7,218	7,176	7,374	6,436
Total hydrocarbons* (mboe/d)					
US	884	736	734	772	712
Europe	191	165	150	179	160
Rest of World	1,553	1,560	1,698	1,589	1,594
	2,627	2,460	2,581	2,539	2,466
Average realizations*(f)					
Total liquids(g) ($/bbl)	61.80	69.68	56.16	64.98	49.92
Natural gas ($/mcf)	4.33	3.86	3.23	3.92	3.19
Total hydrocarbons ($/boe)	42.98	46.14	37.48	43.47	35.38

(a) Fourth quarter and full year 2017 include an impairment charge relating to BPX Energy (previously known as the US Lower 48 business), partially offset by gains associated with asset divestments.
(b) Full year 2018 and full year 2017 include the write-off of $124 million and $145 million respectively in relation to the value ascribed to certain licences in the deepwater Gulf of Mexico as part of the accounting for the acquisition of upstream assets from Devon Energy in 2011. This has been classified within the 'other' category of non-operating items.
(c) Fourth quarter and full year 2018 include an impairment reversal for assets in the North Sea and Angola. Fourth quarter and full year 2017 include BP's share of an impairment reversal recognized by the Angola LNG equity-accounted entity, partially offset by other items. In addition, full year 2017 includes an impairment charge arising following the announcement of the agreement to sell the Forties Pipeline System business to INEOS.
(d) Full year 2017 predominantly relates to the write-off of exploration well and lease costs in Angola. Full year 2017 also includes the write-off of exploration well costs in Egypt.
(e) Includes BP's share of production of equity-accounted entities in the Upstream segment.
(f) Realizations are based on sales by consolidated subsidiaries only - this excludes equity-accounted entities.
(g) Includes condensate, natural gas liquids and bitumen.

Because of rounding, some totals may not agree exactly with the sum of their component parts.

Top of page 8

Downstream

$ million	Fourth quarter 2018	Third quarter 2018	Fourth quarter 2017	Year 2018	Year 2017
Profit (loss) before interest and tax	(332)	2,592	2,492	6,078	7,979
Inventory holding (gains) losses*	2,470	(343)	(719)	862	(758)
RC profit before interest and tax	2,138	2,249	1,773	6,940	7,221
Net (favourable) adverse impact of non-operating items* and fair value accounting effects*	31	(138)	(299)	621	(254)
Underlying RC profit before interest and tax*(a)	2,169	2,111	1,474	7,561	6,967

(a) See page 9 for a reconciliation to segment RC profit before interest and tax by region and by business.

Financial results

The replacement cost profit before interest and tax for the fourth quarter and full year was $2,138 million and $6,940 million respectively, compared with $1,773 million and $7,221 million for the same periods in 2017.

The fourth quarter and full year include a net non-operating charge of $401 million and $716 million respectively, compared with a gain of $382 million and $389 million for the same periods in 2017. Fair value accounting effects had a favourable impact of $370 million in the fourth quarter and $95 million for the full year, compared with an adverse impact of $83 million and $135 million for the same periods in 2017.

After adjusting for non-operating items and fair value accounting effects, the underlying replacement cost profit before interest and tax for the fourth quarter and full year was $2,169 million and $7,561 million respectively, compared with $1,474 million and $6,967 million for the same periods in 2017.

Replacement cost profit before interest and tax for the fuels, lubricants and petrochemicals businesses is set out on page 9.

Fuels

The fuels business reported an underlying replacement cost profit before interest and tax of $1,624 million for the fourth quarter and $5,642 million for the full year, compared with $976 million and $4,872 million for the same periods in 2017.

Strong fuels marketing earnings growth for the quarter and full year reflects the benefits from our strategic improvement programmes, enabling improved margin capture and supply chain optimization. Our convenience partnership model is now in around 1,400 sites across our network, with more than 460 sites in Germany with our REWE to Go offer. We also continue to grow in Mexico, with 440 BP-branded retail sites at year end, and in the quarter we opened our first retail sites in Indonesia.

The higher refining result for the full year reflects increased commercial optimization and strong operations, which in North America allowed us to capture the benefits from higher North American heavy crude oil discounts, net of pipeline capacity apportionment impacts. These factors were partially offset by lower industry refining margins and a higher level of turnaround activity.

In addition, the contribution from supply and trading for the full year was lower than last year, although the result for the quarter was slightly higher than in the previous year.

Lubricants

The lubricants business reported an underlying replacement cost profit before interest and tax of $311 million for the fourth quarter and $1,292 million for the full year, compared with $375 million and $1,479 million for the same periods in 2017. The result for the quarter and full year reflects continued premium brand growth, more than offset by the adverse lag impact of increasing base oil prices, as well as adverse foreign exchange rate movements. Volumes in the fourth quarter were lower due to a planned systems implementation.

Petrochemicals

The petrochemicals business reported an underlying replacement cost profit before interest and tax of $234 million for the fourth quarter and $627 million for the full year, compared with $123 million and $616 million for the same periods in 2017. The result for the quarter and full year reflects an improved margin environment, increased margin optimization and continued strong cost management. The result for the full year was higher than last year despite the divestment of our interest in the SECCO joint venture in 2017 and a higher level of turnaround activity in 2018.

In the quarter we signed a heads of agreement with SOCAR Turkey to evaluate the creation of a joint venture to build and operate the largest integrated PTA, PX and aromatics complex in the western hemisphere.

Outlook

Looking to the first quarter of 2019, we expect significantly lower industry refining margins and narrower North American heavy crude oil discounts.

The commentary above contains forward-looking statements and should be read in conjunction with the cautionary statement on page 36.

Top of page 9

Downstream (continued)

	Fourth	Third	Fourth

$ million	quarter 2018	quarter 2018	quarter 2017	Year 2018	Year 2017
Underlying RC profit before interest and tax - by region					
US	995	835	501	2,818	1,978
Non-US	1,174	1,276	973	4,743	4,989
	2,169	2,111	1,474	7,561	6,967
Non-operating items					
US	(109)	(14)	(25)	(295)	(48)
Non-US(a)	(292)	(23)	407	(421)	437
	(401)	(37)	382	(716)	389
Fair value accounting effects(b)					
US	184	81	3	(155)	(29)
Non-US	186	94	(86)	250	(106)
	370	175	(83)	95	(135)
RC profit before interest and tax					
US	1,070	902	479	2,368	1,901
Non-US	1,068	1,347	1,294	4,572	5,320
	2,138	2,249	1,773	6,940	7,221
Underlying RC profit before interest and tax - by business(c)(d)					
Fuels	1,624	1,566	976	5,642	4,872
Lubricants	311	324	375	1,292	1,479
Petrochemicals	234	221	123	627	616
	2,169	2,111	1,474	7,561	6,967
Non-operating items and fair value accounting effects(b)					
Fuels	173	140	(202)	(381)	(193)

Lubricants	(198)	-	(14)	(227)	(22)
Petrochemicals	(6)	(2)	515	(13)	469
	(31)	138	299	(621)	254
RC profit before interest and tax(c)(d)					
Fuels	1,797	1,706	774	5,261	4,679
Lubricants	113	324	361	1,065	1,457
Petrochemicals	228	219	638	614	1,085
	2,138	2,249	1,773	6,940	7,221
BP average refining marker margin (RMM)* ($/bbl)	11.0	14.7	14.4	13.1	14.1
Refinery throughputs (mb/d)					
US	691	740	714	703	713
Europe	735	805	741	781	773
Rest of World	240	248	243	241	216
	1,666	1,793	1,698	1,725	1,702
Refining availability* (%)	95.2	96.3	96.1	94.9	95.3
Marketing sales of refined products (mb/d)					
US	1,138	1,169	1,127	1,141	1,151
Europe	1,053	1,166	1,132	1,100	1,140
Rest of World	526	497	542	495	508
	2,717	2,832	2,801	2,736	2,799
Trading/supply sales of refined products	3,199	3,147	3,549	3,194	3,149
Total sales volumes of refined products	5,916	5,979	6,350	5,930	5,948
Petrochemicals production (kte)					
US	672	660	641	2,235	2,428

Europe	1,037	1,209	1,559	4,468	5,462
Rest of World	1,259	1,146	1,306	5,154	7,405
	2,968	3,015	3,506	11,857	15,295

(a) Fourth quarter and full year 2017 gain primarily reflects the disposal of our shareholding in the SECCO joint venture.
(b) For Downstream, fair value accounting effects arise solely in the fuels business. See page 29 for further information.
(c) Segment-level overhead expenses are included in the fuels business result.
(d) Results from petrochemicals at our Gelsenkirchen and Mülheim sites in Germany are reported in the fuels business.

Top of page 10
Rosneft

$ million	Fourth quarter 2018(a)	Third quarter 2018	Fourth quarter 2017	Year 2018(a)	Year 2017
Profit before interest and tax(b)(c)	308	835	418	2,288	923
Inventory holding (gains) losses*	92	(27)	(97)	(67)	(87)
RC profit before interest and tax	400	808	321	2,221	836
Net charge (credit) for non-operating items*	31	64	-	95	-
Underlying RC profit before interest and tax*	431	872	321	2,316	836

Financial results
Replacement cost (RC) profit before interest and tax for the fourth quarter and full year was $400 million and $2,221 million respectively, compared with $321 million and $836 million for the same periods in 2017.

After adjusting for non-operating items, the underlying RC profit before interest and tax for the fourth quarter and full year was $431 million and $2,316 million respectively. There were no non-operating items in the fourth quarter or full year of 2017.

Compared with the same periods in 2017, the results for the fourth quarter and full year were primarily affected by higher oil prices and favourable foreign exchange, partially offset by adverse duty lag effects.

In September the extraordinary general meeting adopted a resolution to pay interim dividends for the first half of 2018 of 14.58 Russian roubles per ordinary share. In October BP received a dividend of $420 million, after the deduction of withholding tax.

Key events

In September Rosneft and BP agreed to jointly explore two additional oil and gas licence areas located in the Sakha (Yakutia) republic of the Russian Federation. In December the first closing of the deal was completed with LLC Yermakneftegaz, a 51:49 joint venture between Rosneft and BP, acquiring a subsidiary company from Rosneft. The transfer of licences to the subsidiary, subject to external approvals, is expected in 2019.

In December the re-issue was completed of the Kharampurskoe and Festivalnoe subsoil-use licences to LLC Kharampurneftegaz, in which Rosneft and BP own 51% and 49% interests respectively.

BP's interests in LLC Yermakneftegaz and LLC Kharampurneftegaz are reported through the Upstream segment.

	Fourth quarter 2018(a)	Third quarter 2018	Fourth quarter 2017	Year 2018(a)	Year 2017
Production (net of royalties) (BP share)					
Liquids* (mb/d)	946	933	899	923	904
Natural gas (mmcf/d)	1,312	1,260	1,333	1,285	1,308
Total hydrocarbons* (mboe/d)	1,173	1,151	1,129	1,144	1,129

(a) The operational and financial information of the Rosneft segment for the fourth quarter and full year is based on preliminary operational and financial results of Rosneft for the full year ended 31 December 2018. Actual results may differ from these amounts.

(b) The Rosneft segment result includes equity-accounted earnings arising from BP's 19.75% shareholding in Rosneft as adjusted for the accounting required under IFRS relating to BP's purchase of its interest in Rosneft and the amortization of the deferred gain relating to the divestment of BP's interest in TNK-BP. These adjustments increase the segment's reported profit before interest and tax, as shown in the table above, compared with the amounts reported in Rosneft's IFRS financial statements.

(c) BP's adjusted share of Rosneft's earnings after Rosneft's own finance costs, taxation and non-controlling interests is included in the BP group income statement within profit before interest and taxation. For each year-to-date period it is calculated by translating the amounts reported in Russian roubles into US dollars using the average exchange rate for the year to date.

Top of page 11

Other businesses and corporate

	Fourth	Third	Fourth

	quarter	quarter	quarter	Year	Year
$ million	2018	2018	2017	2018	2017
Profit (loss) before interest and tax					
Gulf of Mexico oil spill - business economic loss claims	(26)	(69)	(2,110)	(344)	(2,370)
Gulf of Mexico oil spill - other	(41)	(59)	(111)	(370)	(317)
Other	(1,043)	(687)	(612)	(2,807)	(1,758)
Profit (loss) before interest and tax	(1,110)	(815)	(2,833)	(3,521)	(4,445)
Inventory holding (gains) losses*	-	-	-	-	-
RC profit (loss) before interest and tax	(1,110)	(815)	(2,833)	(3,521)	(4,445)
Net charge (credit) for non-operating items*					
Gulf of Mexico oil spill - business economic loss claims	26	69	2,110	344	2,370
Gulf of Mexico oil spill - other	41	59	111	370	317
Other	699	342	218	1,249	160
Net charge (credit) for non-operating items	766	470	2,439	1,963	2,847
Underlying RC profit (loss) before interest and tax*	(344)	(345)	(394)	(1,558)	(1,598)
Underlying RC profit (loss) before interest and tax					
US	(179)	(166)	(29)	(615)	(475)
Non-US	(165)	(179)	(365)	(943)	(1,123)
	(344)	(345)	(394)	(1,558)	(1,598)
Non-operating items					
US	(654)	(438)	(2,381)	(1,738)	(2,861)
Non-US	(112)	(32)	(58)	(225)	14
	(766)	(470)	(2,439)	(1,963)	(2,847)
RC profit (loss) before interest and tax					
US	(833)	(604)	(2,410)	(2,353)	(3,336)
Non-US	(277)	(211)	(423)	(1,168)	(1,109)

(1,110)	(815)	(2,833)	(3,521)	(4,445)

Other businesses and corporate comprises our alternative energy business, shipping, treasury, corporate activities including centralized functions, and the costs of the Gulf of Mexico oil spill.

Financial results

The replacement cost loss before interest and tax for the fourth quarter and full year was $1,110 million and $3,521 million respectively, compared with $2,833 million and $4,445 million for the same periods in 2017.

The results included a net non-operating charge of $766 million for the fourth quarter and $1,963 million for the full year, primarily relating to the costs for the Gulf of Mexico oil spill, environmental and other provisions, impairments and restructuring costs, compared with a charge of $2,439 million and $2,847 million for the same periods in 2017. See Note 2 on page 19 for more information on the Gulf of Mexico oil spill.

After adjusting for non-operating items, the underlying replacement cost loss before interest and tax for the fourth quarter and full year was $344 million and $1,558 million respectively, compared with $394 million and $1,598 million for the same periods in 2017.

Alternative Energy

The net ethanol-equivalent production (which includes ethanol and sugar) for the fourth quarter and full year was 144 million litres and 765 million litres respectively, compared with 188 million litres and 776 million litres for the same periods in 2017. In the fourth quarter formal approvals were received for the Opla ethanol logistics JV with Copersucar, which is now established and operating well.

Net wind generation capacity was 1,001MW at 31 December 2018, compared with 1,432MW at 31 December 2017. BP's net share of wind generation for the fourth quarter and full year was 933GWh and 3,821GWh respectively, compared with 1,148GWh and 4,004GWh for the same periods in 2017. In 2018 we divested three of our wind facilities in Texas. We intend to focus on optimizing and investing in upgrades to our remaining sites, enabling us to continue to grow a wind energy business that we believe is sustainable for the long term.

In December, BP's strategic solar partnership with Lightsource BP (BP 43%) reached its first anniversary. In that time, Lightsource BP has doubled its global footprint, with a presence now in 10 countries. Most recently the company announced it would enter Brazil, leveraging BP's relationships and existing operations to fund, develop and operate solar projects locally. Also during the fourth quarter, Lightsource BP was awarded a 105MW power purchase agreement (PPA) in New South Wales, Australia and PPAs totalling 25MW in California and New Mexico in the US. In the UK, Lightsource BP also announced that it will power AB InBev's manufacturing plants through an innovative 100MW PPA.

Outlook

In 2019, Other businesses and corporate average quarterly charges, excluding non-operating items, are expected to be around $350 million although this will fluctuate quarter to quarter.

The commentary above contains forward-looking statements and should be read in conjunction with the cautionary statement on page 36.

Top of page 12
Financial statements

Group income statement

$ million	Fourth quarter 2018	Third quarter 2018	Fourth quarter 2017	Year 2018	Year 2017
Sales and other operating revenues (Note 5)	75,677	79,468	67,816	298,756	240,208
Earnings from joint ventures - after interest and tax	236	148	581	897	1,177
Earnings from associates - after interest and tax	425	990	526	2,856	1,330
Interest and other income	295	154	223	773	657
Gains on sale of businesses and fixed assets	252	43	876	456	1,210
Total revenues and other income	76,885	80,803	70,022	303,738	244,582
Purchases	59,019	60,923	51,745	229,878	179,716
Production and manufacturing expenses(a)	6,173	5,879	7,759	23,005	24,229
Production and similar taxes (Note 7)	186	451	511	1,536	1,775
Depreciation, depletion and amortization (Note 6)	3,987	3,728	4,045	15,457	15,584
Impairment and losses on sale of businesses and fixed assets	244	548	604	860	1,216
Exploration expense	457	310	521	1,445	2,080
Distribution and administration expenses	3,655	2,801	2,981	12,179	10,508
Profit (loss) before interest and taxation	3,164	6,163	1,856	19,378	9,474
Finance costs(a)	742	698	616	2,528	2,074
Net finance expense relating to pensions and other post-retirement benefits	34	31	58	127	220
Profit (loss) before taxation	2,388	5,434	1,182	16,723	7,180
Taxation(a)	1,617	2,031	1,119	7,145	3,712
Profit (loss) for the period	771	3,403	63	9,578	3,468
Attributable to					

BP shareholders	766	3,349	27	9,383	3,389
Non-controlling interests	5	54	36	195	79