

bp



presentation to the
financial community

3Q results
tuesday 28th october
2003

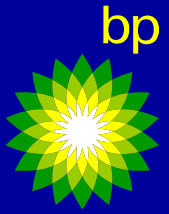
Forward Looking Statements Cautionary Statement

This presentation and the associated slides and discussion contain forward looking statements particularly those regarding BP's asset portfolio and changes in it, capital expenditure, cash flow, costs, divestments, dividends, environmental remediation provisions, future performance, gearing, investments, pension fund support, prices, reserves and production, returns, share repurchases, timing of pending transactions and other trend projections. Forward looking statements by their nature involve risks and uncertainties and actual results may differ from those expressed in such statements depending on a variety of factors including the following: the timing of bringing new fields on stream; industry product supply; demand and pricing; operational problems; general economic conditions; political stability and economic growth in relevant areas of the world; changes in governmental regulations; exchange rate fluctuations; development and use of new technology and successful commercial relationships; the actions of competitors; natural disasters and other changes in business conditions; prolonged adverse weather conditions; and wars and acts of terrorism or sabotage.

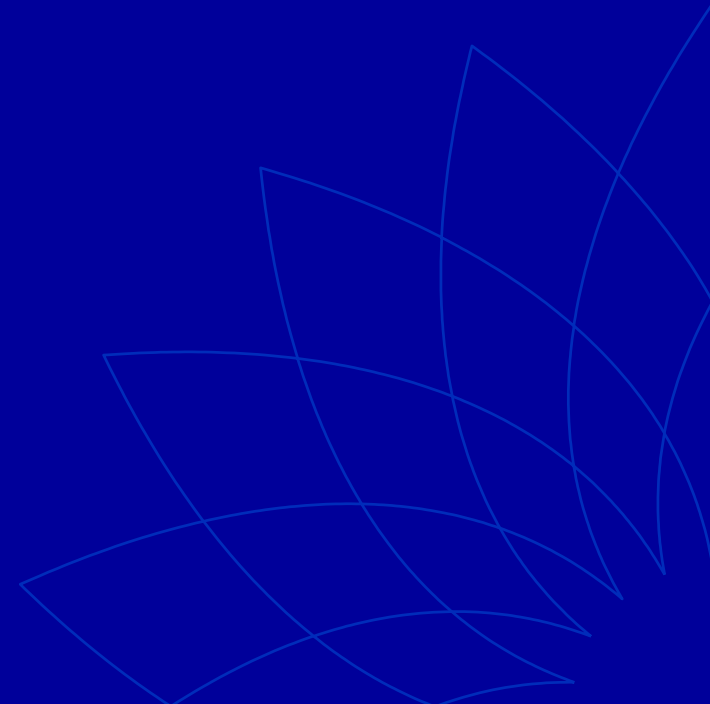
This presentation also contains financial information which is not presented in accordance with generally accepted accounting principles (GAAP). A quantitative reconciliation of this information to the most directly comparable financial measure calculated and presented in accordance with GAAP can be found on our website at www.bp.com.

October 2003

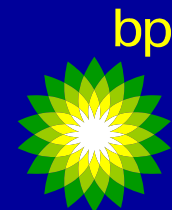
agenda



- group results
- strategic progress
- q&a



trading environment



3Q 02	2Q 03	3Q 03		ytd	
				2003	2002

average realisations

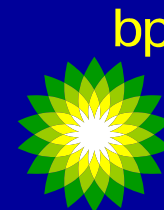
24.40	24.90	26.79	liquids \$/bbl	27.24	21.99
2.25	3.39	3.08	natural gas \$/mcf	3.46	2.32
19.27	22.43	22.58	total hydrocarbons \$/boe	23.88	18.17

indicator margins

1.98	3.27	4.59	refining \$/bbl	4.13	1.90
120	134	109*	petrochemicals \$/te	113*	103

*provisional

financial results



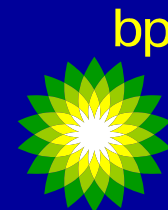
● results for the third quarter

		% change vs 3Q02
▶ proforma	\$ 2.9bn	25
▶ replacement cost	\$ 2.1bn	180
▶ historical cost	\$ 2.4bn	(16)
▶ net cash from operating activity	\$ 4.9bn	12
▶ dividend	6.50¢/share	8
▶ ROACE (proforma)	15%	

● results for the first 9 months

		vs ytd 02
▶ proforma	\$ 9.7bn	60
▶ replacement cost	\$ 7.7bn	157
▶ historical cost	\$ 8.3bn	34
▶ net cash from operating activity	\$ 18.2bn	38
▶ dividend	19.25¢/share	8
▶ ROACE (proforma)	17%	

TNK-BP



impact on BP 3Q results (33 days)	\$m
BP share of TNK-BP net income	114
deferred shares consideration accretion	(9)
impact on BP 3Q net income	105

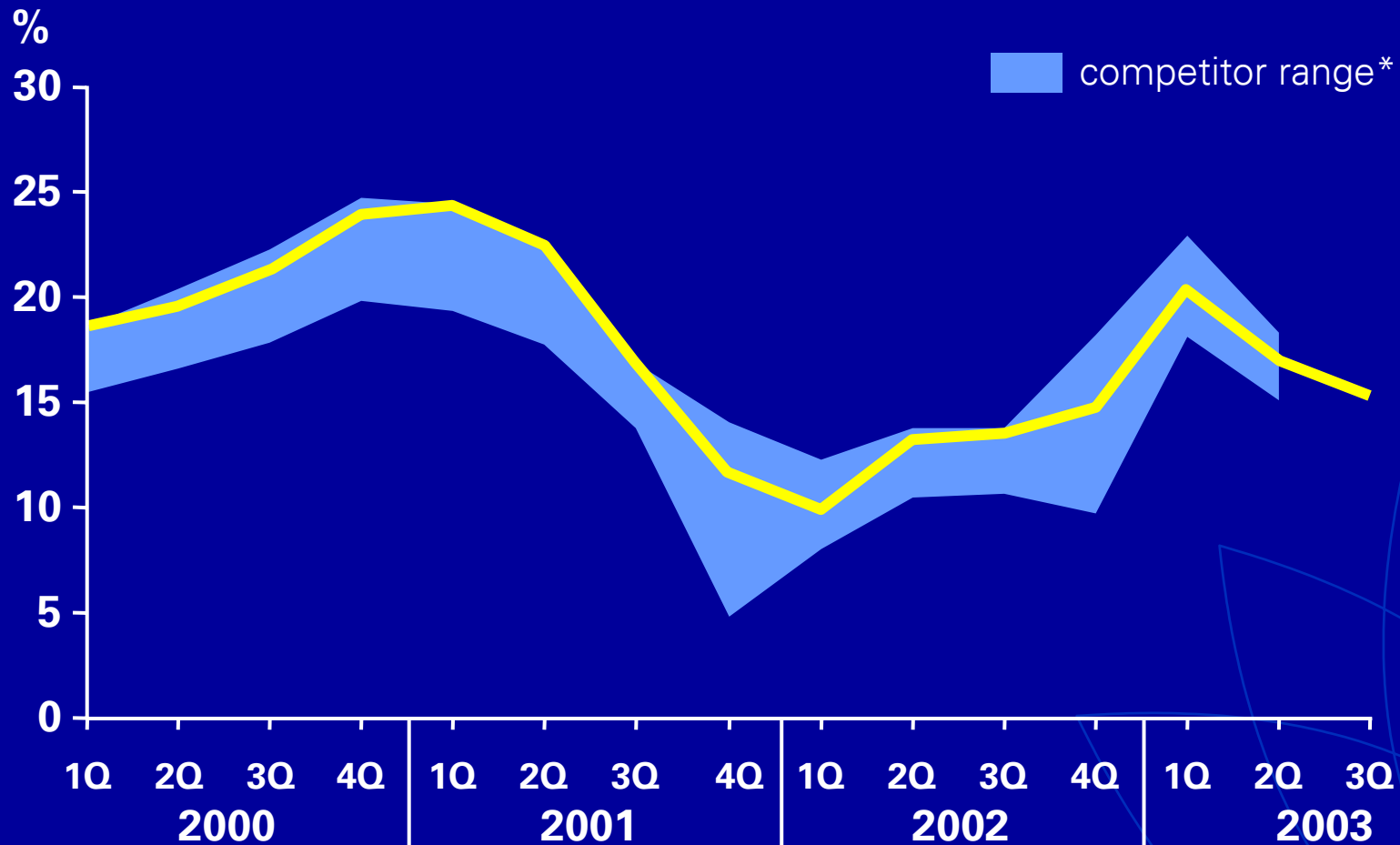
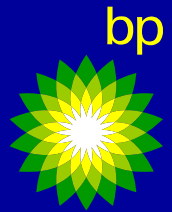
production

249 mboed

drivers of performance improvement vs. 1H

- higher volumes
- higher exports
- increased domestic market price

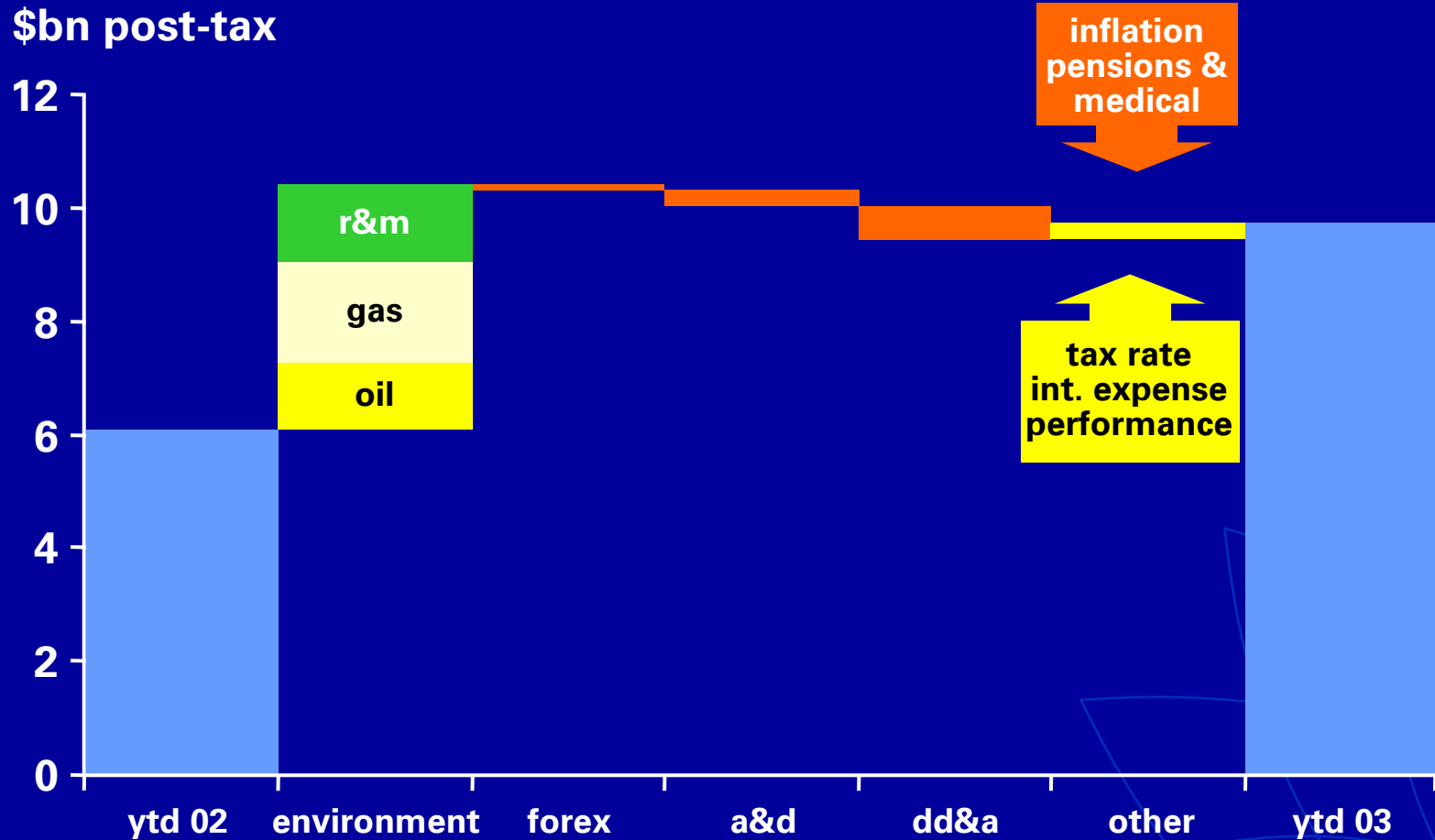
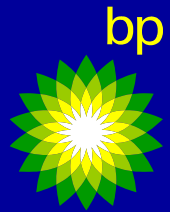
return on average capital employed



*BP, XOM, Shell, CVX, TOT

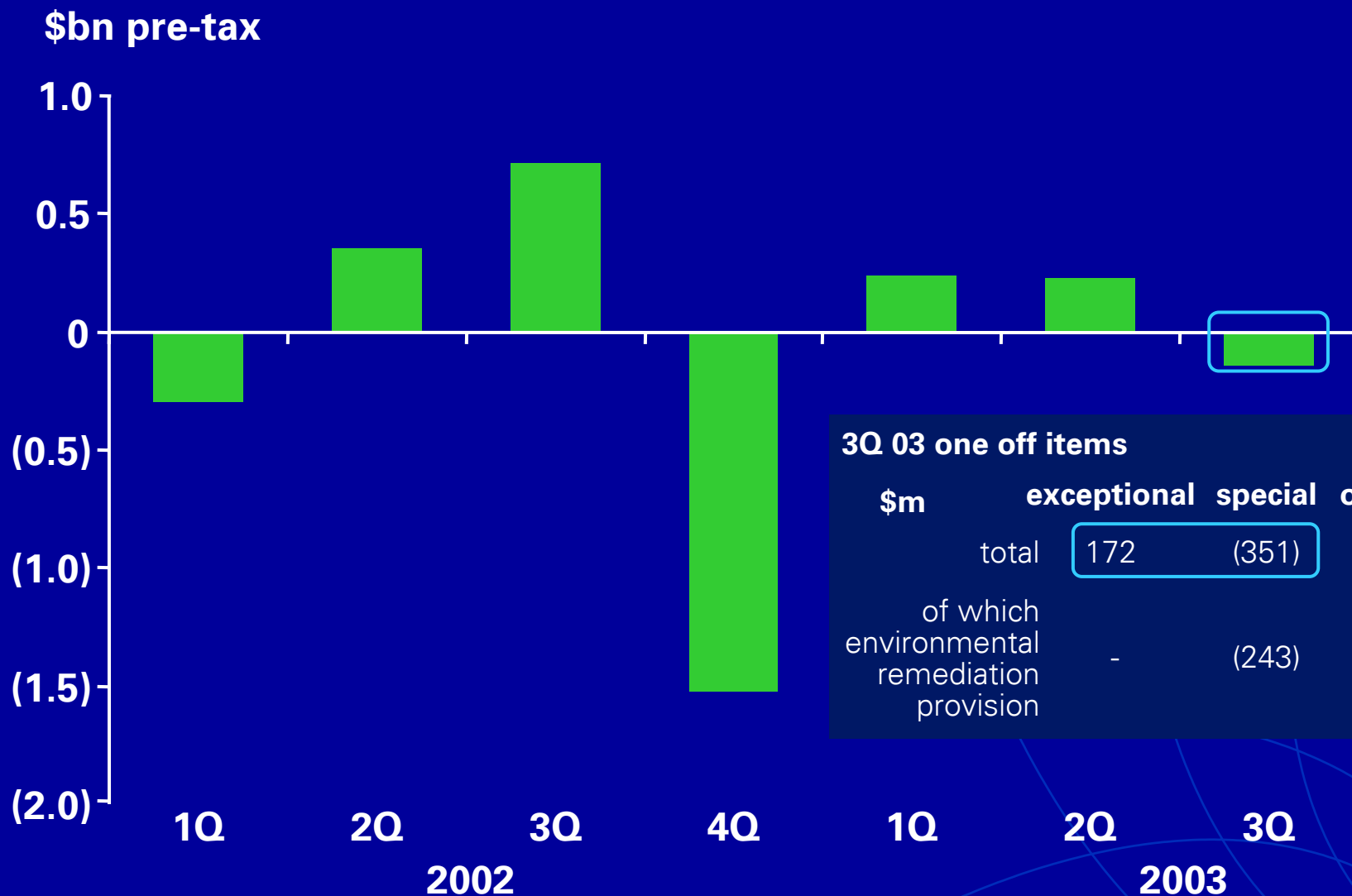
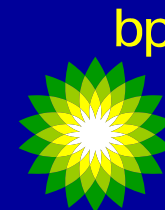
roace = (proforma result + after tax finance interest + MSI) / proforma ACE

ytd 03 vs ytd 02 result proforma basis*



*a reconciliation to the nearest equivalent UK GAAP numbers is available on www.bp.com

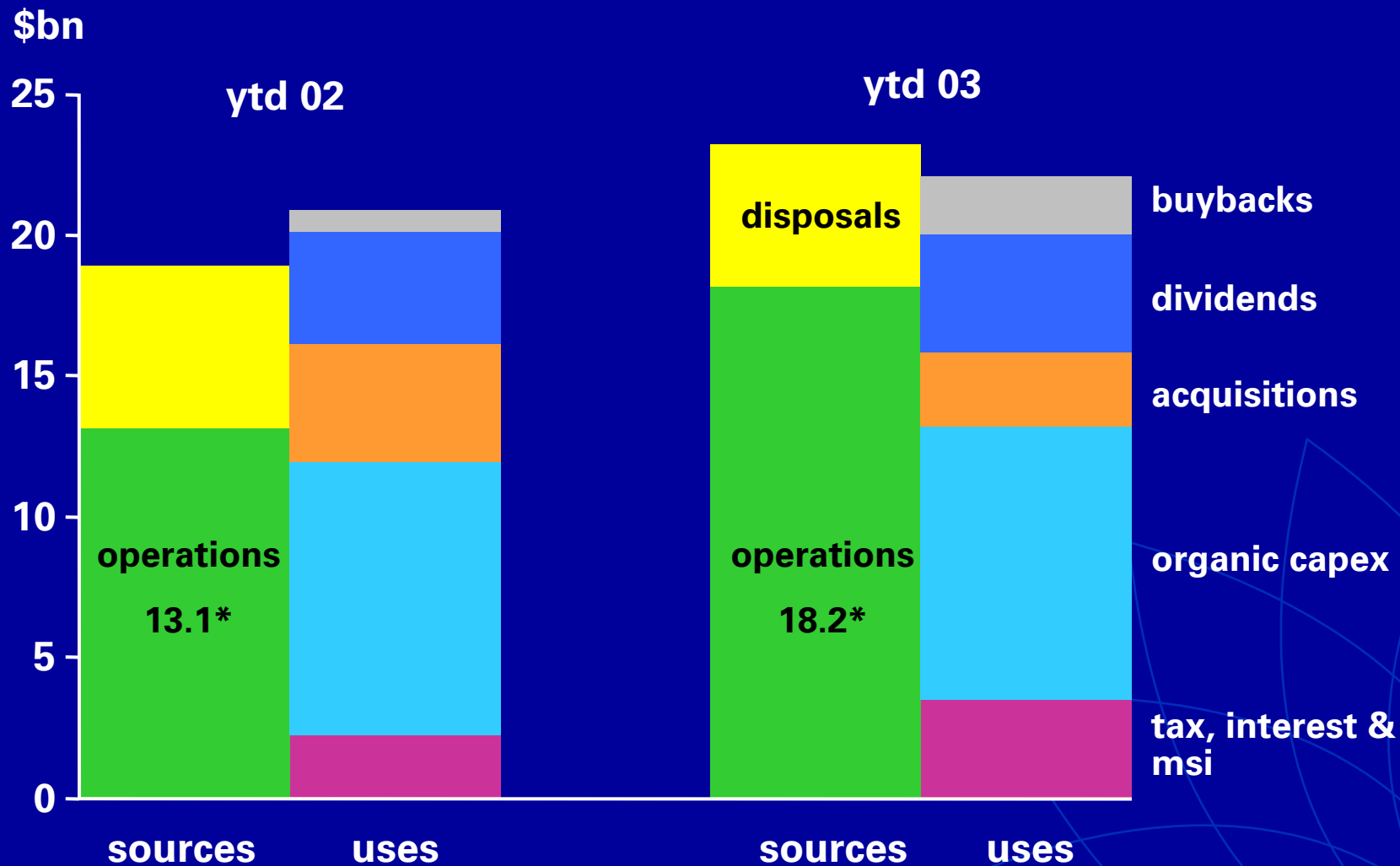
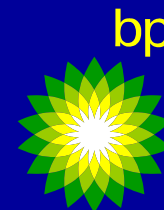
special and exceptional items



3Q 03 one off items

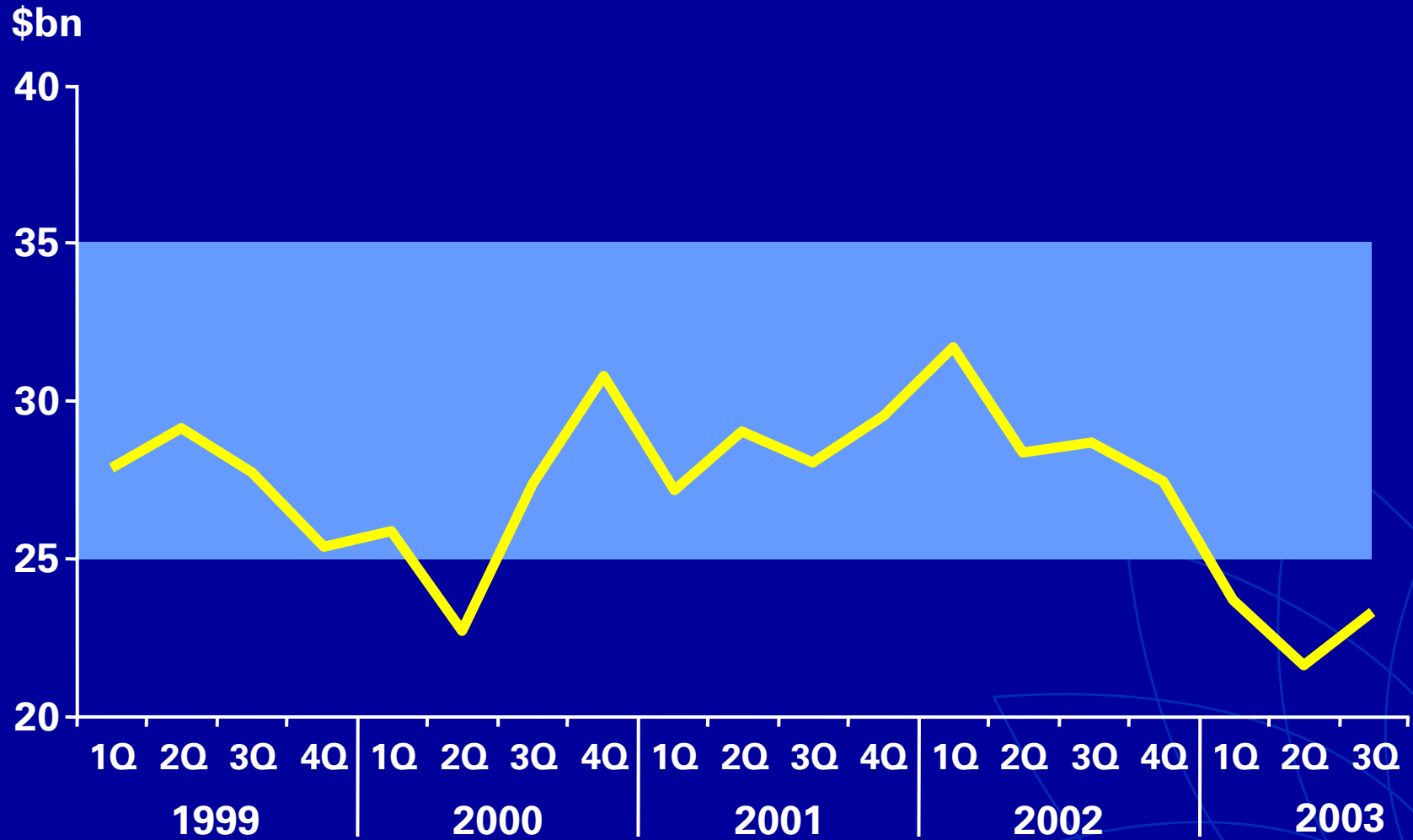
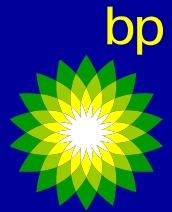
\$m	exceptional	special	ordinary
total	172	(351)	(300)
of which environmental remediation provision	-	(243)	(255)

sources and uses of cash



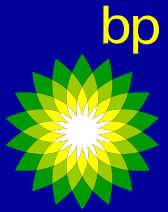
*after discretionary pension contributions of nil in 2002 and \$0.9bn in 2003

gearing



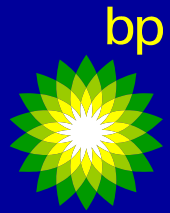
proforma gearing = $\text{net debt} / (\text{net debt} + \text{equity} - \text{acquisition adjustment})$

production volumes



- 3Q reported production up over one and a half percent
- TNK-BP incremental production 208mboed in 3Q (249mboed less Sidanco 41mboed)
- divestment impact 179mboed in 3Q

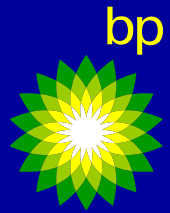




exploration and production: indicators of strategic progress

- build – projects on track
 - ▶ Kapok field on line in july
 - ▶ Xikomba / Na Kika preparing for start-up
 - ▶ BTC pipeline on track for early 2005 start-up
- produce
 - ▶ base decline in line with expectation
 - ▶ lifting costs on track
- portfolio
 - ▶ full year capex now expected below range of \$9.8 - \$10.2 bn
 - ▶ around \$4bn in proceeds received YTD

refining and marketing: indicators of strategic progress



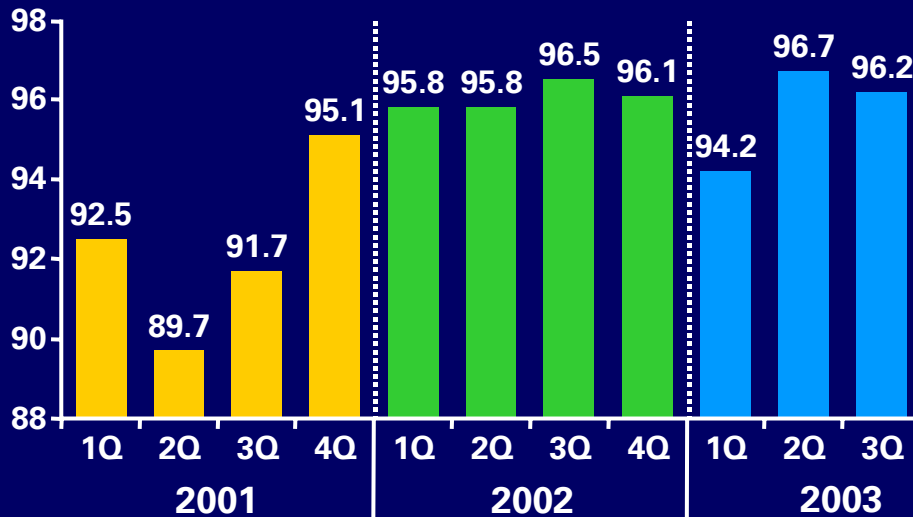
- refining

- ▶ improved refining availability

- marketing

- ▶ continued like-for-like volume growth
- ▶ differentiated fuel offer

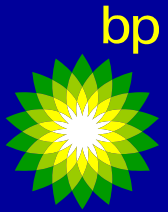
refining availability %



- costs

- ▶ like-for-like unit cash cost reduction

indicators of strategic progress



gp&r

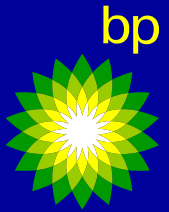
- first LNG deliveries to Bilbao and Cove Point
- 3Q restructuring to improve future solar competitiveness and profitability

petrochemicals

- 3% capacity growth, all in core
- 3% lower CFC/te* since january

*Cash Fixed Costs per tonne production

q&a session



Byron Grote

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bp

