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BP PLC
Form 6-K
April 26, 2005

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 26 April, 2005

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 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

BP p.l.c.
Group Results
First Quarter 2005

London 26 April 2005

FOR IMMEDIATE RELEASE

RECORD QUARTERLY RESULT AND STRENGTHENING CASH FLOW
=====

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| \$ million | | | | 2005 |
|----------------------------------|------------|------------|------------|---------------|
| | 1Q 2005 | 4Q 2004 | 1Q 2004 | vs.1Q 2004 |
| Profit for the period* | 6,602 | 3,010 | 4,912 | |
| Inventory holding (gains) losses | (1,111) | 494 | (648) | |
| Replacement cost profit | 5,491 | 3,504 | 4,264 | 29% |
| - per ordinary share (pence) | 13.55 | 8.71 | 10.49 | |
| - per ordinary share (cents) | 25.61 | 16.23 | 19.30 | 33% |
| - per ADS (dollars) | 1.54 | 0.97 | 1.16 | |

- o BP's first quarter replacement cost profit was \$5,491 million compared with \$4,264 million a year ago, an increase of 29%.
- o The first quarter result includes a net non-operating gain of \$535 million compared with \$776 million in the first quarter of 2004. This includes gains from the sale of BP's interests in the Ormen Lange field and the Interconnector pipeline.
- o The first quarter trading environment was generally stronger than a year ago with higher oil and gas realizations, higher refining and chemicals margins, but with lower retail marketing margins.
- o Net cash provided by operating activities for the quarter was \$9.4 billion compared with \$7 billion a year ago.
- o The ratio of net debt to net debt plus equity was 18% compared with 20% a year ago.
- o The quarterly dividend, to be paid in June, is 8.50 cents per share (\$0.51 per ADS) compared with 6.75 cents per share a year ago, an increase of 26%. In sterling terms, the quarterly dividend is 4.450 pence per share, compared with 3.807 pence per share a year ago, an increase of 17%. The company repurchased 193 million of its own shares during the quarter at a cost of \$2 billion.

BP Group Chief Executive, Lord Browne, said:

"This strong start in 2005 reflects the results of our significant investment programme over the past few years and improvements in underlying performance. In addition, continuing higher oil prices have generated substantial additional cash flow which has been applied to the share buyback programme.

* Profit attributable to BP shareholders.

Summary Quarterly Results

Exploration and Production's record first quarter result was up 53% on a year ago reflecting higher realizations in both liquids and gas, and higher volumes, partially offset by the impact of planned higher revenue investment and costs. In addition, the result includes net gains from non-operating items.

The Refining and Marketing result increased 54% compared with a year ago reflecting improved refining margins, offset partly by lower retail marketing

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margins.

In Gas, Power and Renewables the improved result reflects primarily a higher result in the natural gas liquids business, and gains from non-operating items.

Interest and Other finance expense was \$201 million for the quarter compared with \$269 million in the previous quarter. A major component of the decrease is the absence in the first quarter of the revaluation of provisions in the fourth quarter of 2004.

The effective tax rate on replacement cost profit was 32%. This rate benefits from the release of provisions for previous years as a result of current period restructuring actions, risk reassessment and tax settlements.

Capital expenditure was \$2.8 billion for the quarter. There were no acquisitions in the quarter. Disposal proceeds were \$1.3 billion.

Net debt at the end of the quarter was \$18 billion. The ratio of net debt to net debt plus equity was 18%, compared with 22% at the end of 2004.

During the first quarter, the company repurchased 193 million of its own shares, at a cost of \$2 billion. Of these, 77 million shares were cancelled and the remainder are held in treasury.

The commentaries above and following are based on replacement cost profit.

TNK-BP operational and financial information has been estimated.

The financial information for 2004 has been restated to reflect the following, all with effect from 1 January 2005: (a) the adoption by the group of International Financial Reporting Standards (IFRS) (see Note 1); (b) the transfer of the aromatics and acetyls operations from the former Petrochemicals segment to the Refining and Marketing segment; (c) the transfer of the olefins and derivatives operations from the former Petrochemicals segment to Other businesses and corporate; (d) the transfer of the Grangemouth and Lavera refineries from the Refining and Marketing segment to Other businesses and corporate; (e) the transfer of the Mardi Gras pipeline from the Exploration and Production segment to the Refining and Marketing segment; and (f) the transfer of the Hobbs fractionator from the Gas, Power and Renewables segment to Other businesses and corporate. Note 2 provides further detail of the resegmentation.

Non-Operating Items

| \$ million | First Quarter 2005 ----- |
|--------------------------------|-----------------------------------|
| Exploration and Production | 780 |
| Refining and Marketing | (27) |
| Gas, Power and Renewables | 105 |
| Other businesses and corporate | (71) |
| | ----- |
| | 787 |
| Taxation (a) | (252) |
| | ----- |
| | 535 |
| | ===== |

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- (a) Tax on Non-Operating Items is calculated using the effective tax rate on replacement cost profit.

Reconciliation of Replacement Cost Profit to Profit for the Period

| \$ million | First Quarter 2005 | Fourth Quarter 2004 | First Quarter 2004 |
|------------------------------------|--------------------------|---------------------------|--------------------------|
| | ===== | | |
| Exploration and Production | 6,486 | 4,750 | 4,242 |
| Refining and Marketing | 1,421 | 1,337 | 920 |
| Gas, Power and Renewables | 404 | 495 | 201 |
| Other businesses and corporate | 207 | (1,216) | 1,094 |
| Consolidation adjustment | (153) | 57 | (66) |
| | ----- | | |
| RC profit before interest and tax | 8,365 | 5,423 | 6,391 |
| | ----- | | |
| Interest and Other finance expense | (201) | (269) | (174) |
| Taxation | (2,612) | (1,591) | (1,919) |
| Minority interest | (61) | (59) | (34) |
| | ----- | | |
| RC profit (a) | 5,491 | 3,504 | 4,264 |
| | ----- | | |
| Inventory holding gains (losses) | 1,111 | (494) | 648 |
| | ----- | | |
| Profit for the period* | 6,602 | 3,010 | 4,912 |
| | ===== | | |

- (a) Replacement cost profit reflects the current cost of supplies. The replacement cost profit for the period is arrived at by excluding from profit inventory holding gains and losses. BP uses this measure to assist investors to assess BP's performance from period to period. Replacement cost profit is not a recognized GAAP measure. Operating cash flow is calculated from the starting point of profit before taxation which includes inventory holding gains and losses. Operating cash flow also reflects working capital movements including inventories, trade and other receivables and trade and other payables. The carrying value of these working capital items will change for various reasons, including movements in oil, gas and products prices.

Per Share Amounts

| | First Quarter 2005 | Fourth Quarter 2004 | First Quarter 2004 |
|--|--------------------------|---------------------------|--------------------------|
| | ===== | | |
| Results for the period (\$m) | | | |
| Profit* | 6,602 | 3,010 | 4,912 |
| Replacement cost profit | 5,491 | 3,504 | 4,264 |
| | ----- | | |
| Shares in issue at period end (thousand) | 21,367,827 | 21,525,978 | 21,996,888 |

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| | | | |
|--|------------|------------|------------|
| - ADS equivalent (thousand) | 3,561,305 | 3,587,663 | 3,666,148 |
| Average number of shares outstanding (thousand) | 21,441,285 | 21,607,872 | 22,087,796 |
| - ADS equivalent (thousand) | 3,573,548 | 3,601,312 | 3,681,299 |
| Per ordinary share (cents) | | | |
| Profit for the period | 30.79 | 14.00 | 22.24 |
| RC profit for the period | 25.61 | 16.23 | 19.30 |
| Per ADS (cents) | | | |
| Profit for the period | 184.74 | 84.00 | 133.44 |
| RC profit for the period | 153.66 | 97.38 | 115.80 |
| | ===== | | |

* Profit attributable to BP shareholders.

Exploration and Production

| \$ million | 1Q 2005 | 4Q 2004 | 1Q 2004 |
|--|------------|------------|------------|
| | ===== | | |
| Profit before interest and tax(a) | 6,491 | 4,747 | 4,250 |
| Inventory holding (gains) losses | (5) | 3 | (8) |
| | ----- | | |
| Replacement cost profit before interest and tax | 6,486 | 4,750 | 4,242 |
| | ===== | | |
| Results include: | | | |
| Impairment and gain (loss) on sale of businesses and fixed assets | 940 | (236) | 25 |
| Environmental and other provisions | - | - | - |
| Restructuring, integration and rationalization costs | - | - | - |
| Fair value gain (loss) on embedded derivatives | (160) | - | - |
| Other | - | 8 | - |
| | ----- | | |
| Total non-operating items | 780 | (228) | 25 |
| | ===== | | |
| Exploration expense | 160 | 258 | 136 |
| Of which: | | | |
| Exploration expenditure written off | 84 | 151 | 67 |
| | ===== | | |
| Production(Net of royalties) | | | |
| Crude oil (mb/d) | 2,405 | 2,396 | 2,342 |
| Natural gas liquids (mb/d) | 188 | 197 | 191 |
| Total liquids (mb/d) (b) | 2,593 | 2,593 | 2,533 |
| Natural gas (mmcf/d) | 8,745 | 8,714 | 8,600 |
| Total hydrocarbons (mboe/d) (c) | 4,101 | 4,095 | 4,015 |
| | ===== | | |
| Average realizations | | | |
| Crude oil (\$/bbl) | 43.37 | 41.01 | 31.30 |
| Natural gas liquids (\$/bbl) | 28.14 | 31.20 | 23.14 |
| Total liquids (\$/bbl) | 41.74 | 39.88 | 30.48 |
| Natural gas (\$/mcf) | 4.26 | 4.28 | 3.79 |
| Total hydrocarbons (\$/boe) | 33.60 | 32.64 | 26.48 |
| | ===== | | |
| Average oil marker prices (\$/bbl) | | | |
| Brent | 47.62 | 43.85 | 32.03 |
| West Texas Intermediate | 49.88 | 48.29 | 35.30 |
| Alaska North Slope US West Coast | 45.07 | 42.62 | 34.22 |

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| | | |
|---|-------|-------|
| | ===== | |
| Average natural gas marker prices | | |
| Henry Hub gas price (\$/mmbtu) (d) | 6.27 | 7.07 |
| UK Gas - National Balancing Point (p/therm) | 37.96 | 28.51 |
| | 5.69 | 24.59 |
| | ===== | |

- (a) Includes profit after interest and tax of equity-accounted entities.
- (b) Crude oil and natural gas liquids.
- (c) Natural gas is converted to oil equivalent at 5.8 billion cubic feet = 1 million barrels.
- (d) Henry Hub First of the Month Index.

Exploration and Production

The replacement cost profit before interest and tax for the first quarter was \$6,486 million, a record result, representing an increase of 53% over the first quarter of 2004. This result benefited from higher realizations in both liquids and gas, and higher volumes, partially offset by the impact of planned higher revenue investment and costs. In addition, the result includes gains of \$1,070 million on the sales of assets primarily from our interest in the Ormen Lange field.

The result also includes charges for impairments of \$130 million, relating to fields in the UK North Sea, and fair value losses of \$160 million on embedded derivatives in certain long term gas contracts where the contract price is tied to oil and electricity prices rather than indexed to the gas price. The corresponding quarter in 2004 contained charges of \$186 million for impairments, and gains on sales of assets of \$211 million.

Production for the quarter at 4,101 mboe/d reflected the continuing ramp-up of production in the New Profit Centres and increased volumes from TNK-BP, partly offset by operational issues in the North Sea and the expected decline in our Existing Profit Centres.

Projects in the New Profit Centres remain on track. In the Gulf of Mexico, the Mad Dog project achieved first production in January 2005, and the Thunder Horse integrated hull and topsides has left the construction yard in Corpus Christi for installation offshore. In Azerbaijan, the Azeri project achieved first production in February, and construction on the BTC pipeline remains on track. In the Existing Profit Centres, the Clair project in the UK North Sea commenced production in February. In addition, we sanctioned investment in the Saqqara gas field in Egypt and received approval from the Indonesian government for the Tangguh gas project.

We have had exploration success in Angola with the 'Palas-1' and 'Ceres-1' oil discoveries in ultra-deepwater Block 31. These are the fifth and sixth successful discoveries that BP has drilled in Block 31. We have also been awarded three blocks in Algeria's sixth international licensing round.

Customer Facing Segments Refining and Marketing

| | | | |
|------------|-------|------|------|
| | 1Q | 4Q | 1Q |
| \$ million | 2005 | 2004 | 2004 |
| | ===== | | |

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| | | | |
|---|-------|-------|--------|
| Profit before interest and tax(a) | 2,363 | 811 | 1,473 |
| Inventory holding (gains) losses | (942) | 526 | (553) |
| | ----- | | |
| Replacement cost profit before interest and tax | 1,421 | 1,337 | 920 |
| | ===== | | |
| Results include: | | | |
| Impairment and gain (loss) on sale of businesses and fixed assets | (27) | (333) | (160) |
| Environmental and other provisions | - | - | - |
| Restructuring, integration and rationalization costs | - | (32) | - |
| Fair value gain (loss) on embedded derivatives | - | - | - |
| Other | - | - | - |
| | ----- | | |
| Total non-operating items | (27) | (365) | (160) |
| | ===== | | |
| Refinery throughputs (mb/d) (b) | | | |
| UK | 164 | 218 | 198 |
| Rest of Europe | 647 | 601 | 710 |
| USA | 1,400 | 1,436 | 1,265 |
| Rest of World | 299 | 296 | 399 |
| | ----- | | |
| Total throughput | 2,510 | 2,551 | 2,572 |
| | ===== | | |
| Refining availability | 95.2 | 96.5 | 95.1 |
| | ===== | | |
| Oil sales volumes (mb/d) | | | |
| Refined products | | | |
| UK | 338 | 335 | 297 |
| Rest of Europe | 1,323 | 1,363 | 1,352 |
| USA | 1,648 | 1,664 | 1,683 |
| Rest of World | 621 | 627 | 652 |
| | ----- | | |
| Total marketing sales | 3,930 | 3,989 | 3,984 |
| Trading/supply sales | 2,196 | 2,194 | 2,502 |
| | ----- | | |
| Total refined product sales | 6,126 | 6,183 | 6,486 |
| Crude oil | 3,635 | 3,731 | 4,058 |
| | ----- | | |
| Total oil sales | 9,761 | 9,914 | 10,544 |
| | ===== | | |
| Global Indicator Refining Margin (\$/bbl) (c) | | | |
| NWE | 2.84 | 4.72 | 2.73 |
| USGC | 7.30 | 5.52 | 6.92 |
| Midwest | 3.84 | 1.65 | 4.67 |
| USWC | 12.88 | 10.36 | 8.06 |
| Singapore | 4.98 | 8.02 | 3.42 |
| BP Average | 5.94 | 5.69 | 4.89 |
| | ===== | | |
| Chemicals production (kte) | | | |
| UK | 317 | 316 | 303 |
| Rest of Europe | 806 | 779 | 797 |
| USA | 1,218 | 1,122 | 1,183 |
| Rest of World | 1,009 | 990 | 1,040 |
| | ----- | | |
| Total production | 3,350 | 3,207 | 3,323 |
| | ===== | | |

(a) Includes profit after interest and tax of equity-accounted entities.

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- (b) Refinery throughputs exclude the Grangemouth and Lavera refineries which were transferred to Other businesses and corporate effective 1 January 2005.
- (c) The Global Indicator Refining Margin (GIM) is the average of six 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. The regional indicator margins may not be representative of the margins achieved by BP in any period because of BP's particular refinery configurations and crude and product slate. The GIM data shown above excludes the Grangemouth and Lavera refineries.

Customer Facing Segments Refining and Marketing

The replacement cost profit before interest and tax for the first quarter was \$1,421 million. This compares with \$920 million for the same period last year, an increase of 54%.

The year-on-year improved result reflects improved refining margins, offset partly by lower retail marketing margins. Improved refining margins were supported by strong product demand, together with the continuing weakness in the relative price of extra-heavy sour crudes. Retail marketing margins in the first quarter were significantly lower than those of a year ago, reflecting sustained pressure from rising crude and product prices.

The quarter's result includes a charge of \$27 million for non-operating items. This comprises a gain on the sale of assets of \$14 million relating to the sale of marketing assets and an impairment charge of \$41 million. This compares with a loss on the sale of assets of \$160 million in the same period last year due principally to the disposal of BP's interests in the Singapore Refining Company Private Limited (SRC).

Refining throughputs for the quarter were 2,510 mb/d, some 62 mb/d lower than in the first quarter of 2004, due principally to the disposal of BP's interests in the SRC and the closure of refining operations at the ATAS Refinery in Mersin, south eastern Turkey, in 2004. Refining availability was 95.2%, in line with that of the first quarter of 2004. Marketing sales were 3,930 mb/d, slightly below those of a year ago.

The Texas City Refinery in Texas, USA, experienced a tragic explosion on 23 March at the Isomerization unit. The financial impact on the quarter was minimal.

During the quarter, BP and the South Coast Air Quality Management District of California agreed to the settlement of two outstanding lawsuits regarding the Carson Refinery. The quarter's result includes a charge of \$35 million in respect of this settlement, including local community programmes relating to air quality and its impacts.

Also in the quarter, BP and Sinopec Corporation of China signed a joint venture contract to build a world-scale acetic acid plant in Nanjing, east China's Jiangsu province. The 500,000 tons per annum operation is planned to come on stream in the second half of 2007.

Customer Facing Segments Gas, Power and Renewables

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| \$ million | 1Q 2005 | 4Q 2004 | 1Q 2004 |
|--|------------|------------|------------|
| | ===== | | |
| Profit before interest and tax(a) | 418 | 523 | 191 |
| Inventory holding (gains) losses | (14) | (28) | 10 |
| | ----- | | |
| Replacement cost profit before interest and tax | 404 | 495 | 201 |
| | ===== | | |
| Results include: | | | |
| Impairment and gain (loss) on sale of businesses and fixed assets | 63 | 40 | - |
| Environmental and other provisions | - | - | - |
| Restructuring, integration and rationalization costs | - | - | - |
| Fair value gain (loss) on embedded derivatives | 42 | - | - |
| Other | - | - | - |
| | ----- | | |
| Total non-operating items | 105 | 40 | - |
| | ----- | | |
| Gas sales volumes (mmscf/d) | | | |
| UK | 5,413 | 3,456 | 6,328 |
| Rest of Europe | 387 | 449 | 442 |
| USA | 14,188 | 13,852 | 13,618 |
| Rest of World | 15,628 | 13,659 | 13,902 |
| | ----- | | |
| Total gas sales volumes | 35,616 | 31,416 | 34,290 |
| | ===== | | |
| NGL sales volumes (mb/d) | | | |
| UK | 10 | 11 | 4 |
| Rest of Europe | 13 | 12 | 1 |
| USA | 371 | 421 | 462 |
| Rest of World | 254 | 240 | 244 |
| | ----- | | |
| Total NGL sales volumes | 648 | 684 | 711 |
| | ===== | | |

(a) Includes profit after interest and tax of equity-accounted entities.

The replacement cost profit before interest and tax for the first quarter was \$404 million compared with \$201 million a year ago. The result reflects primarily a higher result in the natural gas liquids business, and gains from non-operating items.

The natural gas liquids result has improved due to the higher level of liquids prices and the wider spread between natural gas and natural gas liquid prices.

Non-operating items include a gain on disposal of BP's interest in Interconnector UK Ltd. and net fair value gains on embedded derivatives.

Other Businesses and Corporate

| \$ million | 1Q 2005 | 4Q 2004 | 1Q 2004 |
|--|------------|------------|------------|
| | ===== | | |
| Profit (loss) before interest and tax(a) | 357 | (1,209) | 1,191 |
| Inventory holding (gains) losses | (150) | (7) | (97) |

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| | | | |
|---|-------|---------|-------|
| Replacement cost profit before interest and tax | 207 | (1,216) | 1,094 |
| | | | |
| Results include: | | | |
| Impairment and gain (loss) on sale of businesses and fixed assets | (24) | (1,101) | 1,257 |
| Environmental and other provisions | - | - | - |
| Restructuring, integration and rationalization costs | (43) | (90) | - |
| Fair value gain (loss) on embedded derivatives | (4) | - | - |
| Other | - | 66 | - |
| | | | |
| Total non-operating items | (71) | (1,125) | 1,257 |
| | | | |
| Analysis of replacement cost result before interest and tax(a) | | | |
| Olefins and Derivatives | 356 | (964) | (105) |
| Other | (149) | (252) | 1,199 |
| | | | |
| | 207 | (1,216) | 1,094 |
| | | | |

(a) Includes profit after interest and tax of equity-accounted entities.

Other businesses and corporate comprises Olefins and Derivatives, Finance, the group's aluminium asset, interest income and costs related to corporate activities. The group's interests in PetroChina and Sinopec were divested in January 2004. The first quarter result includes a charge of \$71 million for non-operating items. This primarily comprises a charge in respect of the separation of the Olefins and Derivatives businesses of \$43 million and an asset impairment of \$23 million, also related to the Olefins and Derivatives businesses. The Olefins and Derivatives result showed a marked increase over a year ago due to higher margins.

Dividends Payable

| | June 2005 | March 2005 | June 2004 |
|------------------------------------|--------------|---------------|--------------|
| | | | |
| Dividends per ordinary share cents | 8.50 | 8.50 | 6.75 |
| pence | 4.450 | 4.522 | 3.807 |
| | | | |
| Dividends per ADS (cents) | 51.0 | 51.0 | 40.5 |
| | | | |

BP today announced a dividend of 8.50 cents per ordinary share to be paid in June. Holders of ordinary shares will receive 4.450 pence per share and holders of American Depositary Receipts (ADRs) \$0.51 per ADS share. The dividend is payable on 6 June to shareholders on the register on 13 May. 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 6 June.

Outlook

BP Group Chief Executive, Lord Browne, concluded:

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"World economic growth was sustained into the first quarter of 2005 across all regions. The current outlook is for some moderation of global growth towards trend rates through 2005.

"Oil prices reached a further record average of \$47.62 per barrel (Dated Brent) in the first quarter, \$3.77 per barrel higher than in the fourth quarter. Prices appear to have been supported by high demand growth and limited spare production capacity notwithstanding that OECD commercial inventories are above seasonal five year average levels.

"US gas prices averaged \$6.27/mmbtu (Henry Hub first of month index) in the first quarter, down by \$0.80/mmbtu versus the fourth quarter. Working gas inventories remain above year-earlier and five year average levels but the futures market continues to signal a supply-constrained market.

"Refining margins improved by 25c/bbl versus the fourth quarter. Margins increased sharply towards the end of March and that strength has been maintained into April. Second quarter margins to date are currently above last year's second quarter levels, supported by demand growth and concerns about US gasoline supplies in the driving season. Retail marketing margins were extremely weak during the first quarter because of steadily rising product prices. Slightly weaker oil prices have contributed to improved marketing margins in the second quarter to date, but the depth and sustainability of the improvement is uncertain.

"Our strategy is unchanged. We continue to execute it with discipline and focus. Strengthening cash flow enabled shareholder distributions in the form of dividends and share buybacks amounting to \$4 billion in the quarter."

The foregoing discussion, in particular the statements under "Outlook", contains forward looking statements particularly those regarding BP's asset portfolio and changes in it, capital expenditure, cash flow, dividends, future performance, growth and other trend projections, margins, movements in working capital items, production, share buybacks, and the timing of projects and operations. By their nature, forward looking statements 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; currency exchange rates; operational problems; general economic conditions including inflationary pressures; 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; wars and acts of terrorism or sabotage; and other factors discussed in this Announcement. For more information you should refer to our Annual Report and Accounts 2004 and our 2003 Annual Report on Form 20-F filed with the US Securities and Exchange Commission.

BP p.l.c. and Subsidiaries

Group Results

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| | First Quarter 2005 | Fourth Quarter 2004 | First Quarter 2004 |
|---|--------------------------|---------------------------|--------------------------|
| ===== | | | |
| \$ million | | | |
| Sales and other operating revenues | 78,998 | 77,730 | 68,461 |
| Earnings from jointly controlled entities - after interest and tax | 486 | 356 | 312 |
| Earnings from associates - after interest and tax | 114 | 132 | 107 |
| Interest and other revenues | 212 | 247 | 89 |
| ----- | | | |
| Total revenues | 79,810 | 78,465 | 68,969 |
| Gain on sale of businesses and fixed assets | 1,198 | 273 | 1,549 |
| ----- | | | |
| Total revenues and other income | 81,008 | 78,738 | 70,518 |
| Purchases | 59,205 | 59,613 | 52,487 |
| Production and manufacturing expenses | 5,430 | 4,941 | 4,855 |
| Production and similar taxes | 649 | 647 | 525 |
| Depreciation, depletion and amortization | 2,288 | 2,530 | 2,163 |
| Impairment and losses on sale of businesses and fixed assets | 246 | 1,905 | 426 |
| Exploration expense | 160 | 258 | 136 |
| Distribution and administration expenses | 3,432 | 3,915 | 2,887 |
| Fair value (gain) loss on embedded derivatives | 122 | - | - |
| ----- | | | |
| Profit before interest and taxation | 9,476 | 4,929 | 7,039 |
| Interest payable (Note 5) | (172) | (143) | (98) |
| Other finance expense (Note 6) | (29) | (126) | (76) |
| ----- | | | |
| Profit before taxation | 9,275 | 4,660 | 6,865 |
| Taxation | (2,612) | (1,591) | (1,919) |
| ----- | | | |
| Profit for the period | 6,663 | 3,069 | 4,946 |
| ===== | | | |
| Attributable to: | | | |
| BP shareholders | 6,602 | 3,010 | 4,912 |
| Minority interest | 61 | 59 | 34 |
| ----- | | | |
| | 6,663 | 3,069 | 4,946 |
| ===== | | | |
| Earnings per share - cents | | | |
| Profit attributable to BP shareholders | | | |
| Basic | 30.79 | 14.00 | 22.24 |
| Diluted | 30.36 | 13.75 | 21.77 |
| ===== | | | |

Summarized Group Balance Sheet

| | 31 March 2005 | 31 December 2004 |
|------------|------------------|---------------------|
| ===== | | |
| \$ million | | |

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| | | |
|---|---------|------------|
| Non-current assets | | |
| Property, plant and equipment | 92,110 | 93,092 |
| Goodwill | 10,754 | 10,857 |
| Other intangible assets | 4,232 | 4,205 |
| Investments in jointly controlled entities | 14,519 | 14,556 |
| Investments in associates | 5,710 | 5,486 |
| Other investments | 810 | 467 |
| | ----- | ----- |
| Fixed assets | 128,135 | 128,663 |
| Loans and other receivables | 4,519 | 2,419 |
| Defined benefit pension plan surplus | 2,128 | 2,105 |
| | ----- | ----- |
| | 134,782 | 133,187 |
| | ----- | ----- |
| Current assets | | |
| Inventories | 16,562 | 15,645 |
| Trade and other receivables | 44,414 | 44,282 |
| Current tax receivables | 130 | 157 |
| Cash and cash equivalents | 1,521 | 1,359 |
| | ----- | ----- |
| | 62,627 | 61,443 |
| | ----- | ----- |
| Total assets | 197,409 | 194,630 |
| | ===== | ===== |
| Current liabilities | | |
| Trade and other payables | 49,658 | 48,096 |
| Finance debt | 7,352 | 10,184 |
| Current tax payable | 5,293 | 4,131 |
| Provisions | 842 | 715 |
| | ----- | ----- |
| | 63,145 | 63,126 |
| | ----- | ----- |
| Non-current liabilities | | |
| Other payables | 6,605 | 4,438 |
| Finance debt | 12,212 | 12,907 |
| Deferred tax liabilities | 16,722 | 16,701 |
| Provisions | 8,703 | 8,884 |
| Defined benefit pension plan and other post-retirement benefit plan deficits | 10,111 | 10,339 |
| | ----- | ----- |
| | 54,353 | 53,269 |
| | ----- | ----- |
| Total liabilities | 117,498 | 116,395 |
| | ----- | ----- |
| Net assets | 79,911 | 78,235 |
| | ===== | ===== |
| Equity | | |
| BP shareholders' equity | 78,805 | 76,892 |
| Minority interest | 1,106 | 1,343 |
| | ----- | ----- |
| | 79,911 | 78,235 |
| | ----- | ----- |
| Movement in BP shareholders' equity: | | |
| | | \$ million |
| At 31 December 2004 | | 76,892 |
| Adoption of IAS 39 | | (243) |
| | | ----- |
| As restated at 1 January 2005 | | 76,649 |
| Profit for the period | | 6,602 |
| Distribution to shareholders | | (1,823) |

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| | |
|--|---------|
| Currency translation differences | (696) |
| Issue of ordinary share capital for employee share schemes | 207 |
| Purchase of shares by ESOP trusts | (141) |
| Share based payment accrual | 114 |
| Available-for-sale investments | (41) |
| Cash flow hedges | (67) |
| Repurchase of ordinary share capital | (1,999) |
| | ----- |
| At 31 March 2005 | 78,805 |
| | ===== |

Summarized Group Cash Flow Statement

| | First Quarter 2005 | Fourth Quarter 2004 | First Quarter 2004 |
|---|--------------------------|---------------------------|--------------------------|
| | ===== | | |
| | \$ million | | |
| Operating activities | | | |
| Profit before taxation | 9,275 | 4,660 | 6,865 |
| Adjustments to reconcile profits before tax to net cash provided by operating activities | | | |
| Exploration expenditure written off | 84 | 151 | 67 |
| Depreciation, depletion and amortization | 2,288 | 2,530 | 2,163 |
| Impairment and (gain) loss on sale of businesses and fixed assets | (952) | 1,632 | (1,123) |
| Earnings from jointly controlled entities and associates | (600) | (488) | (419) |
| Dividends received from jointly controlled entities and associates | 355 | 756 | 209 |
| Interest receivable | (65) | (124) | (55) |
| Interest received | 35 | 199 | 44 |
| Interest payable | 172 | 143 | 98 |
| Interest paid | (332) | (227) | (165) |
| Other finance expense | 29 | 126 | 76 |
| Share-based payments | 77 | 68 | 58 |
| Net operating charge for pensions and other post-retirement benefits, less contributions | (10) | (49) | (23) |
| Net charge for provisions, less payments | (65) | (364) | (110) |
| (Increase) decrease in inventories | (960) | 56 | 254 |
| (Increase) decrease in trade and other receivables | (1,573) | (4,668) | (1,481) |
| Increase (decrease) in trade and other payables | 2,749 | 3,150 | 1,130 |
| Income taxes paid | (1,133) | (2,394) | (580) |
| | ----- | | |
| Net cash provided by operating activities | 9,374 | 5,157 | 7,008 |
| | ----- | | |
| Investing activities | | | |
| Capital expenditure | (2,825) | (3,805) | (2,795) |
| Acquisitions, net of cash acquired | - | (1,489) | - |
| Net investment in jointly controlled entities | (15) | (134) | (1,379) |
| Net investment in associates | (99) | (190) | (433) |
| Proceeds from disposal of businesses and fixed assets | 1,327 | 894 | 2,836 |
| Proceeds from loan repayments | 32 | 84 | 3 |

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| | | | |
|--|---------|---------|---------|
| Net cash used in investing activities | (1,580) | (4,640) | (1,768) |
| ----- | | | |
| Financing activities | | | |
| Net proceeds from shares issued (repurchased) | (1,933) | (1,942) | (1,138) |
| Proceeds from long-term financing | 811 | 900 | 628 |
| Repayments of long-term financing | (2,192) | (921) | (836) |
| Net (decrease) increase in short-term debt | (2,166) | 2,529 | (2,228) |
| Dividends paid - BP shareholders | (1,823) | (1,535) | (1,492) |
| - Minority interest | (320) | (8) | (2) |
| ----- | | | |
| Net cash used in financing activities | (7,623) | (977) | (5,068) |
| ----- | | | |
| Currency translation differences relating to cash and cash equivalents | (9) | 78 | 3 |
| ----- | | | |
| (Decrease) increase in cash and cash equivalents | 162 | (382) | 175 |
| Cash and cash equivalents at beginning of period | 1,359 | 1,741 | 2,056 |
| ----- | | | |
| Cash and cash equivalents at end of period | 1,521 | 1,359 | 2,231 |
| ===== | | | |

Capital Expenditure and Acquisitions

| | First Quarter 2005 | Fourth Quarter 2004 | First Quarter 2004 |
|--------------------------------|--------------------------|---------------------------|--------------------------|
| | ===== | | |
| | \$ million | | |
| By business | | | |
| Exploration and Production | | | |
| UK | 176 | 207 | 153 |
| Rest of Europe | 31 | 94 | 48 |
| USA | 997 | 1,060 | 889 |
| Rest of World(a) | 1,097 | 1,237 | 2,674 |
| ----- | | | |
| | 2,301 | 2,598 | 3,764 |
| ----- | | | |
| Refining and Marketing | | | |
| UK | 43 | 186 | 62 |
| Rest of Europe | 67 | 248 | 70 |
| USA | 190 | 485 | 218 |
| Rest of World | 31 | 301 | 31 |
| ----- | | | |
| | 331 | 1,220 | 381 |
| ----- | | | |
| Gas, Power and Renewables | | | |
| UK | 1 | 154 | 1 |
| Rest of Europe | 1 | 12 | 2 |
| USA | 13 | 42 | 11 |
| Rest of World | 6 | 117 | 46 |
| ----- | | | |
| | 21 | 325 | 60 |
| ----- | | | |
| Other businesses and corporate | | | |
| UK (b) | 75 | 244 | 31 |
| Rest of Europe (b) | 20 | 880 | 34 |
| USA (b) | 64 | 527 | 47 |
| Rest of World | 16 | 74 | 54 |
| ----- | | | |

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| | | | |
|----------------------------------|-------|-------|-------|
| | 175 | 1,725 | 166 |
| | ----- | ----- | ----- |
| | 2,828 | 5,868 | 4,371 |
| | ===== | ===== | ===== |
| By geographical area | | | |
| UK (b) | 295 | 791 | 247 |
| Rest of Europe (b) | 119 | 1,234 | 154 |
| USA (b) | 1,264 | 2,114 | 1,165 |
| Rest of World (a) | 1,150 | 1,729 | 2,805 |
| | ----- | ----- | ----- |
| | 2,828 | 5,868 | 4,371 |
| | ===== | ===== | ===== |
| Included above: | | | |
| Acquisitions and asset exchanges | 85 | 1,536 | 1,359 |
| | ===== | ===== | ===== |

- (a) First quarter 2004 included \$1,354 million investment in TNK's interest in Slavneft within TNK-BP.
- (b) Fourth quarter 2004 included \$1,355 million for the acquisition of Solvay's interests in BP Solvay Polyethylene Europe and BP Solvay Polyethylene North America.

| | | | |
|--|------|------|------|
| Exchange rates | | | |
| US dollar/sterling average rate for the period | 1.89 | 1.86 | 1.84 |
| US dollar/sterling period-end rate | 1.88 | 1.92 | 1.83 |
| US dollar/euro average rate for the period | 1.31 | 1.29 | 1.25 |
| US dollar/euro period-end rate | 1.30 | 1.36 | 1.22 |

Analysis of Profit Before Interest and Tax

| | First Quarter 2005 | Fourth Quarter 2004 | First Quarter 2004 |
|----------------------------|--------------------------|---------------------------|--------------------------|
| | ===== | ===== | ===== |
| | \$ million | | |
| By business | | | |
| Exploration and Production | | | |
| UK | 911 | 998 | 840 |
| Rest of Europe | 1,328 | 222 | 163 |
| USA | 2,008 | 1,597 | 1,692 |
| Rest of World | 2,244 | 1,930 | 1,555 |
| | ----- | ----- | ----- |
| | 6,491 | 4,747 | 4,250 |
| | ----- | ----- | ----- |
| Refining and Marketing | | | |
| UK | (249) | (395) | (104) |
| Rest of Europe | 835 | 353 | 423 |
| USA | 1,429 | 619 | 827 |
| Rest of World | 348 | 234 | 327 |

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| | | | |
|--------------------------------|-------|---------|-------|
| | 2,363 | 811 | 1,473 |
| ----- | | | |
| Gas, Power and Renewables | | | |
| UK | 116 | 158 | 23 |
| Rest of Europe | 6 | (3) | (13) |
| USA | 172 | 102 | 74 |
| Rest of World | 124 | 266 | 107 |
| | 418 | 523 | 191 |
| ----- | | | |
| Other businesses and corporate | | | |
| UK | (121) | 136 | (267) |
| Rest of Europe | 370 | (600) | 146 |
| USA | 103 | (508) | (104) |
| Rest of World | 5 | (237) | 1,416 |
| | 357 | (1,209) | 1,191 |
| ----- | | | |
| Consolidation adjustment | 9,629 | 4,872 | 7,105 |
| | (153) | 57 | (66) |
| | 9,476 | 4,929 | 7,039 |
| | ===== | | |

By geographical area

| | | | |
|----------------|-------|-------|-------|
| UK | 640 | 897 | 492 |
| Rest of Europe | 2,539 | (28) | 719 |
| USA | 3,576 | 1,867 | 2,423 |
| Rest of World | 2,721 | 2,193 | 3,405 |
| | 9,476 | 4,929 | 7,039 |
| | ===== | | |

Analysis of Replacement Cost Profit
Before Interest and Tax

| | First Quarter 2005 | Fourth Quarter 2004 | First Quarter 2004 |
|--|--------------------------|---------------------------|--------------------------|
|--|--------------------------|---------------------------|--------------------------|

=====

\$ million

By business

Exploration and Production

| | | | |
|----------------|-------|-------|-------|
| UK | 911 | 998 | 840 |
| Rest of Europe | 1,328 | 222 | 163 |
| USA | 2,003 | 1,600 | 1,684 |
| Rest of World | 2,244 | 1,930 | 1,555 |
| | 6,486 | 4,750 | 4,242 |
| | ----- | | |

Refining and Marketing

| | | | |
|----------------|-------|-------|-------|
| UK | (270) | (375) | (118) |
| Rest of Europe | 423 | 585 | 319 |
| USA | 1,003 | 847 | 443 |
| Rest of World | 265 | 280 | 276 |
| | 1,421 | 1,337 | 920 |
| | ----- | | |

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| | | | |
|--------------------------------|-------|---------|-------|
| Gas, Power and Renewables | | | |
| UK | 116 | 158 | 23 |
| Rest of Europe | 6 | (3) | (13) |
| USA | 163 | 90 | 79 |
| Rest of World | 119 | 250 | 112 |
| | ----- | | |
| | 404 | 495 | 201 |
| | ----- | | |
| Other businesses and corporate | | | |
| UK | (191) | 136 | (281) |
| Rest of Europe | 309 | (555) | 121 |
| USA | 86 | (559) | (160) |
| Rest of World | 3 | (238) | 1,414 |
| | ----- | | |
| | 207 | (1,216) | 1,094 |
| | ----- | | |
| | 8,518 | 5,366 | 6,457 |
| Consolidation adjustment | (153) | 57 | (66) |
| | ----- | | |
| | 8,365 | 5,423 | 6,391 |
| | ===== | | |
| By geographical area | | | |
| UK | 549 | 917 | 464 |
| Rest of Europe | 2,066 | 249 | 590 |
| USA | 3,119 | 2,035 | 1,980 |
| Rest of World | 2,631 | 2,222 | 3,357 |
| | ----- | | |
| | 8,365 | 5,423 | 6,391 |
| | ===== | | |

Analysis of Non-operating Items

| | First Quarter 2005 | Fourth Quarter 2004 | First Quarter 2004 |
|----------------------------|--------------------------|---------------------------|--------------------------|
| | ===== | | |
| | \$ million | | |
| By business | | | |
| Exploration and Production | | | |
| UK | (290) | (15) | (1) |
| Rest of Europe | 1,027 | - | - |
| USA | (1) | (268) | (19) |
| Rest of World | 44 | 55 | 45 |
| | ----- | | |
| | 780 | (228) | 25 |
| | ----- | | |
| Refining and Marketing | | | |
| UK | 8 | (411) | (36) |
| Rest of Europe | 1 | (25) | (37) |
| USA | 5 | 89 | (5) |
| Rest of World | (41) | (18) | (82) |
| | ----- | | |
| | (27) | (365) | (160) |
| | ----- | | |
| Gas, Power and Renewables | | | |
| UK | 105 | - | - |
| Rest of Europe | - | (1) | - |
| USA | - | 1 | - |
| Rest of World | - | 40 | - |

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| | 105 | 40 | - |
|--------------------------------|-------|---------|-------|
| Other businesses and corporate | | | |
| UK | (66) | (305) | (8) |
| Rest of Europe | (1) | (439) | 1 |
| USA | (4) | (255) | (126) |
| Rest of World | - | (126) | 1,390 |
| | (71) | (1,125) | 1,257 |
| Total before taxation | 787 | (1,678) | 1,122 |
| Taxation credit (charge) | (252) | 518 | (346) |
| Total after taxation | 535 | (1,160) | 776 |

Depreciation of Fixed Asset Revaluation Adjustment

| | First Quarter 2005 | Fourth Quarter 2004 | First Quarter 2004 |
|--|--------------------|---------------------|--------------------|
| | \$ million | | |
| Exploration and Production | | | |
| UK | 7 | 9 | 11 |
| USA | 77 | 81 | 93 |
| Rest of World | 4 | 3 | 6 |
| | 88 | 93 | 110 |
| Refining and Marketing | | | |
| USA | 31 | 31 | 31 |
| | 31 | 31 | 31 |
| Total depreciation of revaluation adjustment (a) (b) | 119 | 124 | 141 |

- (a) Relates to the revaluation adjustment consequent upon the ARCO acquisition.
- (b) Excludes impairment of the revaluation adjustment which is included in non-operating items.

Net Debt Ratio - Net Debt: Net Debt + Equity

| | First Quarter 2005 | Fourth Quarter 2004 | First Quarter 2004 |
|---------------------------|--------------------|---------------------|--------------------|
| | \$ million | | |
| Gross debt | 19,564 | 23,091 | 19,937 |
| Cash and cash equivalents | 1,521 | 1,359 | 2,231 |
| Net debt | 18,043 | 21,732 | 17,706 |

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| | |
|----------------|----------------------|
| | ===== |
| Equity | 79,911 78,235 72,493 |
| Net debt ratio | 18% 22% 20% |
| | ===== |

Production and Realizations

| | First Quarter 2005 | Fourth Quarter 2004 | First Quarter 2004 |
|---|--------------------------|---------------------------|--------------------------|
| | ===== | | |
| Production | | | |
| Crude oil (mb/d) (net of royalties) | | | |
| UK | 288 | 301 | 344 |
| Rest of Europe | 76 | 70 | 73 |
| USA | 560 | 519 | 564 |
| Rest of World | 1,481 | 1,506 | 1,361 |
| | ----- | | |
| Total crude oil production | 2,405 | 2,396 | 2,342 |
| | ===== | | |
| Natural gas liquids (mb/d) (net of royalties) | | | |
| UK | 17 | 19 | 20 |
| Rest of Europe | 5 | 4 | 5 |
| USA | 135 | 142 | 137 |
| Rest of World | 31 | 32 | 29 |
| | ----- | | |
| Total natural gas liquids production | 188 | 197 | 191 |
| | ===== | | |
| Liquids (a) (mb/d) (net of royalties) | | | |
| UK | 305 | 320 | 364 |
| Rest of Europe | 81 | 74 | 78 |
| USA | 695 | 661 | 701 |
| Rest of World | 1,512 | 1,538 | 1,390 |
| | ----- | | |
| Total liquids production | 2,593 | 2,593 | 2,533 |
| | ===== | | |
| Natural gas (mmcf/d) (net of royalties) | | | |
| UK | 1,242 | 1,227 | 1,355 |
| Rest of Europe | 121 | 113 | 142 |
| USA | 2,648 | 2,651 | 2,869 |
| Rest of World | 4,734 | 4,723 | 4,234 |
| | ----- | | |
| Total natural gas production | 8,745 | 8,714 | 8,600 |
| | ===== | | |
| Average realizations | | | |
| Crude oil (\$/bbl) | | | |
| UK | 45.54 | 42.01 | 29.36 |
| USA | 43.20 | 42.07 | 32.69 |
| Rest of World | 41.49 | 38.29 | 30.80 |
| BP Average | 43.37 | 41.01 | 31.30 |
| | ===== | | |
| Natural gas liquids (\$/bbl) | | | |
| UK | 29.82 | 40.23 | 25.70 |
| USA | 26.98 | 29.31 | 22.25 |
| Rest of World | 31.24 | 33.10 | 24.61 |
| BP Average | 28.14 | 31.20 | 23.14 |
| | ===== | | |
| Liquids (a) (\$/bbl) | | | |
| UK | 44.68 | 41.91 | 29.16 |
| USA | 40.56 | 39.73 | 31.08 |

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| | | | |
|----------------------|-------|-------|-------|
| Rest of World | 40.83 | 37.94 | 30.42 |
| BP Average | 41.74 | 39.88 | 30.48 |
| | ===== | | |
| Natural gas (\$/mcf) | | | |
| UK | 5.58 | 5.16 | 4.70 |
| USA | 5.31 | 5.72 | 4.72 |
| Rest of World | 3.10 | 3.00 | 2.67 |
| BP Average | 4.26 | 4.28 | 3.79 |
| | ===== | | |

(a) Crude oil and natural gas liquids.

Notes

1. Transition to International Financial Reporting Standards

For all periods up to and including the year ended 31 December 2004, BP prepared its financial statements in accordance with UK generally accepted accounting practice (UK GAAP). From 1 January 2005 BP is required to prepare consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Commission ('EC'). Consequently, financial information for interim quarters of 2005 must be prepared on the basis of IFRS.

The general principle that should be applied on first-time adoption of IFRS is that standards in force at the first reporting date (that is, for BP, 31 December 2005) should be applied retrospectively. However, IFRS 1 'First-time Adoption of International Financial Reporting Standards' contains a number of exemptions which companies are permitted to apply. BP has elected:

- not to present comparative information in accordance with IAS 32 'Financial Instruments: Disclosure and Presentation' and IAS 39 'Financial Instruments: Recognition and Measurement'.
- not to restate its financial information for acquisitions occurring before 1 January 2003.
- to deem cumulative translation differences to be zero at 1 January 2003.
- to recognize all actuarial gains and losses on pensions and other post-retirement benefits directly in shareholders' equity at 1 January 2003. This is consistent with the group's adoption of IFRS 17 'Retirement Benefits' in 2004.
- to apply IFRS 2 'Share-based Payment' retrospectively to all share-based payments.

As a result of the above exemptions certain changes apply from 1 January 2003 (BP's Date of Transition) followed by further changes (due to IAS 32 and IAS 39) to apply from 1 January 2005.

The quarterly information for 2005 and the restatement of financial information for the year ended 31 December 2004 and the interim quarters of 2004 have been prepared on the basis of all International Financial Reporting Standards (IFRSs) (with the exception of IAS 32 and IAS 39 (as amended) for the 2004 information) and Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) interpretations issued by the International Accounting Standards Board (IASB) expected to be in

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effect for the year ending 31 December 2005. It is possible that there will be changes to these standards and interpretations before the end of 2005, which might require further adjustments to this information before it is included in the 2005 Annual Report and Accounts. In addition, BP has decided to early adopt IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations', IFRS 6 'Exploration for and Evaluation of Mineral Resources', the amendment to IAS 19 'Amendment to international accounting standard IAS 19 Employee Benefits: Actuarial Gains and Losses, Group Plans and Disclosures' and IFRIC 4 'Determining whether an Arrangement contains a Lease'.

In the restatement information for the year ended 31 December 2004 and the interim quarters of 2004 financial assets and financial liabilities are accounted for on the basis of UK GAAP.

Under UK GAAP, all derivatives used for trading purposes are recognized on the balance sheet at fair value. However, derivative financial instruments used for hedging purposes are recognized by applying either the accrual method or the deferral method. Under the accrual method, amounts payable or receivable in respect of derivatives are recognized ratably in earnings over the period of the contracts. Changes in the derivative's fair value are not recognized. On the deferral method, gains and losses from derivatives are deferred and recognized in earnings or as adjustments to carrying amounts as the underlying hedged transaction matures or occurs.

From 1 January 2005 for IFRS all financial assets and financial liabilities have to be recognized initially at fair value. In subsequent periods the measurement of these financial instruments depends on their classification into one of the following measurement categories: i) financial assets or financial liabilities at-fair-value-through-profit-and-loss (such as those used for trading purposes, and all derivatives which do not qualify for hedge accounting); ii) loans and receivables; iii) available-for-sale financial assets (including certain investments held for the long term) and iv) other liabilities.

The effect of adopting IAS 39 at 1 January 2005 is shown as a movement in BP's shareholders equity for 2005.

Notes

1. Transition to International Financial Reporting Standards

The principal differences for the Group between reporting on the basis of UK GAAP and IFRS are as follows:

- ceasing to amortize goodwill.
- setting up deferred taxation on:
 - acquisitions
 - inventory valuation differences
 - unremitted earnings of subsidiaries, associates and jointly controlled entities
- expensing a greater proportion of major maintenance costs.
- no longer recognizing dividends proposed but not declared as a liability at the balance sheet date.
- recognizing an expense for the fair value of employee share option

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schemes rather than the intrinsic value.

- recording asset swaps on the basis of fair value.
- embedded derivatives measured at fair value.

BP has produced an explanatory note setting out its accounting policies under IFRS, the major differences between UK GAAP and IFRS for BP, and reconciliations of UK GAAP to IFRS for its 2003 and 2004 Income and Cash Flow Statements, its Balance Sheets at 1 January 2003, 31 December 2003, 31 December 2004 and 1 January 2005. This information can be found at the Investor Centre www.bp.com. In addition, the reconciliations for 2004 interim periods included in this report are shown below.

| | Fourth Quarter 2004 | First Quarter 2004 |
|---------------------------------------|---------------------------|--------------------------|
| ----- | | |
| \$ million | | |
| Profit for the period under UK GAAP | 2,610 | 4,862 |
| Adjustments | | |
| Goodwill amortization | 411 | 359 |
| Major maintenance expenditure | (94) | (32) |
| Share-based payments | 85 | (16) |
| Asset swaps | 36 | 2 |
| Recycling forex on disposal | - | 78 |
| Deferred tax | (47) | (313) |
| Other | 68 | 6 |
| | ----- | |
| Profit for the period under IFRS | 3,069 | 4,946 |
| | ===== | |
| | | 31 March 2004 |
| | | ----- |
| | | \$ million |
| BP shareholders' equity under UK GAAP | | 72,829 |
| Adjustments | | |
| Goodwill amortization | | 1,789 |
| Major maintenance expenditure | | (582) |
| Share-based payments | | 215 |
| Asset swaps | | (140) |
| Deferred tax | | (3,890) |
| Dividend accrual | | 1,485 |
| Other | | (394) |
| | | ----- |
| BP shareholders' equity under IFRS | | 71,312 |
| | | ===== |

Notes

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2. Resegmentation

With effect from 1 January 2005 there have been the following changes to the business segments reported by the group.

- (a) Our petrochemicals operations have been divided between the Refining and Marketing segment and Other businesses and corporate. The Aromatics and Acetyls businesses and the petrochemicals assets that are integrated with our Gelsenkirchen refinery in Germany are now part of Refining and Marketing. The Olefins and Derivatives business is now reported within Other businesses and corporate. This segment has also been restated to include the legacy historical results of other petrochemicals assets that have been divested during 2004. We have also combined our Grangemouth and Lavera refineries into the Olefins and Derivatives business to maintain current operating synergies. These changes have been made in connection with the establishment of our Olefins and Derivatives business as a stand-alone entity within BP, with a view towards its divestment at a later date.
- (b) A small US operation, the Hobbs fractionator, which supplies petrochemicals feedstock, has been transferred from Gas, Power and Renewables to Olefins and Derivatives.
- (c) The Mardi Gras pipeline system in the Gulf of Mexico has been transferred from Exploration and Production to Refining and Marketing.

Comparative financial and operation information is shown after resegmentation and the adoption of International Financial Reporting Standards. Further information regarding these adjustments can be found at the BP investor centre www.bp.com.

3. Sales and other operating revenues

| | First Quarter 2005 | Fourth Quarter 2004 | First Quarter 2004 |
|--------------------------------|--------------------------|---------------------------|--------------------------|
| ===== | | | |
| \$ million | | | |
| By business | | | |
| Exploration and Production | 10,186 | 9,830 | 8,186 |
| Refining and Marketing | 49,869 | 49,465 | 44,096 |
| Gas, Power and Renewables | 23,667 | 23,468 | 20,975 |
| Other businesses and corporate | 5,515 | 5,690 | 3,819 |
| | ----- | ----- | ----- |
| | 89,237 | 88,453 | 77,076 |
| Less: sales between businesses | 10,239 | 10,723 | 8,615 |
| | ----- | ----- | ----- |
| | 78,998 | 77,730 | 68,461 |
| ===== | | | |
| By geographical area | | | |
| UK | 26,911 | 25,475 | 17,862 |
| Rest of Europe | 17,009 | 15,914 | 12,428 |
| USA | 34,282 | 33,652 | 31,596 |
| Rest of World | 18,706 | 19,654 | 15,822 |
| | ----- | ----- | ----- |
| | 96,908 | 94,695 | 77,708 |

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| | | | |
|---------------------------|--------|--------|--------|
| Less: sales between areas | 17,910 | 16,965 | 9,247 |
| | | | |
| | 78,998 | 77,730 | 68,461 |
| | | | |

Notes

4. Operating profits are after charging:

| | First Quarter 2005 | Fourth Quarter 2004 | First Quarter 2004 |
|----------------------------------|--------------------------|---------------------------|--------------------------|
| | \$ million | | |
| Exploration expense | | | |
| UK | 5 | 17 | 2 |
| Rest of Europe | 1 | 10 | 2 |
| USA | 103 | 143 | 97 |
| Rest of World | 51 | 88 | 35 |
| | | | |
| | 160 | 258 | 136 |
| | | | |
| Production and similar taxes (a) | | | |
| UK | 114 | 112 | 126 |
| Overseas | 535 | 535 | 399 |
| | | | |
| | 649 | 647 | 525 |
| | | | |

(a) Production taxes are charged against Exploration and Production's operating profit.

5. Interest payable

| | | | |
|------------------------------------|------|------|------|
| Group interest payable | 191 | 188 | 148 |
| Capitalized | (76) | (45) | (50) |
| | | | |
| | 115 | 143 | 98 |
| Early redemption of finance leases | 57 | - | - |
| | | | |
| | 172 | 143 | 98 |
| | | | |

6. Other finance expense

| | | | |
|--|-------|-------|-------|
| Interest on pension and other post-retirement benefit plan liabilities | 514 | 519 | 500 |
| Expected return on pension and other post-retirement benefit plan assets | (547) | (501) | (498) |
| | | | |
| Interest net of expected return on plan assets | (33) | 18 | 2 |
| Unwinding of discount on provisions | 45 | 50 | 48 |
| Unwinding of discount on deferred consideration for acquisition of investment in TNK-BP | 17 | 17 | 26 |

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| | | | |
|--|----|-----|----|
| Change in discount rate for provisions | - | 41 | - |
| | 29 | 126 | 76 |
| | 29 | 126 | 76 |

Notes

7. Dividends paid

| | First Quarter 2005 | Fourth Quarter 2004 | First Quarter 2004 |
|------------------------------|--------------------------|---------------------------|--------------------------|
| | | | |
| Dividends per ordinary share | | | |
| cents | 8.50 | 7.10 | 6.75 |
| pence | 4.522 | 3.910 | 3.674 |
| Dividends per ADS (cents) | 51.0 | 42.6 | 40.5 |
| | 51.0 | 42.6 | 40.5 |

8. Analysis of changes in net debt

| | First Quarter 2005 | Fourth Quarter 2004 | First Quarter 2004 |
|---|--------------------------|---------------------------|--------------------------|
| | | | |
| | \$ million | | |
| Opening balance | | | |
| Finance debt | 23,091 | 20,445 | 22,325 |
| Less: Cash and cash equivalents | 1,359 | 1,741 | 2,056 |
| Opening net debt | 21,732 | 18,704 | 20,269 |
| | 21,732 | 18,704 | 20,269 |
| Closing balance | | | |
| Finance debt | 19,564 | 23,091 | 19,937 |
| Less: Cash and cash equivalents | 1,521 | 1,359 | 2,231 |
| Closing net debt | 18,043 | 21,732 | 17,706 |
| | 18,043 | 21,732 | 17,706 |
| Decrease (increase) in net debt | 3,689 | (3,028) | 2,563 |
| | 3,689 | (3,028) | 2,563 |
| Movement in cash and cash equivalents (excluding exchange adjustments) | 171 | (460) | 172 |
| Net cash outflow (inflow) from financing (excluding share capital) | 3,547 | (2,508) | 2,436 |
| Adoption of IAS 39 | (147) | - | - |
| Fair value hedge adjustment | 98 | - | - |
| Other movements | 49 | 10 | 38 |
| | 3,718 | (2,958) | 2,646 |
| Movement in net debt before exchange effects | 3,718 | (2,958) | 2,646 |
| Exchange adjustments | (29) | (70) | (83) |
| | 3,689 | (3,028) | 2,563 |
| Decrease (increase) in net debt | 3,689 | (3,028) | 2,563 |
| | 3,689 | (3,028) | 2,563 |

Notes

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9. TNK-BP Operational and Financial Information

| | First Quarter 2005 | Fourth Quarter 2004 | First Quarter 2004 |
|---|--------------------------|---------------------------|--------------------------|
| | | | |
| Production (Net of royalties) (BP share) | | | |
| Crude oil (mb/d) | 875 | 884 | 766 |
| Natural gas (mmcf/d) | 527 | 515 | 382 |
| Total hydrocarbons (mboe/d) (a) | 966 | 972 | 832 |
| | | | |
| | \$ million | | |
| Income statement | | | |
| Profit before interest and tax | 615 | 659 | 374 |
| Interest expense + | (29) | (22) | (30) |
| Taxation | (167) | (184) | (108) |
| Minority interest | (8) | (17) | (10) |
| Net Income | 411 | 436 | 226 |
| | | | |
| + Excludes unwinding of discount on deferred consideration | 17 | 17 | 26 |
| | | | |
| Cash Flow | | | |
| Additional investment in TNK-BP joint venture | - | - | (1,416) |
| Dividends related to period prior to acquisition | - | - | 143 |
| Net investment in TNK-BP joint venture | - | - | (1,273) |
| | | | |
| Dividends received | 250 | 610 | 119 |
| | | | |
| | First Quarter 2005 | Fourth Quarter 2004 | First Quarter 2004 |
| | | | |
| Average oil marker prices (\$/bbl) | | | |
| Urals (NWE - cif) | 42.54 | 37.75 | 29.01 |
| Urals (Med - cif) | 43.21 | 38.82 | 28.98 |
| Domestic oil | 19.14 | 22.30 | 17.08 |
| | | | |
| Balance sheet | 31 March 2005 | 31 December 2004 | |
| | | | |
| Investments in jointly controlled entities | 8,455 | 8,294 | |
| | | | |
| Deferred consideration | | | |
| Due within one year | 1,236 | 1,227 | |
| Due after more than one year | 1,202 | 1,194 | |
| | 2,438 | 2,421 | |
| | | | |

(a) Natural gas is converted to oil equivalent at 5.8 billion cubic feet = 1 million barrels.

TNK-BP operational and financial information has been estimated and includes adjustments to net income in respect of prior periods

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amounting to a charge of \$8 million in 1Q 2005 and a credit of \$23 million in 4Q 2004.

Recently, various TNK-BP group companies have received tax notifications in respect of 2001. Discussions between TNK-BP and the Russian authorities are ongoing. In the agreements executed at the formation of TNK-BP, BP has extensive indemnities from our co-joint venturers in respect of historic tax liabilities.

Notes

10. Olefins and Derivatives

| | First Quarter 2005 | Fourth Quarter 2004 | First Quarter 2004 |
|--|--------------------------|---------------------------|--------------------------|
| ===== | | | |
| Refinery throughputs (mb/d) | | | |
| UK | 193 | 202 | 197 |
| Rest of Europe | 199 | 180 | 174 |
| | ----- | | |
| Total throughput | 392 | 382 | 371 |
| | ----- | | |
| Petrochemicals production (kte) | | | |
| UK | 461 | 588 | 537 |
| Rest of Europe | 2,132 | 2,033 | 1,931 |
| USA | 1,301 | 1,425 | 1,360 |
| Rest of World | 104 | 111 | 92 |
| | ----- | | |
| Total production | 3,998 | 4,157 | 3,920 |
| | ----- | | |
| | \$ million | | |
| Income Statement | | | |
| Profit before interest and tax | 506 | (957) | (8) |
| Inventory holding (gains) losses | (150) | (7) | (97) |
| | ----- | | |
| Replacement cost profit before interest and tax | 356 | (964) | (105) |
| | ===== | | |
| By geographical area: | | | |
| UK | (30) | (146) | (105) |
| Rest of Europe | 302 | (358) | 127 |
| USA | 89 | (304) | (135) |
| Rest of World | (5) | (156) | 8 |
| | ----- | | |
| | 356 | (964) | (105) |
| | ===== | | |
| Replacement cost result includes: | | | |
| Impairment and gain (loss) on sale of businesses and fixed assets | (24) | (1,063) | (134) |
| Restructuring, integration and rationalization costs | - | (7) | - |
| | ----- | | |
| Total non-operating items | (24) | (1,070) | (134) |
| | ===== | | |
| Other Financial information | | | |

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| | | | |
|--------------------------------------|-------|-------|-----|
| Capital expenditure and acquisitions | 144 | 1,609 | 155 |
| | ===== | | |

Olefins and Derivatives includes the Olefins and Derivatives businesses previously reported in the former Petrochemicals segment, the Grangemouth and Lavera refineries previously reported within the Refining and Marketing segment, the Hobbs fractionator previously included in Gas, Power and Renewables and costs associated with the former Petrochemicals segment.

Notes

11. Equity-accounted entities

The group's profit for the period includes the following in respect of equity-accounted entities.

| | RC Profit before interest and tax | Inventory holding (gains) losses | Profit before interest and tax |
|--------------------------------|--|---|---|
| ----- | | | |
| \$ million | | | |
| First Quarter 2005 | | | |
| Exploration and Production | 841 | - | 841 |
| Refining and Marketing | 76 | (4) | 72 |
| Gas, Power and Renewables | 5 | - | 5 |
| Other businesses and corporate | (1) | - | (1) |
| | ----- | ----- | ----- |
| | 921 | (4) | 917 |
| ===== | | | |
| Fourth Quarter 2004 | | | |
| Exploration and Production | 889 | - | 889 |
| Refining and Marketing | 85 | (7) | 78 |
| Gas, Power and Renewables | 7 | - | 7 |
| Other businesses and corporate | (15) | (2) | (17) |
| | ----- | ----- | ----- |
| | 966 | (9) | 957 |
| ===== | | | |
| First Quarter 2004 | | | |
| Exploration and Production | 563 | - | 563 |
| Refining and Marketing | 98 | (6) | 92 |
| Gas, Power and Renewables | - | - | - |
| Other businesses and corporate | 17 | (9) | 8 |
| | ----- | ----- | ----- |
| | 678 | (15) | 663 |
| ===== | | | |

| | Interest | Tax | Minority interest | Profit for the period |
|------------|----------|-----|----------------------|-----------------------------|
| ----- | | | | |
| \$ million | | | | |

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First Quarter 2005

| | | | | |
|--------------------------------|-------|-------|-----|-----|
| Exploration and Production | (52) | (227) | (8) | 554 |
| Refining and Marketing | (5) | (18) | - | 49 |
| Gas, Power and Renewables | (2) | (2) | - | 1 |
| Other businesses and corporate | (3) | - | - | (4) |
| | ----- | | | |
| | (62) | (247) | (8) | 600 |
| | ===== | | | |

Fourth Quarter 2004

| | | | | |
|--------------------------------|-------|-------|------|------|
| Exploration and Production | (48) | (376) | (17) | 448 |
| Refining and Marketing | (3) | (25) | - | 50 |
| Gas, Power and Renewables | (2) | (1) | - | 4 |
| Other businesses and corporate | (1) | 4 | - | (14) |
| | ----- | | | |
| | (54) | (398) | (17) | 488 |
| | ===== | | | |

First Quarter 2004

| | | | | |
|--------------------------------|-------|-------|------|-----|
| Exploration and Production | (50) | (158) | (10) | 345 |
| Refining and Marketing | (4) | (19) | - | 69 |
| Gas, Power and Renewables | (2) | - | - | (2) |
| Other businesses and corporate | (1) | - | - | 7 |
| | ----- | | | |
| | (57) | (177) | (10) | 419 |
| | ===== | | | |

12. Second quarter results

BP's second quarter results will be announced on 26 July 2005.

Notes

13. Statutory accounts

The financial information shown in this publication is unaudited and does not constitute statutory accounts. The 2004 Annual Report and Accounts have been delivered to the UK Registrar of Companies; the report of the auditors on those accounts was unqualified.

Contacts

| | London | United States |
|--------------------|---------------------------------------|------------------------------------|
| | ----- | ----- |
| Press Office | Roddy Kennedy +44 (0)20 7496 4624 | Ronnie Chappell +1 281 366 5174 |
| Investor Relations | Fergus MacLeod +44 (0)20 7496 4717 | Rachael MacLean +1 212 451 8072 |

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

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

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undersigned, thereunto duly authorized.

BP p.l.c.
(Registrant)

Dated: 26 April, 2005

/s/ D. J. PEARL
.....
D. J. PEARL
Deputy Company Secretary