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Yes No |X|
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BP p.l.c.
Group results
Second quarter and half year 2015(a)

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FOR IMMEDIATE RELEASE

London 28 July 2015

Second quarter 2014	First quarter 2015	Second quarter 2015	\$ million	First half 2015	First half 2014
3,369	2,602	(5,823)	Profit (loss) for the period(b)	(3,221)	6,897
(187)	(499)	(443)	Inventory holding (gains) losses*, net of tax	(942)	(240)
3,182	2,103	(6,266)	Replacement cost profit (loss)*	(4,163)	6,657
			Net (favourable) unfavourable impact of non-operating items* and fair value accounting effects*, net of tax		
453	474	7,579		8,053	203
3,635	2,577	1,313	Underlying replacement cost profit*	3,890	6,860
			Replacement cost profit (loss)		
17.25	11.54	(34.25)	per ordinary share (cents)	(22.77)	36.05
1.03	0.69	(2.05)	per ADS (dollars)	(1.37)	2.16
			Underlying replacement cost profit		
19.71	14.14	7.17	per ordinary share (cents)	21.27	37.15
1.18	0.85	0.43	per ADS (dollars)	1.28	2.23

•BP's second-quarter replacement cost (RC) loss was \$6,266 million, compared with a profit of \$3,182 million a year ago. After adjusting for a net charge for non-operating items of \$7,486 million, mainly relating to the recently announced agreements in principle to settle federal, state and the vast majority of local government claims arising from the 2010 Deepwater Horizon accident, and net unfavourable fair value accounting effects of \$93 million (both on a post-tax basis), underlying RC profit for the second quarter was \$1,313 million, compared with \$3,635 million for the same period in 2014. For the half year, RC loss was \$4,163 million, compared with a profit of \$6,657 million a year ago. After adjusting for a net charge for non-operating items of \$7,899 million and net unfavourable fair value accounting effects of \$154 million (both on a post-tax basis), underlying RC profit for the half year was \$3,890 million, compared with \$6,860 million for the same period in 2014. Non-operating items include a restructuring charge of \$272 million for the quarter and \$487 million for the half year. Restructuring charges are now expected to be around \$1.5 billion by the end of 2015 relative to the \$1 billion we announced back in December. RC profit or

loss for the group, underlying RC profit or loss and fair value accounting effects are non-GAAP measures and further information is provided on pages 3 and 30.

- On 2 July 2015, BP announced that it has reached agreements in principle to settle all outstanding federal and state claims and claims made by more than 400 local government entities arising from the 2010 Deepwater Horizon oil spill. BP has accepted releases received from the vast majority of local government entities and the District Court has ordered BP to commence processing payments under the releases.
- The group income statement for the second quarter reflects a pre-tax charge of \$9.8 billion related to the agreements in principle. All amounts relating to the Gulf of Mexico oil spill have been treated as non-operating items, with a net pre-tax charge of \$10,755 million for the second quarter and \$11,087 million for the half year (\$7,154 million and \$7,374 million respectively on a post-tax basis). For further information on the Gulf of Mexico oil spill and its consequences see page 10 and Note 2 on page 18. See also Principal risks and uncertainties on page 34 and Legal proceedings on page 35.
- Including the impact of the Gulf of Mexico oil spill, net cash provided by operating activities for the second quarter and half year was \$6.3 billion and \$8.1 billion respectively, compared with \$7.9 billion and \$16.1 billion for the same periods in 2014. Excluding amounts related to the Gulf of Mexico oil spill, net cash provided by operating activities for the second quarter and half year was \$6.4 billion and \$8.9 billion respectively, compared with \$7.6 billion and \$16.5 billion for the same periods in 2014.
- Net debt* at 30 June 2015 was \$24.8 billion, compared with \$24.4 billion a year ago. The net debt ratio* at 30 June 2015 was 18.8%, compared with 15.5% a year ago. Net debt and the net debt ratio are non-GAAP measures. See page 26 for more information.
- Total capital expenditure on an accruals basis for the second quarter was \$4.7 billion, of which organic capital expenditure* was \$4.5 billion, compared with \$5.6 billion for the same period in 2014, almost all of which was organic. For the half year, total capital expenditure on an accruals basis was \$9.1 billion, of which organic capital expenditure was \$8.9 billion, compared with \$11.7 billion for the same period in 2014, of which organic capital expenditure was \$11.0 billion. For full year 2015, we now expect organic capital expenditure to be below \$20 billion.
- BP today announced a quarterly dividend of 10.00 cents per ordinary share (\$0.600 per ADS), which is expected to be paid on 18 September 2015. The corresponding amount in sterling will be announced on 8 September 2015. See page 25 for further information.

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

- (a) This results announcement also represents BP's half-yearly financial report (see page 11).
- (b) Profit attributable to BP shareholders.

The commentaries above and following should be read in conjunction with the cautionary statement on page 38.

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Group headlines (continued)

- In October 2013, BP announced plans to divest a further \$10 billion of assets before the end of 2015, having completed its earlier divestment programme of \$38 billion. Transactions to date have reached around \$7.4 billion. Disposal proceeds were \$0.5 billion for the second quarter and \$2.3 billion for the half year. The half-year amount

includes proceeds from our Toledo refinery partner, Husky Energy, in place of capital commitments relating to the original divestment transaction that have not been subsequently sanctioned.

- The effective tax rate (ETR) on RC profit or loss for the second quarter and half year was 33% and 47% compared with 34% and 32% for the same periods in 2014. Excluding the one-off deferred tax adjustment in the first quarter 2015 as a result of the reduction in the UK North Sea supplementary charge, the ETR for the half year was 35%. Adjusting for non-operating items, fair value accounting effects and the first-quarter 2015 one-off deferred tax adjustment, the underlying ETR in the second quarter and half year was 35% and 28% respectively, compared with 33% for the same periods in 2014. The underlying ETR for the half year is lower than a year ago mainly due to changes in the mix of our profits and certain one-off items, partly offset by foreign exchange effects from a stronger US dollar.
- Finance costs and net finance expense relating to pensions and other post-retirement benefits were a charge of \$364 million for the second quarter, compared with \$356 million for the same period in 2014. For the half year, the respective amounts were \$722 million and \$723 million.

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

Second quarter 2014	First quarter 2015	Second quarter 2015	\$ million	First half 2015	First half 2014
			RC profit (loss) before interest and tax*		
4,049	372	228	Upstream	600	8,708
933	2,083	1,628	Downstream	3,711	1,727
1,024	183	510	Rosneft	693	1,542
(434)	(308)	(455)	Other businesses and corporate	(763)	(931)
(251)	(323)	(10,747)	Gulf of Mexico oil spill response(a)	(11,070)	(280)
(76)	(129)	(39)	Consolidation adjustment - UPII*	(168)	14
5,245	1,878	(8,875)	RC profit (loss) before interest and tax	(6,997)	10,780
			Finance costs and net finance expense relating to		
(356)	(358)	(364)	pensions and other post-retirement benefits	(722)	(723)
(1,643)	632	3,013	Taxation on a RC basis	3,645	(3,245)
(64)	(49)	(40)	Non-controlling interests	(89)	(155)
3,182	2,103	(6,266)	RC profit (loss) attributable to BP shareholders	(4,163)	6,657
258	756	627	Inventory holding gains (losses)	1,383	360
			Taxation (charge) credit on inventory holding gains		
(71)	(257)	(184)	and losses	(441)	(120)
			Profit (loss) for the period attributable to		
3,369	2,602	(5,823)	BP shareholders	(3,221)	6,897

(a) See Note 2 on page 18 for further information on the accounting for the Gulf of Mexico oil spill response.

Analysis of underlying RC profit before interest and tax

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Second quarter 2014	First quarter 2015	Second quarter 2015	\$ million	First half 2015	First half 2014
			Underlying RC profit before interest and tax*		
4,655	604	494	Upstream	1,098	9,056
733	2,158	1,867	Downstream	4,025	1,744
1,024	183	510	Rosneft	693	1,295
(438)	(290)	(401)	Other businesses and corporate	(691)	(927)
(76)	(129)	(39)	Consolidation adjustment - UPII	(168)	14
5,898	2,526	2,431	Underlying RC profit before interest and tax	4,957	11,182
(347)	(349)	(356)	Finance costs and net finance expense relating to pensions and other post-retirement benefits	(705)	(704)
(1,852)	449	(722)	Taxation on an underlying RC basis	(273)	(3,463)
(64)	(49)	(40)	Non-controlling interests	(89)	(155)
3,635	2,577	1,313	Underlying RC profit attributable to BP shareholders	3,890	6,860

Reconciliations of underlying RC profit or loss to the nearest equivalent IFRS measure are provided on page 1 for the group and on pages 4-9 for the segments.

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Upstream

Second quarter 2014	First quarter 2015	Second quarter 2015	\$ million	First half 2015	First half 2014
4,048	390	225	Profit before interest and tax	615	8,701
1	(18)	3	Inventory holding (gains) losses*	(15)	7
4,049	372	228	RC profit before interest and tax	600	8,708
			Net (favourable) unfavourable impact of non-operating items* and fair value accounting effects*		
606	232	266		498	348
4,655	604	494	Underlying RC profit before interest and tax*(a)	1,098	9,056

(a) See page 5 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 second quarter and half year was \$228 million and \$600 million respectively, compared with \$4,049 million and \$8,708 million for the same periods in 2014. The second quarter and half year included a net non-operating charge of \$236 million and \$478 million respectively, compared with a net non-operating charge of \$516 million and \$240 million for the same periods a year ago. Fair value accounting effects in the second quarter and half year had unfavourable impacts of \$30 million and \$20 million respectively, compared with unfavourable impacts of \$90 million and \$108 million in the same periods of 2014.

After adjusting for non-operating items and fair value accounting effects, the underlying replacement cost profit before interest and tax for the second quarter and half year was \$494 million and \$1,098 million respectively, compared with \$4,655 million and \$9,056 million for the same periods in 2014. The result for the second quarter reflected significantly lower liquids and gas realizations and higher exploration write-offs, partly offset by lower costs

including the benefits from simplification and efficiency activities. In Libya, we recorded exploration write-offs and other costs totalling \$598 million in the quarter. The result for the first half reflected significantly lower liquids and gas realizations, and lower gas marketing and trading results, partly offset by increased production and lower costs. Costs were lower reflecting benefits from simplification and efficiency activities and lower exploration write-offs, partly offset by rig cancellation costs.

Production

Production for the quarter was 2,112mboe/d, 0.3% higher than the second quarter of 2014. Underlying production* for the quarter decreased by 1.7%, mainly due to increased seasonal turnaround activity partly offset by the ramp-up of major projects which started up in 2014. For the first half, production was 2,209mboe/d, 4.3% higher than in the same period of 2014. First-half underlying production was 1.0% higher than in 2014.

Key events

In April, BP confirmed the start of oil production from the Kizomba Satellites Phase-2 development in Block 15, offshore Angola. This deepwater project is operated by ExxonMobil.

In April, BP signed agreements to become a shareholder in the Trans Anatolian Natural Gas Pipeline (TANAP), and will hold a 12% equity share in the project. TANAP is a central part of the Southern Corridor pipeline system that will transport gas from the Shah Deniz field in Azerbaijan to markets in Turkey, Greece, Bulgaria and Italy.

BP signed agreements to purchase a 20% participatory interest in Taas-Yuryakh Neftegazodobycha, a Rosneft subsidiary which will further develop the Srednebotuobinskoye oil and gas condensate field in East Siberia. Related to this, Rosneft and BP will jointly undertake the exploration of an Area of Mutual Interest in the region. Rosneft and BP have also agreed to jointly explore two additional Areas of Mutual Interest in the West Siberian and Yenisey-Khatanga basins covering a combined area of approximately 260,000km².

Greater Plutonio Phase 3 successfully started up production, BP's second major project start-up in Angola this year.

In Australia, front-end engineering and design has commenced on the Browse floating LNG development.

Following Atoll in the first quarter, we made a further gas discovery at the Nooros prospect, located in the Abu Madi West concession in the Nile Delta in Egypt, operated by our partner ENI. BP holds a 25% interest.

This builds on the progress we announced with our first-quarter results, which comprised the following: the gas discovery in the North Damietta Offshore Concession in the East Nile Delta in Egypt at the Atoll-1 Deepwater exploration well; the final agreements for two West Nile Delta projects Taurus/Libra and Giza/Fayoum/Raven with an estimated investment of around \$12 billion by BP and its partner; the start of production at the Sunrise Phase 1 in-situ oil sands project in Alberta, Canada; and the sale of BP's equity in the Central Area Transmission System (CATS) business in the UK North Sea to Antin Infrastructure Partners.

Outlook

Looking ahead, we expect third-quarter 2015 reported production to be broadly flat with the second quarter, primarily reflecting the continuation of seasonal maintenance activity consistent with the second-quarter activity levels.

The commentary above contains forward-looking statements and should be read in conjunction with the cautionary statement on page 38.

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Upstream

Second quarter 2014	First quarter 2015	Second quarter 2015	\$ million	First half 2015	First half 2014
			Underlying RC profit (loss) before interest and tax		
1,419	(545)	(66)	US	(611)	2,150
3,236	1,149	560	Non-US	1,709	6,906
4,655	604	494		1,098	9,056
			Non-operating items		
(72)	(68)	(135)	US	(203)	(131)
(444)	(174)	(101)	Non-US	(275)	(109)
(516)	(242)	(236)		(478)	(240)
			Fair value accounting effects		
(31)	(3)	(55)	US	(58)	(80)
(59)	13	25	Non-US	38	(28)
(90)	10	(30)		(20)	(108)
			RC profit (loss) before interest and tax		
1,316	(616)	(256)	US	(872)	1,939
2,733	988	484	Non-US	1,472	6,769
4,049	372	228		600	8,708
			Exploration expense		
68	78	194	US(a)	272	727
321	94	708	Non-US(b)	802	610
389	172	902		1,074	1,337
			Production (net of royalties)(c)		
			Liquids* (mb/d)		
429	392	334	US	362	413
92	112	147	Europe	130	99
562	754	631	Rest of World	692	572
1,083	1,258	1,111		1,184	1,084
			Natural gas (mmcf/d)		
1,525	1,517	1,477	US	1,497	1,502
166	264	281	Europe	273	182
4,244	4,307	4,046	Rest of World	4,176	4,317
5,936	6,088	5,805		5,945	6,001
			Total hydrocarbons* (mboe/d)		
692	653	588	US	621	672
121	158	196	Europe	177	130
1,293	1,496	1,328	Rest of World	1,412	1,316
2,106	2,307	2,112		2,209	2,118
			Average realizations(d)		
96.90	46.79	56.69	Total liquids (\$/bbl)	51.49	97.03
5.67	4.44	3.80	Natural gas (\$/mcf)	4.12	5.94
64.90	37.00	40.04	Total hydrocarbons (\$/boe)	38.47	65.53

(a) First half 2014 includes a \$521-million write-off relating to the Utica shale acreage in Ohio, following the decision not to proceed with development

- plans.
- (b) Second quarter and first half 2015 include a \$432-million write-off in Libya. BP has declared force majeure in Libya and there is significant uncertainty on when drilling operations might be able to proceed.
- (c) Includes BP's share of production of equity-accounted entities in the Upstream segment.
- (d) Based on sales by consolidated subsidiaries only - this excludes equity-accounted entities.

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

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Downstream

Second quarter 2014	First quarter 2015	Second quarter 2015	\$ million	First half 2015	First half 2014
1,166	2,783	2,234	Profit before interest and tax	5,017	2,037
(233)	(700)	(606)	Inventory holding (gains) losses*	(1,306)	(310)
933	2,083	1,628	RC profit before interest and tax	3,711	1,727
			Net (favourable) unfavourable impact of non-operating items* and fair value accounting effects*	314	17
(200)	75	239			
733	2,158	1,867	Underlying RC profit before interest and tax*(a)	4,025	1,744

- (a) See page 7 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 second quarter and half year was \$1,628 million and \$3,711 million respectively, compared with \$933 million and \$1,727 million for the same periods in 2014.

The 2015 results include a net non-operating charge of \$122 million for the second quarter and \$85 million for the half year mainly reflecting restructuring charges, compared with a net non-operating gain of \$50 million and a net non-operating charge of \$228 million for the same periods in 2014 (see pages 7 and 29 for further information on non-operating items). Fair value accounting effects had unfavourable impacts of \$117 million for the second quarter and \$229 million for the half year, compared with favourable impacts of \$150 million and \$211 million in the same periods of 2014.

After adjusting for non-operating items and fair value accounting effects, the underlying replacement cost profit before interest and tax for the second quarter and half year was \$1,867 million and \$4,025 million respectively, compared with \$733 million and \$1,744 million for the same periods in 2014.

Replacement cost profit before interest and tax for the fuels, lubricants and petrochemicals businesses is set out on page 7.

Fuels business

The fuels business reported an underlying replacement cost profit before interest and tax of \$1,394 million for the second quarter and \$3,190 million for the half year, compared with \$516 million and \$1,216 million for the same periods in 2014. The results for the quarter and half year were driven by improved refining environment and production mix, partially offset by weaker North American crude oil differentials. The quarter and half year also benefited from a higher oil supply and trading contribution, returning to average levels in the second quarter, as well as lower costs, including the benefits from our simplification and efficiency programmes.

During the quarter we completed the cessation of refining operations at our Bulwer Island facility and we announced, with our partner, Rosneft, a planned reorganization of our German refining joint operations. In the first quarter we announced the sale of our bitumen business in Australia and completed the sale of our interest in UTA, a European fuel cards business.

Lubricants business

The lubricants business reported an underlying replacement cost profit before interest and tax of \$397 million in the second quarter and \$742 million in the half year, compared with \$315 million and \$622 million in the same periods last year. The strong quarterly and half-year performance reflects continued momentum in growth markets, premium brand performance and benefits from our simplification and efficiency programmes leading to lower costs. These benefits were partially offset by adverse foreign exchange effects.

Petrochemicals business

The petrochemicals business reported an underlying replacement cost profit before interest and tax of \$76 million in the second quarter and \$93 million in the half year, compared with losses of \$98 million and \$94 million in the same periods last year. The improved results reflect stronger operational performance, improved margins and the benefits of our simplification and efficiency programmes.

Our new advanced technology purified terephthalic acid (PTA) plant in Zhuhai, China which will add over one million tonnes of PTA capacity per year, is now fully commissioned and operational.

Outlook

Looking forward to the third quarter, we expect reduced refining margins and lower levels of turnaround activity.

The commentary above contains forward-looking statements and should be read in conjunction with the cautionary statement on page 38.

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Downstream

Second quarter 2014	First quarter 2015	Second quarter 2015	\$ million	First half 2015	First half 2014
			Underlying RC profit before interest and tax -		
			by region		
331	661	576	US	1,237	743
402	1,497	1,291	Non-US	2,788	1,001
733	2,158	1,867		4,025	1,744
			Non-operating items		
180	(4)	63	US	59	179

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(130)	41	(185)	Non-US	(144)	(407)
50	37	(122)		(85)	(228)
			Fair value accounting effects		
206	(127)	(48)	US	(175)	297
(56)	15	(69)	Non-US	(54)	(86)
150	(112)	(117)		(229)	211
			RC profit before interest and tax		
717	530	591	US	1,121	1,219
216	1,553	1,037	Non-US	2,590	508
933	2,083	1,628		3,711	1,727
			Underlying RC profit (loss) before interest and tax - by business(a)(b)		
516	1,796	1,394	Fuels	3,190	1,216
315	345	397	Lubricants	742	622
(98)	17	76	Petrochemicals	93	(94)
733	2,158	1,867		4,025	1,744
			Non-operating items and fair value accounting effects(c)		
15	(60)	(152)	Fuels	(212)	(202)
186	(14)	(87)	Lubricants	(101)	186
(1)	(1)	-	Petrochemicals	(1)	(1)
200	(75)	(239)		(314)	(17)
			RC profit (loss) before interest and tax(a)(b)		
531	1,736	1,242	Fuels	2,978	1,014
501	331	310	Lubricants	641	808
(99)	16	76	Petrochemicals	92	(95)
933	2,083	1,628		3,711	1,727
15.4	15.2	19.4	BP average refining marker margin (RMM)* (\$/bbl)	17.3	14.4
			Refinery throughputs (mb/d)		
645	623	622	US	623	630
757	805	810	Europe	807	777
250	324	224	Rest of World	274	279
1,652	1,752	1,656		1,704	1,686
95.3	94.3	94.0	Refining availability* (%)	94.1	95.1
			Marketing sales of refined products (mb/d)		
1,183	1,098	1,145	US	1,122	1,152
1,154	1,174	1,160	Europe	1,167	1,146
515	607	569	Rest of World	588	530
2,852	2,879	2,874		2,877	2,828
2,468	2,544	2,649	Trading/supply sales of refined products	2,597	2,442
5,320	5,423	5,523	Total sales volumes of refined products	5,474	5,270
			Petrochemicals production (kte)		
969	905	946	US	1,851	2,040
895	972	852	Europe	1,824	1,867
1,501	1,663	1,898	Rest of World	3,561	2,923
3,365	3,540	3,696		7,236	6,830

- (a) Segment-level overhead expenses are included in the fuels business result.
 (b) BP's share of income from petrochemicals at our Gelsenkirchen and Mülheim sites in Germany is reported in the fuels business.
 (c) For Downstream, fair value accounting effects arise solely in the fuels business.

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Rosneft

Second quarter 2014	First quarter 2015	Second quarter 2015(a)	\$ million	First half 2015(a)	First half 2014
1,050	221	534	Profit before interest and tax(b)	755	1,599
(26)	(38)	(24)	Inventory holding (gains) losses*	(62)	(57)
1,024	183	510	RC profit before interest and tax	693	1,542
-	-	-	Net charge (credit) for non-operating items*	-	(247)
1,024	183	510	Underlying RC profit before interest and tax*	693	1,295

Replacement cost profit before interest and tax for the second quarter and half year was \$510 million and \$693 million respectively, compared with \$1,024 million and \$1,542 million for the same periods in 2014.

There were no non-operating items in the second quarter 2015, half year 2015, or second quarter 2014, and there was a non-operating gain of \$247 million in the first half of 2014.

After adjusting for non-operating items, the underlying replacement cost profit for the second quarter and half year was \$510 million and \$693 million respectively, compared with \$1,024 million and \$1,295 million for the same periods in 2014. Compared with the same period last year, the result for the second quarter was primarily affected by lower oil prices. For the half year, the result was primarily affected by lower oil prices partly offset by favourable foreign exchange effects.

See also Group statement of comprehensive income - Share of items relating to equity-accounted entities, net of tax, and footnote (a), on page 14 for other foreign exchange effects.

A second BP representative, Guillermo Quintero, president of BP Energy do Brasil Ltda, was elected to Rosneft's board of directors at Rosneft's Annual General Meeting of Shareholders (AGM) on 17 June 2015.

Rosneft's AGM also approved the distribution of a dividend of 8.21 roubles per share. We received our share of this dividend in July 2015, which amounted to \$271 million after the deduction of withholding tax.

Second quarter 2014	First quarter 2015	Second quarter 2015(a)		First half 2015(a)	First half 2014
			Production (net of royalties) (BP share)		
820	816	815	Liquids* (mb/d)	815	825
1,036	1,225	1,172	Natural gas (mmcf/d)	1,198	1,030
999	1,027	1,017	Total hydrocarbons* (mboe/d)	1,022	1,002

- (a) The operational and financial information of the Rosneft segment for the second quarter and first half is based on preliminary operational and financial results of Rosneft for the six months ended 30 June 2015. 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 disposal of BP's interest in TNK-BP. These adjustments have increased the reported profit for the second quarter and first half 2015, as shown in the table above, compared with the equivalent amount in Russian roubles that we expect Rosneft to report in its own financial statements under IFRS. BP's share of Rosneft's profit before interest and tax for each year-to-date period is calculated by translating the amounts reported in Russian roubles into US dollars using the average exchange rate for the year to date. BP's share of Rosneft's earnings after finance costs, taxation and non-controlling interests, as adjusted, is included in the BP group income statement within profit before interest and taxation.

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Other businesses and corporate

Second quarter 2014	First quarter 2015	Second quarter 2015	\$ million	First half 2015	First half 2014
(434)	(308)	(455)	Profit (loss) before interest and tax	(763)	(931)
-	-	-	Inventory holding (gains) losses*	-	-
(434)	(308)	(455)	RC profit (loss) before interest and tax	(763)	(931)
(4)	18	54	Net charge (credit) for non-operating items*	72	4
(438)	(290)	(401)	Underlying RC profit (loss) before interest and tax*	(691)	(927)
			Underlying RC profit (loss) before interest and tax		
(226)	(62)	(144)	US	(206)	(325)
(212)	(228)	(257)	Non-US	(485)	(602)
(438)	(290)	(401)		(691)	(927)
			Non-operating items		
4	(1)	(10)	US	(11)	3
-	(17)	(44)	Non-US	(61)	(7)
4	(18)	(54)		(72)	(4)
			RC profit (loss) before interest and tax		
(222)	(63)	(154)	US	(217)	(322)
(212)	(245)	(301)	Non-US	(546)	(609)
(434)	(308)	(455)		(763)	(931)

Other businesses and corporate comprises biofuels and wind businesses, shipping, treasury (which includes interest income on the group's cash and cash equivalents), and corporate activities including centralized functions.

Financial results

The replacement cost loss before interest and tax for the second quarter and half year was \$455 million and \$763 million respectively, compared with \$434 million and \$931 million for the same periods in 2014.

The second-quarter result included a net non-operating charge of \$54 million, compared with a net non-operating gain of \$4 million a year ago. For the half year, the net non-operating charge was \$72 million, compared with a net non-operating charge of \$4 million a year ago.

After adjusting for non-operating items, the underlying replacement cost loss before interest and tax for the second quarter and half year was \$401 million and \$691 million respectively, compared with \$438 million and \$927 million for the same periods in 2014. The 2015 results reflected improved business performance and lower corporate and functional costs, partly offset by adverse foreign exchange impacts.

Biofuels

The net ethanol-equivalent production (which includes ethanol and sugar) for the second quarter was 247 million litres, compared with 113 million litres for the same period in 2014, as there was no production in the second quarter of 2014 at one of our mills in Brazil due to an expansion project.

Wind

Net wind generation capacity*(a) was 1,588MW at 30 June 2015, compared with 1,590MW at 30 June 2014. BP's net share of wind generation for the second quarter and half year was 1,150GWh and 2,277GWh respectively, compared with 1,248GWh and 2,540GWh for the same periods in 2014.

(a) Capacity figures include 32MW in the Netherlands managed by our Downstream segment.

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Gulf of Mexico oil spill

We announced on 2 July 2015 that BP Exploration & Production Inc. has reached agreements in principle with the US federal government and five Gulf states to settle all outstanding federal and state claims arising from the Deepwater Horizon oil spill. The agreement with the Gulf states also provides for the settlement of claims made by more than 400 local government entities. The agreements in principle are subject to execution of definitive agreements, including a Consent Decree with the United States and Gulf states with respect to the Clean Water Act and natural resource damage claims. The definitive agreements will only become effective if there is final court approval of the Consent Decree. We expect that the definitive agreement with the Gulf states will be executed and that the court will approve the Consent Decree. BP advised the Court that it is satisfied with and has accepted releases received from the vast majority of local government entities. Accordingly, on 27 July, the District Court ordered BP to commence processing payments required under the releases and that such payments be made within 30 days of the Court's order. The agreements in principle do not cover claims relating to the 2012 class action settlements with the Plaintiffs' Steering Committee, including business economic loss claims; private claims from other litigants not included within the class action settlements; or private securities litigation in MDL 2185.

For further details see Note 2 on page 18 and Legal proceedings on page 35.

Financial update

The replacement cost loss before interest and tax for the second quarter and half year was \$10,747 million and \$11,070 million respectively, compared with \$251 million and \$280 million for the same periods last year. The second-quarter loss reflects a \$9.8 billion charge associated with the government settlements mentioned above, additional claims administration costs and business economic loss claims under the Plaintiffs' Steering Committee settlement, and adjustments to other provisions, as well as the ongoing costs of the Gulf Coast Restoration Organization. The cumulative pre-tax charge recognized to date amounts to \$54.6 billion.

The cumulative income statement charge does not include amounts for obligations that BP currently considers are not possible to measure reliably. The total amounts that will ultimately be paid by BP in relation to the incident will be dependent on many factors, as discussed under Provisions and contingent liabilities in Note 2 on page 20. These could have a material impact on our consolidated financial position, results and cash flows.

Half-yearly financial report

This results announcement also represents BP's half-yearly financial report for the purposes of the Disclosure and Transparency Rules made by the UK Financial Conduct Authority. In this context: (i) the condensed set of financial statements can be found on pages 13-27; (ii) pages 1-10, and 28-38 comprise the interim management report; and (iii) the directors' responsibility statement and auditors' independent review report can be found on pages 11-12.

Statement of directors' responsibilities

The directors confirm that, to the best of their knowledge, the condensed set of financial statements on pages 13-27 has been prepared in accordance with IAS 34 'Interim Financial Reporting', and that the interim management report on pages 1-10 and 28-38 includes a fair review of the information required by the Disclosure and Transparency Rules.

The directors of BP p.l.c. are listed on pages 52-55 of BP Annual Report and Form 20-F 2014, with the exception of George David who retired at the 2015 Annual General Meeting and Paula Rosput Reynolds and Sir John Sawers who joined the board on 14 May 2015.

By order of the board

Bob Dudley
Group Chief Executive
27 July 2015

Brian Gilvary
Chief Financial Officer
27 July 2015

Independent review report to BP p.l.c.

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2015 which comprises the group income statement, group statement of comprehensive income, group statement of changes in equity, group balance sheet, condensed group cash flow statement, and Notes 1 to 10. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom (ISRE 2410). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in Note 1, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and IFRS as adopted by the European Union (EU). The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as

issued by the IASB and as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with ISRE 2410. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as issued by the IASB and as adopted by the EU and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP

London

27 July 2015

The maintenance and integrity of the BP p.l.c. website are the responsibility of the directors; the review work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial information since it was initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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Financial statements

Group income statement

Second quarter 2014	First quarter 2015	Second quarter 2015	\$ million	First half 2015	First half 2014
93,957	54,196	60,646	Sales and other operating revenues (Note 4)	114,842	185,667
155	104	156	Earnings from joint ventures - after interest and tax	260	270
1,228	362	670	Earnings from associates - after interest and tax	1,032	2,011
157	120	195	Interest and other income	315	488
330	138	133	Gains on sale of businesses and fixed assets	271	379
95,827	54,920	61,800	Total revenues and other income	116,720	188,815
74,536	37,936	44,748	Purchases	82,684	146,004

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6,980	7,000	17,185	Production and manufacturing expenses	24,185	13,811
816	362	173	Production and similar taxes (Note 5)	535	1,802
3,751	3,836	3,765	Depreciation, depletion and amortization	7,601	7,341
774	197	286	Impairment and losses on sale of businesses and fixed assets	483	1,200
389	172	902	Exploration expense	1,074	1,337
3,078	2,783	2,989	Distribution and administration expenses	5,772	6,180
5,503	2,634	(8,248)	Profit (loss) before interest and taxation	(5,614)	11,140
277	281	289	Finance costs	570	564
79	77	75	Net finance expense relating to pensions and other post-retirement benefits	152	159
5,147	2,276	(8,612)	Profit (loss) before taxation	(6,336)	10,417
1,714	(375)	(2,829)	Taxation	(3,204)	3,365
3,433	2,651	(5,783)	Profit (loss) for the period	(3,132)	7,052
3,369	2,602	(5,823)	Attributable to BP shareholders	(3,221)	6,897
64	49	40	Non-controlling interests	89	155
3,433	2,651	(5,783)		(3,132)	7,052
			Earnings per share (Note 6)		
			Profit (loss) for the period attributable to BP shareholders		
			Per ordinary share (cents)		
18.26	14.28	(31.83)	Basic	(17.62)	37.35
18.15	14.21	(31.83)	Diluted	(17.62)	37.11
			Per ADS (dollars)		
1.10	0.86	(1.91)	Basic	(1.06)	2.24
1.09	0.85	(1.91)	Diluted	(1.06)	2.23

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Financial statements (continued)

Group statement of comprehensive income

Second quarter 2014	First quarter 2015	Second quarter 2015	\$ million	First half 2015	First half 2014
3,433	2,651	(5,783)	Profit (loss) for the period	(3,132)	7,052
			Other comprehensive income		
			Items that may be reclassified subsequently to profit or loss		
1,005	(1,612)	698	Currency translation differences	(914)	92
			Exchange gains (losses) on translation of foreign operations reclassified to gain or loss on sale of		
-	-	16	business and fixed assets	16	-
2	-	1	Available-for-sale investments marked to market	1	(1)

			Available-for-sale investments reclassified to the		
1	-	-	income statement	-	1
77	(212)	128	Cash flow hedges marked to market	(84)	100
			Cash flow hedges reclassified to the		
(49)	74	81	income statement	155	(69)
(2)	5	4	Cash flow hedges reclassified to the balance sheet	9	(3)
			Share of items relating to equity-accounted entities,		
51	(80)	329	net of tax(a)	249	(22)
9	124	(92)	Income tax relating to items that may be reclassified	32	9
1,094	(1,701)	1,165		(536)	107
			Items that will not be reclassified to profit or loss		
			Remeasurements of the net pension and other post-		
222	(568)	2,688	retirement benefit liability or asset	2,120	(714)
			Share of items relating to equity-accounted entities,		
-	-	-	net of tax	-	5
			Income tax relating to items that will not		
(73)	158	(754)	be reclassified	(596)	221
149	(410)	1,934		1,524	(488)
1,243	(2,111)	3,099	Other comprehensive income	988	(381)
4,676	540	(2,684)	Total comprehensive income	(2,144)	6,671
			Attributable to		
4,606	513	(2,732)	BP shareholders	(2,219)	6,509
70	27	48	Non-controlling interests	75	162
4,676	540	(2,684)		(2,144)	6,671

(a) Includes the effects of hedge accounting adopted by Rosneft from 1 October 2014 in relation to a portion of future export revenue denominated in US dollars. For further information see BP Annual Report and Form 20-F 2014 - Financial statements - Note 15.

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Financial statements (continued)

Group statement of changes in equity

\$ million	BP		Total equity
	shareholders' equity	Non-controlling interests	
At 1 January 2015	111,441	1,201	112,642
Total comprehensive income	(2,219)	75	(2,144)
Dividends	(3,400)	(42)	(3,442)

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Share-based payments, net of tax	300	-	300
Share of equity-accounted entities' changes in equity, net of tax	(3)	-	(3)
Transactions involving non-controlling interests	-	(2)	(2)
At 30 June 2015	106,119	1,232	107,351

\$ million	BP		Total equity
	shareholders' equity	Non-controlling interests	
At 1 January 2014	129,302	1,105	130,407
Total comprehensive income	6,509	162	6,671
Dividends	(2,999)	(153)	(3,152)
Repurchases of ordinary share capital	(1,527)	-	(1,527)
Share-based payments, net of tax	576	-	576
Transactions involving non-controlling interests	-	3	3
At 30 June 2014	131,861	1,117	132,978

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Financial statements (continued)

Group balance sheet

\$ million	30 June	31
	2015	December 2014
Non-current assets		
Property, plant and equipment	130,659	130,692
Goodwill	11,837	11,868
Intangible assets	19,411	20,907
Investments in joint ventures	9,037	8,753
Investments in associates	11,340	10,403
Other investments	1,108	1,228
Fixed assets	183,392	183,851
Loans	584	659
Trade and other receivables	2,310	4,787
Derivative financial instruments	3,965	4,442
Prepayments	999	964
Deferred tax assets	2,011	2,309
Defined benefit pension plan surpluses	1,223	31
	194,484	197,043
Current assets		
Loans	325	333
Inventories	20,034	18,373
Trade and other receivables	31,476	31,038
Derivative financial instruments	3,599	5,165
Prepayments	1,899	1,424
Current tax receivable	731	837
Other investments	294	329

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Cash and cash equivalents	32,589	29,763
	90,947	87,262
Total assets	285,431	284,305
Current liabilities		
Trade and other payables	40,077	40,118
Derivative financial instruments	2,863	3,689
Accruals	5,770	7,102
Finance debt	9,110	6,877
Current tax payable	1,881	2,011
Provisions	5,666	3,818
	65,367	63,615
Non-current liabilities		
Other payables	2,942	3,587
Derivative financial instruments	3,847	3,199
Accruals	937	861
Finance debt	47,994	45,977
Deferred tax liabilities	9,975	13,893
Provisions	37,039	29,080
Defined benefit pension plan and other post-retirement benefit plan deficits	9,979	11,451
	112,713	108,048
Total liabilities	178,080	171,663
Net assets	107,351	112,642