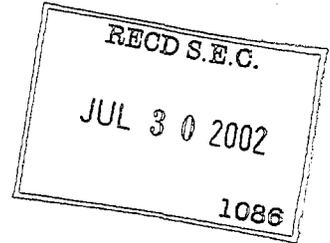


SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549



Report of Foreign Issuer

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



For the Second Quarter Results 2002

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

PROCESSED  
JUL 31 2002  
THOMSON  
FINANCIAL

BRITANNIC HOUSE, 1 FINSBURY CIRCUS, LONDON EC2M 7BA,  
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 the Form is also thereby furnishing the information to the Commission pursuant to  
Rule 12g3-2(b) under the Securities Exchange Act of 1934.

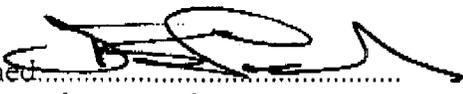
Yes  No

## 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 undersigned, thereunto duly authorised.

BP p.l.c.  
(Registrant)

Date: 30 July 2002

Signed   
Deputy Company Secretary

The following documents (bearing the exhibit numbers listed below) are furnished herewith and made a part of this Report pursuant to the General Instructions for Form 6-K.

Exhibit

1. Announcement dated July 30, 2002 titled "Group Results Second Quarter and Half Year 2002".
2. Announcement dated July 30, 2002 titled "Investor Relations Supplement Second Quarter and Half Year 2002".

# Exhibit 1

**BP p.l.c.**  
**Group Results**  
**Second Quarter and Half Year 2002**

London 30 July 2002

FOR IMMEDIATE RELEASE

**PERFORMANCE AND GROWTH FIRMLY ON TRACK**

Second Quarter 2001	First Quarter 2002	Second Quarter 2002	\$ million	2002	First Half 2001	%
2,648	924	1,293	Replacement cost profit before exceptional items	2,217	5,649	
103	120	351	Special items <sup>(a)</sup>	471	143	
680	538	537	Acquisition amortization <sup>(b)</sup>	1,075	1,351	
3,431	1,582	2,181	<b>Pro forma result adjusted for special items</b>	<b>3,763</b>	7,143	(47)
10.77	4.94	6.71	- per ordinary share (pence)	11.65	22.08	(47)
15.29	7.06	9.72	- per ordinary share (cents)	16.78	31.80	(47)
0.92	0.42	0.59	- per ADS (dollars)	1.01	1.91	

- BP's second quarter pro forma result, adjusted for special items, was \$2,181 million, compared with \$3,431 million a year ago, a reduction of 36%. For the half year, the result was \$3,763 million compared to \$7,143 million. Replacement cost profit, before exceptional items, for the second quarter and half year was \$1,293 million and \$2,217 million respectively, compared with \$2,648 million and \$5,649 million a year ago.
- The second quarter and first half results reflect a less favourable environment than a year ago for Exploration and Production and Refining and Marketing. For the half year, oil realizations were down nearly \$4 per barrel, gas realizations were down nearly \$2 per thousand cubic feet, and the indicator refining margin was down over \$3 per barrel. Demand for most chemical products has improved but margins remain weak.
- Underlying performance improvements were \$0.4 billion before tax for the half year. We are on track for the year's target of \$1.4 billion before tax. Hydrocarbon production increased by over 5% and over 3% in the second quarter and half year respectively. This is consistent with the targeted increase for the year.
- First half year return on average capital employed, on a pro forma basis adjusted for special items, was 13% compared with 24% in 2001.
- Quarterly dividend increased from 5.75 cents to 6.0 cents per share (\$0.36 per ADS). This compares with 5.5 cents a year ago. For the half year the dividend showed an increase of 9%. In sterling terms, the quarterly dividend was 3.875 pence per share compared with 3.911 pence a year ago; for the half year the increase was 5%.

BP Group Chief Executive, Lord Browne, said:

*"Although the upstream and downstream business environment showed some improvement over the first quarter, the half year's trading conditions were significantly less favourable than a year ago. Our continued performance delivery has underpinned our capability to increase the dividend."*

The pro forma result, adjusted for special items, has been derived from the group's reported UK GAAP accounting information but is not in itself a recognized UK or US GAAP measure. This financial performance information and measures derived therefrom, shown above and elsewhere in the document, are provided in order to enable investors to evaluate better both BP's current performance, in the context of past performance, and its performance against that of its competitors.

<sup>(a)</sup> The special items refer to non-recurring charges and credits. The special items for the second quarter comprise restructuring charges for Exploration and Production and Chemicals, business interruption insurance proceeds and costs related to a pipeline incident in Refining and Marketing, Veba, Solvay and Erdolchemie integration costs and an adjustment to the North Sea deferred tax balance for the supplementary UK corporation tax rate.

<sup>(b)</sup> Depreciation and amortization relating to the fixed asset revaluation adjustments and goodwill consequent upon the ARCO and Burmah Castrol acquisitions.

## Summary Quarterly Results

Exploration and Production's second quarter result was down 26% on a year ago due to significantly lower liquids and natural gas realizations, down 8% and 29% respectively. Total hydrocarbon production for the quarter was at a record level and up over 5% compared to the same period last year.

In Gas, Power and Renewables, the result was down 29% compared to a year ago, primarily reflecting weaker market conditions.

The Refining and Marketing result decreased 61%, reflecting significantly lower worldwide refining margins, down 64% compared to the second quarter of 2001.

The Chemicals result increased significantly compared with the prior quarter, reflecting higher margins.

Interest expense for the quarter was \$314 million, compared to \$333 million for the prior quarter, reflecting slightly lower interest rates, with average debt similar in both quarters. Interest expense for the half year, adjusted for special items, was down \$180 million from a year ago, reflecting lower interest rates.

The pro forma effective tax rate on replacement cost profit, before exceptional items, and adjusted for special items, was 36%. Special items include a \$355 million adjustment to the North Sea deferred tax balance for the supplementary UK corporation tax rate.

The deal with E.ON announced last year has now been completed. Following BP's acquisition of 51% of Veba Oil in the first quarter, most of Veba's upstream oil and gas assets were sold to Petro-Canada in May, with BP receiving \$1.5 billion proceeds. On 30 June, E.ON's remaining 49% stake in Veba Oil was acquired for \$2.4 billion. In addition, following a decision on 5 July by the German Minister for Economics and Technology (which is now being challenged in the German Courts), E.ON acquired BP's 25.5% stake in Ruhrgas for \$2.4 billion.

Capital expenditure, excluding acquisitions, was \$3.0 billion for the quarter. Total capital expenditure and acquisitions was \$6.1 billion, including \$2.4 billion for the purchase of the remaining 49% of Veba. Disposal proceeds were \$2.5 billion for the quarter, including \$1.5 billion from the sale of Veba upstream assets.

Net cash inflow was \$1,891 million, compared to an outflow of \$2,136 million a year ago; tax payments were lower and disposal proceeds higher.

Net debt at the end of the quarter was \$19.8 billion. The pro forma ratio of net debt to net debt plus equity was 28%, compared with 29% at the end of 2001.

Net special and exceptional items before tax were a credit to income of \$357 million and \$63 million in the quarter and half year, respectively. In addition, there was a tax special item of \$355 million in the second quarter. The sale of the Ruhrgas interest in the third quarter is expected to result in an exceptional gain of \$1.6 billion.

The financial information for 2001 has been restated to reflect (i) the adoption by the group of FRS 19 'Deferred Tax' with effect from 1 January 2002; and (ii) the transfer of the solar, renewables and alternative fuels activities from Other businesses and corporate to Gas and Power on 1 January 2002. To reflect this transfer, Gas and Power has been renamed Gas, Power and Renewables from the same date. See Note 1 on page 20 for further information.

The commentaries above and following are based on the pro forma replacement cost operating results, before exceptional items, adjusted for special items.

*SEC Filing of Results: BP notes that the US Public Company Accounting Reform and Investor Protection Act 2002 is expected to become law imminently and that the Act requires the SEC to issue new rules relating to certain of the Act's provisions. In light of the uncertainty as to the scope and content of these rules and of the short notice of the effectiveness of the Act for foreign private issuers, BP expects to delay the filing of its Form 6-K containing second quarter financial information with the reconciliation to US GAAP until around 3 September 2002.*

## Reconciliation of Reported Results to Pro Forma Results Adjusted for Special Items

<i>Pro Forma Result adjusted for special items</i>						2Q 2002		<i>Pro Forma Result adjusted for special items</i>	
2Q 2001	1Q 2002	2Q 2002	Special Items <sup>(a)</sup>	Acq. Amort <sup>(b)</sup>	Reported Earnings	\$ million	First Half		
							2002	2001	
3,918	2,400	2,889	90	341	2,458	Exploration and Production	5,289	9,054	
161	111	114	-	-	114	Gas, Power and Renewables	225	261	
1,762	287	685	(114)	196	603	Refining and Marketing	972	2,756	
9	108	246	43	-	203	Chemicals	354	90	
(116)	(125)	(128)	-	-	(128)	Other businesses and corporate	(253)	(231)	
						<b>RC operating profit</b>	<b>6,587</b>	<b>11,930</b>	
(391)	(333)	(314)	-	-	(314)	Interest expense	(647)	(827)	
(1,894)	(857)	(1,243)	348	-	(1,591)	Taxation	(2,100)	(3,934)	
(18)	(9)	(68)	(16)	-	(52)	MSI	(77)	(26)	
						<b>RC profit before exceptional items</b>	<b>3,763</b>	<b>7,143</b>	
						376	Exceptional items before tax		
						(160)	Taxation on exceptional items		
						<b>1,509</b>	<b>RC profit after exceptional items</b>		
						531	Stock holding gains		
						<b>2,040</b>	<b>HC profit</b>		

(a) The special items refer to non-recurring charges and credits. The special items for the second quarter comprise restructuring charges for Exploration and Production and Chemicals, business interruption insurance proceeds and costs related to a pipeline incident in Refining and Marketing, Veoba, Solvay and Erdöchemie integration costs and an adjustment to the North Sea deferred tax balance for the supplementary UK corporation tax rate.

(b) Acquisition amortization is depreciation and amortization relating to the fixed asset revaluation adjustments and goodwill consequent upon the ARCO and Burman Castrol acquisitions.

## Operating Results

Second Quarter 2001	First Quarter 2002	Second Quarter 2002		First Half 2002	First Half 2001
4,945	2,058	3,250	Replacement cost operating profit (\$m)	5,308	10,417
2,648	924	1,293	Replacement cost profit before exceptional items (\$m)	2,217	5,649
2,701	854	1,509	Profit after exceptional items (\$m)	2,363	5,769
2,741	1,296	2,040	Replacement cost	3,336	5,571
			Historical cost		
15.29	7.06	9.72	Per ordinary share (cents)	16.78	31.80
11.80	4.12	5.77	Pro forma result adjusted for special items	9.89	25.15
12.21	5.78	9.10	RC profit before exceptional items	14.88	24.80
			HC profit after exceptional items		
91.74	42.36	58.32	Per ADS (cents)	100.68	190.80
70.80	24.72	34.62	Pro forma result adjusted for special items	59.34	150.90
73.26	34.68	54.60	RC profit before exceptional items	89.28	148.80
			HC profit after exceptional items		

## Exploration and Production

Second Quarter 2001	First Quarter 2002	Second Quarter 2002	\$ million	First Half	
				2002	2001
3,427	1,928	<b>2,458</b>	<b>Replacement cost operating profit</b>	<b>4,386</b>	8,093
-	127	90	<b>Special items</b>	217	-
491	345	<b>341</b>	<b>Acquisition amortization</b>	<b>686</b>	961
<hr/>				<hr/>	
3,918	2,400	<b>2,889</b>	<b>Pro forma operating result adjusted for special items</b>	<b>5,289</b>	9,054
<hr/>				<hr/>	
81	124	<b>222</b>	<b>Results include:</b>		
			Exploration expense	<b>346</b>	250
			Of which:		
22	59	<b>147</b>	Exploration expenditure written off	<b>206</b>	130
<hr/>				<hr/>	
			<b>Crude oil and natural gas liquids production</b> (mb/d) (Net of royalties)		
471	482	<b>481</b>	UK	<b>481</b>	491
92	104	<b>108</b>	Rest of Europe	<b>106</b>	95
742	760	<b>791</b>	USA	<b>775</b>	732
580	643	<b>672</b>	Rest of World	<b>658</b>	593
<hr/>				<hr/>	
1,885	1,989	<b>2,052</b>	<b>Total liquids production</b>	<b>2,020</b>	1,911
<hr/>				<hr/>	
			<b>Natural gas production<sup>(a)</sup></b> (mmcf/d) (Net of royalties)		
1,690	1,628	<b>1,602</b>	UK	<b>1,615</b>	1,920
121	162	<b>157</b>	Rest of Europe	<b>159</b>	144
3,550	3,561	<b>3,565</b>	USA	<b>3,563</b>	3,509
3,193	3,395	<b>3,343</b>	Rest of World	<b>3,369</b>	3,150
<hr/>				<hr/>	
8,554	8,746	<b>8,667</b>	<b>Total natural gas production</b>	<b>8,706</b>	8,723
<hr/>				<hr/>	
			<b>Average liquids realizations<sup>(b)</sup></b> (\$/bbl)		
26.58	20.67	<b>24.59</b>	UK	<b>22.59</b>	25.78
23.58	17.26	<b>21.81</b>	USA	<b>19.61</b>	24.18
23.93	18.63	<b>22.20</b>	Rest of World	<b>20.43</b>	23.72
24.74	18.77	<b>22.81</b>	BP Average	<b>20.81</b>	24.77
<hr/>				<hr/>	
			<b>Average oil marker prices</b> (\$/bbl)		
27.39	21.13	<b>25.07</b>	Brent	<b>23.12</b>	26.57
27.88	21.54	<b>26.30</b>	West Texas Intermediate	<b>23.94</b>	28.30
26.05	19.76	<b>25.04</b>	Alaska North Slope US West Coast	<b>22.42</b>	25.49
<hr/>				<hr/>	
			<b>Average natural gas realizations</b> (\$/mcf)		
2.85	3.12	<b>2.50</b>	UK	<b>2.81</b>	3.23
4.35	2.13	<b>2.76</b>	USA	<b>2.44</b>	5.73
2.58	1.93	<b>2.04</b>	Rest of World	<b>1.98</b>	2.97
3.43	2.27	<b>2.45</b>	BP Average	<b>2.36</b>	4.21
<hr/>				<hr/>	
4.66	2.35	<b>3.38</b>	<b>Henry Hub gas price<sup>(c)</sup> (\$/mmbtu)</b>	<b>2.87</b>	5.86
21.66	19.22	<b>12.10</b>	<b>UK Gas - National Balancing Point (p/therm)</b>	<b>15.63</b>	22.21
<hr/>				<hr/>	

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

<sup>(b)</sup> Crude oil and natural gas liquids.

<sup>(c)</sup> Henry Hub First of the Month Index.

## Exploration and Production

The pro forma result for the second quarter was \$2,889 million, down \$1,029 million compared to a year ago, when adjusted for special items of \$90 million relating to significant restructuring to reposition the business in North America and the North Sea.

Total hydrocarbon production for the quarter at 3,546 mboe/d was at a record level, up 5.5% on a year ago reflecting the continued ramp-up of projects commissioned in 2001, start-up of the King field in the Gulf of Mexico, improved operating efficiencies, and the increased interest in Sidanco which more than offset the impact of OPEC related quota restrictions and divestments.

The quarter's result was significantly affected by lower oil and natural gas prices compared to a year ago. Average liquids realizations declined by some \$2 a barrel. Both Brent and WTI marker prices were down, and the realizations were also impacted by significantly lower North American NGL prices. The result included a charge of \$83 million for Unrealized Profit In Stock (UPIS) to remove the upstream margin from downstream inventories, following oil price rises since the first quarter. The equivalent quarter last year included a UPIS credit of \$40 million. Overall gas realizations were down by around \$1 a thousand cubic feet. North American gas realizations also suffered from widening regional differentials to the Henry Hub marker caused by short term transportation capacity restrictions from the San Juan and Rockies basins. European gas prices also fell. Higher exploration expense was mainly due to an \$85 million write-off relating to the Neptune prospect in the deepwater Gulf of Mexico. BP relinquished the lease after concluding that the discovered volumes did not rank highly enough in BP's portfolio of investment opportunities.

The half year result at \$5,289 million, down \$3,765 million on a year ago, also reflected the impact of significantly lower oil and gas prices and higher exploration expense, partly offset by strong underlying improvements through volume growth and lower lifting costs, which were 6% down on a year ago.

In support of our long term growth plans, capital expenditure was \$4.44 billion for the half year excluding acquisitions of \$0.44 billion. Projected start-ups in the second half include King's Peak, Horn Mountain and Princess in the Gulf of Mexico and Trinidad's LNG Train 2. Approvals were given for the second phase of the Azeri-Chirag-Gunashli development (BP 34% and operator) in Azerbaijan and the Baku-Tbilisi-Ceyhan pipeline from the Caspian Sea to the Mediterranean.

## Gas, Power and Renewables

Second Quarter 2001	First Quarter 2002	Second Quarter 2002	\$ million	First Half	
				2002	2001
161	111	114	Replacement cost operating profit	225	261
-	-	-	Special items	-	-
-	-	-	Acquisition amortization	-	-
161	111	114	Pro forma operating result adjusted for special items	225	261
			Gas sales volumes (mmcf/d)		
2,481	2,619	2,349	UK	2,483	2,938
201	413	390	Rest of Europe	402	226
8,516	8,733	8,451	USA	8,591	8,259
6,839	9,289	8,618	Rest of World	8,952	7,121
18,037	21,054	19,808	Total gas sales volumes	20,428	18,544
			NGL sales volumes (mb/d)		
-	-	-	UK	-	-
-	-	-	Rest of Europe	-	-
206	203	189	USA	196	214
171	181	196	Rest of World	189	189
377	384	385	Total NGL sales volumes	385	403

## Gas, Power and Renewables

The pro forma result for the second quarter and half year was \$114 million and \$225 million respectively, compared with \$161 million and \$261 million a year ago. The reduction in the second quarter result is due to less volatile trading conditions compared to the second quarter of 2001. The contributions in the second quarter from the NGL business and Ruhrgas are both slightly up on the comparative period in 2001. The half year result similarly reflects a lower marketing and trading result, partly offset by an improvement from the NGL business. BP Solar production continues to expand, and is up over 30% in the first half compared to a year ago.

During the quarter, BP announced it had reached agreement to sell its UK contract energy management business to Elyo, a subsidiary of Tractebel.

In June, BP purchased a 5% stake in Enagas, the Spanish national gas infrastructure company, for \$70 million. This investment enhances our equity gas position in Trinidad and Algeria by supporting and growing our access to the Spanish market.

## Refining and Marketing

Second Quarter 2001	First Quarter 2002	Second Quarter 2002	\$ million	First Half	
				2002	2001
1,464	68	603	<b>Replacement cost operating profit</b>	671	2,204
109	26	(114)	<b>Special items</b>	(88)	162
189	193	196	<b>Acquisition amortization</b>	389	390
<hr/>			<b>Pro forma operating result adjusted for special items</b>	<b>972</b>	<b>2,756</b>
<hr/>			<b>Refinery throughputs (mb/d)</b>		
315	392	376	UK	384	313
623	833	924	Rest of Europe	879	658
1,642	1,394	1,464	USA	1,429	1,582
375	375	339	Rest of World	357	380
<hr/>			<b>Total throughput</b>	<b>3,049</b>	<b>2,933</b>
<hr/>			<b>Oil sales volumes (mb/d)</b>		
			<b>Refined products</b>		
270	256	230	UK	243	265
1,031	1,275	1,444	Rest of Europe	1,360	1,057
1,954	1,834	1,941	USA	1,888	1,914
601	600	522	Rest of World	561	590
<hr/>			<b>Total marketing sales</b>	<b>4,052</b>	<b>3,826</b>
2,022	2,535	2,342	<b>Trading/supply sales</b>	<b>2,439</b>	<b>2,090</b>
<hr/>			<b>Total refined product sales</b>	<b>6,491</b>	<b>5,916</b>
5,878	6,500	6,479	<b>Crude oil</b>	<b>4,862</b>	<b>4,307</b>
4,131	4,809	4,915			
<hr/>			<b>Total oil sales</b>	<b>11,353</b>	<b>10,223</b>
<hr/>			<b>Global Indicator Refining Margin<sup>(a)</sup> (\$/bbl)</b>		
3.35	0.09	0.59	NWE	0.34	2.85
7.71	2.04	2.62	USGC	2.33	7.21
10.51	2.06	3.76	Midwest	2.91	7.18
9.11	5.43	4.46	USWC	4.95	10.02
0.96	0.21	0.18	Singapore	0.20	0.83
5.78	1.64	2.06	BP Average	1.85	5.02

<sup>(a)</sup> The Global Indicator Refining Margin (GIM) is the average of seven 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.

## Refining and Marketing

The pro forma result, after adjusting for special items, for the second quarter was \$685 million, down \$1,077 million from the same period last year. The special items included business interruption insurance proceeds of \$184 million, partly offset by costs of \$47 million associated with an Olympic pipeline incident in 1999, and Veba integration costs of \$23 million. The half year result is down \$1,784 million on a year ago. The results for both periods reflect substantially lower worldwide refining margins and lower US retail margins in the first quarter.

Refining throughputs increased by 5% compared with the second quarter of 2001, due to the effect of the Veba acquisition, which more than offset the divestments of the Mandan, Salt Lake City and Yorktown refineries in the USA. Marketing volumes increased by 7% reflecting the Veba acquisition; excluding Veba, volumes were down 4% due to lower aviation fuel demand, retail divestments and reductions in lower-margin marine and commercial sales.

Retail shop sales for the second quarter increased by 67% compared with a year ago, primarily reflecting the Veba acquisition; excluding Veba, retail shop sales were up 13%, reflecting the impact of new BP Connect stations and worldwide growth in shop sales.

During the quarter, BP opened an additional 62 BP Connect stations, primarily in the USA and UK, bringing the total number of BP Connect stations worldwide to 433. An additional 1,600 sites were reimaged in the second quarter, bringing the total number of sites with the BP helios to some 6,900 worldwide.

In May, BP announced that it had taken the first step to phase out MTBE, by the end of the year, in the gasoline it sells in California, by signing contracts with several ethanol suppliers. In addition, BP has introduced ultra low sulphur emission control diesel fuel in California.

## Chemicals

Second Quarter 2001	First Quarter 2002	Second Quarter 2002	\$ million	First Half	
				2002	2001
9	76	203	<b>Replacement cost operating profit</b>	279	90
-	32	43	<b>Special items</b>	75	-
-	-	-	<b>Acquisition amortization</b>	-	-
9	108	246	<b>Pro forma operating result adjusted for special items</b>	354	90
105	80	109 <sup>(b)</sup>	<b>Chemicals Indicator Margin<sup>(a)</sup> (\$/te)</b>	95 <sup>(b)</sup>	104
			<b>Chemicals production (kte)</b>		
799	829	837	UK	1,666	1,529
1,796	2,583	2,595	Rest of Europe	5,178	3,484
2,108	2,489	2,695	USA	5,184	4,365
618	710	762	Rest of World	1,472	1,320
5,321	6,611	6,889	<b>Total production</b>	13,500	10,698

<sup>(a)</sup> The Chemicals Indicator Margin (CIM) is a weighted average of externally-based product margins. It is based on market data collected by Chem Systems in their quarterly market analyses, then weighted based on BP's product portfolio. While it does not cover our entire portfolio, it includes a broad range of products. Amongst the products and businesses covered in the CIM are olefins and derivatives, aromatics and derivatives, linear alpha-olefins, acetic acid, vinyl acetate monomer and nitriles. Not included are fabrics and fibres, plastic fabrications, poly alpha-olefins, anhydrides, engineering polymers and carbon fibres, speciality intermediates, and the remaining parts of the solvents and acetyls businesses.

<sup>(b)</sup> Provisional. The data for the second quarter is based on two months' actuals and one month of provisional data.

## Chemicals

Chemicals' pro forma result for the second quarter, after adjusting for special items, was \$246 million, up from \$108 million in the first quarter, reflecting lower unit costs and firmer margins. The half year result is \$264 million above that of a year ago, reflecting increased sales volumes, partly offset by weaker margins. Operating costs were lower due to restructuring benefits and reliability improvements. Special charges for the quarter include \$29million for restructuring of our Research and Technology facilities and Solvay and Erdölchemie integration costs of \$14million.

Record production of 6,889 thousand tonnes in the second quarter was 278 thousand tonnes above the first quarter. Production for the second quarter and first half was 29% and 26% higher than a year ago, respectively, as a result of the Solvay, Erdölchemie and Veba transactions, new plants, improved reliability and improving demand.

During the quarter, we completed the sale of our plastics fabrication business as part of our overall plan to divest non-core businesses.

## Other Businesses and Corporate

Second Quarter 2001	First Quarter 2002	Second Quarter 2002	\$ million	First Half	
				2002	2001
(116)	(125)	(128)	Replacement cost operating loss	(253)	(231)
-	-	-	Special items	-	-
-	-	-	Acquisition amortization	-	-
(116)	(125)	(128)	Pro forma operating result adjusted for special items	(253)	(231)

Other businesses and corporate comprises Finance, the group's coal asset and aluminium asset, its investments in PetroChina and Sinopec, interest income and costs relating to corporate activities.

## Exceptional Items

Second Quarter 2001	First Quarter 2002	Second Quarter 2002	\$ million	First Half	
				2002	2001
171	(109)	376	Profit (loss) on sale of fixed assets and businesses or termination of operations	267	389
(118)	39	(160)	Taxation credit (charge)	(121)	(269)
53	(70)	216	Exceptional items after taxation	146	120

Exceptional items for the second quarter include a gain on the redemption of certain preferred limited partnership interests BP retained following the Altura Energy common interest disposal in 2000 in exchange for BP loan notes held by the partnership, partly offset by a loss on the sale of the plastics fabrication business.

## 2002 Dividends

Second Quarter 2001	First Quarter 2002	Second Quarter 2002		First Half	
				2002	2001
5.50	5.75	6.00	Dividends per ordinary share	11.75	10.75
3.911	4.051	3.875	cents	7.926	7.576
			pence		
33.0	34.5	36.0	Dividends per ADS (cents)	70.5	64.5

BP today announced a second quarterly dividend for 2002 of 6.0 cents per ordinary share. Holders of ordinary shares will receive 3.875 pence per share and holders of American Depository Receipts (ADRs) \$0.36 per ADS share. The dividend is payable on 9 September to shareholders on the register on 16 August. 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 9 September.

## Outlook

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BP Group Chief Executive, Lord Browne, concluded:

"The world economy continued to recover during the second quarter and further growth is expected in the third quarter, though recent financial market weakness poses a downside risk to this economic outlook. BP's overall trading environment improved to around "mid-cycle" during the second quarter, but was below this level on average for the half year.

"Crude oil prices have remained firm. The market has shown some signs of underlying strength as inventories stabilized rather than built seasonally. OPEC left its production quotas unchanged at its June meeting. Geopolitical concerns have remained. Realized prices are expected to remain close to the range experienced in the second quarter, assuming OPEC production continues around current levels.

"US natural gas prices have softened and are at a discount to residual fuel oil. Gas in storage is at a high level and summer injections to date have been strong despite the commissioning of new gas fired power generation capacity. Third quarter realizations are expected to be in a lower range than in the second quarter.

"Full year production remains on track to grow at our target annual rate, as new projects, including King's Peak, Horn Mountain and Princess in the Gulf of Mexico and Trinidad LNG train 2 are due on stream during the second half of the year.

"Refining margins have been volatile across all regions. Product inventories are high compared with 1997-2001 average levels and this situation is likely to continue during the third quarter, limiting upward potential in refining margins.

"Retail margins have stabilized, having recovered from the low levels experienced during the first quarter. Competitive pressure, especially in the USA, remains strong.

"During the second quarter, demand for most chemical products improved, in part reflecting restocking by end-users. Margins, however, still remain weak and any strengthening is dependent upon continued global economic recovery.

"Capital expenditure is on track for the upper end of the year's target range of \$12-13 billion, excluding acquisitions. The net debt ratio was below the mid-point of the 25-35% range at the end of the second quarter and is likely to remain relatively stable around this level as the payment for the purchase of the remaining interest in Veba has been offset by the receipt of Ruhrgas proceeds in July. The company intends to restart its share buyback programme and to operate it whilst the trading environment is above mid-cycle."

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*The foregoing discussion, in particular the statements under 'Outlook', focuses on certain trends and general market and economic conditions and outlook on production levels or rates, prices, margins, debt, targeted performance improvement, levels of annual investment and currency exchange rates and, as such, are forward-looking statements that involve risk and uncertainty that could cause actual results and developments to differ materially from those expressed or implied by this discussion. By their nature, trends and outlook on production, price, margin, debt, profitability and currency exchange rates are difficult to forecast with any precision, and there are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including specific factors accompanying such statements: future levels of industry product supply, demand and pricing; currency exchange rates; political stability and economic growth in relevant areas of the world; development and use of new technology; and successful partnering; the actions of competitors; natural disasters and other changes to business conditions; and wars and acts of terrorism and sabotage. Additional information, including information on factors which may affect BP's business, is contained in BP's Annual Report and Accounts and in the Annual Report on Form 20 -F filed with the US Securities and Exchange Commission.*

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## Summarized Group Results

Second Quarter 2001	First Quarter 2002	Second Quarter 2002		First Half 2002	2001
\$ million				\$ million	
3,427	1,928	<b>2,458</b>	Exploration and Production	<b>4,386</b>	8,093
161	111	<b>114</b>	Gas, Power and Renewables	<b>225</b>	261
1,464	68	<b>603</b>	Refining and Marketing	<b>671</b>	2,204
9	76	<b>203</b>	Chemicals	<b>279</b>	90
(116)	(125)	<b>(128)</b>	Other businesses and corporate	<b>(253)</b>	(231)
<hr/>				<hr/>	
4,945	2,058	<b>3,250</b>	<b>Total replacement cost operating profit</b>	<b>5,308</b>	10,417
171	(109)	<b>376</b>	Profit (loss) on sale of fixed assets and businesses or termination of operations (Note 4)	<b>267</b>	389
<hr/>				<hr/>	
5,116	1,949	<b>3,626</b>	<b>Replacement cost profit before interest and tax</b>	<b>5,575</b>	10,806
40	473	<b>525</b>	Stock holding gains (losses) (Note 6)	<b>998</b>	(198)
<hr/>				<hr/>	
5,156	2,422	<b>4,151</b>	<b>Historical cost profit before interest and tax</b>	<b>6,573</b>	10,608
441	333	<b>314</b>	Interest expense (Note 7)	<b>647</b>	887
<hr/>				<hr/>	
4,715	2,089	<b>3,837</b>	<b>Profit before taxation</b>	<b>5,926</b>	9,721
1,956	753	<b>1,751</b>	Taxation (Note 8)	<b>2,504</b>	4,124
<hr/>				<hr/>	
2,759	1,336	<b>2,086</b>	<b>Profit after taxation</b>	<b>3,422</b>	5,597
18	40	<b>46</b>	Minority shareholders' interest	<b>86</b>	26
<hr/>				<hr/>	
2,741	1,296	<b>2,040</b>	<b>Profit for the period</b>	<b>3,336</b>	5,571
<hr/>				<hr/>	
1,236	1,290	<b>1,347</b>	<b>Distribution to shareholders</b>	<b>2,637</b>	2,414
<hr/>				<hr/>	
			<b>Earnings per ordinary share - cents</b>		
12.21	5.78	<b>9.10</b>	Basic	<b>14.88</b>	24.80
12.14	5.75	<b>9.05</b>	Diluted	<b>14.80</b>	24.65
<hr/>				<hr/>	
<b>Replacement Cost Results</b>					
2,741	1,296	<b>2,040</b>	Historical cost profit for the period	<b>3,336</b>	5,571
(40)	(442)	<b>(531)</b>	Stock holding (gains) losses net of MSI	<b>(973)</b>	198
<hr/>				<hr/>	
2,701	854	<b>1,509</b>	<b>Replacement cost profit for the period</b>	<b>2,363</b>	5,769
(53)	70	<b>(216)</b>	Exceptional items, net of tax	<b>(146)</b>	(120)
<hr/>				<hr/>	
2,648	924	<b>1,293</b>	<b>Replacement cost profit before exceptional items</b>	<b>2,217</b>	5,649
<hr/>				<hr/>	
			<b>Earnings per ordinary share - cents</b>		
11.80	4.12	<b>5.77</b>	On replacement cost profit before exceptional items	<b>9.89</b>	25.15
<hr/>				<hr/>	

## Summarized Group Balance Sheet

	<b>30 June 2002</b>	<b>31 December 2001</b>
	<b>\$ million</b>	
<b>Fixed assets</b>		
Intangible assets	16,163	16,489
Tangible assets	85,587	77,410
Investments	12,257	11,963
	<b>114,007</b>	<b>105,862</b>
<b>Current assets</b>		
Stocks	9,818	7,631
Debtors	32,344	26,669
Investments	285	450
Cash at bank and in hand	1,284	1,358
	<b>43,731</b>	<b>36,108</b>
<b>Creditors – amounts falling due within one year</b>		
Finance debt	8,854	9,090
Other creditors	38,400	28,524
	<b>(3,523)</b>	<b>(1,506)</b>
<b>Net current liabilities</b>		
	<b>110,484</b>	<b>104,356</b>
<b>Total assets less current liabilities</b>		
<b>Creditors – amounts falling due after more than one year</b>		
Finance debt	12,555	12,327
Other creditors	3,380	3,086
<b>Provisions for liabilities and charges</b>		
Deferred taxation	13,318	11,702
Other provisions	13,105	11,482
	<b>68,126</b>	<b>65,759</b>
<b>Net assets</b>		
Minority shareholders' interest	558	598
	<b>67,568</b>	<b>65,161</b>
<b>BP shareholders' interest</b>		
	<b>67,568</b>	<b>65,161</b>

**Movement in BP shareholders' interest:**

	<b>\$ million</b>
At 31 December 2001	74,367
Prior year adjustment - change in accounting policy (See Note 1)	(9,206)
	65,161
As restated	65,161
Profit for the period	3,336
Distribution to shareholders	(2,637)
Currency translation differences	1,585
Employee share schemes	123
	67,568
<b>At 30 June 2002</b>	<b>67,568</b>

## Summarized Group Cash Flow Statement

Second Quarter 2001	First Quarter 2002	Second Quarter 2002		First Half 2002	2001
\$ million				\$ million	
5,076	3,636	5,133	<b>Net cash inflow from operating activities (a)</b>	8,769	11,816
54	83	16	<b>Dividends from joint ventures</b>	99	66
159	53	154	<b>Dividends from associated undertakings</b>	207	269
			<b>Servicing of finance and returns on investments</b>		
59	48	57	Interest received	105	150
(384)	(309)	(342)	Interest paid	(651)	(745)
30	2	58	Dividends received	60	38
(5)	(13)	(3)	Dividends paid to minority shareholders	(16)	(5)
			<b>Net cash outflow from servicing of finance and returns on investments</b>	(502)	(562)
			<b>Taxation</b>		
(169)	(187)	(167)	UK corporation tax	(354)	(373)
(2,213)	(258)	(760)	Overseas tax	(1,018)	(2,148)
			<b>Tax paid</b>	(1,372)	(2,521)
			<b>Capital expenditure and financial investment</b>		
(3,016)	(2,799)	(2,793)	Payments for fixed assets	(5,592)	(5,593)
232	317	939	Proceeds from the sale of fixed assets	1,256	926
			<b>Net cash outflow for capital expenditure and financial investment</b>	(4,336)	(4,667)
			<b>Acquisitions and disposals</b>		
(148)	(143)	(488)	Investments in associated undertakings	(631)	(268)
(560)	(1,550)	(139)	Acquisitions, net of cash acquired	(1,689)	(560)
(72)	(46)	(68)	Net investment in joint ventures	(114)	(133)
-	31	1,584	Proceeds from the sale of businesses	1,615	-
			<b>Net cash (outflow) inflow for acquisitions and disposals</b>	(819)	(961)
(1,179)	(1,288)	(1,290)	<b>Equity dividends paid</b>	(2,578)	(2,360)
(2,136)	(2,423)	1,891	<b>Net cash (outflow) inflow</b>	(532)	1,080
			<b>Financing (b)</b>		
(1,669)	(2,283)	2,017	Management of liquid resources	(266)	1,197
(404)	(165)	33	Increase (decrease) in cash	(132)	(102)
(63)	25	(159)		(134)	(15)
(2,136)	(2,423)	1,891		(532)	1,080

## Analysis of Cash Flow

Second Quarter 2001	First Quarter 2002	Second Quarter 2002		First Half 2002	2001
\$ million				\$ million	
<b>(a) Reconciliation of historical cost profit before interest and tax to net cash inflow from operating activities</b>					
5,156	2,422	<b>4,151</b>	Historical cost profit before interest and tax	<b>6,573</b>	10,608
2,130	2,153	<b>2,227</b>	Depreciation and amounts provided	<b>4,380</b>	4,297
22	59	<b>147</b>	Exploration expenditure written off	<b>206</b>	130
(282)	(256)	<b>(288)</b>	Share of profits of joint ventures and associated undertakings	<b>(544)</b>	(613)
(127)	(63)	<b>(118)</b>	Interest and other income	<b>(181)</b>	(230)
(171)	109	<b>(374)</b>	(Profit) loss on sale of fixed assets and businesses	<b>(265)</b>	(389)
541	169	<b>325</b>	Charge for provisions	<b>494</b>	706
(329)	(238)	<b>(373)</b>	Utilization of provisions	<b>(611)</b>	(635)
(371)	(496)	<b>(807)</b>	(Increase) decrease in stocks	<b>(1,303)</b>	(13)
(399)	(410)	<b>(1,614)</b>	(Increase) decrease in debtors	<b>(2,024)</b>	(1,468)
(1,094)	187	<b>1,857</b>	Increase (decrease) in creditors	<b>2,044</b>	(577)
<b>5,076</b>	<b>3,636</b>	<b>5,133</b>	<b>Net cash inflow from operating activities</b>	<b>8,769</b>	<b>11,816</b>
<b>(b) Financing</b>					
(505)	(1,746)	<b>(752)</b>	Long-term borrowing	<b>(2,498)</b>	(1,022)
1,034	234	<b>663</b>	Repayments of long-term borrowing	<b>897</b>	1,180
(2,589)	(3,499)	<b>(753)</b>	Short-term borrowing	<b>(4,252)</b>	(2,750)
172	2,819	<b>2,891</b>	Repayments of short-term borrowing	<b>5,710</b>	3,127
<b>(1,888)</b>	<b>(2,192)</b>	<b>2,049</b>		<b>(143)</b>	535
(64)	(91)	<b>(32)</b>	Issue of ordinary share capital	<b>(123)</b>	(120)
283	-	-	Repurchase of ordinary share capital	-	782
<b>(1,669)</b>	<b>(2,283)</b>	<b>2,017</b>	<b>Net cash (inflow) outflow from financing</b>	<b>(266)</b>	<b>1,197</b>

## Capital Expenditure and Acquisitions

Second Quarter 2001	First Quarter 2002	Second Quarter 2002	First Half 2002      2001	
\$ million			\$ million	
<b>By business</b>				
<b>Exploration and Production</b>				
289	261	247	508	457
86	71	57	128	151
1,243	1,167	1,077	2,244	2,170
805	814	1,192	2,006	1,511
2,423	2,313	2,573	4,886	4,289
<b>Gas, Power and Renewables</b>				
6	16	5	21	14
15	4	87	91	26
40	16	32	48	57
7	10	8	18	7
68	46	132	178	104
<b>Refining and Marketing</b>				
67	76	100	176	178
114	2,732	2,556	5,288	161
227	303	260	563	407
79	26	49	75	111
487	3,137	2,965	6,102	857
<b>Chemicals</b>				
63	8	17	25	129
538	45	60	105	554
96	42	55	97	174
69	93	38	131	125
766	188	170	358	982
52	52	267	319	101
3,796	5,736	6,107	11,843	6,333
<b>By geographical area</b>				
448	409	400	809	842
758	2,852	2,953	5,805	897
1,628	1,531	1,467	2,998	2,838
962	944	1,287	2,231	1,756
3,796	5,736	6,107	11,843	6,333

(a) 2Q and first half 2002 included the acquisition of an additional interest in Sidanco.

(b) 2Q and first half 2002 included the acquisition of a 5% stake in Enagas.

(c) 2Q and first half 2001 included investment in Green Mountain Energy Company.

(d) 1Q 2002 and 2Q 2002 included the acquisition of 51% and 49% of Veba respectively.

(e) 2Q and first half 2001 included the acquisition of Bayer's 50% interest in Erdölchemie.

(f) 2Q and first half 2002 included the acquisition of the minority interest in Veba's upstream oil and gas assets.

### US dollar/Sterling exchange rates

1.42	1.43	1.46	Average rate for the period	1.44	1.44
1.41	1.42	1.52	Period-end rate	1.52	1.41

## Analysis of Replacement Cost Operating Profit

Second Quarter 2001	First Quarter 2002	Second Quarter 2002	First Half 2002      2001	
\$ million			\$ million	
<b>By business</b>				
<b>Exploration and Production</b>				
970	727	649	1,376	2,124
190	152	172	324	416
1,200	322	771	1,093	3,311
1,067	727	866	1,593	2,242
3,427	1,928	2,458	4,386	8,093
<b>Gas, Power and Renewables</b>				
37	2	1	3	47
35	47	35	82	98
86	(25)	13	(12)	111
3	87	65	152	5
161	111	114	225	261
<b>Refining and Marketing</b>				
(116)	(124)	(61)	(185)	(227)
177	139	249	388	313
1,262	(79)	279	200	1,856
141	132	136	268	262
1,464	68	603	671	2,204
<b>Chemicals</b>				
(33)	(31)	(10)	(41)	(83)
19	47	64	111	99
(1)	23	84	107	12
24	37	65	102	62
9	76	203	279	90
(116)	(125)	(128)	(253)	(231)
4,945	2,058	3,250	5,308	10,417
<b>By geographical area</b>				
814	530	504	1,034	1,741
429	386	526	912	914
2,485	158	1,103	1,261	5,170
1,217	984	1,117	2,101	2,592
4,945	2,058	3,250	5,308	10,417
<b>Included above</b>				
125	70	89	159	227
157	188	196	384	386
282	258	285	543	613

## Notes

### 1. Restatement of comparative information

Comparative information for 2001 has been restated to reflect the changes described below.

**(a) Transfer of solar, renewables and alternative fuels activities**

With effect from 1 January 2002, the solar, renewables and alternative fuels activities have been transferred from Other businesses and corporate to Gas and Power. To reflect this transfer Gas and Power has been renamed Gas, Power and Renewables from the same date.

**(b) New accounting standard for deferred tax**

With effect from 1 January 2002 BP has adopted Financial Reporting Standard No.19 'Deferred Tax' (FRS 19). This standard generally requires that deferred tax should be provided on a full liability basis rather than on a restricted liability basis as required by Statement of Standard Accounting Practice No.15 'Accounting for Deferred Tax'. The adoption of FRS 19 has been treated as a change in accounting policy.

Under FRS 19 deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less tax in the future. In particular:

- Provision is made for tax on gains arising from the disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the replacement assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, joint ventures and associated undertakings only to the extent that, at the balance sheet date, dividends have been accrued as receivable.

Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

As a consequence of adopting FRS 19 acquisitions have been restated as if the new standard applied at that time. This leads to the creation of higher deferred tax liabilities and greater amounts of goodwill on those acquisitions.

Balance sheet at 31 December 2001	Restated	Reported
	\$ million	
Fixed assets		
Intangible assets	16,489	15,593
Tangible assets	77,410	77,410
Investments	11,963	12,047
	105,862	105,050
Current assets	36,108	36,108
Creditors – amounts falling due within one year	37,614	37,614
<b>Net current liabilities</b>	(1,506)	(1,506)
<b>Total assets less current liabilities</b>	104,356	103,544
Creditors – amounts falling due after more than one year	15,413	15,413
Provisions for liabilities and charges		
Deferred taxation	11,702	1,655
Other provisions	11,482	11,482
<b>Net assets</b>	65,759	74,994
Minority shareholders' interest	598	627
<b>BP shareholders' interest</b>	65,161	74,367

## Notes

Income statements	Restated		Reported	
	Second Quarter 2001	First Half 2001	Second Quarter 2001	First Half 2001
	\$ million			
Exploration and Production	3,427	8,093	3,441	8,121
Gas, Power and Renewables	161	261	173	285
Refining and Marketing	1,464	2,204	1,477	2,230
Chemicals	9	90	9	90
Other businesses and corporate	(116)	(231)	(128)	(255)
<b>Total replacement cost operating profit</b>	<b>4,945</b>	<b>10,417</b>	<b>4,972</b>	<b>10,471</b>
Profit (loss) on sale of fixed assets and businesses or termination of operations	171	389	171	389
<b>Replacement cost profit before interest and tax</b>	<b>5,116</b>	<b>10,806</b>	<b>5,143</b>	<b>10,860</b>
Stock holding gains (losses)	40	(198)	40	(198)
<b>Historical cost profit before interest and tax</b>	<b>5,156</b>	<b>10,608</b>	<b>5,183</b>	<b>10,662</b>
Interest expense	441	887	441	887
<b>Profit before taxation</b>	<b>4,715</b>	<b>9,721</b>	<b>4,742</b>	<b>9,775</b>
Taxation	1,956	4,124	1,550	3,268
<b>Profit (loss) after taxation</b>	<b>2,759</b>	<b>5,597</b>	<b>3,192</b>	<b>6,507</b>
Minority shareholders' interest	18	26	21	32
<b>Profit (loss) for the period</b>	<b>2,741</b>	<b>5,571</b>	<b>3,171</b>	<b>6,475</b>
<b>Distribution to shareholders</b>	<b>1,236</b>	<b>2,414</b>	<b>1,236</b>	<b>2,414</b>
<b>Earnings per ordinary share - cents</b>				
Basic	12.21	24.80	14.12	28.82
Diluted	12.14	24.65	14.04	28.65

## Notes

### 2. Turnover

Second Quarter 2001	First Quarter 2002	Second Quarter 2002		First Half 2002	2001
\$ million				\$ million	
			<b>By business</b>		
7,441	5,638	<b>6,539</b>	Exploration and Production	12,177	16,558
10,491	7,768	<b>8,235</b>	Gas, Power and Renewables	16,003	22,613
34,257	24,889	<b>31,870</b>	Refining and Marketing	56,759	62,780
3,073	2,642	<b>3,584</b>	Chemicals	6,226	5,762
138	135	<b>136</b>	Other businesses and corporate	271	265
55,400	41,072	<b>50,364</b>		<b>91,436</b>	107,978
6,991	4,782	<b>6,709</b>	Less: sales between businesses	11,491	14,157
48,409	36,290	<b>43,655</b>		<b>79,945</b>	93,821
280	279	<b>404</b>	Group excluding JVs	683	568
			Sales of joint ventures		
48,689	36,569	<b>44,059</b>		<b>80,628</b>	94,389
			<b>By geographical area</b>		
			<b>Group excluding JVs</b>		
11,974	10,995	<b>12,509</b>	UK	23,504	23,914
10,043	9,119	<b>12,219</b>	Rest of Europe	21,338	19,018
24,791	15,265	<b>19,663</b>	USA	34,928	47,282
8,929	6,984	<b>8,035</b>	Rest of World	15,019	18,620
55,737	42,363	<b>52,426</b>		<b>94,789</b>	108,834
7,328	6,073	<b>8,771</b>	Less: sales between areas	14,844	15,013
48,409	36,290	<b>43,655</b>		<b>79,945</b>	93,821

## Notes

### 3. Operating profits are after charging:

Second Quarter 2001	First Quarter 2002	Second Quarter 2002		First Half 2002	2001
\$ million				\$ million	
–	6	4	<b>Exploration expense</b>	10	4
3	23	13	UK	36	5
40	42	133	Rest of Europe	175	133
38	53	72	USA	125	108
			Rest of World		
81	124	222		346	250
\$ million				\$ million	
135	63	90	<b>Production taxes <sup>(a)</sup></b>	153	373
298	184	225	UK petroleum revenue tax	409	643
			Overseas production taxes		
433	247	315		562	1,016

(a) Production taxes are charged against Exploration and Production's operating profit and are not included in the charge for taxation in Note 8.

### 4. Analysis of exceptional items

319	5	427	Exploration and Production	432	277
–	–	(1)	Gas, Power and Renewables	(1)	(1)
(59)	(45)	31	Refining and Marketing	(14)	206
(80)	(60)	(85)	Chemicals	(145)	(86)
(9)	(9)	4	Other businesses and corporate	(5)	(7)
171	(109)	376	<b>Profit (loss) on sale of fixed assets and businesses or termination of operations</b>	267	389
(118)	39	(160)	<b>Taxation (charge) credit</b>	(121)	(269)
53	(70)	216	<b>Exceptional items after taxation</b>	146	120

### 5. Replacement cost profit

Replacement cost profits reflect the current cost of supplies. The replacement cost profit for the period is arrived at by excluding from the historical cost profit stock holding gains and losses.

## Notes

### 6. Stock holding gains (losses)

Second Quarter 2001	First Quarter 2002	Second Quarter 2002		First Half	
\$ million				2002	2001
(9)	3	(1)	Exploration and Production	2	-
(33)	4	4	Gas, Power and Renewables	8	(44)
99	495	444	Refining and Marketing	939	(144)
(17)	(29)	78	Chemicals	49	(10)
40	473	525		998	(198)
-	31	(6)	Minority shareholders' interest	25	-
40	442	531		973	(198)

### 7. Interest expense

363	267	261	Group interest payable <sup>(a)</sup>	528	730
(21)	(15)	(25)	Capitalized	(40)	(55)
342	252	236		488	675
13	14	15	Joint ventures	29	33
36	24	21	Associated undertakings	45	76
50	43	42	Unwinding of discount on provisions	85	103
441	333	314		647	887
50	-	-	<sup>(a)</sup> Includes charges relating to the early redemption of debt	-	60

### 8. Charge for taxation

1,640	533	1,040	Current	1,573	3,375
316	220	711	Deferred <sup>(a)</sup>	931	749
1,956	753	1,751		2,504	4,124
250	189	646	UK <sup>(a)</sup>	835	522
1,706	564	1,105	Overseas	1,669	3,602
1,956	753	1,751		2,504	4,124
-	-	355	<sup>(a)</sup> Includes the charge relating to the supplementary UK corporation tax of 10%	355	-

## Notes

### 9. Analysis of changes in net debt

Second Quarter 2001	First Quarter 2002	Second Quarter 2002	First Half 2002      2001	
\$ million			\$ million	
			<b>Opening balance</b>	
18,788	21,417	<b>24,531</b>	<b>21,417</b>	21,190
1,188	1,358	<b>1,379</b>	<b>1,358</b>	1,170
959	450	<b>286</b>	<b>450</b>	661
			<b>Opening net debt</b>	
16,641	19,609	<b>22,866</b>	<b>19,609</b>	19,359
			<b>Closing balance</b>	
20,498	24,531	<b>21,409</b>	<b>21,409</b>	20,498
1,103	1,379	<b>1,284</b>	<b>1,284</b>	1,103
563	286	<b>285</b>	<b>285</b>	563
			<b>Closing net debt</b>	
18,832	22,866	<b>19,840</b>	<b>19,840</b>	18,832
(2,191)	(3,257)	<b>3,026</b>	<b>(231)</b>	527
			<b>(Increase) decrease in net debt</b>	
(63)	25	<b>(159)</b>	<b>(134)</b>	(15)
(404)	(165)	<b>33</b>	<b>(132)</b>	(102)
(1,888)	(2,192)	<b>2,049</b>	<b>(143)</b>	535
-	-	<b>1,135</b>	<b>1,135</b>	-
51	25	<b>19</b>	<b>44</b>	82
(47)	(999)	<b>-</b>	<b>(999)</b>	(47)
			<b>Movement in net debt before exchange effects</b>	
(2,351)	(3,306)	<b>3,077</b>	<b>(229)</b>	453
160	49	<b>(51)</b>	<b>(2)</b>	74
			<b>(Increase) decrease in net debt</b>	
(2,191)	(3,257)	<b>3,026</b>	<b>(231)</b>	527

## Notes

### 10. Consolidated statement of cash flows presented on a US GAAP format

Second Quarter 2001	First Quarter 2002	Second Quarter 2002		First Half 2002	2001
\$ million				\$ million	
			<b>Operating activities</b>		
2,759	1,336	2,086	Profit after taxation	3,422	5,597
			Adjustments to reconcile profits after tax to net cash provided by operating activities		
2,130	2,153	2,227	Depreciation and amounts provided	4,380	4,297
22	59	147	Exploration expenditure written off	206	130
38	(17)	(23)	Share of (profit) loss of joint ventures and associates less dividends received	(40)	(25)
(171)	109	(374)	(Profit) loss on sale of businesses and fixed assets	(265)	(389)
(2,683)	(669)	(652)	Working capital movement (see analysis below)	(1,321)	(1,329)
316	220	711	Deferred taxation	931	749
222	(108)	52	Other	(56)	98
2,633	3,083	4,174	<b>Net cash provided by operating activities</b>	7,257	9,128
			<b>Investing activities</b>		
(3,037)	(2,814)	(2,818)	Capital expenditures	(5,632)	(5,648)
(560)	(1,550)	(139)	Acquisitions, net of cash acquired	(1,689)	(560)
(148)	(143)	(488)	Investment in associated undertakings	(631)	(268)
(72)	(46)	(68)	Net investment in joint ventures	(114)	(133)
232	348	2,523	Proceeds from disposal of assets	2,871	926
(3,585)	(4,205)	(990)	<b>Net cash used in investing activities</b>	(5,195)	(5,683)
			<b>Financing activities</b>		
(219)	91	32	Net proceeds from shares issued (repurchased)	123	(662)
505	1,746	752	Proceeds from long-term financing	2,498	1,022
(1,034)	(234)	(663)	Repayments of long-term financing	(897)	(1,180)
2,417	680	(2,138)	Net (decrease) increase in short-term debt	(1,458)	(377)
(1,179)	(1,288)	(1,290)	Dividends paid – BP shareholders	(2,578)	(2,360)
(5)	(13)	(3)	– Minority shareholders	(16)	(5)
485	982	(3,310)	<b>Net cash (used in) received from financing activities</b>	(2,328)	(3,562)
(14)	(3)	30	Currency translation differences relating to cash and cash equivalents	27	(48)
(481)	(143)	(96)	<b>(Decrease) increase in cash and cash equivalents</b>	(239)	(165)
2,147	1,808	1,665	Cash and cash equivalents at beginning of period	1,808	1,831
1,666	1,665	1,569	Cash and cash equivalents at end of period	1,569	1,666
			<b>Analysis of working capital movement</b>		
(371)	(496)	(807)	(Increase) decrease in stocks	(1,303)	(13)
(502)	(443)	(1,691)	(Increase) decrease in debtors	(2,134)	(1,546)
(1,810)	270	1,846	Increase (decrease) in creditors	2,116	230
(2,683)	(669)	(652)	<b>Total working capital movement</b>	(1,321)	(1,329)

## Notes

### **11. Ordinary shares**

Shares in issue at 30 June 2002 = 22,463.2 million.

Average number of shares outstanding during January–June 2002 = 22,414.9 million (this excludes shares held by the Employee Share Ownership Plans). Each BP ADS represents six BP Ordinary Shares.

### **12. Statutory accounts**

The financial information shown in this publication is unaudited and does not constitute statutory accounts. The 2001 group accounts have been delivered to the UK Registrar of Companies; the report of the auditors on those accounts was unqualified.

## Contacts

	<u>London</u>	<u>New York</u>	<u>Frankfurt</u>
<b>Press Office</b>	<b>Roddy Kennedy</b> +44 (0)20 7496 4624	<b>Ian Fowler</b> +1 212 451 8008	
<b>Investor Relations</b>	<b>Fergus MacLeod</b> +44 (0)20 7496 4717	<b>Terry LaMore</b> +1 212 451 8034	<b>Karl Weckel</b> +49 (0)69 71 37 9990

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

# **Exhibit 2**

**BP p.l.c.**  
Group Results  
Second Quarter and Half Year 2002

London 30 July 2002

**INVESTOR RELATIONS SUPPLEMENT**

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## Replacement Cost Operating Profit Adjusted for Special Items<sup>(a)</sup> and Acquisition Amortization<sup>(b)</sup>

Second Quarter 2001	First Quarter 2002	Second Quarter 2002		First Half 2002	2001
=====					
\$ million					
<b>Exploration and Production</b>					
1,009	809	768	UK	1,577	2,192
190	152	172	Rest of Europe	324	416
1,620	665	1,047	USA	1,712	4,137
1,099	774	902	Rest of World	1,676	2,309
-----					
3,918	2,400	2,889		5,289	9,054
-----					
<b>Gas, Power and Renewables</b>					
37	2	1	UK	3	47
35	47	35	Rest of Europe	82	98
86	(25)	13	USA	(12)	111
3	87	65	Rest of World	152	5
-----					
161	111	114		225	261
-----					
<b>Refining and Marketing</b>					
10	(27)	39	UK	12	18
241	165	272	Rest of Europe	437	403
1,357	17	238	USA	255	2,052
154	132	136	Rest of World	268	283
-----					
1,762	287	685		972	2,756
-----					
<b>Chemicals</b>					
(33)	(31)	12	UK	(19)	(83)
19	49	80	Rest of Europe	129	99
(1)	53	89	USA	142	12
24	37	65	Rest of World	102	62
-----					
9	108	246		354	90
-----					
<b>Other businesses and corporate</b>					
(44)	(44)	(75)	UK	(119)	(120)
8	1	6	Rest of Europe	7	(12)
(62)	(83)	(44)	USA	(127)	(120)
(18)	1	(15)	Rest of World	(14)	21
-----					
(116)	(125)	(128)		(253)	(231)
-----					
5,734	2,781	3,806		6,587	11,930
=====					

<sup>(a)</sup> Acquisition amortization is depreciation and amortization relating to the fixed asset revaluation adjustments and goodwill consequent upon the ARCO and Burmah Castrol acquisitions.

<sup>(b)</sup> The special items refer to non-recurring charges and credits. The special items for the second quarter comprise restructuring charges for Exploration and Production and Chemicals, business interruption insurance proceeds and costs related to a pipeline incident in Refining and Marketing, Veba, Solvay and Erdölchemie integration costs and an adjustment to the North Sea deferred tax balance for the supplementary UK corporation tax rate.

## Acquisition Amortization by Business

Second Quarter 2001	First Quarter 2002	Second Quarter 2002		First Half	
				2002	2001
\$ million					
<b>Exploration and Production</b>					
39	32	37	UK	69	68
420	281	268	USA	549	826
32	32	36	Rest of World	68	67
491	345	341		686	961
<b>Refining and Marketing</b>					
98	97	100	UK	197	202
91	96	96	USA	192	188
189	193	196		389	390
680	538	537	<b>Total acquisition amortization</b>	<b>1,075</b>	<b>1,351</b>

## Special Items by Business (Pre-Tax)

Second Quarter 2001	First Quarter 2002	Second Quarter 2002			First Half	
			2002	2001		
<b>\$ million</b>						
<b>Exploration and Production</b>						
-	50	82	UK	132	-	
-	-	-	Rest of Europe	-	-	
-	62	8	USA	70	-	
-	15	-	Rest of World	15	-	
-	127	90		217	-	
<b>Gas, Power and Renewables</b>						
-	-	-	UK	-	-	
-	-	-	Rest of Europe	-	-	
-	-	-	USA	-	-	
-	-	-	Rest of World	-	-	
-	-	-		-	-	
<b>Refining and Marketing</b>						
28	-	-	UK	-	43	
64	26	23	Rest of Europe	49	90	
4	-	(137)	USA	(137)	8	
13	-	-	Rest of World	-	21	
109	26	(114)		(88)	162	
<b>Chemicals</b>						
-	-	22	UK	22	-	
-	2	16	Rest of Europe	18	-	
-	30	5	USA	35	-	
-	-	-	Rest of World	-	-	
-	32	43		75	-	
<b>Other businesses and corporate</b>						
-	-	-	UK	-	-	
-	-	-	Rest of Europe	-	-	
-	-	-	USA	-	-	
-	-	-	Rest of World	-	-	
-	-	-		-	-	
109	185	19	<b>Total special items before interest</b>	<b>204</b>	<b>162</b>	
50	-	-	Interest - bond redemption charges	-	60	
159	185	19	<b>Total</b>	<b>204</b>	<b>222</b>	

## Per Share Amounts

Second Quarter 2001	First Quarter 2002	Second Quarter 2002		First Half 2002	2001
22,479	22,456	<b>22,463</b>	Shares in issue at period end (million)	<b>22,463</b>	22,479
3,747	3,743	<b>3,744</b>	- ADS equivalent (million)	<b>3,744</b>	3,747
22,448	22,403	<b>22,427</b>	Average number of shares outstanding (million)*	<b>22,415</b>	22,461
3,741	3,734	<b>3,738</b>	- ADS equivalent (million)	<b>3,736</b>	3,744
<hr/>					
2,701	854	<b>1,509</b>	Replacement cost profit after exceptional items (\$m)	<b>2,363</b>	5,769
12.03	3.81	<b>6.73</b>	cents/ordinary share	<b>10.54</b>	25.68
0.72	0.23	<b>0.40</b>	dollars/ADS	<b>0.63</b>	1.54
<hr/>					
2,648	924	<b>1,293</b>	Replacement cost profit before exceptional items (\$m)	<b>2,217</b>	5,649
11.80	4.12	<b>5.77</b>	cents/ordinary share	<b>9.89</b>	25.15
0.71	0.25	<b>0.34</b>	dollars/ADS	<b>0.59</b>	1.51
<hr/>					
3,431	1,582	<b>2,181</b>	Pro forma result adusted for special items (\$m)	<b>3,763</b>	7,143
15.29	7.06	<b>9.72</b>	cents/ordinary share	<b>16.78</b>	31.80
0.92	0.42	<b>0.59</b>	dollars/ADS	<b>1.01</b>	1.91

\* Excludes shares held by the Employee Share Ownership Plans.

## Replacement Cost Operating Profit Adjusted for Non-Cash Charges and Certain Other Items

Second Quarter 2001	First Quarter 2002	Second Quarter 2002		First Half 2002	2001
\$ million					
4,945	2,058	3,250	Replacement cost operating profit (reported) (a)	5,308	10,417
2,130	2,153	2,227	Depreciation and amounts provided (b)	4,380	4,297
22	59	147	Exploration expenditure written off	206	130
			Dividends from JVs and associates less share of RCOP	(237)	(278)
(69)	(122)	(115)	Dividends paid to minority shareholders	(16)	(5)
(5)	(13)	(3)	Adjust provisions to cash basis (c)	(117)	71
212	(69)	(48)	Adjust interest and other income to cash basis (d)	(16)	(42)
(38)	(13)	(3)			
7,197	4,053	5,455		9,508	14,590
(2,379)	(577)	(869)	Tax paid adjusted for certain items *	(1,446)	(2,476)
4,818	3,476	4,586	<b>Adjusted RCOP after tax paid</b>	<b>8,062</b>	<b>12,114</b>
			* Calculation of tax paid adjusted for certain items		
(2,382)	(445)	(927)	Cash tax paid	(1,372)	(2,521)
118	(39)	160	Tax charge on exceptional items	121	269
(115)	(93)	(102)	Tax shield assumption †	(195)	(224)
(2,379)	(577)	(869)		(1,446)	(2,476)
			† Calculation of tax shield assumption		
(384)	(309)	(342)	Interest paid	(651)	(745)
30%	30%	30%	Tax rate assumption (e)	30%	30%
(115)	(93)	(102)		(195)	(224)

- (a) Total replacement cost operating profit is before exceptional items, stock holding gains and losses and interest expense.  
(b) Includes depreciation and amortization relating to the fixed asset revaluation adjustment and goodwill consequent upon the ARCO and Burmah Castrol acquisitions.  
(c) Calculated as the net of charge for provisions and utilization of provisions.  
(d) Calculated as interest and other income, less interest received and dividends received from the group cash flow statement.  
(e) Deemed tax rate for tax shield adjustment is equal to the UK statutory tax rate.

## Return on Average Capital Employed

Second Quarter 2001	First Quarter 2002	Second Quarter 2002		First Half 2002	2001
\$ million					
<b>Replacement cost basis</b>					
2,648	924	1,293	RC profit before exceptional items	2,217	5,649
441	333	314	Interest	647	887
18	9	52	Minority shareholders' interest	61	26
3,107	1,266	1,659	Adjusted RC profit	2,925	6,562
86,241	89,594	90,774	Average capital employed	88,356	87,360
14.4%	5.7%	7.3%	<b>ROACE - replacement cost basis</b>	6.6%	15.0%
<b>Pro forma basis</b>					
3,107	1,266	1,659	Adjusted RC profit	2,925	6,562
680	538	537	Acquisition amortization	1,075	1,351
53	120	367	Special items (post tax)	487	83
86,241	89,594	90,774	Average capital employed	88,356	87,360
21,334	18,590	18,163	Average capital employed acquisition adjustment	18,455	21,765
64,907	71,004	72,611	Average capital employed (pro forma basis)	69,901	65,595
23.7%	10.8%	14.1%	<b>ROACE - pro forma basis adjusted for special items</b>	12.8%	24.4%
<b>Historical cost basis</b>					
2,741	1,296	2,040	Historical cost profit (loss) after exceptional items	3,336	5,571
441	333	314	Interest	647	887
18	40	46	Minority shareholders' interest	86	26
3,200	1,669	2,400	Adjusted historical cost profit	4,069	6,484
86,241	89,594	90,774	Average capital employed	88,356	87,360
14.8%	7.5%	10.6%	<b>ROACE</b>	9.2%	14.8%

## Net Debt Ratio - Net Debt: Net Debt + Equity

Second Quarter 2001	First Quarter 2002	Second Quarter 2002		First Half 2002	2001
\$ million					
20,498	24,531	21,409	Gross debt	21,409	20,498
1,666	1,665	1,569	Cash and current asset investments	1,569	1,666
18,832	22,866	19,840	Net debt	19,840	18,832
66,880	67,481	68,126	Equity	68,126	66,880
22%	25%	23%	Net debt ratio	23%	22%
20,933	18,297	18,028	Acquisition adjustment	18,028	20,933
29%	32%	28%	Net debt ratio - pro forma basis	28%	29%