BP PLC
Form 6-K
July 26, 2005

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

Report of Foreign Issuer

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

for the period ended 26 July 2005

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

1 ST JAMES'S SQUARE, LONDON, SW1Y 4PD, ENGLAND
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F |X| Form 40-F

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

Yes No |X|

BP p.l.c.
Group Results
2nd Quarter and Half Year 2005

London 26 July 2005

FOR IMMEDIATE RELEASE

RECORD RESULT AND SHAREHOLDER DISTRIBUTIONS FOR THE HALF-YEAR

Second Quarter 2004	First Quarter 2005	Second Quarter 2005	$ million	First Half 2005	First Half 2004	%
4,335	6,602	5,591	Profit for the period*	12,193	9,247	
(462)	(1,111)	(610)	Inventory holding (gains) losses	(1,721)	(1,110)	
3,873	5,491	4,981	Replacement cost profit	10,472	8,137	29
9.83	13.55	12.67	- per ordinary share (pence)	26.22	20.32	
17.69	25.61	23.42	- per ordinary share (cents)	49.03	36.99	33
1.06	1.54	1.40	- per ADS (dollar)	2.94	2.22	

- BP's second quarter replacement cost profit was $4,981 million compared with $3,873 million a year ago, an increase of 29%. For the half year, replacement cost profit was a record $10,472 million compared with $8,137 million, up 29%.

- The second quarter result includes a net non-operating charge of $826 millon compared with a net non-operating charge of $198 million in the second quarter of 2004, and a net non-operating gain of $535 million in the first quarter of 2005. For the half year, the net non-operating charge was $291 million compared with a net gain of $578 million for the first half of 2004.

- The second quarter trading environment was generally stronger than a year ago with higher oil and gas realizations, higher refining and chemicals margins, but with lower retail marketing margins.

- Net cash provided by operating activities for the quarter and half year was $6.7 billion and $16.1 billion, respectively, compared with $5.2 billion and $12.2 billion a year ago.

- The ratio of net debt to net debt plus equity was 18% compared with 20% a year ago.

- The quarterly dividend, to be paid in September, is 8.925 cents per share ($0.5355 per ADS) compared with 7.10 cents per share a year ago. For the half year, the dividend showed an increase of 26%. In sterling terms, the quarterly dividend is 5.119 pence per share, compared with 3.860 pence per share a year ago; for the half year the increase was 25%. During the first half, the company repurchased 396 million of its own shares at a cost of $4.1 billion.

BP Group Chief Executive, Lord Browne, said:

"Our record first half financial results could not have been delivered without the significant investments made over the last decade. These are capturing the benefit of the strong trading environment. Discipline in returning capital to shareholders after continuing to invest for the future is allowing us to reduce the number of shares outstanding, further improving per share performance."

* Profit attributable to BP shareholders.

Summary Quarterly Results

Exploration and Production's second quarter result was up 38% on a year ago reflecting higher realizations in both liquids and gas and higher volumes, partially offset by higher operating costs and revenue investments.

The Refining and Marketing result reflects improved refining margins, lower retail marketing margins and a higher net charge for non-operating items compared with a year ago.

In Gas, Power and Renewables the result decreased compared with a year ago due to lower contributions from the gas marketing and natural gas liquids businesses.

Interest and Other finance expense was $162 million for the quarter compared with $201 million in the previous quarter. The decrease relates primarily to the absence in the second quarter of costs associated with the early redemption of finance leases in the first quarter of 2005.

The effective tax rate on replacement cost profit was 31.5%.

Capital expenditure was $3.3 billion for the quarter. There were no acquisitions in the quarter. Disposal proceeds were $0.4 billion.

Net debt at the end of the quarter was $17.9 billion. The ratio of net debt to net debt plus equity was 18%, and was also 18% at the end of the first quarter.

During the second quarter, the company repurchased 203 million of its own shares, at a cost of $2.1 billion. These shares are held in treasury.

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

TNK-BP operational and financial information has been estimated.

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

Non-Operating Items

$ million	Second Quarter 2005
Exploration and Production	(652)
Refining and Marketing	(658)
Gas, Power and Renewables	87
Other businesses and corporate	17
	(1,206)
Taxation(a)	380
	(826)

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

Reconciliation of Replacement Cost Profit to Profit for the Period

Second Quarter 2004	First Quarter 2005	Second Quarter 2005	$ million	First Half 2005	First Half 2004
4,263	6,486	5,903	Exploration and Production	12,389	8,505
1,665	1,421	1,286	Refining and Marketing	2,707	2,585
189	404	174	Gas, Power and Renewables	578	390
(197)	207	175	Other businesses and corporate	382	897
(87)	(153)	(4)	Consolidation adjustment	(157)	(153)
5,833	8,365	7,534	RC profit before interest and tax	15,899	12,224
(171)	(201)	(162)	Interest and other finance expense	(363)	(345)
(1,747)	(2,612)	(2,322)	Taxation	(4,934)	(3,666)
(42)	(61)	(69)	Minority interest	(130)	(76)
3,873	5,491	4,981	RC profit(a)	10,472	8,137

462	1,111	610	Inventory holding gains (losses)	1,721	1,110
4,335	6,602	5,591	Profit for the period*	12,193	9,247

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

Per Share Amounts

Second Quarter 2004	First Quarter 2005	Second Quarter 2005		First Half 2005	First Half 2004
			Results for the period ($m)		
4,335	6,602	5,591	Profit*	12,193	9,247
3,873	5,491	4,981	Replacement cost profit	10,472	8,137
21,789,115	21,367,827	21,174,934	Shares in issue at period end (thousand)	21,174,934	21,789,115
3,631,519	3,561,305	3,529,156	- ADS equivalent (thousand)	3,529,156	3,631,519
21,906,318	21,441,285	21,270,485	Average number of shares oustanding (thousand)	21,355,418	21,997,057
3,651,053	3,573,548	3,545,081	- ADS equivalent (thousand)	3,559,236	3,666,176
			Per ordinary share (cents)		
19.79	30.79	26.30	Profit for the period	57.09	42.03

			RC profit		
17.69	25.61	23.42	for the period	49.03	36.99
			Per ADS (cents)		
118.74	184.74	157.80	Profit for the period	342.54	252.18
			RC profit		
106.14	153.66	140.52	for the period	294.18	221.94

* Profit attributable to BP shareholders.

Exploration and Production

2Q 2004	1Q 2005	2Q 2005	$ million	First Half 2005	First Half 2004
4,263	6,491	5,906	Profit before interest and tax(a)	12,397	8,513
-	(5)	(3)	Inventory holding (gains) losses	(8)	(8)
			Replacement cost profit		
4,263	6,486	5,903	before interest and tax	12,389	8,505
			Results include:		
			Impairment and gain (loss) on sale of		
(274)	940	(3)	businesses and fixed assets	937	(249)
-	-	-	Environmental and other provisions	-	-
			Restructuring, integration and		
-	-	-	rationalization costs	-	-
			Fair value gain (loss) on		
-	(160)	(674)	embedded derviatives	(834)	-
-	-	25	Other	25	-
(274)	780	(652)	Total non-operating items	128	(249)
108	160	139	Exploration expense	299	244
			Of which:		
22	84	47	Exploration expenditure written off	131	89
			Production (Net of Royalties)		
2,321	2,405	2,437	Crude oil (mb/d)	2,421	2,331
197	188	182	Natural gas liquids (mb/d)	185	194
2,518	2,593	2,619	Total liquids (mb/d)(b)	2,606	2,525
8,425	8,745	8,661	Natural gas (mmcf/d)	8,703	8,512
3,971	4,101	4,112	Total hydrocarbons (mboe/d)(c)	4,107	3,993

			Average realizations		
34.47	43.37	47.79	Crude oil ($/bbl)	45.60	32.85
23.71	28.14	29.86	Natural gas liquids ($/bbl)	28.99	23.43
33.27	41.74	45.95	Total liquids ($/bbl)	43.85	31.85
3.68	4.26	4.38	Natural gas ($/mcf)	4.32	3.74
27.66	33.60	36.11	Total hydrocarbons ($/bbl)	34.86	27.06
			Average oil marker prices($/bbl)		
35.32	47.62	51.63	Brent	49.64	33.67
38.28	49.88	53.08	West Texas Intermediate	51.52	36.80
36.99	45.07	50.10	Alaska North Slope US West Coast	47.64	35.61
			Average natural gas marker prices		
6.00	6.27	6.74	Henry Hub gas price ($/mmbtu)(d)	6.51	5.84
			UK Gas - National		
20.70	37.96	30.15	Balancing Point (p/therm)	34.02	22.64

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

(b) Crude oil and natural gas liquids.

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

(d) Henry Hub First of the Month Index.

Exploration and Production

The replacement cost profit before interest and tax for the second quarter was $5,903 million, an increase of 38% over the second quarter of 2004. This result benefited from higher realizations in both liquids and gas and higher volumes, partially offset by higher operating costs and revenue investments. Net non-operating losses for the second quarter total $652 million, primarily arising from fair value losses on embedded derivatives relating to North Sea gas contracts. The corresponding quarter in 2004 contained charges for impairment of $160 million and losses on sales of assets of $114 million.

Production for the quarter at 4,112 mboe/d was over 3.5% higher than the second quarter of 2004. This reflects production growth from major projects in the new profit centres and TNK-BP, partly offset by anticipated decline in existing profit centres.

The replacement cost profit before interest and tax of $12,389 million for the half year was a record and represented an increase of 46% over the same period of the previous year. This result also benefited from higher realizations and volumes partially offset by higher operating costs and revenue investments. The half year result included net gains on sales of assets of $1,067 million, fair value losses of $834 million on embedded derivatives and charges for impairments of $130 million.

In the deepwater Gulf of Mexico, efforts continue in response to the Thunder Horse platform incident. The facility is now stable and trim; freeboard and displacement are normal. Work continues to determine the cause. We will not begin production, originally scheduled for end-2005, until any damage has been identified and repaired. Elsewhere, projects in the New Profit Centres remain on track. In Azerbaijan, line-fill of the Baku-Tbilisi-Ceyhan (BTC) oil export pipeline commenced and the official inauguration ceremony was held on 25 May 2005. In Angola, the Kizomba B development achieved first oil in early July, ahead of schedule. In Trinidad, both the Cannonball project and the Atlantic LNG Train 4 remain on course for start-up of production in the second half of the year. In addition, we approved our investment in a fifth LNG train in the North West Shelf development in Australia during the second quarter.

Projects in the Existing Profit Centres also remain on track. In Egypt, we extended two concessions in the Gulf of Suez: the Merged Concession Agreement (MCA) and South Garib, which will extend the life of the existing oil fields, increase the recovery of remaining reserves and provide a foundation for growth through future exploration.

During the quarter, BP Trinidad and Tobago LLC (BP 70%) reached agreement for the sale of the Teak, Samaan and Poui fields in Trinidad. Completion of the transaction is expected in the fourth quarter of 2005 subject to regulatory and other approvals.

Customer Facing Segments
Refining and Marketing

2Q 2004	1Q 2005	2Q 2005	$ million	First Half 2005	First Half 2004
2,070	2,363	1,950	Profit before interest and tax(a)	4,313	3,543
(405)	(942)	(664)	Inventory holding (gains) losses	(1,606)	(958)
1,665	1,421	1,286	Replacement cost profit before interest and tax	2,707	2,585
			Results include:		
55	(27)	75	Impairment and gain (loss) on sale of businesses and fixed assets	48	(105)
-	-	-	Environmental and other provisions	-	-
-	-	-	Restructuring, integration and rationalization costs	-	-
-	-	-	Fair value gain (loss) on embedded derivatives	-	-
-	-	(733)	Other	(733)	-

55	(27)	(658)	Total non-operating items	(685)	(105)
			Refinery throughputs(b) (kb/d)		
206	164	210	UK	187	202
729	647	671	Rest of Europe	659	720
1,370	1,400	1,350	USA	1,375	1,317
377	299	305	Rest of World	302	388
2,682	2,510	2,536	Total throughput	2,523	2,627
94.9	95.2	93.1	Refining availability (%)	94.1	95.0
			Oil sales volumes (kb/d)		
			Refined products		
323	338	356	UK	347	310
1,318	1,323	1,346	Rest of Europe	1,335	1,335
1,687	1,648	1,656	USA	1,652	1,685
651	621	604	Rest of World	612	652
3,979	3,930	3,962	Total marketing sales	3,946	3,982
2,262	2,196	2,129	Trading/supply sales	2,163	2,382
6,241	6,126	6,091	Total refined product sales	6,109	6,364
3,761	3,635	4,123	Crude oil	3,879	3,909
10,002	9,761	10,214	Total oil sales	9,988	10,273
			Global Indicator Refining Margin(c) ($/bbl)		
5.29	2.84	5.68	NWE	4.27	4.01
9.18	7.30	9.37	USGC	8.34	8.05
9.01	3.84	7.45	Midwest	5.65	6.84
15.41	12.88	14.53	USWC	13.71	11.73
2.80	4.98	6.30	Singapore	5.64	3.11
8.28	5.94	8.42	BP Average	7.19	6.59
			Chemicals production (kte)		
326	317	317	UK	634	629
814	806	735	Rest of Europe	1,541	1,611
1,144	1,218	1,107	USA	2,325	2,327
982	1,009	981	Rest of World	1,990	2,022

3,266	3,350	3,140	Total production	6,490	6,589

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

(b) Refinery throughputs exclude the Grangemouth and Lavera refineries which were transferred to Other businesses and corporate effective 1 January 2005.

(c) The Global Indicator Refining Margin (GIM) is the average of six regional indicator margins weighted for BP's crude refining capacity in each region. Each regional indicator margin is based on a single representative crude with product yields characteristic of the typical level of upgrading complexity. The regional indicator margins may not be representative of the margins achieved by BP in any period because of BP's particular refinery configurations and crude and product slate. The GIM data shown above excludes the Grangemouth and Lavera refineries.

Customer Facing Segments
Refining and Marketing

The replacement cost profit before interest and tax for the second quarter and half year was $1,286 million and $2,707 million respectively. This compares with $1,665 million and $2,585 million respectively, for the equivalent periods in 2004.

The quarter's result includes a net charge of $658 million for non-operating items. Of this, $700 million is in respect of all fatality and personal injury compensation claims associated with the incident at the Texas City refinery on 23 March 2005. Non-operating items also include a gain of $75 million on the disposal of retail assets and a charge of $33 million for the impairment of an equity-accounted entity. The total charge for non-operating items for the half year amounted to $685 million.

The second quarter and half year results, compared with the prior year, reflect improved refining margins, lower retail marketing margins and a higher net charge for non-operating items. The average refining Global Indicator Margin (GIM) for both the second quarter and the first half of 2005 were higher than in the equivalent periods of 2004 due to product demand strength and the benefits of heavy/sour crude discounts. The margin realized by BP's refinery system also reflected the benefits of locational advantages and supply optimization. Retail marketing margins were lower than last year for both the quarter and half year as a result of rises in crude and product prices being faster than the increase in selling prices.

Refining crude oil throughputs for the quarter and first half were 2,536 kb/d and 2,523 kb/d respectively, lower than last year primarily due to the impact of disposals. The quarter's refining availability reduced to 93% compared with the 95% we achieved consistently last year and in the first quarter. This reflects the full quarter impact of the Texas City incident. Marketing sales were 3,962 kb/d in the second quarter and 3,946 kb/d for the half year. The sales were held at similar levels to both the second quarter and first half of 2004 despite the significant increase in crude and product prices.

Customer Facing Segments
Gas, Power and Renewables

2Q 2004	1Q 2005	2Q 2005	$ million	First Half 2005	First Half 2004
183	418	160	Profit before interest and tax(a)	578	374
6	(14)	14	Inventory holding (gains) losses	-	16
189	404	174	Replacement cost result before interest and tax	578	390
			Results include:		
-	63	20	Impairment and gain (loss) on sale of businesses and fixed assets	83	-
-	-	-	Environmental and other provisions	-	-
-	-	-	Restructuring, integration and rationalization costs	-	-
-	42	67	Fair value gain (loss) on embedded derivatives	109	-
-	-	-	Other	-	-
-	105	87	Total non-operating items	192	-
			Gas sales volumes (mmcf/d)		
4,489	5,413	4,699	UK	5,054	5,409
266	387	382	Rest of Europe	385	354
12,477	14,188	14,501	USA	14,345	13,047
12,079	15,628	14,933	Rest of World	15,279	12,991
29,311	35,616	34,515	Total gas sales volumes	35,063	31,801
			NGL sales volumes (mb/d)		
8	10	4	UK	7	6
3	13	12	Rest of Europe	12	2
334	371	317	USA	344	397
166	254	162	Rest of World	208	205
511	648	495	Total NGL sales volumes	571	610

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

The replacement cost profit before interest and tax for the second quarter and half year was $174 million and $578 million respectively, compared with $189 million and $390 million a year ago.

The second quarter result is lower than the same period in 2004 due to lower contributions from the gas marketing and natural gas liquids businesses. The first half result is higher than the same period in 2004 reflecting higher gains from non-operating items and a similar contribution from the operating businesses. Results reflect changes to fair value accounting following the introduction of IFRS in 2005 which have created increased volatility in the Gas, Power and Renewables result, negatively impacting the second quarter and half year.

Non-operating items in the second quarter include a gain on disposal of an NGL plant in the US and net fair value gains on embedded derivatives.

In June, BP announced plans for the world's first industrial scale project to generate electricity from hydrogen while reducing CO_2 emissions and enhancing oil recovery in the North Sea.

Other Businesses and Corporate

2Q 2004	1Q 2005	2Q 2005	$ million	First Half 2005	First Half 2004
(134)	357	132	Profit (loss) before interest and tax(a)	489	1,057
(63)	(150)	43	Inventory holding (gains) losses	(107)	(160)
(197)	207	175	Replacement cost profit before interest and tax	382	897
			Results include:		
(68)	(24)	34	Impairment and gain (loss) on sale of business and fixed assets	10	1,189
-	-	22	Environmental and other provisions	22	-
-	(43)	(28)	Restructuring, integration and rationalization costs	(71)	-
-	(4)	(14)	Fair value gain (loss) on embedded derivatives	(18)	-
-	-	3	Other	3	-

(68)	(71)	17	Total non-operating items	(54)	1,189
			Analysis of replacement cost result before interest and tax(a)		
(11)	356	290	Olefins and Derivatives	646	(116)
(186)	(149)	(115)	Other	(264)	1,013
(197)	207	175		382	897

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

Other businesses and corporate comprises Olefins and Derivatives, Finance, the group's aluminium asset, interest income and costs relating to corporate activities. The group's interests in PetroChina and Sinopec were divested in early 2004. The second quarter's result includes a net gain of $17 million in respect of non-operating items. This includes a charge in respect of the separation of the Olefins and Derivatives business. The Olefins and Derivatives result showed a marked increase over a year ago primarily as a result of higher margins and volumes.

Dividends Payable

September 2004	June 2005	September 2005		June and September 2005	2004
			Dividends per ordinary share		
7.10	8.50	8.925	cents	17.425	13.85
3.860	4.450	5.119	pence	9.569	7.667
42.6	51.0	53.55	Dividends per ADS (cents)	104.55	83.1

BP today announced a dividend of 8.925 cents per ordinary share to be paid in September. Holders of ordinary shares will receive 5.119 pence per share and holders of American Depository Receipts (ADRs) $0.5355 per ADS share. The dividend is payable on 6 September to shareholders on the register on 12 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 6 September.

Outlook

BP Group Chief Executive, Lord Browne, concluded:

"First half world economic growth has been sustained near its 10-year average of 3%, and is expected to remain so for the rest of 2005.

"Oil prices averaged $51.63 per barrel (Dated Brent) in the second quarter, around $4.00 per barrel higher than in the first quarter. OECD commercial inventories have risen at above normal seasonal rates in the second quarter and remain above five-year average levels. Prices remain supported by strong world oil consumption growth and limited spare oil production capacity.

"US natural gas prices averaged $6.74/mmbtu (Henry Hub first of month index) in the second quarter, up by around $0.50/mmbtu versus the first quarter. Gas inventories remain above year-earlier and five-year average levels but the surplus has been declining and the futures market continues to signal a supply-constrained market heading into the winter heating season.

"BP's average refining Global Indicator Margin improved by nearly $2.50/bbl versus the first quarter to reach $8.42/bbl. So far in the third quarter, refining margins remain very firm in all regions, albeit below second quarter levels. The outlook for retail margins remains uncertain with continuing crude and product price volatility. Rising product prices have dampened margins over the past few weeks and have contributed to a weak start to the third quarter.

"Our strategy is unchanged. We continue to execute it with discipline and focus. Our ability to capture the benefit of current prices and margin strength underpins continued dividend growth and further increases in share buybacks which we expect to be at least $6 billion in the second half of 2005 subject to market conditions and constraints. Capital expenditure is expected to be around $14.5 billion for the year and around $15 billion in 2006."

The foregoing discussion, in particular the statements under "Outlook", contains forward looking statements particularly those regarding capital expenditure, costs, demand, dividends, future performance, growth and other trend projections, margins, prices, production, share buybacks, supply and the timing of projects. By their nature, forward looking statements involve risks and uncertainties and actual results may differ from those expressed in such statements depending on a variety of factors including the following: the timing of bringing new fields on stream; industry product supply; demand and pricing; currency exchange rates; operational problems; general economic conditions including inflationary pressures; political stability and economic growth in relevant areas of the world; changes in governmental regulations; exchange rate fluctuations; development and use of new technology and successful commercial relationships; the actions of competitors; natural disasters and other changes in business conditions; prolonged adverse weather conditions; wars and acts of terrorism or sabotage; and other factors discussed in this Announcement. For more information you should refer to our Annual Report and Accounts 2004 and our 2004 Annual Report on Form 20-F filed with the US Securities and Exchange Commission.

BP p.l.c. and Subsidiaries
Group Results

Second Quarter 2004	First Quarter 2005	Second Quarter 2005		First Half 2005	First Half 2004
$ million				$ million	
70,314	78,998	86,817	Sales and other operating revenues (Note 3)	165,815	138,775
496	486	742	Earnings from jointly controlled Entities - after interest and tax	1,228	808
97	114	104	Earnings from associates - after interest and tax	218	204
161	212	141	Interest and other revenues	353	250
71,068	79,810	87,804	Total revenues	167,614	140,037
66	1,198	202	Gain on sale of businesses and fixed assets	1,400	1,615
71,134	81,008	88,006	Total revenues and other income	169,014	141,652
54,135	59,205	66,367	Purchases	125,572	106,622
4,611	5,430	6,335	Production and manufacturing expenses	11,765	9,466
424	649	697	Production and similar taxes (Note 4)	1,346	949
2,124	2,288	2,375	Depreciation, depletion and amortization	4,663	4,287
353	246	76	Impairment and losses on sale of businesses and fixed assets	322	779
108	160	139	Exploration expense (Note 4)	299	244
3,084	3,432	3,252	Distribution and administration expenses	6,684	5,971
-	122	621	Fair value (gain) loss on embedded derivatives	743	-
6,295	9,476	8,144	Profit before interest and taxation	17,620	13,334
(95)	(172)	(128)	Interest payable (Note 5)	(300)	(193)
(76)	(29)	(34)	Other finance expense (Note 6)	(63)	(152)
6,124	9,275	7,982	Profit before taxation	17,257	12,989
(1,747)	(2,612)	(2,322)	Taxation	(4,934)	(3,666)

4,377	6,663	5,660	Profit for the period	12,323	9,323
			Attributable to:		
4,335	6,602	5,591	BP shareholders	12,193	9,247
42	61	69	Minority interest	130	76
4,377	6,663	5,660		12,323	9,323
			Earnings per share - cents		
			Profit attributable to BP shareholders		
19.79	30.79	26.30	Basic	57.09	42.03
19.39	30.36	25.94	Diluted	56.30	41.16

Summarized Group Balance Sheet

	30 June 2005	31 December 2004
	$ million	
Non-current assets		
Property, plant and equipment	90,947	93,092
Goodwill	10,555	10,857
Other intangible assets	4,518	4,205
Investments in jointly controlled entities	14,499	14,556
Investments in associates	5,713	5,486
Other investments	748	467
Fixed assets	126,980	128,663
Loans and other receivables	5,716	2,419
Defined benefit pension plan surplus	2,106	2,105
	134,802	133,187
Current assets		
Inventories	18,066	15,645
Trade and other receivables	46,339	44,282
Current tax receivable	155	157
Cash and cash equivalents	1,360	1,359

	65,920	61,443
	200,722	194,630
Total assets		
Current liabilities		
Trade and other payables	51,770	48,096
Finance debt	6,506	10,184
Current tax payable	5,269	4,131
Provisions	1,423	715
	64,968	63,126
Non-current liabilities		
Other payables	8,156	4,438
Finance debt	12,796	12,907
Deferred tax liabilities	16,437	16,701
Provisions	8,511	8,884
Defined benefit pension plan and other Post-retirement benefit plan deficits	9,757	10,339
	55,657	53,269
Total liabilities	120,625	116,395
Net assets	80,097	78,235
Equity		
BP shareholders' equity	78,925	76,892
Minority interest	1,172	1,343
	80,097	78,235

Movement in BP shareholders' equity :	$ million
At 31 December 2004	76,892
Adoption of IAS 39	(243)

As restated at 1 January 2005	76,649
Profit for the period	12,193
Distribution to shareholders	(3,632)
Currency translation differences (net of tax)	(2,337)
Issue of ordinary share capital for employee share schemes	271
Purchase of shares by ESOP trusts	(140)
Share based payment accrual (net of tax)	213
Available-for-sale investments (net of tax)	(34)
Cash flow hedges (net of tax)	(160)
Repurchase of ordinary share capital	(4,098)
At 30 June 2005	78,925

Summarized Group Cash Flow Statement

Second Quarter 2004	First Quarter 2005	Second Quarter 2005		First Half 2005	First Half 2004
$ million				$ million	
			Operating activities		
6,124	9,275	7,982	Profit before taxation	17,257	12,989
			Adjustments to reconcile profits before tax to net cash provided by operating activities		
22	84	47	Exploration expenditure written off	131	89
2,124	2,288	2,375	Depreciation, depletion and amortization	4,663	4,287
287	(952)	(126)	Impairment and (gain) loss on sale of businesses and fixed assets	(1,078)	(836)
(593)	(600)	(846)	Earnings from jointly controlled entities and associates	(1,446)	(1,012)
104	355	742	Dividends received from jointly controlled entities and associates	1,097	313
(59)	(65)	(105)	Interest receivable	(170)	(114)
48	35	79	Interest received	114	92
95	172	128	Interest payable	300	193
(154)	(332)	(119)	Interest paid	(451)	(319)
76	29	34	Other finance expense	63	152
57	77	79	Share-based payments	156	115
(34)	(10)	(6)	Net operating charge for pensions and other post-retirement benefits, less contributions	(16)	(57)

(60)	(65)	504	Net charge for provisions, less payments	439	(170)
(1,391)	(960)	(2,101)	(Increase) decrease in inventories	(3,061)	(1,137)
(1,361)	(1,573)	(4,384)	(Increase) decrease in trade and other receivables	(5,957)	(2,842)
1,492	2,749	4,956	Increase (decrease) in trade and other payables	7,705	2,622
(1,619)	(1,133)	(2,502)	Income taxes paid	(3,635)	(2,199)
5,158	9,374	6,737	Net cash provided by operating activities	16,111	12,166
			Investing activities		
(2,603)	(2,825)	(2,911)	Capital expenditure	(5,736)	(5,398)
(14)	-	-	Acquisitions, net of cash acquired	-	(14)
(47)	(15)	(36)	Net investment in jointly controlled entities	(51)	(1,426)
(148)	(99)	(186)	Net investment in associates	(285)	(581)
657	1,327	425	Proceeds from disposal of businesses and fixed assets	1,752	3,493
-	32	48	Proceeds from loan repayments	80	3
(2,155)	(1,580)	(2,660)	Net cash used in investing activities	(4,240)	(3,923)
			Financing activities		
(1,948)	(1,933)	(2,034)	Net issue (repurchase) of shares	(3,967)	(3,086)
430	811	482	Proceeds from long-term financing	1,293	1,058
(434)	(2,192)	(1,011)	Repayments of long-term financing	(3,203)	(1,270)
(195)	(2,166)	149	Net (decrease) increase in short-term debt	(2,017)	(2,423)
(1,478)	(1,823)	(1,809)	Dividends paid - BP shareholders	(3,632)	(2,970)
(8)	(320)	(15)	- Minority interest	(335)	(10)
(3,633)	(7,623)	(4,238)	Net cash used in financing activities	(11,861)	(8,701)
(11)	(9)	-	Currency translation differences relating to cash and cash equivalents	(9)	(8)
(641)	162	(161)	(Decrease) increase in cash and cash equivalents	1	(466)
2,231	1,359	1,521	Cash and cash equivalents at beginning of period	1,359	2,056

Second Quarter 2004	First Quarter 2005	Second Quarter 2005		First Half 2005	First Half 2004
1,590	1,521	1,360	Cash and cash equivalents at end of period	1,360	1,590

Capital Expenditure and Acquisitions

Second Quarter 2004	First Quarter 2005	Second Quarter 2005		First Half 2005	First Half 2004
$ million				$ million	
			By business		
			Exploration and Production		
211	176	213	UK	389	364
45	31	37	Rest of Europe	68	93
981	997	942	USA	1,939	1,870
1,015	1,097	1,289	Rest of World (a)	2,386	3,689
2,252	2,301	2,481		4,782	6,016
			Refining and Marketing		
81	43	97	UK	140	143
133	67	111	Rest of Europe	178	203
313	190	219	USA	409	531
59	31	88	Rest of World	119	90
586	331	515		846	967
			Gas, Power and Renewables		
5	1	16	UK	17	6
3	1	6	Rest of Europe	7	5
13	13	19	USA	32	24
56	6	10	Rest of World	16	102
77	21	51		72	137
			Other businesses and corporate		

15	75	82	UK	157	46
37	20	58	Rest of Europe	78	71
64	64	53	USA	117	111
32	16	34	Rest of World	50	86
148	175	227		402	314
3,063	2,828	3,274		6,102	7,434
			By geographical area		
312	295	408	UK	703	559
218	119	212	Rest of Europe	331	372
1,371	1,264	1,233	USA	2,497	2,536
1,162	1,150	1,421	Rest of World (a)	2,571	3,967
3,063	2,828	3,274		6,102	7,434
			Included above:		
14	85	66	Acquisitions and asset exchanges	151	1,373

(a) First half 2004 included $1,354 million investment in TNK's interest in Slavneft within TNK-BP.

Exchange rates

1.81	1.89	1.86	US dollar/sterling average rate for the period	1.87	1.82
1.81	1.88	1.80	US dollar/sterling period-end rate	1.80	1.81
1.20	1.31	1.26	US dollar/euro average rate for the period	1.28	1.23
1.21	1.30	1.21	US dollar/euro period-end rate	1.21	1.21

Analysis of Profit Before Interest and Tax

Second Quarter 2004	First Quarter 2005	Second Quarter 2005		First Half 2005	First Half 2004
$ million				$ million	
			By business		
			Exploration and Production		
852	911	574	UK	1,485	1,692
206	1,328	294	Rest of Europe	1,622	369
1,714	2,008	2,441	USA	4,449	3,406
1,491	2,244	2,597	Rest of World	4,841	3,046
4,263	6,491	5,906		12,397	8,513
			Refining and Marketing		
(110)	(249)	(73)	UK	(322)	(214)
658	835	982	Rest of Europe	1,817	1,081
1,152	1,429	691	USA	2,120	1,979
370	348	350	Rest of World	698	697
2,070	2,363	1,950		4,313	3,543
			Gas, Power and Renewables		
(7)	116	124	UK	240	16
(4)	6	(8)	Rest of Europe	(2)	(17)
98	172	39	USA	211	172
96	124	5	Rest of World	129	203
183	418	160		578	374
			Other businesses and corporate		
(77)	(121)	(45)	UK	(166)	(344)
104	370	159	Rest of Europe	529	250
(175)	103	(29)	USA	74	(279)
14	5	47	Rest of World	52	1,430
(134)	357	132		489	1,057

6,382	9,629	8,148		17,777	13,487
(87)	(153)	(4)	Consolidation adjustment	(157)	(153)
6,295	9,476	8,144		17,620	13,334
			By geographical area		
658	640	576	UK	1,216	1,150
964	2,539	1,427	Rest of Europe	3,966	1,683
2,702	3,576	3,142	USA	6,718	5,125
1,971	2,721	2,999	Rest of World	5,720	5,376
6,295	9,476	8,144		17,620	13,334

Analysis of Replacement Cost Profit
Before Interest and Tax

Second Quarter 2004	First Quarter 2005	Second Quarter 2005		First Half 2005	First Half 2004
$ million				$ million	
			By business		
			Exploration and Production		
852	911	574	UK	1,485	1,692
206	1,328	294	Rest of Europe	1,622	369
1,714	2,003	2,438	USA	4,441	3,398
1,491	2,244	2,597	Rest of World	4,841	3,046
4,263	6,486	5,903		12,389	8,505
			Refining and Marketing		
(128)	(270)	(59)	UK	(329)	(246)
550	423	658	Rest of Europe	1,081	869
973	1,003	373	USA	1,376	1,416
270	265	314	Rest of World	579	546
1,665	1,421	1,286		2,707	2,585

			Gas, Power and Renewables		
(7)	116	124	UK	240	16
(4)	6	(1)	Rest of Europe	5	(17)
113	163	43	USA	206	192
87	119	8	Rest of World	127	199
189	404	174		578	390
			Other businesses and corporate		
(97)	(191)	(57)	UK	(248)	(378)
68	309	150	Rest of Europe	459	189
(182)	86	29	USA	115	(342)
14	3	53	Rest of World	56	1,428
(197)	207	175		382	897
5,920	8,518	7,538		16,056	12,377
(87)	(153)	(4)	Consolidation adjustment	(157)	(153)
5,833	8,365	7,534		15,899	12,224
			By geographical area		
620	549	578	UK	1,127	1,084
820	2,066	1,101	Rest of Europe	3,167	1,410
2,531	3,119	2,883	USA	6,002	4,511
1,862	2,631	2,972	Rest of World	5,603	5,219
5,833	8,365	7,534		15,899	12,224

Analysis of Non-operating Items

Second Quarter 2004	First Quarter 2005	Second Quarter 2005		First Half 2005	First Half 2004

$ million				$ million	
			By business		
			Exploration and Production		
(2)	(290)	(678)	UK	(968)	(3)
-	1,027	3	Rest of Europe	1,030	-
(117)	(1)	(3)	USA	(4)	(136)
(155)	44	26	Rest of World	70	(110)
(274)	780	(652)		128	(249)
			Refining and Marketing		
(58)	8	(23)	UK	(15)	(94)
73	1	(12)	Rest of Europe	(11)	36
7	5	(634)	USA	(629)	2
33	(41)	11	Rest of World	(30)	(49)
55	(27)	(658)		(685)	(105)
			Gas, Power and Renewables		
-	105	66	UK	171	-
-	-	-	Rest of Europe	-	-
-	-	21	USA	21	-
-	-	-	Rest of World	-	-
-	105	87		192	-
			Other businesses and corporate		
4	(66)	(6)	UK	(72)	(4)
(1)	(1)	12	Rest of Europe	11	-
(70)	(4)	11	USA	7	(196)
(1)	-	-	Rest of World	-	1,389
(68)	(71)	17		(54)	1,189
(287)	787	(1,206)	Total before taxation	(419)	835
89	(252)	380	Taxation credit (charge)	128	(257)
(198)	535	(826)	Total after taxation	(291)	578

Depreciation of Fixed Asset Revaluation Adjustment

Second Quarter 2004	First Quarter 2005	Second Quarter 2005		First Half 2005	First Half 2004
$ million				$ million	
			Exploration and Production		
8	7	12	UK	19	19
90	77	70	USA	147	183
6	4	3	Rest of World	7	12
104	88	85		173	214
			Refining and Marketing		
31	31	31	USA	62	62
31	31	31		62	62
135	119	116	Total depreciation of revaluation adjustment (a)(b)	235	276

(a) Relates to the revaluation adjustment consequent upon the ARCO acquisition.

(b) Excludes impairment of the revaluation adjustment which is included in non-operating items.

Net Debt Ratio - Net Debt: Net Debt + Equity

Second Quarter 2004	First Quarter 2005	Second Quarter 2005		First Half 2005	First Half 2004
$ million				$ million	
19,858	19,564	19,302	Gross debt	19,302	19,858
1,590	1,521	1,360	Cash and cash equivalents	1,360	1,590
18,268	18,043	17,942	Net debt	17,942	18,268
73,088	79,911	80,097	Equity	80,097	73,088
20%	18%	18%	Net debt ratio	18%	20%

Production and Realizations

Second Quarter 2004	First Quarter 2005	Second Quarter 2005		First Half 2005	First Half 2004
			Production		
			Crude oil (mb/d) (net of royalties)		
321	288	290	UK	289	333
80	76	73	Rest of Europe	74	76
541	560	546	USA	553	552
1,379	1,481	1,528	Rest of World	1,505	1,370
2,321	2,405	2,437	Total crude oil production	2,421	2,331
			Natural gas liquids (mb/d) (net of royalties)		
21	17	20	UK	18	20
5	5	4	Rest of Europe	5	5
140	135	127	USA	131	139
31	31	31	Rest of World	31	30
197	188	182	Total natural gas liquids production	185	194

			Liquids (a)(mb/d) (net of royalties)		
342	305	310	UK	307	353
85	81	77	Rest of Europe	79	81
681	695	673	USA	684	691
1,410	1,512	1,559	Rest of World	1,536	1,400
2,518	2,593	2,619	Total liquids production	2,606	2,525
			Natural gas (mmcf/d) (net of royalties)		
1,213	1,242	1,136	UK	1,189	1,284
136	121	106	Rest of Europe	114	139
2,790	2,648	2,727	USA	2,688	2,829
4,286	4,734	4,692	Rest of World	4,712	4,260
8,425	8,745	8,661	Total natural gas production	8,703	8,512
			Average realizations Crude oil ($/bbl)		
33.99	45.54	48.76	UK	47.16	31.60
35.82	43.20	49.27	USA	46.21	34.22
32.64	41.49	44.57	Rest of World	43.08	31.69
34.47	43.37	47.79	BP Average	45.60	32.85
			Natural gas liquids ($/bbl)		
28.30	29.82	34.34	UK	32.30	27.04
23.13	26.98	28.04	USA	27.50	22.71
22.17	31.24	33.77	Rest of World	32.47	23.36
23.71	28.14	29.86	BP Average	28.99	23.43
			Liquids (a) ($/bbl)		
33.64	44.68	47.83	UK	46.27	31.33
33.67	40.56	45.92	USA	43.21	32.36
31.90	40.83	43.94	Rest of World	42.43	31.14
33.27	41.74	45.95	BP Average	43.85	31.85
			Natural gas ($/mcf)		
3.59	5.58	4.82	UK	5.21	4.18
5.11	5.31	5.83	USA	5.57	4.91
2.54	3.10	3.20	Rest of World	3.15	2.60
3.68	4.26	4.38	BP Average	4.32	3.74

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(a) Crude oil and natural gas liquids.

Notes

1. Transition to International Financial Reporting Standards

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

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

- not to present comparative information in accordance with IAS 32 'Financial Instruments: Disclosure and Presentation' and IAS 39 'Financial Instruments: Recognition and Measurement'.

- not to restate its financial information for acquisitions occurring before 1 January 2003.

- to deem cumulative translation differences to be zero at 1 January 2003.

- to recognize all actuarial gains and losses on pensions and other post-retirement benefits directly in shareholders' equity at 1 January 2003. This is consistent with the group's adoption of FRS 17 'Retirement Benefits' in 2004.

- to apply IFRS 2 'Share-based Payment' retrospectively to all share-based payments.

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

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

Standards Board (IASB) expected to be in effect for the year ending 31 December 2005. It is possible that there will be changes to these standards and interpretations before the end of 2005, which might require further adjustments to this information before it is included in the 2005 Annual Report and Accounts. In addition, BP has decided to early adopt IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations', IFRS 6 'Exploration for and Evaluation of Mineral Resources', the amendment to IAS 19 'Amendment to international accounting standard IAS 19 Employee Benefits: Actuarial Gains and Losses, Group Plans and Disclosures', the amendment to IAS 39 'Financial Instruments: Recognition and Measurement - Cash Flow Hedge Accounting of Forecast Intra-group Transactions' and IFRIC 4 'Determining whether an Arrangement contains a Lease'.

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

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

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

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

Notes

1. Transition to International Financial Reporting Standards (continued)

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

- ceasing to amortize goodwill.

- setting up deferred taxation on:

  - acquisitions;
  - inventory valuation differences;
  - unremitted earnings of subsidiaries, associates and jointly controlled entities.

- expensing a greater proportion of major maintenance costs.

- no longer recognizing dividends proposed but not declared as a liability at the balance sheet date.

- recognizing an expense for the fair value of employee share option schemes rather than the intrinsic value.
- recording asset swaps on the basis of fair value.
- embedded derivatives measured at fair value.

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

	Second Quarter 2004	First Half 2004
	$ million	
Profit for the period under UK GAAP	3,948	8,810
Adjustments		
Goodwill amortization	357	716
Major maintenance expenditure	(56)	(88)
Share-based payments	(19)	(35)
Asset swaps	-	2
Recycling forex on disposal	-	78
Deferred tax	159	(154)
Other	(12)	(6)
Profit for the period under IFRS	4,377	9,323

	30 June 2004
	$ million
BP shareholders' equity under UK GAAP	72,818
Adjustments	
Goodwill amortization	2,139

Major maintenance expenditure	(630)
Share-based payments	254
Asset swaps	(139)
Deferred tax	(4,077)
Dividend accrual	1,542
Other	(51)

BP shareholders' equity under IFRS	71,856
	=======

Notes

2. Resegmentation

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

(a) Our petrochemicals operations have been divided between the Refining and Marketing segment and Other businesses and corporate. The Aromatics and Acetyls businesses and the petrochemicals assets that are integrated with our Gelsenkirchen refinery in Germany are now part of Refining and Marketing. The Olefins and Derivatives business is now reported within Other businesses and corporate. This segment has also been restated to include the legacy historical results of other petrochemicals assets that have been divested during 2004. We have also combined our Grangemouth and Lavera refineries into the Olefins and Derivatives business to maintain current operating synergies. These changes have been made in connection with the establishment of our Olefins and Derivatives business as a stand-alone entity within BP, with a view towards its divestment at a later date.

(b) A small US operation, the Hobbs fractionator, which supplies petrochemicals feedstock, has been transferred from Gas, Power and Renewables to Olefins and Derivatives.

(c) The Mardi Gras pipeline system in the Gulf of Mexico has been transferred from Exploration and Production to Refining and Marketing.

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

3. Sales and other operating revenues

Second First Second

Quarter 2004	Quarter 2005	Quarter 2005		First Half 2005	First Half 2004
$ million				$ million	
			By business		
8,083	10,186	10,934	Exploration and Production	21,120	16,269
48,514	49,869	61,022	Refining and Marketing	110,891	92,610
18,434	23,667	23,110	Gas, Power and Renewables	46,777	39,409
3,911	5,515	6,125	Other businesses and corporate	11,640	7,730
78,942	89,237	101,191		190,428	156,018
8,628	10,239	14,374	Less: sales between businesses	24,613	17,243
70,314	78,998	86,817		165,815	138,775
			By geographical area		
18,008	26,911	30,791	UK	57,702	35,870
13,545	17,009	17,870	Rest of Europe	34,879	25,973
33,333	34,282	38,841	USA	73,123	64,929
15,638	18,706	20,208	Rest of World	38,914	31,460
80,524	96,908	107,710		204,618	158,232
10,210	17,910	20,893	Less: sales between areas	38,803	19,457
70,314	78,998	86,817		165,815	138,775

Notes

4. Operating profits are after charging:

Second Quarter 2004	First Quarter 2005	Second Quarter 2005	First Half 2005	First Half 2004
$ million			$ million	

			Exploration expense		
3	5	13	UK	18	5
6	1	-	Rest of Europe	1	8
63	103	85	USA	188	160
36	51	41	Rest of World	92	71
108	160	139		299	244
			Production and similar taxes (a)		
46	114	153	UK	267	172
378	535	544	Overseas	1,079	777
424	649	697		1,346	949

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

5. Interest payable

147	191	204	Group interest payable	395	295
(52)	(76)	(76)	Capitalized	(152)	(102)
95	115	128		243	193
			Early redemption of finance		
-	57	-	leases	57	-
95	172	128		300	193

6. Other finance expense

Interest on pension and other

491	514	509	post-retirement benefit plan liabilities	1,023	991
(491)	(547)	(542)	Expected return on pension and other post-retirement benefit plan assets	(1,089)	(989)
-	(33)	(33)	Interest net of expected return on plan assets	(66)	2
50	45	50	Unwinding of discount on provisions	95	98
26	17	17	Unwinding of discount on deferred consideration for acquisition of investment in TNK-BP	34	52
76	29	34		63	152

Notes

7. Dividends paid

Second Quarter 2004	First Quarter 2005	Second Quarter 2005		First Half 2005	First Half 2004
			Dividends per ordinary share		
6.75	8.50	8.50	cents	17.0	13.5
3.807	4.522	4.450	pence	8.972	7.481
40.5	51.0	51.0	Dividends per ADS (cents)	102.0	81.0

8. Analysis of changes in net debt

Second Quarter 2004	First Quarter 2005	Second Quarter 2005		First Half 2005	First Half 2004
$ million				$ million	
			Opening balance		

19,937	23,091	19,564	Finance debt	23,091	22,325
2,231	1,359	1,521	Less: Cash and cash equivalents	1,359	2,056
17,706	21,732	18,043	Opening net debt	21,732	20,269
			Closing balance		
19,858	19,564	19,302	Finance debt	19,302	19,858
1,590	1,521	1,360	Less: Cash and cash equivalents	1,360	1,590
18,268	18,043	17,942	Closing net debt	17,942	18,268
(562)	3,689	101	Decrease (increase) in net debt	3,790	2,001
(630)	171	(161)	Movement in cash and cash equivalents (excluding exchange adjustments)	10	(458)
199	3,547	380	Net cash outflow (inflow) from financing(excluding share capital)	3,927	2,635
-	(147)	-	Adoption of IAS 39	(147)	-
-	98	17	Fair value hedge adjustment	115	-
15	49	53	Other movements	102	53
(416)	3,718	289	Movement in net debt before exchange effects	4,007	2,230
(146)	(29)	(188)	Exchange adjustments	(217)	(229)
(562)	3,689	101	Decrease (increase) in net debt	3,790	2,001

Notes

9. TNK-BP Operational and Financial Information

Second Quarter 2004	First Quarter 2005	Second Quarter 2005		First Half 2005	First Half 2004

Second Quarter 2004	First Quarter 2005	Second Quarter 2005		First Half 2005	First Half 2004
			Production (Net of royalties) (BP share)		
814	875	903	Crude oil (mb/d)	889	790
450	527	429	Natural gas (mmcf/d)	477	416
891	966	977	Total hydrocarbons (mboe/d)(a)	971	862

$ million				$ million	
			Income statement (BP share)		
581	615	920	Profit before interest and tax	1,535	955
(26)	(29)	(32)	Interest expense *	(61)	(56)
(161)	(167)	(227)	Taxation	(394)	(269)
(10)	(8)	(20)	Minority interest	(28)	(20)
384	411	641	Net Income	1,052	610
26	17	17	* Excludes unwinding of discount on deferred consideration	34	52
			Cash Flow		
-	-	-	Additional investment in TNK-BP joint venture	-	(1,416)
-	-	-	Dividends related to period prior to acquisition	-	143
-	-	-	Net investment in TNK-BP joint venture	-	(1,273)
-	250	425	Dividends received	675	119

Second Quarter 2004	First Quarter 2005	Second Quarter 2005		First Half 2005	First Half 2004
			Average oil marker prices ($/bbl)		
32.32	42.54	48.08	Urals (NWE - cif)	45.31	30.67
32.60	43.21	48.49	Urals (Med - cif)	45.85	30.79
19.71	19.14	27.39	Domestic Oil	23.27	18.40

Balance Sheet	30 June 2005	31 December 2004
Investments in jointly controlled entities	8,671	8,294
Deferred consideration		
Due within one year	1,244	1,227
Due after more than one year	1,211	1,194
	2,455	2,421

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

TNK-BP operational and financial information has been estimated and includes adjustments to net income in respect of prior periods amounting to a credit of $14 million in 2Q 2005 and a charge of $14 million in first half 2005.

As reported at first quarter 2005, various TNK-BP group companies have received tax notifications totalling approximately $1 billion in respect of 2001. Discussions between TNK-BP and the Russian Federal Tax Service (FTS) regarding these notifications are still ongoing. In addition, the FTS is currently conducting routine tax audits for 2002 and 2003, although it has not communicated any preliminary findings and any such findings are likely to be dependent on the resolution of the 2001 tax issues. In the agreements executed at the formation of TNK-BP, BP has extensive indemnities from its co-venturers in respect of pre-acquisition tax liabilities.

Notes

10. Olefins and Derivatives

Second Quarter 2004	First Quarter 2005	Second Quarter 2005		First Half 2005	First Half 2004
			Refinery throughputs (mb/d)		

198	193	165	UK	179	198
142	199	186	Rest of Europe	192	158
340	392	351	Total throughput	371	356
			Petrochemicals production (kte)		
530	461	583	UK	1,044	1,067
1,912	2,132	2,126	Rest of Europe	4,258	3,843
1,370	1,301	1,340	USA	2,641	2,730
93	104	552	Rest of World	656	185
3,905	3,998	4,601	Total production	8,599	7,825
$ million				$ million	
			Income Statement		
52	506	247	Profit before interest and tax	753	44
(63)	(150)	43	Inventory holding (gains) losses	(107)	(160)
(11)	356	290	Replacement cost profit before interest and tax	646	(116)
			By geographical area:		
(21)	(30)	125	UK	95	(126)
69	302	124	Rest of Europe	426	196
(77)	89	24	USA	113	(212)
18	(5)	17	Rest of World	12	26
(11)	356	290		646	(116)
			Replacement cost result includes:		
(67)	(24)	-	Impairment and gain (loss) on sale of businesses and fixed assets	(24)	(201)
(67)	(24)	-	Total non-operating items	(24)	(201)

Other Financial Information

122	144	155	Capital expenditure and acquisitions	299	277

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

Notes

11. Equity-accounted entities

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

	RC Profit before interest and tax	Inventory holding gains (losses)	Profit before interest and tax
		$ million	
Second Quarter 2005			
Exploration and Production	1,163	-	1,163
Refining and Marketing	72	(10)	62
Gas, Power and Renewables	9	-	9
Other businesses and corporate	5	(5)	-
	1,249	(15)	1,234
First Quarter 2005			
Exploration and Production	841	-	841
Refining and Marketing	76	(4)	72
Gas, Power and Renewables	5	-	5
Other businesses and corporate	(1)	-	(1)
	921	(4)	917

Second Quarter 2004			
Exploration and Production	814	-	814
Refining and Marketing	72	(1)	71
Gas, Power and Renewables	2	-	2
Other businesses and corporate	9	(2)	7
	897	(3)	894
Half Year 2005			
Exploration and Production	2,004	-	2,004
Refining and Marketing	148	(14)	134
Gas, Power and Renewables	14	-	14
Other businesses and corporate	4	(5)	(1)
	2,170	(19)	2,151
Half Year 2004			
Exploration and Production	1,377	-	1,377
Refining and Marketing	170	(7)	163
Gas, Power and Renewables	2	-	2
Other businesses and corporate	26	(11)	15
	1,575	(18)	1,557

Notes

11. Equity-accounted entities (continued)

	Interest	Tax	Minority interest	Profit for the period
		$ million		
Second Quarter 2005				

Exploration and Production	(56)	(289)	(20)	798
Refining and Marketing	(5)	(13)	-	44
Gas, Power and Renewables	(3)	(1)	-	5
Other businesses and corporate	(1)	-	-	(1)
	(65)	(303)	(20)	846
First Quarter 2005				
Exploration and Production	(52)	(227)	(8)	554
Refining and Marketing	(5)	(18)	-	49
Gas, Power and Renewables	(2)	(2)	-	1
Other businesses and corporate	(3)	-	-	(4)
	(62)	(247)	(8)	600
Second Quarter 2004				
Exploration and Production	(46)	(222)	(10)	536
Refining and Marketing	(4)	(17)	-	50
Gas, Power and Renewables	(1)	-	-	1
Other businesses and corporate	(1)	-	-	6
	(52)	(239)	(10)	593
Half Year 2005				
Exploration and Production	(108)	(516)	(28)	1,352
Refining and Marketing	(10)	(31)	-	93
Gas, Power and Renewables	(5)	(3)	-	6
Other businesses and corporate	(4)	-	-	(5)
	(127)	(550)	(28)	1,446
Half Year 2004				
Exploration and Production	(96)	(380)	(20)	881
Refining and Marketing	(8)	(36)	-	119
Gas, Power and Renewables	(3)	-	-	(1)
Other businesses and corporate	(2)	-	-	13

(109)	(416)	(20)	1,012

Notes

12. Third quarter results

BP's third quarter results will be announced on 25 October 2005.

13. Statutory accounts

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

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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 authorized.

BP p.l.c.
(Registrant)

Dated: 26 July 2005

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