BP PLC
Form 6-K
February 07, 2006

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 07 February 2006

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
4th Quarter and Full Year 2005

London 7 February 2006

FOR IMMEDIATE RELEASE

RECORD 2005 RESULT, CASH FLOWS AND SHAREHOLDER DISTRIBUTIONS

Fourth Quarter 2004	Third Quarter 2005	Fourth Quarter 2005	$ million	Year 2005	2004	%
3,010	6,463	3,685	Profit for the period*	22,341	17,075	
494	(2,053)	747	Inventory holding (gains) losses	(3,027)	(1,643)	
3,504	4,410	4,432	Replacement cost profit	19,314	15,432	25
8.71	11.86	12.15	- per ordinary share (pence)	50.23	38.64	
16.23	21.04	21.34	- per ordinary share (cents)	91.41	70.71	29
0.97	1.26	1.28	- per ADS (dollar)	5.48	4.24	

Innovene operations have been treated as discontinued operations and presented accordingly within this document.

o BP's fourth quarter replacement cost profit was $4,432 million compared with $3,504 million a year ago, an increase of 26%. For the year, replacement cost profit was $19,314 million compared with $15,432 million, up 25%.

o The fourth quarter result includes a net non-operating charge of $553 millon compared with a net non-operating charge of $1,261 million in the fourth quarter of 2004. In addition, the fourth quarter 2005 result for the Refining and Marketing and Gas, Power and Renewables segments reflects significant volatility arising under IFRS fair value accounting. Furthermore, the Refining and Marketing result includes a significant charge in respect of planned restructuring actions. For the year, the net non-operating charge was $1,754 million compared with a net charge of $1,072 million for the year 2004.

o The fourth quarter trading environment was stronger than a year ago with higher oil and gas realizations and higher refining and retail marketing margins but with lower olefins margins.

o Net cash provided by operating activities for the quarter and year was $4.2 billion and $26.7 billion, respectively, compared with $5.2 billion and $23.4 billion a year ago.

o The sale of Innovene to INEOS completed on 16 December 2005.

o The ratio of net debt to net debt plus equity was 17% compared with 22% a year ago.

o The quarterly dividend, to be paid in March, is 9.375 cents per share ($0.5625 per ADS) compared with 8.50 cents per share a year ago. For the year, the dividend showed an increase of 21%. In sterling terms, the quarterly dividend is 5.288 pence per share, compared with 4.522 pence per share a year ago; for the year the increase was 24%. During the year, the company repurchased 1,060 million of its own shares at a cost of $11.6 billion. Notwithstanding shares issued in respect of the TNK-BP transaction during the year, shares in issue at end 2005 were 4% lower than a year previously.

BP Group Chief Executive, Lord Browne, said:

"BP's fourth quarter result was particularly hit by the continued shutdown of our Texas City refinery, during its refurbishment, and significant non-economic effects of the application of IFRS fair value accounting. Our 2005 result was a record; this reflects the quality of our asset base and operations. Innovene has been sold for an attractive price and earlier than expected. Strong operating cash flows and proceeds from disposals have enabled record distributions to shareholders".

* Profit attributable to BP shareholders.

Summary Quarterly Results

Exploration and Production's fourth quarter result was a record and up 38% on a year ago. This result benefited from higher realizations, partially offset by the hurricane impact on volumes and associated repair costs, the cost of the Thunder Horse stability incident, and higher operating and revenue investment costs.

The Refining and Marketing result reflects the impact of the shutdown of the Texas City refinery for the whole quarter, due to hurricane Rita, along with other storm related disruptions, a significant negative impact related to IFRS fair value accounting and a significant charge in respect of rationalization and efficiency programmes.

In Gas, Power and Renewables, the result reflects lower contributions from the gas trading and marketing business. It also includes a positive impact related to IFRS fair value accounting, in addition to a significant charge related to embedded derivatives.

Finance costs and Other finance expense was $215 million for the quarter compared with $181 million in the previous quarter. This reflects higher interest costs partially offset by higher capitalized interest.

The consolidation adjustment, which removes the margin on sales between segments in respect of inventory at the period end, was a credit of $234 million in the fourth quarter, mainly reflecting the changes in supply patterns and inventory levels due to the shutdown of the Texas City refinery.

The effective tax rate on replacement cost profit of continuing operations was 32.4%.

Capital expenditure was $4.8 billion for the quarter; there were no significant acquisitions. Disposal proceeds were $9.2 billion, primarily from the sale of Innovene to INEOS.

Net debt at the end of the quarter was $16.2 billion. The ratio of net debt to net debt plus equity was 17%.

During the fourth quarter, the company repurchased 332 million of its own shares, at a cost of $3.7 billion. These shares are held in treasury.

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

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 change in accounting policy for sales and purchases (see Note 4); (c) the Mardi Gras pipeline system has been transferred from Exploration and Production to Refining and Marketing; (d) the aromatics and acetyls operations and the petrochemicals assets that are integrated with our Gelsenkirchen refinery in Germany have been transferred from the former Petrochemicals segment to Refining and Marketing;

(e) the olefins and derivatives operations have been transferred from the former Petrochemicals segment to the Olefins and Derivatives business. The legacy historical results of other petrochemicals assets that had been divested during 2004 and 2003 are included within Other businesses and corporate; (f) the Grangemouth and Lavera refineries have been transferred from Refining and Marketing to the Olefins and Derivatives business; and (g) the Hobbs fractionator has been transferred from Gas, Power and Renewables to the Olefins and Derivatives business. The Olefins and Derivatives business is reported within Other businesses and corporate. This re-organisation was a precursor to seeking to divest the Olefins and Derivatives business. As indicated in Note 3, during 2005 we have divested Innovene and shown these activities as discontinued operations in these accounts. Innovene represented the majority of the Olefins and Derivatives business.

Non-operating Items

$ million		Fourth Quarter 2005
Exploration and Production		(979)
Refining and Marketing		50
Gas, Power and Renewables		(307)
Other businesses and corporate		(64)
		(1,300)
Taxation(a)		421
Continuing operations		(879)
Innovene Operations	136	
Taxation(a)	190	326
Total for all operations		(553)

(a) Taxation on non-operating items related to Innovene operations includes the actual tax effects arising on the loss on re-measurement to fair value and the sale to INEOS; other non-operating items are tax effected at 32.4%, the effective tax rate for continuing operations.

Reconciliation of Replacement Cost Profit to Profit for the Period

Fourth Quarter 2004	Third Quarter 2005	Fourth Quarter 2005	$ million	Year 2005	Year 2004
4,750	6,535	6,567	Exploration and Production	25,491	18,077
1,337	1,858	(160)	Refining and Marketing	4,405	5,240
495	314	117	Gas, Power and Renewables	1,009	915
(245)	(452)	(403)	Other businesses and corporate	(1,186)	156
			Consolidation adjustments		
57	(285)	234	Unrealized profit in inventory	(208)	(191)
31	144	128	Net profit on transactions between continuing and Innovene operations (a)	527	188
			RC profit before interest		

6,425	8,114	6,483	and tax	30,038	24,385
(264)	(181)	(215)	Finance costs and other finance expense	(761)	(780)
(1,818)	(2,674)	(2,029)	Taxation(b)	(9,473)	(7,082)
(59)	(68)	(93)	Minority interest	(291)	(187)
4,284	5,191	4,146	RC profit for continuing operations attributable to BP shareholders (c)	19,513	16,336
(493)	1,938	(903)	Inventory holding gains (losses) for continuing operations	2,644	1,361
3,791	7,129	3,243	Profit for the period for continuing operations attributable to BP shareholders	22,157	17,697
(781)	(666)	442	Profit (loss) for the period from Innovene operations(d)	184	(622)
3,010	6,463	3,685	Profit for the period attributable to BP shareholders	22,341	17,075
4,284	5,191	4,146	RC profit for continuing operations attributable to BP shareholders	19,513	16,336
(780)	(781)	286	RC profit for Innovene operations	(199)	(904)
3,504	4,410	4,432	Replacement cost profit	19,314	15,432

(a) In the circumstances of discontinued operations, Accounting Standards require that the profits earned by the discontinued operations, in this case the Innovene operations, on sales to the continuing operations be eliminated on consolidation from the discontinued operations, and attributed to the continuing operations and vice versa. This adjustment has two offsetting elements: the net margin on crude refined by Innovene as substantially all crude for their refineries is supplied by BP and most of the refined products manufactured are taken by BP; and the margin on sales of feedstock from BP's US refineries to Innovene's manufacturing plants. The profits attributable to individual segments are not affected by this adjustment. Neither does this representation indicate the profits earned by continuing or Innovene operations, as if they were stand-alone entities, for past periods or likely to be earned in future periods.

(b) The fourth quarter effective tax rate on continuing operations of 32.4% is calculated as the tax charge ($2,029 million) divided by RC profit for continuing operations after interest ($6,483-$215=$6,268 million).

(c) 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.

(d) See further detail in Note 3.

Per Share Amounts

Fourth Quarter 2004	Third Quarter 2005	Fourth Quarter 2005		Year 2005	Year 2004
			Results for the period ($m)		
3,010	6,463	3,685	Profit*	22,341	17,075
3,504	4,410	4,432	Replacement cost profit	19,314	15,432
			Shares in issue at		
21,525,978	20,984,851	20,657,045	period end (thousand)	20,657,045	21,525,978
3,587,663	3,497,475	3,442,841	- ADS equivalent (thousand)	3,442,841	3,587,663
21,607,872	21,007,316	20,792,896	Average number of shares outstanding (thousand)	21,125,902	21,820,535
3,601,312	3,501,219	3,465,483	- ADS equivalent (thousand)	3,520,984	3,636,756
			Per ordinary share (cents)		
14.00	30.75	17.90	Profit for the period	105.74	78.24
16.23	21.04	21.34	RC profit for the period	91.41	70.71
			Per ADS (cents)		
84.00	184.50	107.40	Profit for the period	634.44	469.44
97.38	126.24	128.04	RC profit for the period	548.46	424.26

* Profit attributable to BP shareholders.

Exploration and Production

Fourth Quarter 2004	Third Quarter 2005	Fourth Quarter 2005	$ million	Year 2005	Year 2004
4,747	6,536	6,575	Profit before interest and tax(a)	25,508	18,087
3	(1)	(8)	Inventory holding (gains) losses	(17)	(10)
4,750	6,535	6,567	Replacement cost profit before interest and tax	25,491	18,077

Results include:

Impairment and gain (loss) on sale of

(236)	(106)	62	businesses and fixed assets	893	(469)
-	-	-	Environmental and other provisions	-	-
-	-	-	Restructuring, integration and rationalization costs	-	-
-	(53)	(801)	Fair value gain (loss) on embedded derivatives	(1,688)	-
8	12	(240)	Other	(203)	(27)
(228)	(147)	(979)	Total non-operating items	(998)	(496)
258	177	208	Exploration expense	684	637
			Of which:		
151	93	81	Exploration expenditure written off	305	274
			Production (Net of Royalties) (b)		
2,396	2,313	2,400	Crude oil (mb/d)	2,389	2,340
197	159	164	Natural gas liquids (mb/d)	173	191
2,593	2,472	2,564	Total liquids (mb/d)(c)	2,562	2,531
8,714	7,841	8,458	Natural gas (mmcf/d)	8,424	8,503
4,095	3,824	4,022	Total hydrocarbons (mboe/d)(d)	4,014	3,997
			Average realizations (e)		
41.01	56.83	53.92	Crude oil ($/bbl)	50.27	36.45
31.20	36.70	39.29	Natural gas liquids ($/bbl)	33.23	26.75
39.88	54.80	52.44	Total liquids ($/bbl)	48.51	35.39
4.28	4.75	6.24	Natural gas ($/mcf)	4.90	3.86
32.64	41.68	44.56	Total hydrocarbons ($/boe)	38.86	29.20
			Average oil marker prices($/bbl)		
43.85	61.63	56.87	Brent	54.48	38.27
48.29	63.18	60.01	West Texas Intermediate	56.58	41.49
42.62	60.91	57.89	Alaska North Slope US West Coast	53.55	38.96
			Average natural gas marker prices		
7.07	8.53	13.00	Henry Hub gas price ($/mmbtu)(f)	8.65	6.13
28.51	29.26	65.30	UK Gas - National Balancing Point (p/therm)	40.71	24.39

(a) Profit from continuing operations and includes profit after interest and tax of equity-accounted entities.

(b) Includes BP's share of production of equity-accounted entities.

(c) Crude oil and natural gas liquids.

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

(e) Based on turnover of consolidated subsidiaries only - this excludes equity-accounted entities.

(f) Henry Hub First of the Month Index.

Exploration and Production

The replacement cost profit before interest and tax for the fourth quarter was $6,567 million, a record result, up 38% from the fourth quarter of 2004. This result benefited from higher realizations, partially offset by the hurricane impact on volumes and associated repair costs, the cost of the Thunder Horse stability incident, and higher operating and revenue investment costs.

Included in the result for the quarter were net non-operating charges of $979 million, primarily arising from fair value losses of $801 million on embedded derivatives relating to North Sea gas contracts, and a charge of $265 million on the cancellation of an intra-group gas supply contract (which is offset by a gain in our Gas, Power and Renewables segment). The corresponding quarter of 2004 contained net non-operating charges of $228 million.

The replacement cost profit before interest and tax for the full year at $25,491 million was a record, up 41% on a year ago. This reflects higher realizations, partly offset by costs associated with the hurricanes and Thunder Horse, and higher operating and revenue investment costs. The year's result included net non-operating charges of $998 million primarily arising from fair value losses on embedded derivatives of $1,688 million, net gains on sales of assets of $1,159 million, mainly from the sale of Ormen Lange in the first quarter, and net impairment charges of $266 million. The full year results in 2004 included net non-operating charges of $496 million.

Production for the quarter at 4,022 mboe/d was 2% lower than in the fourth quarter of 2004, principally as a result of the lost production owing to the hurricane damage in the Gulf of Mexico.

Total production for the year was 4,014 mboe/d, compared with 3,997 mboe/d in 2004. Increases in production in our New Profit Centres and TNK-BP were offset by the effect of the hurricanes, higher planned maintenance shutdowns, anticipated decline and operational issues in our Existing Profit Centres.

We estimate the opportunity losses caused by the hurricanes in the fourth quarter and year to be in the region of $950 million for the fourth quarter and $1,600 million for the full year.

Projects in our New Profit Centres are progressing well. During the quarter the West Azeri project in Azerbaijan achieved first production four months ahead of schedule, and good progress is being made on the completion of the BTC pipeline with the first lifting at Ceyhan in Turkey expected in the second quarter of 2006. In Trinidad, Atlantic LNG Train 4 started production in mid December with the Cannonball gas development expected to start production in the first quarter of 2006. Repairs and construction of the Thunder Horse platform in the Gulf of Mexico are proceeding offshore, and production is expected to start in the second half of 2006. In Russia, TNK-BP disposed of non-core producing assets in the Saratov region, along with the Orsk refinery. In our Existing Profit Centres, production commenced from the Rhum and Farragon fields in the North Sea.

BP's proved reserve replacement ratio, on a UK SORP basis, was 100% on a combined basis of subsidiaries and equity-accounted entities, excluding acquisitions and disposals. This is the thirteenth consecutive year that we have at least replaced our production.

Refining and Marketing

Fourth Third Fourth

Quarter 2004	Quarter 2005	Quarter 2005	$ million	Year 2005	Year 2004
811	3,697	(1,068)	Profit (loss) before interest and tax(a)	6,942	6,544
526	(1,839)	908	Inventory holding (gains) losses	(2,537)	(1,304)
1,337	1,858	(160)	Replacement cost profit (loss) before interest and tax	4,405	5,240
			Results include:		
(333)	(14)	50	Impairment and gain (loss) on sale of businesses and fixed assets	84	(456)
-	(140)	-	Environmental and other provisions	(140)	(206)
(32)	-	-	Restructuring, integration and rationalization costs	-	(32)
-	-	-	Fair value gain (loss) on embedded derivatives	-	-
-	-	-	Other	(733)	-
(365)	(154)	50	Total non-operating items	(789)	(694)
			Refinery throughputs(b) (mb/d)		
218	202	144	UK	180	208
601	687	664	Rest of Europe	667	684
1,436	1,328	942	USA	1,255	1,373
296	296	288	Rest of World	297	342
2,551	2,513	2,038	Total throughput	2,399	2,607
96.5	92.6	90.9	Refining availability (%)	92.9	95.4
			Oil sales volumes (mb/d)		
			Refined products		
335	369	358	UK	355	322
1,363	1,402	1,343	Rest of Europe	1,354	1,360
1,664	1,674	1,559	USA	1,634	1,682
627	599	573	Rest of World	599	638
3,989	4,044	3,833	Total marketing sales	3,942	4,002
2,194	2,010	1,448	Trading/supply sales	1,946	2,396
6,183	6,054	5,281	Total refined product sales	5,888	6,398
2,569	2,803	2,710	Crude oil	2,804	2,691
8,752	8,857	7,991	Total oil sales	8,692	9,089
			Global Indicator Refining Margin(c) ($/bbl)		
4.72	7.78	5.51	NWE	5.47	4.28
5.52	17.12	11.64	USGC	11.40	7.15
1.65	13.40	7.91	Midwest	8.19	5.08
10.36	17.57	8.90	USWC	13.49	11.27
8.02	6.52	4.42	Singapore	5.56	4.94
5.69	12.35	7.60	BP Average	8.60	6.31
			Chemicals production (kte)		
316	284	281	UK	1,199	1,302
779	771	811	Rest of Europe	3,123	3,189
1,122	890	676	USA	3,891	4,643

990	1,115	1,049	Rest of World	4,154	4,016
3,207	3,060	2,817	Total production	12,367	13,150

(a) Profit from continuing operations and includes profit after interest and tax of equity-accounted entities.

(b) Refinery throughputs exclude the Grangemouth and Lavera refineries which are now treated as discontinued operations within Other businesses and corporate.

(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.

Refining and Marketing

The replacement cost loss before interest and tax for the fourth quarter was $160 million compared with a profit of $1,337 million for the same period in 2004. The replacement cost profit before interest and tax for the year was $4,405 million compared with $5,240 million in 2004.

The reduction in the fourth quarter result compared with a year ago was driven by three significant factors. Firstly, the impact of the shutdown, throughout the quarter, of the Texas City refinery, along with other storm-related supply disruptions to a number of our US-based businesses. Compared with the fourth quarter of 2004, the reduction in replacement cost profit before interest and tax in respect of these disruptions was some $870 million; compared with the third quarter of 2005 the reduction was $670 million. Secondly, the fourth quarter's result was adversely impacted by $454 million of accounting effects. This resulted from a combination of changes in both inventory levels and the forward trajectory of market prices across the quarter, and compares to a net gain of $114 million in the third quarter of 2005. The third factor was a charge of $467 million in respect of rationalization and efficiency programmes, mainly across our marketing activities in Europe. This has not been identified as a non-operating item.

The fourth quarter's result includes a net non-operating gain of $50 million primarily from retail divestments. In comparison, the net charge for non-operating items in the fourth quarter of 2004 was $365 million.

Supply disruptions in the USA and market uncertainty continued into the fourth quarter of 2005. The average refining Global Indicator Margin (GIM) fell sharply from the record levels of last quarter but was higher than those of the equivalent quarter last year. Retail marketing margins recovered strongly from the third quarter and were above those of the equivalent quarter last year, although margins in our other marketing businesses were lower. In addition to the impact of the three significant factors identified above, the fourth quarter result also reflects the impact of lower refining availability compared to the equivalent quarter last year.

Refining throughputs for the quarter were 2,038 mb/d, some 513 mb/d lower than in the fourth quarter of 2004 due principally to the complete shut down of the Texas City refinery late in the third quarter. Marketing volumes were 3,833 mb/

d, lower than those in the same quarter last year due primarily to hurricane-related supply disruptions in the USA.

The full year result of $4,405 million was also impacted by the factors outlined above: the Texas City refinery outage, adverse impacts related to fair value accounting and costs associated with the rationalization and efficiency programmes.

The full year average GIM was higher than that for the full year 2004, and consistent with the increase in BP's actual realized refining margin. Retail marketing margins, despite the recovery in the fourth quarter, were significantly lower than those for the full year 2004, although partly offset by increases in our other marketing businesses. Our purchased energy costs and operating and investment costs were higher year-on-year due to refinery repair, manufacturing integrity costs and the initial charges for the rationalization and efficiency programmes mentioned above.

The full year result includes a charge of $789 million for non-operating items compared with a charge of $694 million in 2004. Included in the 2005 charge is $700 million in respect of fatality and personal injury claims associated with the Texas City incident and charges in respect of new, and revisions to existing, environmental and other provisions.

The total opportunity loss in respect of the Texas City refinery shutdown and storms, at prevailing margins, is estimated at around $1,800 million for the year.

Gas, Power and Renewables

Fourth Quarter 2004	Third Quarter 2005	Fourth Quarter 2005	$ million	Year 2005	Year 2004
523	412	114	Profit before interest and tax(a)	1,104	954
(28)	(98)	3	Inventory holding (gains) losses	(95)	(39)
495	314	117	Replacement cost profit before interest and tax	1,009	915
			Results include:		
40	(2)	(26)	Impairment and gain (loss) on sale of businesses and fixed assets	55	56
-	6	-	Environmental and other provisions	6	-
-	-	-	Restructuring, integration and rationalization costs	-	-
-	91	(546)	Fair value gain (loss) on embedded derivatives	(346)	-
-	-	265	Other	265	-
40	95	(307)	Total non-operating items	(20)	56

(a) Profit from continuing operations and includes profit after interest and tax of equity-accounted entities.

The replacement cost profit before interest and tax for the fourth quarter and full year was $117 million and $1,009 million respectively, compared with $495 million and $915 million a year ago. Non-operating items for the fourth quarter include fair value losses on embedded derivatives of $546 million and $265 million compensation received on the cancellation of an intra-group gas supply contract (which is offset by a loss in our Exploration and Production segment).

The fourth quarter result is lower than the same period in 2004 primarily due to lower contributions from the gas trading and marketing business and the net non-operating charge described above, partially offset by a $289 million positive impact related to IFRS fair value accounting. The full year result is higher than in 2004 reflecting higher contributions from the operating businesses.

Other Businesses and Corporate

Fourth Quarter 2004	Third Quarter 2005	Fourth Quarter 2005	$ million	Year 2005	Year 2004
(237)	(452)	(403)	Profit (loss) before interest and tax(a)	(1,191)	164
(8)	-	-	Inventory holding (gains) losses	5	(8)
(245)	(452)	(403)	Replacement cost profit (loss) before interest and tax (b)	(1,186)	156
			Results include:		
8	4	-	Impairment and gain (loss) on sale of businesses and fixed assets	38	1,164
-	(296)	(4)	Environmental and other provisions	(278)	(283)
(85)	(6)	(57)	Restructuring, integration and rationalization costs	(134)	(102)
-	8	(3)	Fair value gain (loss) on embedded derivatives	(13)	-
66	-	-	Other	3	66
(11)	(290)	(64)	Total non-operating items	(384)	845

(a) Profit from continuing operations and includes profit after interest and tax of equity-accounted entities.

(b) Includes the portion of Olefins and Derivatives not included in the sale of Innovene to INEOS. This includes the equity-accounted investments in China and Malaysia that were part of Olefins and Derivatives.

Other businesses and corporate comprises 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 fourth quarter's result includes a net charge of $64 million in respect of non-operating items.

Dividends Payable

March 2005	December 2005	March 2006		June, September, December and March 2005/06	June, September, December and March 2004/05
			Dividends per ordinary share		
8.50	8.925	9.375	cents	35.725	29.45
4.522	5.061	5.288	pence	19.918	16.099
51.0	53.55	56.25	Dividends per ADS (cents)	214.35	176.70

BP today announced a dividend of 9.375 cents per ordinary share to be paid in March. Holders of ordinary shares will receive 5.288 pence per share and holders of American Depository Receipts (ADRs) $0.5625 per ADS share. The dividend is payable on 13 March to shareholders on the register on 24 February. 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 13 March.

Outlook

BP Group Chief Executive, Lord Browne, concluded:

"World economic growth has continued at near trend rates. In addition to sustained growth in the US and Asia, there has been an acceleration of activity in Europe; the near-term global outlook appears solid.

"Crude oil prices averaged $56.87 per barrel (Dated Brent) in the fourth quarter, a decline of nearly $5 per barrel from the third quarter average but more than $13 per barrel above the same period last year. Prices weakened in face of ample inventories and relatively mild weather in the early part of the fourth quarter, and despite large production losses from hurricanes Katrina and Rita. Prices rebounded in December with the onset of colder weather and have been sustained above $60 in 2006. Oil prices are expected to remain strong but remain dependent upon OPEC production levels and geopolitical concerns.

"US natural gas prices averaged $13/mmbtu (Henry Hub first of month index) in the fourth quarter, up nearly $4.50 per mmbtu versus the third quarter. Lost supply following hurricanes Katrina and Rita and the onset of the winter heating season pushed prices above distillate parity for most of December. In recent weeks prices have traded closer to parity with residual fuel oil. US gas prices are expected to track oil prices but remain vulnerable to weather-related price spikes in the months ahead.

"UK gas prices (National Balancing Point) more than doubled in the fourth quarter to 65.3 pence per therm from 29.3 pence per therm in the third quarter in face of concerns about gas availability through the winter. Prompt prices have recently eased but remain volatile. Supplies are expected to be adequate in the face of normal winter weather.

"Average global refining margins softened to $7.60/bbl in the fourth quarter. The disruptions caused by last autumn's hurricanes eased during the quarter as new sources of product supply were accessed. Oil product stocks currently appear adequate to meet winter demand and global margins have softened further during 2006 to date. However, margin spikes are still possible during extended periods of cold weather and a heavier than normal maintenance programme.

"During the fourth quarter, retail margins benefited from falling product prices particularly in the first two months of the quarter. During December and so far in 2006, a rise in wholesale gasoline and crude prices is evident. Marketing margins are expected to remain volatile.

"Following a comprehensive refurbishment, the steam system at the Texas City refinery was successfully recommissioned in December 2005. Initial production is expected to commence in the first quarter, with further units restarting in a phased programme, primarily in the second and third quarters.

"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 continuing share buybacks subject to market conditions and constraints. Capital expenditure excluding acquisitions for the year was about $14 billion and is expected to be around $15 billion in 2006 with divestments in the region of $3 billion."

The foregoing discussion, in particular the statements under "Outlook", contains forward looking statements particularly those regarding first lifting of oil from the BTC pipeline, the start-up of production from the Cannonball gas development, the timing of production from the Thunder Horse platform, world economic growth, oil prices, US and UK gas prices and supplies, oil product stocks, margins, production at Texas City, dividends and share buy-backs and capital expenditure. 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; 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
Summarized Group Income Statement

Fourth Quarter 2004	Third Quarter 2005	Fourth Quarter 2005		Year 2005	Year 2004
$ million				$ million	
53,343	69,310	64,708	Sales and other operating revenues (Notes 4 and 5)	249,465	199,876
358	1,020	835	Earnings from jointly controlled entities - after interest and tax	3,083	1,818
130	112	133	Earnings from associates - after interest and tax	460	462
230	113	229	Interest and other revenues	613	615
54,061	70,555	65,905	Total revenues	253,621	202,771
273	30	210	Gain on sale of businesses and fixed assets	1,538	1,685
54,334	70,585	66,115	Total revenues and other income	255,159	204,456
36,210	49,345	45,541	Purchases	172,699	135,907
4,420	4,590	6,118	Production and manufacturing expenses	21,092	17,330
647	834	830	Production and similar taxes (Note 6)	3,010	2,149
2,430	2,041	2,351	Depreciation, depletion and amortization	8,771	8,529
796	148	124	Impairment and losses on sale of businesses and fixed assets	468	1,390
258	177	208	Exploration expense (Note 6)	684	637

3,641	3,444	4,013	Distribution and administration expenses	13,706	12,768
-	(46)	1,350	Fair value (gain) loss on embedded derivatives	2,047	-
5,932	10,052	5,580	Profit before interest and taxation from continuing operations	32,682	25,746
143	144	172	Finance costs (Note 7)	616	440
121	37	43	Other finance expense (Note 8)	145	340
5,668	9,871	5,365	Profit before taxation from continuing operations	31,921	24,966
1,818	2,674	2,029	Taxation (includes overseas Taxation of $9,082 million, 2004 $5,461 million)	9,473	7,082
3,850	7,197	3,336	Profit from continuing operations	22,448	17,884
(781)	(666)	442	Profit (loss) from Innovene operations (Note 3)	184	(622)
3,069	6,531	3,778	Profit for the period	22,632	17,262
			Attributable to:		
3,010	6,463	3,685	BP shareholders	22,341	17,075
59	68	93	Minority interest	291	187
3,069	6,531	3,778		22,632	17,262
			Earnings per share - cents		
			Profit for the period attributable to BP shareholders		
14.00	30.75	17.90	Basic	105.74	78.24
13.75	30.54	17.68	Diluted	104.52	76.87
			Profit from continuing operations Attributable to BP shareholders		
17.57	33.87	15.82	Basic	104.87	81.09
17.26	33.62	15.62	Diluted	103.66	79.66

Summarized Group Balance Sheet

	31 December 2005	31 December 2004
	$ million	
Non-current assets		
Property, plant and equipment	85,947	93,092
Goodwill	10,371	10,857
Other intangible assets	4,772	4,205
Investments in jointly controlled entities	13,556	14,556
Investments in associates	6,217	5,486
Other investments	967	394
Fixed assets	121,830	128,590
Loans	821	811
Other receivables	770	429
Derivative financial instruments	3,652	898
Prepayments and accrued income	1,269	354
Defined benefit pension plan surplus	3,282	2,105

	131,624	133,187
Current assets		
Loans	132	193
Inventories	19,760	15,645
Trade and other receivables	40,902	37,099
Derivative financial instruments	9,726	5,317
Prepayments and accrued income	1,598	1,671
Current tax receivable	212	159
Cash and cash equivalents	2,960	1,359
	75,290	61,443
Total assets	206,914	194,630
Current liabilities		
Trade and other payables	42,136	38,540
Derivative financial instruments	9,083	5,074
Accruals and deferred income	5,970	4,482
Finance debt	8,932	10,184
Current tax payable	4,274	4,131
Provisions	1,102	715
	71,497	63,126
Non-current liabilities		
Other payables	1,935	3,581
Derivative financial instruments	3,696	158
Accruals and deferred income	3,164	699
Finance debt	10,230	12,907
Deferred tax liabilities	16,443	16,701
Provisions	9,954	8,884
Defined benefit pension plan and other post-retirement benefit plan deficits	9,230	10,339
	54,652	53,269
Total liabilities	126,149	116,395
Net assets	80,765	78,235
Equity		
BP shareholders' equity	79,976	76,892
Minority interest	789	1,343
	80,765	78,235

Movement in BP Shareholders' Equity

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 year	22,341
Distribution to shareholders	(7,359)
Currency translation differences (net of tax)	(2,479)
Exchange differences on translation of foreign operations	

transferred to loss on sale (net of tax)	(220)
Actuarial gain on pension and other post-retirement benefits plans (net of tax)	619
Repurchase of ordinary share capital	(11,597)
Issue of ordinary share capital for employee share schemes	534
Issue of ordinary share capital for TNK-BP	1,250
Purchase of shares by ESOP trusts	(251)
Share-based payment accrual (net of tax)	412
Available-for-sale investments (net of tax)	190
Cash flow hedges (net of tax)	(113)
At 31 December 2005	79,976

Summarized Group Cash Flow Statement

Fourth Quarter 2004	Third Quarter 2005	Fourth Quarter 2005		Year 2005	Year 2004
$ million				$ million	
			Operating activities		
5,668	9,871	5,365	Profit before taxation from continuing operations	31,921	24,966
			Adjustments to reconcile profits before tax to net cash provided by operating activities		
151	93	81	Exploration expenditure written off	305	274
2,430	2,041	2,351	Depreciation, depletion and amortization	8,771	8,529
523	118	(86)	Impairment and (gain) loss on sale of businesses and fixed assets	(1,070)	(295)
(488)	(1,132)	(968)	Earnings from jointly controlled entities and associates	(3,543)	(2,280)
756	893	844	Dividends received from jointly controlled entities and associates	2,833	2,199
(3,098)	(5,718)	(4,171)	Working capital and other movements	(13,466)	(9,346)
5,942	6,166	3,416	Net cash provided by operating activities of continuing operations	25,751	24,047
(785)	205	823	Net cash provided by (used in) operating activities of Innovene operations	970	(669)
5,157	6,371	4,239	Net cash provided by operating activities	26,721	23,378
			Investing activities		
(3,805)	(3,069)	(3,476)	Capital expenditure	(12,281)	(12,286)
(1,489)	-	(60)	Acquisitions, net of cash acquired	(60)	(1,503)
(134)	(2)	(132)	Investment in jointly controlled entities	(185)	(1,648)
(190)	(82)	(252)	Investment in associates	(619)	(942)
894	226	825	Proceeds from disposal of fixed assets	2,803	4,236
-	-	8,397	Proceeds from disposal of businesses	8,397	725
84	11	32	Proceeds from loan repayments	123	87
-	-	93	Other	93	-

(4,640)	(2,916)	5,427	Net cash provided by (used in) investing activities	(1,729)	(11,331)
			Financing activities		
(1,942)	(3,661)	(3,687)	Net repurchase of shares	(11,315)	(7,208)
900	497	685	Proceeds from long-term financing	2,475	2,675
(921)	(420)	(1,197)	Repayments of long-term financing	(4,820)	(2,204)
2,529	2,983	(2,423)	Net increase (decrease) in short-term debt	(1,457)	(24)
(1,535)	(1,871)	(1,856)	Dividends paid - BP shareholders	(7,359)	(6,041)
(8)	(87)	(405)	- Minority interest	(827)	(33)
(977)	(2,559)	(8,883)	Net cash used in financing activities	(23,303)	(12,835)
78	(74)	(5)	Currency translation differences relating to cash and cash equivalents	(88)	91
(382)	822	778	Increase (decrease) in cash and cash equivalents	1,601	(697)
1,741	1,360	2,182	Cash and cash equivalents at beginning of period	1,359	2,056
1,359	2,182	2,960	Cash and cash equivalents at end of period	2,960	1,359

Summarized Group Cash Flow Statement

Fourth Quarter 2004	Third Quarter 2005	Fourth Quarter 2005		Year 2005	Year 2004
$ million				$ million	
			Working capital and other movements		
(129)	(86)	(228)	Interest receivable	(479)	(284)
193	81	208	Interest received	401	331
143	144	172	Interest payable	616	440
(227)	(384)	(292)	Interest paid	(1,127)	(698)
121	37	43	Other finance expense	145	340
68	66	56	Share-based payments	278	224
(54)	(21)	(398)	Net operating charge for pensions and other post-retirement benefits, less contributions	(435)	(84)
(364)	440	(284)	Net charge for provisions, less payments	600	(110)
127	(3,737)	(318)	(Increase) decrease in inventories	(6,638)	(3,182)
(4,160)	(10,116)	(386)	(Increase) decrease in trade and other receivables	(16,427)	(10,225)
3,580	10,425	300	Increase (decrease) in trade and other payables	18,628	10,290
(2,396)	(2,567)	(3,044)	Income taxes paid	(9,028)	(6,388)
(3,098)	(5,718)	(4,171)		(13,466)	(9,346)

Group Statement of Recognized Income and Expense

Fourth Quarter 2004	Third Quarter 2005	Fourth Quarter 2005		Year 2005	Year 2004
$ million				$ million	
2,424	216	(308)	Currency translation differences	(2,490)	2,283
-	-	(315)	Exchange gain on translation of foreign operations transferred to gain or loss on sale of businesses and fixed assets	(315)	(78)
107	-	975	Actuarial gain relating to pensions and other post-retirement benefits	975	107
-	47	236	Available-for-sale investments	262	-
-	(11)	(5)	Cash flow hedges	(176)	-
94	-	-	Unrealized gain on acquisition of further investment in equity-accounted investments	-	94
(52)	(17)	(295)	Taxation	(259)	(73)
2,573	235	288	Net income recognized directly in equity	(2,003)	2,333
3,069	6,531	3,778	Profit for the period	22,632	17,262
5,642	6,766	4,066	Total recognized income and expense relating to the year	20,629	19,595
-	-	-	Change in accounting policy - adoption of IAS 32 and 39 on 1 January 2005	(243)	-
5,642	6,766	4,066	Total recognized income and expense since last annual accounts	20,386	19,595
			Attributable to:		
5,583	6,698	3,973	BP shareholders	20,095	19,408
59	68	93	Minority interest	291	187
5,642	6,766	4,066		20,386	19,595

Capital Expenditure and Acquisitions

Fourth Quarter 2004	Third Quarter 2005	Fourth Quarter 2005		Year 2005	Year 2004
$ million				$ million	
			By business		
			Exploration and Production		
207	221	211	UK	821	762
94	50	79	Rest of Europe	197	255
1,060	930	1,001	USA	3,870	3,913
1,237	1,292	1,671	Rest of World (a)	5,349	6,078
2,598	2,493	2,962		10,237	11,008
			Refining and Marketing		
186	65	203	UK	408	411
248	99	291	Rest of Europe	568	599
485	282	535	USA	1,226	1,314

301	115	336	Rest of World	570	495
1,220	561	1,365		2,772	2,819
			Gas, Power and Renewables		
154	3	10	UK	30	166
12	4	15	Rest of Europe	26	19
42	22	42	USA	96	80
117	10	57	Rest of World	83	259
325	39	124		235	524
			Other businesses and corporate		
244	92	90	UK	339	403
880	40	71	Rest of Europe	189	1,024
527	29	131	USA	277	698
74	3	47	Rest of World	100	175
1,725	164	339		905	2,300
5,868	3,257	4,790		14,149	16,651
			By geographical area		
791	381	514	UK	1,598	1,742
1,234	193	456	Rest of Europe	980	1,897
2,114	1,263	1,709	USA	5,469	6,005
1,729	1,420	2,111	Rest of World (a)	6,102	7,007
5,868	3,257	4,790		14,149	16,651
			Included above:		
1,482	-	60	Acquisitions and asset exchanges	211	2,841
1,539	103	140	Innovene operations	497	1,915

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

			Exchange rates		
			US dollar/sterling average rate		
1.86	1.78	1.75	for the period	1.82	1.83
1.92	1.76	1.73	US dollar/sterling period-end rate	1.73	1.92
			US dollar/euro average rate		
1.29	1.22	1.19	for the period	1.24	1.24
1.36	1.20	1.18	US dollar/euro period-end rate	1.18	1.36

Analysis of Profit Before Interest and Tax

Fourth Quarter 2004	Third Quarter 2005	Fourth Quarter 2005		Year 2005	Year 2004
$ million				$ million	
			By business		
			Exploration and Production		
998	939	(295)	UK	2,129	3,453
222	301	398	Rest of Europe	2,321	837
1,597	2,071	2,972	USA	9,492	6,807

1,930	3,225	3,500	Rest of World	11,566	6,990
4,747	6,536	6,575		25,508	18,087
			Refining and Marketing		
(395)	316	(588)	UK	(594)	(627)
353	1,122	(266)	Rest of Europe	2,673	2,300
619	1,701	(307)	USA	3,514	3,616
234	558	93	Rest of World	1,349	1,255
811	3,697	(1,068)		6,942	6,544
			Gas, Power and Renewables		
158	(17)	(159)	UK	64	84
(3)	4	(19)	Rest of Europe	(17)	(31)
102	403	132	USA	746	418
266	22	160	Rest of World	311	483
523	412	114		1,104	954
			Other businesses and corporate		
207	(144)	(141)	UK	(673)	(217)
(132)	11	(124)	Rest of Europe	(79)	(134)
(197)	(361)	(22)	USA	(405)	(782)
(115)	42	(116)	Rest of World	(34)	1,297
(237)	(452)	(403)		(1,191)	164
5,844	10,193	5,218		32,363	25,749
57	(285)	234	Unrealized profit in inventory	(208)	(191)
31	144	128	Net profit on transactions between continuing and Innovene operations	527	188
5,932	10,052	5,580	Total for continuing operations	32,682	25,746
			Innovene operations		
(71)	(289)	490	UK	423	(170)
(468)	(88)	(1)	Rest of Europe	406	14
(311)	(220)	(42)	USA	(166)	(259)
(122)	(28)	21	Rest of World	5	(111)
(972)	(625)	468		668	(526)
(31)	(144)	(128)	Net profit on transactions between continuing and Innovene operations	(527)	(188)
(1,003)	(769)	340	Total for Innovene operations	141	(714)
4,929	9,283	5,920	Total for period	32,823	25,032
			By geographical area		
1,082	1,138	(1,039)	UK	1,167	2,875
500	1,523	31	Rest of Europe	5,206	3,121
2,035	3,543	2,974	USA	13,139	9,725
2,315	3,848	3,614	Rest of World	13,170	10,025
5,932	10,052	5,580	Total for continuing operations	32,682	25,746

Analysis of Replacement Cost Profit
Before Interest and Tax

Fourth Quarter 2004	Third Quarter 2005	Fourth Quarter 2005		Year 2005	Year 2004
$ million				$ million	
			By business		
			Exploration and Production		
998	939	(295)	UK	2,129	3,453
222	301	398	Rest of Europe	2,321	837
1,600	2,070	2,964	USA	9,475	6,797
1,930	3,225	3,500	Rest of World	11,566	6,990
4,750	6,535	6,567		25,491	18,077
			Refining and Marketing		
(375)	268	(514)	UK	(575)	(690)
585	657	(170)	Rest of Europe	1,568	1,988
847	563	363	USA	2,302	2,874
280	370	161	Rest of World	1,110	1,068
1,337	1,858	(160)		4,405	5,240
			Gas, Power and Renewables		
158	(17)	(159)	UK	64	84
(3)	(4)	(18)	Rest of Europe	(17)	(32)
90	378	138	USA	722	420
250	(43)	156	Rest of World	240	443
495	314	117		1,009	915
			Other businesses and corporate		
207	(144)	(141)	UK	(673)	(217)
(132)	10	(124)	Rest of Europe	(79)	(134)
(197)	(366)	(22)	USA	(405)	(782)
(123)	48	(116)	Rest of World	(29)	1,289
(245)	(452)	(403)		(1,186)	156
6,337	8,255	6,121		29,719	24,388
57	(285)	234	Unrealized profit in inventory	(208)	(191)
31	144	128	Net profit on transactions between continuing and Innovene operations	527	188
6,425	8,114	6,483	Total for continuing operations	30,038	24,385
			Innovene operations		
(71)	(276)	428	UK	291	(244)
(423)	(169)	(4)	Rest of Europe	252	(54)
(362)	(258)	(127)	USA	(253)	(398)
(115)	(37)	15	Rest of World	(5)	(112)
(971)	(740)	312		285	(808)
(31)	(144)	(128)	Net profit on transactions between continuing and Innovene operations	(527)	(188)
(1,002)	(884)	184	Total for Innovene operations	(242)	(996)
5,423	7,230	6,667	Total for period	29,796	23,389

			By geographical area		
1,102	1,089	(965)	UK	1,186	2,812
732	1,049	128	Rest of Europe	4,100	2,808
2,254	2,376	3,643	USA	11,888	8,975
2,337	3,600	3,677	Rest of World	12,864	9,790
6,425	8,114	6,483	Total for continuing operations	30,038	24,385

Analysis of Non-operating Items

Fourth Quarter 2004	Third Quarter 2005	Fourth Quarter 2005		Year 2005	Year 2004
$ million				$ million	
			By business		
			Exploration and Production		
(15)	(53)	(975)	UK	(1,996)	(21)
-	-	6	Rest of Europe	1,036	(1)
(268)	(106)	(121)	USA	(231)	(373)
55	12	111	Rest of World	193	(101)
(228)	(147)	(979)		(998)	(496)
			Refining and Marketing		
(411)	(3)	(8)	UK	(26)	(530)
(25)	(53)	(33)	Rest of Europe	(97)	(35)
89	(96)	118	USA	(607)	(52)
(18)	(2)	(27)	Rest of World	(59)	(77)
(365)	(154)	50		(789)	(694)
			Gas, Power and Renewables		
-	90	(306)	UK	(45)	-
(1)	-	-	Rest of Europe	-	(1)
1	5	-	USA	26	1
40	-	(1)	Rest of World	(1)	56
40	95	(307)		(20)	56
			Other businesses and corporate		
(87)	(6)	(57)	UK	(111)	(130)
(12)	-	-	Rest of Europe	11	(66)
100	(284)	(7)	USA	(284)	(347)
(12)	-	-	Rest of World	-	1,388
(11)	(290)	(64)		(384)	845
(564)	(496)	(1,300)	Total before taxation for continuing operations	(2,191)	(289)
166	167	421	Taxation credit (charge)	717	83
(398)	(329)	(879)	Total after taxation for continuing operations	(1,474)	(206)
			Innovene operations		
(218)	(301)	221	UK	(83)	(223)
(427)	(224)	(30)	Rest of Europe	(273)	(427)

(355)	(208)	(50)	USA	(259)	(355)
(114)	(26)	(5)	Rest of World	(32)	(114)
(1,114)	(759)	136	Total before taxation for Innovene operations (a)	(647)(a)	(1,119)
251	167	190	Taxation credit (charge)	367	253
(863)	(592)	326	Total after taxation for Innovene operations	(280)	(866)
(1,261)	(921)	(553)	Total after taxation for period	(1,754)	(1,072)

(a) Includes the loss on re-measurement to fair value of $724 million and $(133) million in the third and fourth quarters of 2005, impairment charges of $24 million and $35 million in the first and third quarters of 2005 respectively, and a gain on disposal of $3 million in the fourth quarter of 2005.

Depreciation of Fixed Asset Revaluation Adjustment

Fourth Quarter 2004	Third Quarter 2005	Fourth Quarter 2005		Year 2005	Year 2004
$ million				$ million	
			Exploration and Production		
9	6	7	UK	33	34
81	64	62	USA	272	362
3	5	5	Rest of World	18	19
93	75	74		323	415
			Refining and Marketing		
31	31	31	USA	124	124
31	31	31		124	124
124	106	105	Total depreciation of revaluation adjustment (a)(b)	447	539

(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

Fourth Quarter 2004	Third Quarter 2005	Fourth Quarter 2005		31 December 2005	31 December 2004
$ million				$ million	

Fourth Quarter 2004	Third Quarter 2005	Fourth Quarter 2005		Year 2005	Year 2004
23,091	22,159	19,162	Gross debt	19,162	23,091
1,359	2,182	2,960	Cash and cash equivalents	2,960	1,359
21,732	19,977	16,202	Net debt	16,202	21,732
78,235	82,726	80,765	Equity	80,765	78,235
22%	19%	17%	Net debt ratio	17%	22%

Production and Realizations

Fourth Quarter 2004	Third Quarter 2005	Fourth Quarter 2005		Year 2005	Year 2004
			Production (a)		
			Crude oil (mb/d) (net of royalties)		
301	224	244	UK	261	312
70	64	69	Rest of Europe	71	73
519	427	432	USA	491	530
1,506	1,598	1,655	Rest of World	1,566	1,425
2,396	2,313	2,400	Total crude oil production	2,389	2,340
			Natural gas liquids (mb/d) (net of royalties)		
19	12	16	UK	16	18
4	4	4	Rest of Europe	4	4
142	113	111	USA	122	138
32	30	33	Rest of World	31	31
197	159	164	Total natural gas liquids production	173	191
			Liquids (b)(mb/d) (net of royalties)		
320	236	260	UK	277	330
74	68	73	Rest of Europe	75	77
661	540	543	USA	613	668
1,538	1,628	1,688	Rest of World	1,597	1,456
2,593	2,472	2,564	Total liquids production	2,562	2,531
			Natural gas (mmcf/d) (net of royalties)		
1,227	831	1,156	UK	1,090	1,174
113	99	107	Rest of Europe	108	125
2,651	2,456	2,359	USA	2,547	2,748
4,723	4,455	4,836	Rest of World	4,679	4,456
8,714	7,841	8,458	Total natural gas production	8,424	8,503
			Average realizations (c)		
			Crude oil ($/bbl)		
42.01	57.77	54.70	UK	51.22	36.11
42.07	56.64	57.40	USA	50.98	37.40
38.29	55.89	49.93	Rest of World	48.32	34.99
41.01	56.83	53.92	BP Average	50.27	36.45
			Natural gas liquids ($/bbl)		
40.23	47.49	43.68	UK	37.95	31.79
29.31	36.39	37.78	USA	31.94	25.67
33.10	32.97	42.10	Rest of World	35.11	27.76

31.20	36.70	39.29	BP Average	33.23	26.75
			Liquids ($/bbl)		
41.91	57.26	54.02	UK	50.45	35.87
39.73	53.17	53.98	USA	47.83	35.41
37.94	54.63	49.51	Rest of World	47.56	34.51
39.88	54.80	52.44	BP Average	48.51	35.39
			Natural gas ($/mcf)		
5.16	4.45	6.96	UK	5.53	4.32
5.72	6.77	9.48	USA	6.78	5.11
3.00	3.43	4.08	Rest of World	3.46	2.74
4.28	4.75	6.24	BP Average	4.90	3.86

(a) Includes BP's share of production of equity-accounted entities.

(b) Crude oil and natural gas liquids.

(c) Based on sales of consolidated subsidiaries only - this excludes equity-accounted entities.

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 adopted by the European Commission ('EC'). Consequently, financial information for year 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 annual 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) in effect for the year ending 31 December 2005. In addition, BP has decided to early adopt 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 financial 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.
- measuring embedded derivatives at fair value.

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

	Fourth Quarter 2004	Year 2004
	$ million	
Profit for the period under UK GAAP	2,610	15,961
Adjustments		
Goodwill amortization	412	1,489
Major maintenance expenditure	(94)	(217)
Share-based payments	85	(24)
Asset swaps	36	39
Recycling foreign exchange on disposal	-	78
Deferred tax	(24)	(74)
Other	44	10
Profit for the period under IFRS	3,069	17,262

	31 December 2004
	$ million
BP shareholders' equity under UK GAAP	76,656
Adjustments	
Goodwill amortization	2,985
Major maintenance expenditure	(794)
Share-based payments	353
Asset swaps	(190)
Deferred tax	(3,986)
Dividend accrual	1,821
Other	47
BP shareholders' equity under IFRS	76,892

Notes

2. Resegmentation

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

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

(b) The aromatics and acetyls operations and the petrochemicals assets that are integrated with our Gelsenkirchen refinery in Germany have been transferred from the former Petrochemicals segment to Refining and Marketing.

(c) The olefins and derivatives operations have been transferred from the former Petrochemicals segment to the Olefins and Derivatives business. The legacy historical results of other petrochemicals assets that had been divested during 2004 and 2003 are included within Other businesses and corporate.

(d) The Grangemouth and Lavera refineries have been transferred from Refining and Marketing to the Olefins and Derivatives business to maintain existing operating synergies with the co-located olefin and derivatives operations.

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

The Olefins and Derivatives business is reported within Other businesses and corporate. This re-organisation was a precursor to seeking to divest the Olefins and Derivatives business. As indicated in Note 3, during 2005 we have divested Innovene and shown these activities as discontinued operations in these accounts. Innovene represented the majority of the Olefins and Derivatives business.

Comparative financial and operating information is shown after resegmentation and the adoption of International Financial Reporting Standards.

3. Sale of Olefins and Derivatives business

BP announced on 7 October 2005 its intention to sell Innovene, its olefins, derivatives and refining group to INEOS. The transaction became unconditional on 9 December on receipt of European Commission clearance and was completed on 16 December 2005. The transaction included all Innovene's manufacturing sites, markets and technologies. The equity-accounted investments in China and Malaysia which were part of the Olefins and Derivatives business remain with BP and are included within Other businesses and corporate.

The Innovene operations represent a separate major line of business for BP. As a result of the sale, these operations have been treated as discontinued operations for the year ended 31 December 2005. A single amount is shown on the face of the income statement comprising the post-tax result of discontinued operations and the post-tax loss recognized on the re-measurement to fair value less costs to sell of the discontinued operation. That is, the income and expenses of Innovene are reported separately from the continuing operations of the BP group. The table below provides further detail of the amount shown on the income statement. The income statements for prior periods have been restated to conform to this style of presentation.

In the cash flow statement the cash provided by the operating activities of Innovene has been separated from that of the rest of the group and reported as a single line item.

Gross proceeds received amounted to $8,477 million and there were selling costs of $120 million and initial closing adjustments of $43 million. The proceeds are subject to final closing adjustments. The re-measurement to fair value less costs to sell resulted in a loss of $591 million before tax. The originally announced transaction value of $9,000 million has been reduced by the value of certain liabilities transferred to INEOS and certain assets retained by BP on closing.

Notes

3. Sale of Olefins and Derivatives business (continued)

Fourth Quarter 2004	Third Quarter 2005	Fourth Quarter 2005		Year 2005	Year 2004
$ million				$ million	
(972)	99	335	Profit (loss) before tax from Innovene operations	1,259	(526)
(31)	(144)	(128)	Net profit on transactions between continuing and Innovene operations	(527)	(188)
(1,003)	(45)	207	Profit (loss) before Interest and taxation	732	(714)
(5)	-	1	Other finance income (expense)	3	(17)
-	(724)	133	(Loss)/gain recognized on the re-measurement to fair value	(591)	-
(1,008)	(769)	341		144	(731)
			Taxation		
227	(56)	(86)	Related to profit before tax	(306)	109
-	159	187	Related to re-measurement to fair value	346	-
(781)	(666)	442	Profit (loss) from Innovene operations	184	(622)

4. Change in accounting policy

The group's accounting policy has been to present oil, natural gas and power forward sales and purchases gross in the income statement. However, during 2005, a review was undertaken into the presentation of these commodity derivative transactions and related activity. These transactions have previously been presented gross in the income statement, although in certain areas of the group's activity physical delivery can be optional and avoided by buying or selling offsetting contracts through a market mechanism. This led to the conclusion that it was more appropriate to represent transactions in these areas net rather than gross. These sale and purchase transactions are now offset and reported net in sales and other operating revenues. Other derivative contracts where physical delivery is the norm continue to be reported gross.

This change in accounting policy, while reducing sales and other operating revenues and purchases, has no impact on reported profit, cash flows and balance sheet.

Sales and other operating revenues for earlier quarters of 2005 and for 2004 have been restated as have purchases. The restated sales and other operating revenues information is set out below. The impact of the change in accounting policy on sales and other operating revenues and purchases for the year ended 31 December 2005 was approximately $105,000 million.

Notes

4. Change in accounting policy (continued)

Sales and other operating revenues for 2005 as reported	First Quarter	Second Quarter	Third Quarter	Nine Months
	$ million			
By business				
Exploration and Production	10,186	10,934	11,321	32,441
Refining and Marketing	51,646	61,022	68,790	181,458
Gas, Power and Renewables	23,667	23,110	28,917	75,694
Other businesses and corporate	172	174	161	507
Sales by continuing operations	85,671	95,240	109,189	290,100
Less: sales between businesses	8,369	7,843	8,511	24,723
sales to Innovene operations	2,113	3,926	4,158	10,197
Third party sales of continuing operations	75,189	83,471	96,520	255,180
Innovene sales	7,120	5,951	5,824	18,895
Less: sales to continuing operations	3,311	2,605	2,667	8,583
Third party sales of Innovene operations	3,809	3,346	3,157	10,312
Total third party sales	78,998	86,817	99,677	265,492
By geographical area				
UK	24,829	29,998	37,406	92,233
Rest of Europe	15,824	16,916	16,904	49,644
USA	32,944	38,115	45,759	116,818
Rest of World	18,614	20,028	19,595	58,237
Sales by continuing operations	92,211	105,057	119,664	316,932
Less: sales between areas	14,909	17,660	18,986	51,555
sales to Innovene operations	2,113	3,926	4,158	10,197
	75,189	83,471	96,520	255,180

Sales and other operating revenues for 2005 as restated	First Quarter	Second Quarter	Third Quarter	Nine Months
	$ million			

By business				
Exploration and Production	10,186	10,934	11,321	32,441
Refining and Marketing	47,762	55,115	63,278	166,155
Gas, Power and Renewables	7,105	6,250	7,219	20,574
Other businesses and corporate	172	174	161	507
Sales by continuing operations	65,225	72,473	81,979	219,677
Less: sales between businesses	8,369	7,843	8,511	24,723
sales to Innovene operations	2,113	3,926	4,158	10,197
Third party sales of continuing operations	54,743	60,704	69,310	184,757
Innovene sales	7,120	5,951	5,824	18,895
Less: sales to continuing operations	3,311	2,605	2,667	8,583
Third party sales of Innovene operations	3,809	3,346	3,157	10,312
Total third party sales	58,552	64,050	72,467	195,069
By geographical area				
UK	19,821	25,246	32,863	77,930
Rest of Europe	15,824	16,916	16,904	49,644
USA	23,395	25,881	30,724	80,000
Rest of World	12,725	14,247	11,963	38,935
Sales by continuing operations	71,765	82,290	92,454	246,509
Less: sales between areas	14,909	17,660	18,986	51,555
sales to Innovene operations	2,113	3,926	4,158	10,197
	54,743	60,704	69,310	184,757

Notes

4. Change in accounting policy (continued)

Sales and other operating revenues for 2004 as reported	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
			$ million		
By business					
Exploration and Production	8,186	8,083	8,601	9,830	34,700
Refining and Marketing	45,307	49,849	46,639	51,122	192,917
Gas, Power and Renewables	20,975	18,434	20,443	23,468	83,320
Other businesses and corporate	121	132	137	156	546
Sales by continuing operations	74,589	76,498	75,820	84,576	311,483
Less: sales between businesses	6,726	6,769	7,873	8,236	29,604
sales to Innovene operations	1,824	1,948	2,183	2,271	8,226
Third party sales of continuing operations	66,039	67,781	65,764	74,069	273,653
Innovene sales	3,698	3,779	4,437	5,534	17,448
Less: sales to continuing operations	1,276	1,246	1,774	1,873	6,169
Third party sales of Innovene operations	2,422	2,533	2,663	3,661	11,279

Total third party sales	68,461	70,314	68,427	77,730	284,932
By geographical area					
UK	15,839	15,881	20,355	23,013	75,088
Rest of Europe	9,787	11,023	11,499	12,549	44,858
USA	30,931	32,629	30,476	32,556	126,592
Rest of World	15,721	15,533	16,552	19,504	67,310
Sales by continuing operations	72,278	75,066	78,882	87,622	313,848
Less: sales between areas	4,415	5,337	10,935	11,282	31,969
sales to Innovene operations	1,824	1,948	2,183	2,271	8,226
	66,039	67,781	65,764	74,069	273,653

Sales and other operating revenues for 2004 as restated	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
			$ million		
By business					
Exploration and Production	8,186	8,083	8,601	9,830	34,700
Refining and Marketing	41,380	47,809	41,057	46,104	176,350
Gas, Power and Renewables	6,685	5,916	5,749	7,760	26,110
Other businesses and corporate	121	132	137	156	546
Sales by continuing operations	56,372	61,940	55,544	63,850	237,706
Less: sales between businesses	6,726	6,769	7,873	8,236	29,604
sales to Innovene operations	1,824	1,948	2,183	2,271	8,226
Third party sales of continuing operations	47,822	53,223	45,488	53,343	199,876
Innovene sales	3,698	3,779	4,437	5,534	17,448
Less: sales to continuing Operations	1,276	1,246	1,774	1,873	6,169
Third party sales of Innovene operations	2,422	2,533	2,663	3,661	11,279
Total third party sales	50,244	55,756	48,151	57,004	211,155
By geographical area					
UK	11,584	13,901	16,407	18,259	60,151
Rest of Europe	9,787	11,023	11,499	12,549	44,858
USA	22,062	24,351	18,571	22,216	87,200
Rest of World	10,628	11,233	12,129	13,872	47,862
Sales by continuing operations	54,061	60,508	58,606	66,896	240,071
Less: sales between areas	4,415	5,337	10,935	11,282	31,969
sales to Innovene operations	1,824	1,948	2,183	2,271	8,226
	47,822	53,223	45,488	53,343	199,876

Notes

5. Sales and other operating revenues

Fourth Quarter 2004	Third Quarter 2005	Fourth Quarter 2005		Year 2005	Year 2004

$ million				$ million	
			By business		
9,830	11,321	14,769	Exploration and Production	47,210	34,700
46,104	63,278	53,979	Refining and Marketing	220,134	176,350
7,760	7,219	7,987	Gas, Power and Renewables	28,561	26,110
156	161	161	Other businesses and corporate	668	546
63,850	81,979	76,896	Sales by continuing operations	296,573	237,706
			Less: sales between		
8,236	8,511	10,595	businesses	35,318	29,604
2,271	4,158	1,593	sales to Innovene operations	11,790	8,226
53,343	69,310	64,708	Third party sales of continuing operations	249,465	199,876
5,534	5,824	3,509	Innovene sales	20,627	17,448
1,873	2,667	1,445	Less: sales to continuing operations	8,251	6,169
3,661	3,157	2,064	Third party sales of Innovene operations	12,376	11,279
57,004	72,467	66,772	Total third party sales	261,841	211,155
			By geographical area		
18,259	32,863	18,204	UK	96,134	60,151
12,549	16,904	14,661	Rest of Europe	64,305	44,858
22,216	30,724	23,185	USA	103,185	87,200
13,872	11,963	20,693	Rest of World	59,628	47,862
66,896	92,454	76,743	Sales by continuing operations	323,252	240,071
11,282	18,986	10,442	Less: sales between areas	61,997	31,969
2,271	4,158	1,593	sales to Innovene operations	11,790	8,226
53,343	69,310	64,708		249,465	199,876

Notes

6. Operating profits are after charging:

Fourth Quarter 2004	Third Quarter 2005	Fourth Quarter 2005		Year 2005	Year 2004
$ million				$ million	
			Exploration expense		
17	3	11	UK	32	26
10	1	-	Rest of Europe	2	25
143	120	117	USA	425	361
88	53	80	Rest of World	225	225
258	177	208		684	637
			Production and similar taxes (a)		
112	95	133	UK	495	335

535	739	697	Overseas	2,515	1,814
647	834	830		3,010	2,149

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

7. Finance costs

188	237	278	Interest payable	910	644
(45)	(93)	(106)	Capitalized	(351)	(204)
143	144	172		559	440
-	-	-	Early redemption of finance leases	57	-
143	144	172		616	440

8. Other finance expense

519	502	497	Interest on pension and other post-retirement benefit plan liabilities	2,022	2,012
(501)	(528)	(521)	Expected return on pension and other post-retirement benefit plan assets	(2,138)	(1,983)
18	(26)	(24)	Interest net of expected return on plan assets	(116)	29
50	49	57	Unwinding of discount on provisions	201	196
17	14	9	Unwinding of discount on deferred consideration for acquisition of investment in TNK-BP	57	91
41	-	-	Change in discount rate for provision	-	41
126	37	42		142	357
(5)	-	1	Innovene operations	3	(17)
121	37	43		145	340
			Continuing operations		

Notes

9. Dividends paid

Fourth Quarter 2004	Third Quarter 2005	Fourth Quarter 2005		Year 2005	Year 2004
			Dividends per ordinary share		
7.10	8.925	8.925	cents	34.85	27.70
3.910	5.119	5.061	pence	19.152	15.251
42.6	53.55	53.55	Dividends per ADS (cents)	209.10	166.20

10. Analysis of changes in net debt

Fourth Quarter 2004	Third Quarter 2005	Fourth Quarter 2005		Year 2005	Year 2004
$ million				$ million	
			Opening balance		
20,445	19,302	22,159	Finance debt	23,091	22,325
1,741	1,360	2,182	Less: Cash and cash equivalents	1,359	2,056
18,704	17,942	19,977	Opening net debt	21,732	20,269
			Closing balance		
23,091	22,159	19,162	Finance debt	19,162	23,091
1,359	2,182	2,960	Less: Cash and cash equivalents	2,960	1,359
21,732	19,977	16,202	Closing net debt	16,202	21,732
(3,028)	(2,035)	3,775	Decrease (increase) in net debt	5,530	(1,463)
(460)	896	783	Movement in cash and cash equivalents (excluding exchange adjustments)	1,689	(788)
(2,535)	(3,060)	2,936	Net cash outflow (inflow) from financing(excluding share capital)	3,803	(431)
-	-	-	Adoption of IAS 39	(147)	-
-	8	48	Fair value hedge adjustment	171	-
37	33	11	Other movements	146	68
(2,958)	(2,123)	3,778	Movement in net debt before exchange effects	5,662	(1,151)
(70)	88	(3)	Exchange adjustments	(132)	(312)
(3,028)	(2,035)	3,775	Decrease (increase) in net debt	5,530	(1,463)

Notes

11. TNK-BP Operational and Financial Information

Fourth Quarter 2004	Third Quarter 2005	Fourth Quarter 2005		Year 2005	Year 2004
			Production (Net of royalties) (BP share)		
884	930	936	Crude oil (mb/d)	911	830
515	449	530	Natural gas (mmcf/d)	482	463
972	1,007	1,027	Total hydrocarbons (mboe/d)(a)	994	910
$ million				$ million	
			Income statement (BP share)		
659	1,253	1,029	Profit before interest and tax	3,817	2,421

Fourth Quarter 2004	Third Quarter 2005	Fourth Quarter 2005		Year 2005	Year 2004
(22)	(37)	(30)	Interest expense *	(128)	(101)
(184)	(347)	(234)	Taxation	(976)	(675)
(17)	(46)	(31)	Minority interest	(104)	(43)
436	823	734	Net Income (b)	2,609	1,602
			* Excludes unwinding of discount		
17	14	9	on deferred consideration	57	91
			Cash Flow		
			Additional investment in		
-	-	-	TNK-BP joint venture	-	(1,416)
			Dividends related to period		
-	-	-	prior to acquisition	-	166
			Net investment in TNK-BP		
-	-	-	joint venture	-	(1,250)
610	750	525	Dividends received	1,950	1,760
-	-	771	Dividends receivable	771	-

Fourth Quarter 2004	Third Quarter 2005	Fourth Quarter 2005		Year 2005	Year 2004
			Average oil marker prices ($/bbl)		
37.75	57.13	53.23	Urals (NWE - cif)	50.29	34.08
38.82	57.39	54.07	Urals (Med - cif)	50.84	34.45
22.30	36.60	31.73	Domestic Oil	28.77	20.61

Balance Sheet	31 December 2005	31 December 2004
Investments in jointly controlled entities	8,089	8,294
Deferred consideration		
Due within one year	1,227	1,227
Due after more than one year	-	1,194
	1,227	2,421

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

(b) Fourth quarter 2005 includes a net gain of $270 million on the disposal of non-core producing assets in the Saratov region, along with the Orsk refinery.

As reported in previous quarters, various TNK-BP companies have received tax notifications. Upon entering into the joint venture arrangement, each party received indemnities from its co-venturers in respect of historical tax liabilities related to assets contributed to the joint venture. BP believes existing provisions are adequate for its share of any liabilities arising from tax claims not covered by these indemnities.

Notes

12. Equity-accounted entities

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

	RC profit (loss) before interest and tax	Inventory holding gains (losses)	Profit (loss) before interest and tax
		$ million	
Fourth Quarter 2005			
Exploration and Production	1,292	-	1,292
Refining and Marketing	71	8	79
Gas, Power and Renewables	22	-	22
Other businesses and corporate	21	-	21
Continuing operations	1,406	8	1,414
Innovene operations	(17)	-	(17)
	1,389	8	1,397
Third Quarter 2005			
Exploration and Production	1,523	-	1,523
Refining and Marketing	126	4	130
Gas, Power and Renewables	(2)	-	(2)
Other businesses and corporate	62	-	62
Continuing operations	1,709	4	1,713
Innovene operations	-	-	-
	1,709	4	1,713
Fourth Quarter 2004			
Exploration and Production	889	-	889
Refining and Marketing	71	7	78
Gas, Power and Renewables	7	-	7
Other businesses and corporate	(17)	-	(17)
Continuing operations	950	7	957
Innovene operations	(2)	2	-
	948	9	957

Notes

12. Equity-accounted entities (continued)

	Interest	Tax	Minority interest	Profit (loss) for the period
		$ million		
Fourth Quarter 2005				
Exploration and Production	(56)	(313)	(30)	893
Refining and Marketing	(8)	(27)	-	44
Gas, Power and Renewables	(1)	(1)	-	20

Other businesses and corporate	(10)	-	-	11
Continuing operations	(75)	(341)	(30)	968
Innovene operations	-	-	-	(17)
	(75)	(341)	(30)	951
Third Quarter 2005				
Exploration and Production	(63)	(421)	(46)	993
Refining and Marketing	(6)	(23)	-	101
Gas, Power and Renewables	(1)	(4)	-	(7)
Other businesses and corporate	(17)	-	-	45
Continuing operations	(87)	(448)	(46)	1,132
Innovene operations	-	-	-	-
	(87)	(448)	(46)	1,132
Fourth Quarter 2004				
Exploration and Production	(48)	(376)	(17)	448
Refining and Marketing	(3)	(25)	-	50
Gas, Power and Renewables	(2)	(1)	-	4
Other businesses and corporate	(1)	4	-	(14)
Continuing operations	(54)	(398)	(17)	488
Innovene operations	-	-	-	-
	(54)	(398)	(17)	488

Notes

12. Equity-accounted entities (continued)

	RC profit (loss) before interest and tax	Inventory holding gains (losses)	Profit (loss) before interest and tax
		$ million	
Year 2005			
Exploration and Production	4,819	-	4,819
Refining and Marketing	345	(2)	343
Gas, Power and Renewables	34	-	34
Other businesses and corporate	84	(5)	79
Continuing operations	5,282	(7)	5,275
Innovene operations	(14)	-	(14)
	5,268	(7)	5,261
Year 2004			
Exploration and Production	3,246	-	3,246
Refining and Marketing	336	21	357
Gas, Power and Renewables	15	-	15
Other businesses and corporate	23	7	30
Continuing operations	3,620	28	3,648
Innovene operations	(19)	10	(9)
	3,601	38	3,639

	Interest	Tax	Minority interest	Profit (loss) for the period
	$ million			
Year 2005				
Exploration and Production	(227)	(1,250)	(104)	3,238
Refining and Marketing	(24)	(81)	-	238
Gas, Power and Renewables	(7)	(8)	-	19
Other businesses and corporate	(31)	-	-	48
Continuing operations	(289)	(1,339)	(104)	3,543
Innovene operations	-	-	-	(14)
	(289)	(1,339)	(104)	3,529
Year 2004				
Exploration and Production	(189)	(1,029)	(43)	1,985
Refining and Marketing	(15)	(83)	-	259
Gas, Power and Renewables	(7)	(2)	-	6
Other businesses and corporate	(4)	4	-	30
Continuing operations	(215)	(1,110)	(43)	2,280
Innovene operations	(3)	-	-	(12)
	(218)	(1,110)	(43)	2,268

Notes

13. First quarter results

BP's first quarter results will be announced on 25 April 2006.

14. Statutory accounts

The above financial information does not constitute statutory accounts. The summarized group income statement, summarized group balance sheet, summarized group cash flow statement, group statement of recognized income and expenses and the notes thereon (except Note 11) for the years ended 31 December 2005 and 2004 are an extract from BP Annual Report and Accounts 2005, approved by a duly appointed and authorised committee of the Board of Directors at the Results Committee meeting held on 6 February 2006, but not yet delivered to the UK Registrar of Companies; the report of the auditors on those accounts was unqualified. BP Annual Report and Accounts 2005 will be published on 14 March 2006.

Contacts

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

http://www.bp.com/investors

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BP p.l.c.
(Registrant)

Dated: 07 February 2006

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