

BP PLC
Form 6-K
February 02, 2010

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 02 February, 2010

BP p.l.c.

(Translation of registrant's name into English)

1 ST JAMES'S SQUARE, LONDON, SW1Y 4PD, ENGLAND

(Address of principal executive offices)

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

Form 20-F Form 40-F
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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.

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Group results

Fourth quarter and full year 2009

FOR IMMEDIATE RELEASE

London 2 February 2010

| Fourth quarter 2008 | Third quarter 2009 | Fourth quarter 2009 | | 2009 | Year 2008 | % |
|------------------------------------|-----------------------------------|------------------------------------|---|----------------|----------------------|----------|
| | | | \$ million | | | |
| (3,344) | 5,336 | 4,295 | Profit (loss) for the period(a) Inventory holding (gains) losses, | 16,578 | 21,157 | |
| 5,931 | (355) | (848) | net of tax | (2,623) | 4,436 | |
| 2,587 | 4,981 | 3,447 | Replacement cost profit | 13,955 | 25,593 | (45)% |
| 13.93 | 26.59 | 18.38 | - per ordinary share (cents) | 74.49 | 136.20 | (45)% |
| 0.84 | 1.60 | 1.10 | - per ADS (dollars) | 4.47 | 8.17 | |

· BP's fourth-quarter replacement cost profit was \$3,447 million, compared with \$2,587 million a year ago, an increase of 33%. For the full year, replacement cost profit was \$13,955 million compared with \$25,593 million a year ago, down 45%.

- Non-operating items and fair value accounting effects for the fourth quarter had a net \$937 million unfavourable impact compared with a net \$18 million unfavourable impact in the fourth quarter of 2008. For the full year, the respective amounts were \$622 million unfavourable and \$650 million unfavourable. Non-operating items for the fourth quarter and full year 2009 included a goodwill impairment of \$1.6 billion relating to our US West Coast fuels value chain in Refining and Marketing.
- Finance costs and net finance income or expense relating to pensions and other post-retirement benefits were \$302 million for the fourth quarter, compared with \$251 million for the same period last year. For the full year, the respective amounts were \$1,302 million and \$956 million.
- The effective tax rate on replacement cost profit for the fourth quarter and full year was 34% and 33% respectively, compared with 44% and 36% a year ago. Adjusting for the impact of the goodwill impairment in Refining and Marketing, which is not tax deductible, the effective tax rate for the fourth quarter was 27% and for the full year was 31%. In 2010, we expect the effective tax rate to be around 33-34%.
- Net cash provided by operating activities for the quarter and full year was \$7.3 billion and \$27.7 billion compared with \$5.6 billion and \$38.1 billion respectively a year ago.
- Net debt at the end of the quarter was \$26.2 billion. The ratio of net debt to net debt plus equity was 20% compared with 21% a year ago.
- Cash costs(b) for the full year were more than \$4 billion lower than in 2008, of which approximately 40% related to foreign exchange benefits and lower fuel costs. Excluding the effects of changes in exchange rates and fuel costs, we expect further reductions in cash costs in 2010.
- Total capital expenditure, including acquisitions and asset exchanges, for the fourth quarter and full year was \$5.9 billion and \$20.3 billion respectively. Excluding acquisitions and asset exchanges, capital expenditure in 2009 was \$20.0 billion. Disposal proceeds were \$1.1 billion for the quarter and \$2.7 billion for the full year. In 2010, we expect capital expenditure, excluding acquisitions and asset exchanges, to be around \$20 billion and we expect disposal proceeds of \$2-3 billion.
- The quarterly dividend, to be paid in March, is 14 cents per share (\$0.84 per ADS), the same as a year ago. In sterling terms, the quarterly dividend is 8.679 pence per share, compared with 9.818 pence per share a year ago, a decrease of 12%.

· Subject to shareholder approval at the Annual General Meeting on 15 April, an optional scrip dividend programme, allowing shareholders to choose to receive dividends in the form of new fully paid shares in BP p.l.c. in lieu of cash, will be available for future dividends. This would replace the company's current dividend reinvestment plans. Further details of this proposal will be published on 5 March with the notice of meeting for the Annual General Meeting.

(a) Profit attributable to BP shareholders.

(b) Cash costs are a subset of production and manufacturing expenses plus distribution and administration expenses. They represent the substantial majority of the expenses in these line items but exclude associated non-operating items and certain costs that are variable, primarily with volumes (such as freight costs). They are the principal operating and overhead costs that management considers to be most directly under their control although they include certain foreign exchange and commodity price effects.

The commentaries above and following are based on replacement cost profit and should be read in conjunction with the cautionary statement on page 8.

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Analysis of replacement cost profit before interest and tax and reconciliation to profit for the period

| Fourth quarter 2008 | Third quarter 2009 | Fourth quarter 2009 | | Year 2009 | 2008 |
|---------------------------|--------------------------|---------------------------|--------------------------------------|----------------|---------|
| | | | \$ million | | |
| 4,756 | 6,929 | 8,505 | Exploration and Production | 24,800 | 38,308 |
| 416 | 916 | | (1,943) Refining and Marketing | 743 | 4,176 |
| (680) | (586) | | (392) Other businesses and corporate | (2,322) | (1,223) |
| 633 | 104 | (492) | Consolidation adjustment | (717) | 466 |
| 5,125 | 7,363 | 5,678 | RC profit before interest and tax(a) | 22,504 | 41,727 |

Finance costs and net finance income

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| | | | | |
|---------|---------|---|---------------|----------|
| | | or expense relating to pensions and | | |
| (251) | (311) | (302) other post-retirement benefits | (1,302) | (956) |
| (2,145) | (2,052) | (1,846) Taxation on a replacement cost basis | (7,066) | (14,669) |
| (142) | (19) | (83) Minority interest | (181) | (509) |
| | | Replacement cost profit | | |
| 2,587 | 4,981 | 3,447 attributable to BP shareholders | 13,955 | 25,593 |
| (8,788) | 538 | 1,256 Inventory holding gains (losses) | 3,922 | (6,488) |
| | | Taxation (charge) credit on inventory | | |
| 2,857 | (183) | (408) holding gains and losses | (1,299) | 2,052 |
| | | Profit (loss) for the period | | |
| (3,344) | 5,336 | 4,295 attributable to BP shareholders | 16,578 | 21,157 |

(a) Replacement cost profit reflects the replacement cost of supplies. For further information see page 14.

Total of non-operating items and fair value accounting effects(a)(b)

| Fourth quarter 2008 | Third quarter 2009 | Fourth quarter 2009 | | Year 2009 | 2008 |
|------------------------------------|-----------------------------------|------------------------------------|--------------------------------|----------------------|-------------|
| | | | \$ million | | |
| 497 | 651 | 1,422 | Exploration and Production | 3,184 | (1,272) |
| (228) | (155) | (1,958) | Refining and Marketing | (2,864) | 858 |
| (301) | (64) | (65) | Other businesses and corporate | (489) | (633) |
| (32) | 432 | (601) | | (169) | (1,047) |
| 14 | (125) | (336) | Taxation credit (charge)(c) | (453) | 397 |
| (18) | 307 | (937) | | (622) | (650) |

(a)

An analysis of non-operating items by type is provided on page 15 and an analysis by region is shown on pages 5, 7 and 8.

(b) Information on fair value accounting effects is non-GAAP. For further details, see page 16.

(c) Tax is calculated using the quarter's effective tax rate on replacement cost profit, except in the case of the goodwill impairment in Refining and Marketing where no tax credit has been calculated because this item is not tax deductible.

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Per share amounts

Fourth Third Fourth