



## Glossary of terms

### A

#### **ADR**

American depositary receipt.

#### **ADS**

American depositary share.

#### **AGM**

Annual general meeting.

#### **Amoco**

The former Amoco Corporation and its subsidiaries.

#### **Associate**

An entity over which the group has significant influence and that is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of an entity without having control or joint control over those policies.

#### **Associated Companies**

This term includes associates and jointly controlled entities, both of which are accounted for using the equity method of accounting.

#### **Atlantic Richfield**

Atlantic Richfield Company and its subsidiaries.

## **B**

### **b/d**

Barrels per day.

### **Baker Panel, or panel**

BP US Refineries Independent Safety Review Panel

### **Barrel**

42 US gallons.

### **boe**

barrels of oil equivalent

### **BP, BP group or the group**

BP p.l.c. and its subsidiaries.

### **Burmah Castrol**

Burmah Castrol plc and its subsidiaries.

## **C**

### **Capital employed**

Net assets plus finance debt.

### **Cent or c**

One-hundredth of the US dollar.

### **The company**

BP p.l.c.

## D

### **Debt to debt-plus-equity ratio**

The ratio of finance debt (borrowings plus obligations under finance leases) to the total of finance debt plus shareholders' interest.

### **Debt to equity ratio**

The ratio of finance debt (borrowings plus obligations under finance leases) to shareholders' interest.

### **Dividend cover**

The dividend cover out of income is calculated as the replacement cost profit for the period, divided by the dividend paid in the period.

The dividend cover out of cash is calculated as the net cash provided by operating activities divided by the gross dividends paid. The calculation is based on the assumption that all dividends are paid in cash.

### **Dividend payout ratio**

The ratio of dividend paid for the period to replacement cost profit, expressed as a percentage.

### **Dollar or \$**

The US dollar.

## E

### **Earnings per share**

The profit in cents attributable to each equity share, based on the appropriate consolidated profit of the period after tax and after deducting minority interests and preference dividends, divided by the weighted average number of equity shares in issue during the period.

### **Effective tax rate**

The ratio of the tax charge to the profit after interest expense but before tax.

## **EU**

European Union.

## **F**

### **Free cash flow**

Net cash provided by operating activities less net cash used in investing activities.

## **G**

### **Gas**

Natural gas

### **Global Indicator Margin (GIM)**

The Global Indicator Refining Margin is the average of 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.

## **H**

### **Hydrocarbons**

Crude oil and natural gas.

## **I**

### **IFRS**

International Financial Reporting Standards.

### **Inorganic capital expenditure**

Expenditure on acquisitions.

## **J**

### **Joint venture**

A contractual arrangement between the group and other venturers that undertake an economic activity that is subject to joint control. Joint control exists only where the strategic financial and operating decisions relating to the activity require the unanimous consent of the venturers.

### **Jointly controlled asset**

A joint venture where the venturers have a direct ownership interest in and jointly control the assets of the venture.

### **Jointly controlled entity**

A joint venture that involves the establishment of a company, partnership or other entity to engage in economic activity that the group jointly controls with fellow venturers.

## **L**

### **Liquids**

Crude oil, condensate and natural gas liquids.

### **LNG**

Liquefied natural gas.

### **London Stock Exchange or LSE**

London Stock Exchange plc.

### **LPG**

Liquefied petroleum gas.

## **M**

### **mb/d**

thousand barrels per day.

### **mboe/d**

thousand barrels of oil equivalent per day.

**mmboe**

million barrels of oil equivalent.

**mmBtu**

million British thermal units.

**mmcf/d**

million cubic feet per day.

**MTBE**

Methyl tertiary butyl ether.

**MW**

Megawatt.

**N****Net debt**

Net debt equals finance debt less cash and cash equivalents.

**Net debt ratio**

Ratio of net debt (finance debt less cash and cash equivalents) to net debt plus equity.

**NGLs**

Natural gas liquids.

**O****OPEC**

Organisation of Petroleum Exporting Countries.

### **Ordinary shares**

Ordinary fully paid shares in BP p.l.c. of 25c each.

### **Organic capital expenditure (Organic Capex)**

Capital expenditure excluding acquisitions and asset exchanges.

## **P**

### **Pence or p**

One-hundredth of a pound sterling.

### **Pound, sterling or £**

The pound sterling.

### **Pre-tax cash returns**

The ratio of replacement cost profit before interest and tax and excluding equity-accounted interest and tax, non-operating items and depreciation, depletion and amortization to the average operating capital employed(which excludes goodwill).

### **Preference shares**

Cumulative First Preference Shares and Cumulative Second Preference Shares in BP p.l.c. of £1 each.

### **PSA**

Production-sharing agreement.

## **R**

### **Replacement cost profit**

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.

### **Return on average capital employed (ROACE)**

The ratio of replacement cost profit before interest expense and minority interest but after tax to the average of opening and closing capital employed.

Capital employed is BP shareholders' interest plus finance debt and minority interest.

A further ROACE measure is presented based on average capital employed after deducting goodwill from the denominator in the calculation and excluding non-operating items from the numerator.

## **S**

### **SEC**

The United States Securities and Exchange Commission.

### **Subsidiary**

An entity that is controlled by the BP group. Control is the power to govern the financial and operating policies of an entity so as to obtain the benefits from its activities.

## **T**

### **Tonne**

2,204.6 pounds.

## **U**

### **UK**

United Kingdom of Great Britain and Northern Ireland.

### **UK GAAP**

Generally Accepted Accounting Practice in the UK.

### **US GAAP**

Generally Accepted Accounting Principles in the US.

### **US or USA**

United States of America.