Thank you Bernard.

I’d like to continue the theme of performance improvement and growth by taking you through the significant potential we see across all of our businesses in Downstream.

Let me start by recapping briefly on the progress we have made.

Two years ago we set out our strategy to build a high quality portfolio of businesses that offer us significant competitive advantages.

What you see today is a Downstream business that is safer, more resilient, more profitable and has a strong track record of performance improvement. We have delivered $3 billion of underlying performance improvement in the last two years – and that expands the earnings potential of the business and improves its resilience to environmental volatility.

And, there is more to come. We expect more growth from our marketing businesses, further strengthening of our competitive position in our manufacturing activities, and a continued focus to manage costs and deliver efficiencies as we pursue profit and cash growth. All of which we do with safety as our first priority – always our first priority.

I am confident that with the performance improvement we’ve achieved, along with the exciting growth potential that we have, we will deliver between $9 to 10 billion of pre-tax free cash flow in 2021, that is more than 50% higher than 2016.

So let me now take you through the Downstream plans.
The execution of the strategy that I laid out 2 years ago is delivering results. Our strategic aims are to:

- Deliver underlying performance improvement and growth to expand the earnings potential of Downstream, improve its resilience; and
- Build competitively advantaged businesses.

Our performance improvement is the result of focussing on five strategic priorities:

Our first priority and core value is safety.

We have seen multi-year improvements in both personal and process safety and, in 2016, we delivered our best overall safety performance on record. And, we will continue to strive to improve safety further.

Second, advantaged manufacturing; we continue to build a top quartile refining business and in petrochemicals we are improving the cash breakeven performance of the business.

Third, our fuels marketing and lubricants businesses are differentiated and high returning. And our strategy is to grow these businesses in important global markets.

Fourth, efficiency and simplification programmes. These remain central to what we do and they are delivering ahead of plan.

And finally, we are pursuing and developing new products and offers that support the transition to a lower carbon and digitally enabled future over the long-term.
Let me now take you through the results that we have achieved by implementing this strategy.

As you can see from the chart on the left, returns have more than doubled since 2014, when measured at a constant refining margin, reflecting continued performance improvement. Indeed, 2016 on a reported basis was our second best result on record, after 2015, and this was delivered when refining margins were weak.

We have also significantly improved our competitiveness on a net income per barrel basis, you can see this from the chart on the right. We are now firmly in the upper end of the competitive range.

Turning to our performance improvement in more detail.
On the left you see pre-tax earnings. Our full year earnings in 2016 of $5.6 billion were more than 25% higher than 2014 despite the refining environment being significantly weaker and indeed, one of the weakest in the last 10 years.

We have delivered $3.0 billion of underlying performance improvement in two years. This delivery is underpinned by improvements in all of our businesses through margin capture and cost efficiency initiatives.

Looking at it another way, the chart on the right shows the level of refining margin required to generate a Downstream pre-tax return of 15%. Through the execution of our strategy we have now reduced by about half the refining margin required to deliver this level of returns. That means we can deliver attractive returns even at industry refining margins below the five year historic range. Indeed, in 2016 we delivered returns of 15% when refining margins were well below this historic range.

So we are expanding Downstream’s earnings potential and building a business that is more resilient to the environment – and we are doing so in a way that is not just sustainable, but which we expect will further improve – and we have plans to achieve that.

Now let me take you through each of our businesses in turn.
Starting with our manufacturing businesses.

In refining we continue to build a top-quartile business. We measure this through net cash margin per barrel, which is a metric that measures refining competitive profitability. In 2016, our refining portfolio ranked within the top quartile of this metric when compared to the most recent Solomon benchmarking study. This means we are delivering leading competitive profitability.

As you can see from the chart, refining earnings have grown by more than $1 billion since 2014 at a constant refining environment.

And, we expect to deliver more underlying earnings growth, in fact around another $1.0 billion at a constant BP refining marker margin of $14 per barrel.

This will come from our site-by-site programmes which are focusing on operating reliability, efficiency improvements, advantaged feedstock and commercial optimisation.

These improvements will make our refining portfolio even more competitive and more resilient to the environment.
Advantaged manufacturing – petrochemicals

Repositioning the business and growing earnings

- Access to a growing market
- Industry leading proprietary technology
- Repositioning petrochemicals to improve bottom-of-cycle resilience
- Cash breakeven reduction – target increased to more than 40%
- $400m higher pre-tax earnings in 2016 versus 2014

In petrochemicals we have an increasingly competitive business in a growing market. Over the last number of years the environment has been challenging, in part due to over-supply. However, demand growth for our primary products, aromatics and acetyls, is strong and industry analysts forecast continued demand growth in the range of 4-6% per annum.

Against this backdrop, we are leveraging our industry leading proprietary technology to make the business more efficient and more competitive. Indeed, our latest Zhuhai PTA plant in China, now operates with industry leading cost efficiency and environmental performance.

In a cyclical industry like Petrochemicals, reducing cash breakeven is key to improving resilience to environmental volatility. Since 2014 we have reduced the breakeven of Petrochemicals by 27%. This has helped support more than $400m of earnings growth over this period. And we see further opportunities and now plan to reduce breakeven by more than 40% by 2018. This will ensure that we will have competitively advantaged assets in each of the regions in which we operate.

These improvements, along with our access to market growth and leading technology, positions our petrochemicals business strongly for the future. It supports underlying earnings growth and the delivery of double-digit returns over the next couple of years even in a similar environment to today, as well as creating optionality to invest in this growing market.
Moving now to our lubricants and fuels marketing businesses, which deliver material and reliable earnings, with attractive returns and where we have a track record of growth.

Together these businesses generated around $3.7 billion of pre-tax earnings in 2016. Here we are differentiated through our strong market positions and distinctive customer offers. This is underpinned by strong brands, technology, customer relationships and retail partnerships.

Our strategy is to grow these businesses which have good exposure to growth opportunities in existing and new markets. Indeed, in addition to our recently announced retail growth investment plans in Australia, we are actively looking to build and expand our footprint in Mexico, India, Indonesia and China. And, we are also developing new products and offers that support the transition to a lower carbon future over the long-term which I will talk about later.

In Lubricants, earnings have grown by $400 million since 2014 at constant currencies, with around 60% of total earnings coming from growth markets last year. And, as you can see from the chart on the left, there is more to come. We plan to deliver this growth through increasing the sales mix of premium lubricants, our growth market exposure, and leveraging our differentiated offer.

In Fuels marketing, earnings have also materially grown. We have seen growth of $600 million since 2014 at constant currencies and as with Lubricants, there is more to come. This growth will come from all parts of fuels marketing – from retail, the B2B fuels businesses and aviation fuels.

Retail is the most material part of our fuels marketing operations. It has strong and growing earnings, reliable cash streams and high returns. The continued success of our premium fuels, expansion of our convenience partnerships, new customer offers and growth market access will all underpin this growth.
Together our lubricants and fuels marketing businesses have delivered around $1 billion of underlying earnings growth since 2014 and through the effective delivery of our marketing strategy we expect to deliver around another $2.0 to 2.5 billion by 2021.

Let me now talk about one specific retail growth opportunity.
As we announced recently, we plan to establish a new strategic partnership with Woolworths in Australia. Woolworths is one of Australia’s largest supermarket retailers and the agreement we announced includes BP acquiring and operating over 500 Woolworths’ fuel and convenience sites across the country, including providing these sites with the wholesale supply of fuels. We will also be creating a world-class convenience partnership with the Woolworths Group called Metro @ BP.

This new partnership will be accretive to earnings and operating cash flow with returns that are competitive with the rest of our Downstream portfolio.

If you look at the chart on the left you can see that, by bringing together Woolworth’s retail network, high-quality food products, loyalty program and our international expertise in fuels and convenience offers we expect to deliver significant incremental value. Value from convenience partnership and loyalty offers, along with midstream and refining opportunities.

We have the expertise to deliver leading convenience and loyalty offers through major partnerships around the world. It is a proven model for us. Our UK offer, partnered with Marks and Spencer, is a good example. If you look at the right-hand chart, you can see how through our BP owned and operated network and distinctive offer, including differentiated fuels, we have been able to deliver a strong value proposition to our customers, as well as very differentiated results for BP.

The transaction is subject to Australian Competition and Consumer Commission and Foreign Investment Review Board approval which we expect to complete over the next 12 months.

This is an exciting opportunity not just for us, but our Australian customers.
Turning to efficiency and simplification, the work we have done over the past two years has driven our cash costs down to their lowest level in more than 10 years. As Bob shared with you earlier in the month, our cash costs are now $3 billion lower than in 2014.

Third party spend continues to reduce and our simplification and efficiency programme covers all parts of Downstream. For example, we have delivered around $350 million cost savings in Downstream head office through the streamlining and elimination of activities.

Across Downstream, since 2014, we have reduced the number of roles by more than 5000, a year ahead of schedule. And we have plans in place to reduce this further, to 6,500 by 2018.

All of this has supported a material improvement in our ratio of cash costs to gross margin since 2014. This is a metric we use to help run the business and measure its competitiveness. We will continue to maintain a rigorous focus on cost management and efficiencies while capturing profit growth opportunities.
Now turning to new trends we are seeing in our industry in mobility and the transition to a lower carbon future.

We have a clear strategic frame to develop new customer offers in mobility and to transition Downstream towards a lower carbon future over the long term covering three focus areas of:

- Bio and low carbon products;
- Advanced mobility; and
- Digital.

We plan to create differentiated offers that build on our capabilities, retail assets and brand strengths – and which represent material and scalable business options in each of these areas.

We will form new strategic partnerships and create innovative ventures as we develop new business models. Let me take you through some of the progress we are making.

In the first area of bio and low carbon products, Castrol have recently launched a new ‘bio’ variant of Castrol Edge and Castrol Magnatec with 25% of the oil derived from plant sources. We have also invested in a company called Biosynthetic Technologies. A company that produces renewable base oils for lubricants. And through our venture investment in Fulcrum Bioenergy we are involved in making bio-jet from municipal solid waste.

In the second area, Advanced Mobility, we are exploring opportunities presented by electrification, connected cars and autonomous vehicles.

We already have electric car charging facilities at selected petrol stations such as in Auckland, New Zealand, as shown on the slide, where the charging facilities have been developed in partnership with Vector, New Zealand’s largest distributor of electricity and gas. We are looking to learn from these installations as we explore...
the best model for us to pursue across our global network.

And in the third area, Digital, which actually underpins many of our new offers, we have invested in a new venture, RocketRoute, which is transforming the aviation industry through the provision of flight planning and integrated support services.

We also recently launched our new retail app, BPMe which customers can use to find their most convenient BP Petrol station and can pay for fuel from within their vehicle. This provides us with a direct, personalised channel to our high value customers and provides a platform for the continuing digitisation of our customer offer.

This is just a small taster of the activity we have in progress. But as you can see we are well underway with our plans with the transition to a lower carbon Downstream business and we have first mover advantage with a number of our developments.
So, what does this all mean?

Since 2014 we have delivered $3 billion of sustainable underlying performance improvement and we have halved the refining margin required to deliver 15% pre-tax returns for Downstream. And, as you have heard, there is more to come.

We are now in the top quartile of the refining net cash margin industry benchmark and we have robust programs in place to further strengthen this position and to continue to grow the profitability of the refining business.

In petrochemicals, we have improved performance and are ahead of our target to reduce the cash breakeven, making the business more resilient and supporting further profitable growth.

Our marketing businesses continue to deliver material and reliable earnings with attractive returns and we have plans to significantly grow earnings further.

And we will do all of this while rigorously managing costs and delivering efficiencies.

Taking all these together, we expect Downstream to deliver between $9 to10 billion of free cash flow, with returns of around 20% in 2021.
In summary, through the disciplined execution of our strategy we have made significant strategic and financial progress and that will continue.

Safety will always remain our core value and first priority.

In manufacturing, we are growing underlying earnings by more than $2.5 billion and, in marketing, by more than $3 billion by 2021 compared to 2014. That means more than $3 billion still to come across Downstream between now and 2021. All of this underpins the growth of our free cash flow to $9 to $10 billion with returns of around 20% in 2021.

The plans we have in place to deliver this are robust and I am very excited by the opportunities I see across Downstream.

Now, let me hand you over to Lamar.