

Definitions

Debt to debt-plus-equity ratio

The ratio of finance debt (borrowings, including the fair value of associated derivative financial instruments that are used to hedge foreign exchange and interest rate risks relating to finance debt, plus obligations under finance leases) to the total of finance debt plus shareholders' interest.

Debt to equity ratio

The ratio of finance debt (borrowings, including the fair value of associated derivative financial instruments that are used to hedge foreign exchange and interest rate risks relating to finance debt, 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.

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.

Net debt

Net debt equals finance debt, including the fair value of associated derivative financial instruments that are used to hedge foreign exchange and interest rate risks relating to finance debt, for which hedge accounting is claimed, less cash and cash equivalents.

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).

Return on average capital employed

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.

Another return on average capital employed 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.