Thank you Bernard. Good morning. Today I will provide you with an update of progress against our strategy and the key metrics I set out last year.

Let me start with a reminder of our strategy which is to:

- Deliver underlying performance improvement and growth to expand earnings potential and improve resilience; and

- Further build competitively advantaged businesses across Downstream.

Between 2014-16 we delivered $3 billion of underlying earnings growth and, as I laid out last year, our plans are for further delivery of more than $3 billion by 2021. More than $2 billion from profitable marketing growth and more than $1 billion from advantaged manufacturing.

We expect to deliver between $9-10 billion of pre-tax free cash flow with returns of around 20% in 2021.

And, we do all this with a continued focus on efficiency and simplification and with safety as our core value. Indeed, in 2017 we delivered our best overall safety performance on record.

In addition, we are developing new products, offers and business models to support the transition to a lower carbon and digitally enabled future.

So let me now take you through progress in 2017.
The disciplined execution of our strategy continues to deliver results. If you look at the chart on the left you can see 2017 earnings stood at $7 billion, around 60% higher than 2014 despite an adverse environment impact of around $0.9 billion from narrower North American heavy crude oil differentials, WTI-WCS. We continue to see the exposure to North American heavy crude as a competitive advantage and looking forward expect this differential to recover from its relatively low 2017 level.

The result for 2017 reflects $0.7 billion of underlying earnings growth, bringing total earnings growth to $3.7 billion since 2014.

And, if you look at the chart on the right, it shows the drivers of this growth. As you can see, 2017 was another year of strong performance from our marketing and manufacturing businesses. Together they delivered around $1 billion of underlying earnings growth, putting us ahead of plan to deliver the more than $3 billion growth we expect from these businesses by 2021.

Our supply and trading business delivers material and rateable earnings, with some volatility across the years based on market opportunities. In 2017, we saw a lower contribution than the previous year, although still in line with 2014 earnings.

And, across all parts of Downstream, we continue to maintain a rigorous focus on cost management and efficiencies. We have on-going efficiency programs in place which more than offset inflation and continue to improve our ratio of cash costs to gross margin.
Last year we spoke about the key drivers of earnings growth across each of our businesses. Let me now share the progress we have made.

In marketing, we delivered further growth with earnings standing at almost $4 billion in 2017 and returns remaining highly attractive, in excess of 30%.

In fuels marketing, we continued our track record of double-digit growth with underlying earnings in 2017 growing by $0.3 billion to $2.4 billion.

In retail, the most material element of fuels marketing, we continue to strengthen our differentiated offer.

We now have 1,100 convenience partnership sites, a growth of more than 220 in 2017. The success of this highly differentiated partnership model is reflected in our non-fuel retail gross margin, which stood at more than $1 billion in 2017.

And, since the launch of our latest Ultimate fuels with ACTIVE technology in 2016, premium fuel volumes have grown by 20%, improving by 6% in 2017 alone.

Our retail business is differentiated through our strong market positions, brands and distinctive customer offers. This differentiation enables our growth in existing markets and supports plans to expand our footprint in new material markets such as Mexico, India, Indonesia and China.

Indeed in Mexico, we now have more than 130 operational sites after becoming the first international oil company to enter the deregulated fuel retail market last year. And we plan to grow to around 1,500 sites by 2021.

And in China, we recently entered into joint ventures with DongMing Petrochemical to establish a leading branded retail fuels and convenience business. This is part of a focused growth strategy to expand our retail presence in China from 700 to around
We also continue to grow our B2B fuels and Air BP businesses. In our global Air BP business, which has strong market positions and good exposure to growth markets, earnings grew by 5% in the year.

Our Lubricants business is also differentiated; it has some of the strongest brands in the industry and has a brand presence in around 120 countries. In 2017, we delivered earnings of $1.5 billion with highly competitive return on sales of more than 20%.

Our Lubricants business has good exposure to growth markets and the growing premium segment, which delivered continued underlying earnings growth in 2017, although offset by the adverse lag impacts of increasing base oil prices.

Indeed, premium lubricants volumes grew to 44%, more than a percentage point increase versus 2016. And in the fourth quarter we saw a return to year-on-year earnings growth, with key growth markets earnings increasing by 9%.

Through the strength of our BP Castrol brand we are also establishing a global partnership with Renault Nissan Alliance, the largest global automotive carmaker. In addition to the continuation of Renault Formula 1 sponsorship and the supply of fuels and lubricants by BP the partnership will also include a strategic collaboration for advanced mobility solutions.

In addition, we renewed partnerships and supply arrangements with Ford, VW and Volvo. All of this further demonstrates the quality, sustainability and robustness of the growth opportunities in our lubricants business.
Turning to manufacturing. Underlying earnings have grown by $0.8 billion in the year, $0.7 billion from refining and $0.1 billion from petrochemicals. This growth reflects the continued delivery from our multi-year business improvement programs, BIPs. And, as you can see we have made significant progress against our plans of more than $1 billion growth by 2021.

Delivery has been underpinned by strong operational performance in both refining and petrochemicals.

In refining, we continued to deliver against our key programs of reliability and efficiency, advantaged feedstock and commercial optimisation:

– Reliability was strong with Solomon availability of more than 95%. And, our Whiting refinery achieved record levels of throughput in 2017;

– We also processed record levels of advantaged feedstock, increasing to 43% of total throughput, versus 37% in 2016;

– Through our commercial optimisation program we delivered additional value from our assets by capturing opportunities from crude selection through to yield optimisation and constraints removal; and

– We delivered further efficiency benefits; for example, maintenance planning and scheduling efficiency improvements.

All of this supported an underlying improvement of more than 15% in our net cash margin per barrel, which is a metric that measures refining competitive profitability.

In petrochemicals, reducing cash breakeven is key to improving resilience to environmental volatility. We have now reduced our cash breakeven by more than 40%
versus 2014 through improved operational performance, industry leading technology upgrades and efficiency gains. This improvement was completed a year ahead of the schedule that I previously shared with you.

This delivery of underlying earnings growth and double-digit returns in Petrochemicals positions us well to capture growth and investment opportunities in an attractive and growing market.
We are also making strong progress on free cash flow and pre-tax returns.

As you can see from the chart on the left, free cash flow has grown by $1.1 billion to $6.6 billion, despite an increase in growth related capital investment. And, pre-tax returns of more than 18%, our best on record, are fast approaching our target of around 20%. Indeed, at 2021 plan assumptions 2017 free cash flow would have been $6.9 billion, with returns of more than 19%.

All of which makes our business even more resilient to the environment. If you look at the chart on the far right, you will see that we have further reduced the BP refining marker margin to deliver 15% returns from $12 per barrel in 2016 to $11.50 per barrel in 2017. This was achieved despite the impact of narrower North American heavy crude oil differentials. This means we are able to sustainably deliver strong returns even at industry refining margins below the historic range.
Now let me move to the longer term. I am excited by the opportunities that we are working on in the Downstream to advance the energy transition in support of the reduce-improve-create framework that Lamar spoke about.

First, reducing our carbon footprint in our operations, where we are already in action. For example, at our PTA plant in Belgium, technology improvements allow us to achieve greater energy efficiency, reducing our power usage by 30% and leading to an overall greenhouse gas emissions reduction of 14%.

Second, we continue to innovate and improve our products. We have developed lower viscosity lubricants helping improve the efficiency of vehicles. In addition, our BP fuels with ACTIVE technology use an innovative formula designed to fight engine dirt and increase fuel economy.

And in the third area of creating new low carbon businesses, we use the strategic frame shown on the slide to develop new customer offers and transition our business to a lower carbon future in the three focus areas of advanced mobility, bio and low carbon products and digital.

We see significant opportunities to create new low carbon businesses and we are pursuing numerous initiatives. Let me now play a short video to share just some of the progress we have made....

[PLAY VIDEO]

As you can see, there is a lot already in play. We expect these initiatives and the other projects we have in the pipeline to create new business models and additional future revenue streams for Downstream over the longer term.
Let me now summarise. Our strategy continues to deliver results. 2017 was our best safety performance on record. We delivered around $1 billion of underlying earnings growth in our marketing and manufacturing businesses. And, $1.1 billion of free cash flow growth, with returns of more than 18%.

This strong 2017 delivery puts us ahead of plan to deliver more than $3 billion of underlying earnings growth by 2021. And, between $9-10 billion of pre-tax free cash flow, with returns of around 20% in 2021.

Looking forward, the opportunities from our differentiated businesses and the new business models give me great confidence in Downstream’s growth momentum to 2021 and beyond. We have expertise, know how, innovation and partnerships to deliver this.

So thanks for listening. We’ll now take a short 15 minute break before we meet back here for the Q&A session.