

Supplementary Information – Third quarter 2018

The information below has been provided to enhance understanding of the terminology and performance measures that have been used in the accompanying presentations.

Group measures

The following non-GAAP measures or associated adjustments are defined in Glossary on pages 31-34 of our third-quarter 2018 results announcement:

- Inorganic capital expenditure.
- Gearing (net debt ratio).
- Non-operating items.
- Organic capital expenditure.
- Underlying RC profit or loss.

Adjusted effective tax rate (ETR)

The adjusted ETR is calculated by dividing taxation on an underlying RC basis by underlying RC profit or loss before tax. Taxation on an underlying RC basis is taxation on a RC basis for the period adjusted for taxation on non-operating items and fair value accounting effects.

			%
	Q3 2017	Q2 2018	Q3 2018
Effective tax rate (ETR) on profit or loss	41	42	37
Adjusted for inventory holding gains or losses	2	7	1
ETR on replacement cost (RC) profit or loss	43	49	38
Adjusted for non-operating items and fair value accounting effects	(3)	(7)	(2)
Adjusted ETR	40	42	36

Free cash flow

Free cash flow is operating cash flow less net cash used in investing activities, as presented in the condensed group cash flow statement.

Organic free cash flow

Organic free cash flow is operating cash flow less organic capital expenditure. Organic free cash flow excludes any post-tax impacts from the Gulf of Mexico oil spill.

Organic free cash flow per share

Organic free cash flow per share is organic free cash flow divided by the estimated number of shares in issue at the end of the year.

Underlying operating cash flow

Underlying operating cash flow is net cash provided by operating activities excluding post-tax amounts related to the Gulf of Mexico oil spill.

			\$ million
	Q3 2017	Q2 2018	Q3 2018
Net cash provided by operating activities	6,024	3,646	6,092
Add back: Post-tax amounts related to the Gulf of Mexico oil spill	(564)	(1,714)	(525)
Underlying operating cash flow	6,588	5,360	6,617

Return on average capital employed (ROACE)

ROACE is underlying replacement cost profit, after adding back minority shareholders' interests and finance interest net of notional tax at an assumed 35% effective tax rate, divided by average capital employed, excluding cash and cash equivalents and goodwill.