

Supplementary Information

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 30-33 of our first-quarter 2018 results announcement:

- Inorganic capital expenditure.
- Net debt and gearing (net debt ratio).
- Non-operating items.
- Operating cash flow.
- Organic capital expenditure.
- Underlying RC profit or loss.

Underlying effective tax rate (ETR)

The underlying 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.

			%
	Q1 2017	Q4 2017	Q1 2018
Effective tax rate (ETR) on profit or loss	29	95	35
Adjusted for inventory holding gains or losses	-	154	1
ETR on replacement cost (RC) profit or loss	29	249	36
Adjusted for non-operating items and fair value accounting effects	4	(222)	1
Underlying ETR	33	27	37

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.

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
	Q1 2017	Q4 2017	Q1 2018
Net cash provided by operating activities	2,114	5,903	3,646
Add back: Post-tax amounts related to the Gulf of Mexico oil spill	(2,294)	(284)	(1,714)
Underlying operating cash flow	4,408	6,187	5,360

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.