

Supplementary Information - Third quarter 2019

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 32-35 of our third-quarter 2019 results announcement:

- Free cash flow.
- Gearing.
- Inorganic capital expenditure.
- Non-operating items.
- Organic capital expenditure.
- Underlying cash flow
- Underlying RC profit.
- Working capital.

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.

Effective tax rate

	Third quarter 2019	Second quarter 2019	Third quarter 2018
%			
ETR on profit or loss	(2,824)	40	37
Adjusted for inventory holding gains or losses	2,992	(1)	1
ETR on RC profit or loss	168	39	38
Adjusted for non-operating items and fair value accounting effects	(128)	(5)	(2)
Adjusted ETR	40	34	36

Lease liability payments of principal

Lease liability payments of principal are reported as financing activities in the group cash flow statement.

	Third quarter 2019
\$billion	
Upstream	0.3
Downstream	0.2
OB&C	0.1
Total	0.6

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.