In the ordinary course of its business the Group has transactions with various organizations with which certain of its directors are associated but, except as described in this report, no material transactions responsive to this item have been entered into in the period commencing January 1, 2005 to June 28, 2006.

ITEM 8 - FINANCIAL INFORMATION

CONSOLIDATED STAT

Financial Statements

See Item 18 - Financial Statements.

Dividends

The total dividends announced and paid in 2005 were $7,359 million, compared with $6,041 million in 2004 and $5,654 million in 2003. Dividends per share for 2005 were 34.85 cents, compared with 27.70 cents per share in 2004 (an increase of 26%) and 25.50 cents per share in 2003 (an increase of 8.6% over 2003). For information on our policy on distributions to shareholders, refer to Item 5 - Operating and Financial Review - Liquidity and Capital Resources - Dividends and Other Distributions to Shareholders and Gearing on page 95.

Legal Proceedings

Save as disclosed in the following paragraphs, no member of the Group is a party to, and no property of a member of the Group is subject to, any pending legal proceedings which are significant to the Group.

On June 28, 2006, the U.S. Commodity Futures Trading Commission (CFTC) announced the filing of a civil enforcement action in the United States District Court for the Northern District of Illinois against BP Products North America, Inc. (BP Products), a wholly owned subsidiary of BP, alleging that BP Products manipulated the price of February 2004 TET physical propane. The CFTC also charges BP Products with attempting to manipulate the price of April 2003 TET physical propane. The CFTC is seeking permanent injunctive relief, disgorgement, restitution, and payment of civil monetary penalties. Concurrently, the U.S. Department of Justice filed a criminal complaint against a former BP Products employee, who entered a guilty plea. The former employee had previously been terminated by BP Products for failure to adhere to BP Group policies. BP denies that BP Products engaged in market manipulation and intends to defend the CFTC claims vigorously. BP believes that it has cooperated fully with the CFTC in its investigation of this matter and intends to assist the Department of Justice in its ongoing investigation.

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On March 23, 2005, an explosion and fire occurred in the Isomerization Unit of BP Products' Texas City refinery as the unit was coming out of planned maintenance. Fifteen contractors died in the incident and many others were injured. In 2005, BP Products finalized, or is currently in process of negotiating, settlements in respect of fatalities and personal injury claims arising from the incident. The first trial of the unresolved claims is scheduled for September, 2006. The US Occupational Safety and Health Administration (OSHA), the US Chemical Safety and Hazard Investigation Board (CSB), the US Environmental Protection Agency and the Texas Commission on Environmental Quality, among other agencies, have conducted or are conducting investigations. At the conclusion of their investigation, OSHA issued citations alleging more than 300 violations of 13 different OSHA standards, and BP Products agreed not to contest the citations. BP Products settled that matter with OSHA on September 22, 2005, paying a $21.3 million penalty and undertaking a number of corrective actions designed to make the refinery safer. OSHA referred the matter to the US Department of Justice for criminal investigation, and the Department of Justice has opened an investigation. At the recommendation of the CSB, BP appointed an independent safety panel, the BP US Refineries Independent Safety Review Panel, under the chairmanship of James A Baker III. Other government legal actions are pending.

Approximately 200 lawsuits were filed in State and Federal Courts in Alaska seeking compensatory and punitive damages arising out of the Exxon Valdez oil spill in Prince William Sound in March 1989. Most of those suits named Exxon (now ExxonMobil), Alyeska Pipeline Service Company (Alyeska), which operates the oil terminal at Valdez, and the other oil companies which own Alyeska. Alyeska initially responded to the spill until the response was taken over by Exxon. BP owns a 47% interest (reduced during 2001 from 50% by a sale of 3% to Phillips) in Alyeska through a subsidiary of BP America Inc. and briefly indirectly owned a further 20% interest in Alyeska following BP's combination with Atlantic Richfield. Alyeska and its owners have settled all the claims against them under these lawsuits. Exxon has indicated that it may file a claim for contribution against Alyeska for a portion of the costs and damages which it has incurred. If any claims are asserted by Exxon which affect Alyeska and its owners, BP will defend the claims vigorously.

Since 1987, Atlantic Richfield Company, a current subsidiary of BP, has been named as a co-defendant in numerous lawsuits brought in the United States alleging injury to persons and property caused by lead pigment in paint. The majority of the lawsuits have been abandoned or dismissed as against Atlantic Richfield. Atlantic Richfield is named in these lawsuits as alleged successor to International Smelting and Refining which, along with a predecessor company, manufactured lead pigment during the period 1920-1946. Plaintiffs include individuals and governmental entities. Several of the lawsuits purport to be class actions. The lawsuits (depending on plaintiff) seek various remedies including: compensation to lead-poisoned children; cost to find and remove lead paint from buildings; medical monitoring and screening programmes; public warning and education of lead hazards; reimbursement of government healthcare costs and special education for lead-poisoned citizens; and punitive damages. No lawsuit against Atlantic Richfield has been settled nor has Atlantic Richfield been subject to a final adverse judgement in any proceeding. The amounts claimed and, if such suits were successful, the costs of implementing the remedies sought in the various cases could be substantial. While it is not possible to predict the outcome of these legal actions, Atlantic Richfield believes that it