BG Group plc

2013 FOURTH QUARTER & FULL YEAR RESULTS

Full Year Key Points

- Business Performance total operating profit down 5% at $7.6 billion
- Upstream total operating profit down 9%; LNG Shipping & Marketing (S&M) up 3%
- Delivered all 10 key milestones in 2013; continued to make progress in Brazil and Australia
- Business Performance EPS flat at 128.6 cents; total results EPS down 33% at 64.8 cents
- Total results included non-cash post-tax impairments in Egypt and US totalling $2.4 billion
- Issued Force Majeure notices in respect of LNG agreements in Egypt
- Full year dividend increased by 10% to 28.75 cents per share (18.02 pence per share)

- 2014 production outlook of 590 - 630 kboed; 2014 profit outlook for LNG S&M at $2.1 - $2.4 billion
- 2014 unit operating costs range $15.50 – 16.25 / boe; Unit DD&A costs range $12.25 – 13.00 / boe
- 2015 production outlook of 710 - 750 kboed: expect to be free cash flow positive in 2015

BG Group's Chief Executive, Chris Finlayson said:

"In 2013, we met all of our key milestones and continued to progress our growth projects in Australia and Brazil. In 2014, we will see first LNG exports from our QCLNG project in the final quarter and we will continue to ramp up production in Brazil. Clearly, we also have to address the near-term challenges we face in Egypt, and deliver our plans consistently and effectively. Our capital expenditure will begin to decline in 2014 and we continue to expect to be free cash flow positive in 2015."

Fourth Quarter				Full Year		
2013 $m	2012 Restated[(a)] $m		**Business Performance[(b)]**	**2013 $m**	2012 Restated[(a)] $m	
1 908	1 830	+4%	Total operating profit including share of pre-tax operating results from joint ventures and associates	**7 616**	8 050	-5%
1 135	1 025	+11%	Earnings for the period	**4 374**	4 379	-
33.3c	30.2c	+10%	Earnings per share	**128.6c**	128.9c	-
15.68c	14.26c	+10%	Dividend per share	**28.75c**	26.14c	+10%
			Total results for the period (including disposals, re-measurements and impairments)			
(1 573)	1 534	–	Operating profit before share of results from joint ventures and associates	**3 667**	6 194	-41%
(1 476)	1 648	–	Total operating profit including share of pre-tax operating results from joint ventures and associates	**4 163**	6 636	-37%
(1 066)	935	–	Earnings for the period continuing operations	**2 205**	3 293	-33%
(31.3c)	27.5c	–	Earnings per share continuing operations	**64.8c**	97.0c	-33%

a) 2012 results have been restated to reflect the adoption of the amended IAS 19 in respect of defined benefit pension obligations (see note 1 page 20).

b) 'Business Performance' excludes disposals, certain re-measurements and impairments as exclusion of these items provides a clear and consistent presentation of the underlying operating performance of the Group's ongoing business. In 2013, total results for the quarter and full year included a pre-tax charge of $2.0 billion (post-tax $1.3 billion) as a result of the impairment of certain assets in Egypt and a pre-tax charge of $1.7 billion (post-tax $1.1 billion) as a result of the impairment of certain assets associated with the shale gas business in the USA. In 2012, total results for the full year included a pre-tax charge of $1.8 billion (post-tax $1.3 billion) as a result of the impairment of certain assets associated with the shale gas business in the USA. For further information see Presentation of Non-GAAP measures (page 12) and notes 1 to 3 (pages 20 to 23). Unless otherwise stated, the results discussed in this release relate to BG Group's Business Performance.

Business Review – Group

In 2013, BG Group made important progress on its growth projects and delivered on all of its key milestones.

First gas was delivered onto Curtis Island in Australia before year end and the QCLNG project remains on track for first LNG in the fourth quarter of 2014 and within the $20.4 billion first phase budget. Importantly, QCLNG delivered a very good safety performance during its peak construction period. In Brazil, two new FPSOs were brought onstream, and the production performance from the Santos Basin wells continues to exceed expectations.

Throughout 2013, the business environment in Egypt remained difficult due to the ongoing political and social instability. This contributed to a reduction of 19 LNG cargoes for the year when compared to 2012.

The increased exploration spend for the year continued to deliver results focusing on new and existing basins. In particular, the appraisal activity in Tanzania led to total gross recoverable resources being increased from 10 tcf to 15 tcf in 2013, while in Brazil there were excellent flow rates from the fourth appraisal well at Iara. In addition, the Group continued to increase its acquisition of acreage, securing more than 48 000 square kilometres and access to two new basins.

Fourth Quarter				Full Year		
2013	2012 Restated[(a)]			**2013**	2012 Restated[(a)]	
$m	$m		**Business Performance**	**$m**	$m	
5 426	4 753	+14%	Revenue and other operating income	**19 101**	18 963	+1%
1 116	1 168	-4%	Upstream	**4 967**	5 467	-9%
778	658	+18%	LNG Shipping & Marketing	**2 643**	2 577	+3%
14	4	+250%	Other activities	**6**	6	–
1 908	1 830	+4%	Total operating profit including share of pre-tax results from joint ventures and associates	**7 616**	8 050	-5%
(79)	(61)	+30%	Net finance costs	**(203)**	(152)	+34%
(694)	(744)	-7%	Taxation for the period	**(3 039)**	(3 519)	-14%
1 135	1 025	+11%	Earnings for the period	**4 374**	4 379	–
33.3c	30.2c	+10%	Earnings per share (cents)	**128.6c**	128.9c	–
2 086	1 639	+27%	Net cash inflow from operating activities	**7 817**	7 995	-2%
3 183	2 747	+16%	Capital investment on a cash basis[(b)]	**11 215**	10 407	+8%

a) See note 1 (page 20).

b) Includes capital investment relating to discontinued operations for the quarter of $nil (2012 $35 million) and for the full year of $10 million (2012 $281 million).

Business Review – Group continued

Business Performance

Fourth quarter

Revenue and other operating income increased 14% to $5 426 million, principally due to a greater proportion of oil in the portfolio, a favourable LNG cargo delivery mix with increased sales to high value Asian markets and lower hedging losses, partly offset by a decrease in overall production volumes and fewer LNG cargo deliveries.

Total operating profit increased 4% to $1 908 million, reflecting the higher revenues, partly offset by higher operating costs and DD&A (depreciation, depletion and amortisation) in the Upstream segment.

Net finance costs of $79 million included foreign exchange losses of $43 million (2012 net finance costs of $61 million included foreign exchange losses of $20 million). The tax charge for the quarter reflects a further reduction to the Group's 2013 effective tax rate (including BG Group's share of joint venture and associates' tax) to 41%, from previous guidance in the third quarter of 42% (2012 44.5%). The reduction reflects one-off changes in tax positions across a number of jurisdictions. The full year effective tax rate also includes a 1% reduction resulting from the revision of opening deferred tax balances following changes to UK taxation rates enacted in the third quarter.

Net cash inflow from operating activities increased 27% to $2 086 million as a result of higher cash profits.

As at 31 December 2013, the Group's net debt was $10 610 million and the gearing ratio was 24.8%. The average weighted maturity of the Group's gross borrowings was around 15 years.

Capital investment (excluding acquisitions and on a cash basis) of $3 183 million was almost entirely in the Upstream segment ($3 175 million). This investment was concentrated primarily on the Group's major projects in Australia, Brazil, the UK and Egypt. Further details are provided in the fourth quarter business highlights section.

Full year

Revenue and other operating income increased 1% to $19 101 million, principally due to a greater proportion of oil in the portfolio, a favourable LNG cargo delivery mix with increased sales to high value Asian markets and lower hedging losses, offset by a 4% decrease in overall production volumes and fewer LNG cargo deliveries.

Total operating profit decreased 5% to $7 616 million, with the increase in revenue and other operating income more than offset by higher operating costs and DD&A in the Upstream segment.

Net finance costs of $203 million included foreign exchange losses of $44 million (2012 net finance costs of $152 million included foreign exchange losses of $29 million and $23 million of interest received on tax refunds).

Net cash inflow from operating activities decreased 2% to $7 817 million with lower cash profits and a higher working capital outflow as a result of lower margin call inflows on the Group's hedged LNG contracts, partly offset by lower taxes paid.

Capital investment (excluding acquisitions and on a cash basis) of $11 215 million was almost entirely in the Upstream segment ($11 180 million). This investment was focused primarily on the Group's major projects in Australia, Brazil, the UK and Egypt. Further details are provided in the fourth quarter business highlights section.

Taking into account the outlook for earnings growth, cash flow and the balance sheet position, the Board has recommended a final dividend of 15.68 cents per share (9.51 pence per share), bringing the full year dividend to 28.75 cents per share (18.02 pence per share), an increase of 10% compared with last year. The final dividend will be paid to shareholders in Pounds Sterling on 30 May 2014.

Total Results (Including disposals, re-measurements and impairments)

Fourth quarter

Total earnings for the fourth quarter 2013 was a loss of $1 066 million (31.3 cents per share) and included a post-tax charge of $2 201 million in respect of disposals, re-measurements and impairments from continuing operations. The results for the quarter included a $1 286 million post-tax impairment of certain assets in Egypt and a $1 105 million post-tax impairment of certain assets associated with the shale gas business in the USA. Total earnings in the fourth quarter of 2012 were $935 million (27.5 cents per share) and included a post-tax charge of $90 million in respect of disposals, re-measurements and impairments.

Business Review – Group continued

Full year

Total earnings for the full year 2013 were $2 205 million (64.8 cents per share) and included a post-tax charge of $2 169 million in respect of disposals, re-measurements and impairments, comprising primarily the previously mentioned impairments. The results for the full year of 2012 were $3 293 million (97 cents per share) and included a post-tax charge of $1 086 million in respect of disposals, re-measurements and impairments resulting primarily from a $1 295 million post-tax impairment of certain assets associated with the shale gas business in the USA. For further information see Presentation of Non-GAAP measures (page 12) and notes 1 to 3 (pages 20 to 23).

Resources data measurement

In accordance with recommendations issued by the European Securities and Markets Authority (ESMA) and to achieve greater consistency across its reporting of reserves and resources, from year ended 31 December 2013 onwards BG Group has decided to adopt the reserves definitions and guidelines consistent with the internationally recognised Petroleum Resources Management System published by the Society of Petroleum Engineers, American Association of Petroleum Geologists, World Petroleum Council and the Society of Petroleum Evaluation Engineers, known as the SPE PRMS. In accordance with the SPE PRMS guidelines, BG Group uses gas and crude oil price forecasts based on reference conditions in the year ended 31 December 2013 reserves estimates. Reserves (proved and probable) as at 31 December 2013 are measured in accordance with SPE PRMS definitions and guidelines and in this transition year are shown together with the estimates under the SEC definitions, which formed the basis for measurement previously used by the Group. The change in definition has had little impact on our total reserves (proved and probable). For further details see page 34.

2014 and 2015 outlook

In 2014, BG Group's production volumes are expected to be in the range of 590 – 630 kboed with base assets contributing in the range of 480 - 520 kboed, excluding portfolio changes. Brazil and Australia will deliver strong year on year growth. In Brazil, FPSOs 2 and 3 will continue to ramp up, following the delays to the installation of buoyancy supported risers. The operator expects to install FPSOs 4 and 5 in the second half of the year. In Australia, the QCLNG project is on track for first LNG in the fourth quarter, with the second train expected to come onstream around six months later.

The contributions from the Group's growth assets are expected to be offset by reductions in Egypt. Additionally, the continued low rig count in the US will result in a volume decline similar to 2013. Overall, volumes from other base assets are expected to be broadly flat. Production will grow in Norway, Bolivia and in the UK, despite a slower ramp up at Jasmine and a longer planned shutdown at Buzzard. However, this is expected to be offset by declines to the rest of the base, notably in Trinidad and Tobago where expected PSC production entitlement has reduced due to higher realised prices in 2013.

In 2014, unit operating expenditure is expected to be in the range of $15.50 -16.25 per boe at reference conditions, up from $12.17 per boe for 2013. This reflects the combined impact of increasing production from royalty-paying fields in Brazil and Bolivia; the cost of new facilities in Australia and Brazil, ahead of achieving plateau production; the cost of the enhanced asset integrity programme in the UK; and the declining production across the base assets, especially Egypt. The unit DD&A charge is also expected to increase, from $11.29 per boe in 2013 to between $12.25 - 13.00 per boe, reflecting the new developments coming onstream.

LNG Shipping & Marketing total operating profit for 2014 is expected to be in the range of $2.1 - 2.4 billion at reference conditions, reflecting lower supply volumes from Egypt and reference conditions lower than realised prices in 2013. There is considerable uncertainty over the number of LNG cargoes that Egyptian LNG will produce in 2014.

2014 planned capital expenditure on a cash basis is expected to be lower than 2013, and is expected to fall to between $8 - $10 billion in 2015 and 2016. The Group therefore expects to have passed its peak year for capex. Exploration expenditure is expected to be around $1.7 billion, around half of which will be expensed.

The Group expects its effective tax rate to be around 41%.

BG Group currently expects production for 2015 to be in the range of 710 - 750 kboed, excluding portfolio changes. This outlook includes expected PSC production entitlement reductions in Kazakhstan. Expected production growth will be driven primarily by Brazil and Australia.

In 2015, BG Group expects similar dynamics in its LNG Shipping & Marketing business as outlined for 2014, combined with the impact of gas development programmes in Equatorial Guinea which require planned shutdowns at EGLNG.

At reference conditions, BG Group continues to expect to be free cash flow positive in 2015.

Fourth quarter business highlights

Australia
In December, the Queensland Curtis LNG (QCLNG) project delivered a key milestone with first gas transported from the Surat Basin coal gas fields onto Curtis Island, where the liquefaction terminal is located.

This milestone marks the successful completion of the 540-kilometre pipeline network, comprising the gas collection header and export pipeline. Gas was introduced throughout the pipeline system in November and December and is now pressured up to full operating conditions.

The last of 80 construction modules for the two LNG trains and liquefaction plant's common facilities arrived from Thailand in October and was set on foundation in November. Project construction is now in its final stages which allows commissioning activities to begin in the first quarter of 2014.

In the upstream, drilling again exceeded expectations with 205 wells in the quarter. To date, more than 1 900 wells have been drilled, ahead of the year-end target of 1 750. In the Ruby Jo area, three of six planned field compression stations (FCSs) and the one central processing plant (CPP) are being commissioned. The remaining three Ruby Jo area FCSs are expected to start commissioning in the first quarter of 2014.

In the fourth quarter, BG Group contracted third party gas from a number of suppliers. BG Group manages a portfolio of equity production and gas purchased from third parties to maximise volumes through the LNG trains and optimise value in the commissioning phase.

The QCLNG project remains on schedule for first LNG in the fourth quarter of 2014, and within the project's Phase 1 $20.4 billion budget.

Bolivia
In December, BG Group announced the start of commercial gas production from the second phase of the Itaú development in Bolivia. Net production capacity was raised from around 3 kboed to approximately 10 kboed with the connection of two new wells.

Brazil
Gross production from the three installed floating production, storage and offloading (FPSO) vessels in the Santos Basin exceeded 160 kboed at year end, with each well on FPSOs 2 and 3 producing more than 30 kboed.

The first buoyancy supported riser (BSR) has been installed on FPSO 2. Additionally, the two steel catenary risers (SCRs) have been connected to the BSR. Production from new producing wells on FPSO 2 is expected to start during the first quarter of 2014.The second BSR has been installed on FPSO 3 with all permanent tethers now connected. The connection of new producing wells on FPSO 3 is expected to start during the second quarter of 2014.

In January 2014, a temporary flexible riser was installed connecting the P4 well on FPSO 3, on the Lula NE field, which is now producing at around 60 kboed from two producers.

FPSOs 4 and 5, to be deployed on Sapinhoá and Iracema, are on budget and around 88% and 80% complete, respectively. These FPSOs are now both in Brazil for topsides integration. The operator expects to install these facilities in the second half of the year.

In December, the consortium submitted the Declaration of Commerciality (DoC) for the Carioca field, to be renamed Lapa, to.the National Agency of Petroleum, Natural Gas and Biofuels (ANP). First oil is still expected in 2016. The areas of Abaré, Abaré Oeste, Iguaçu and Iguaçu-Mirim have been relinquished to the ANP.

Fourth quarter business highlights (continued)

Canada
In December, BG Group's Prince Rupert LNG project received a favourable decision from the National Energy Board for a 25 year LNG export licence for up to 21.2 mtpa. A final decision on the licence will be made by the Governor in Council.

Colombia
In January, the Group signed an agreement to acquire a 30% equity interest in Guajira Offshore 3 Block, offshore Colombia. The block is held under a Technical Evaluation Agreement and there is a 3D seismic programme planned in 2014. The agreement is subject to approval from the Colombian government's Agencia Nacional de Hidrocarburos (ANH).

Egypt
The business environment remains difficult. This, coupled with lower reserve estimates, means that the Group has revised expectations of the value of its Egyptian operations. As a result, a $1.3 billion non-cash post-tax impairment charge has been recorded.

Diversions to the domestic market during the fourth quarter were higher than expected. The revised pooling arrangements for 2013 have not been honoured and domestic diversions are currently at around capacity, close to 1 billion standard cubic feet of gas per day. As a result, BG Group has been unable to meet in full its obligations to deliver gas to Egyptian LNG and given the current levels of domestic diversions and the continued uncertainty around the level of future diversions, BG Group has served Force Majeure notices under its LNG Agreements. BG Group remains committed to the Egyptian LNG Project and will continue to negotiate with the Egyptian authorities and other stakeholders to seek a long term solution.

The position on domestic receivables improved with the receipt of some direct cash payments and, as a result, the year end receivable balance reduced to $1.2 billion.

Upstream and LNG activities in Egypt accounted for 18% of the Group's production and around 14% of earnings from continuing operations in 2013. The book value of BG Group's investment in Egypt, including receivables, represents around 8% of the Group's net assets after impairment.

Further assurances regarding future domestic offtake levels and a continued improvement in the outstanding receivable position are required before releasing funds for the next phase of development. Discussions with the Egyptian government are ongoing.

In December, BG Group encountered gas pay at a number of target horizons in the Notus well. Evaluation of these results is ongoing.

Tanzania
In December, BG Group confirmed Mzia as its second giant gas discovery, after Jodari, with 4.7 trillion cubic feet (tcf) of total gross recoverable resources. It is now estimated that BG Group's offshore Blocks 1, 3 and 4 hold total gross recoverable resources of around 15 tcf, with further exploration upside.

United Kingdom
In November, production commenced from the Jasmine gas and condensate field in the North Sea, in which BG Group has a 30.5% interest. Once on plateau, Jasmine is expected to contribute around 30 kboed net to the Group.

USA
As a result of lower production expectations, based on the well performance of the Group's US shale assets, and lower forward gas market prices, BG Group has revised its expectations of the value of its US shale business. Accordingly BG Group has recorded a non-cash post-tax impairment charge of $1.1 billion.

In line with the Group's strategy of focusing on value, and the continuing low US natural gas price, BG Group expects to continue to operate only four drilling rigs in 2014.

Fourth quarter business highlights (continued)

USA (continued)
In December, Trunkline LNG Export LLC (Trunkline) completed pre-filing with the Federal Energy Regulatory Commission (FERC) for the Lake Charles LNG export project. This allows Trunkline, BG Group's partner in the Lake Charles project, to file a formal application for FERC authorisation, expected by the end of the first quarter of 2014.

Portfolio rationalisation
In November, BG Group completed transactions with China National Offshore Oil Corporation (CNOOC) for the sale of certain additional interests in the QCLNG project in Australia for $1.93 billion. Additionally, CNOOC reimbursed BG Group for its share of QCLNG project expenditure incurred from 1 January 2012 to 30 September 2013, bringing total consideration to $3.8 billion. From 1 October 2013, CNOOC is funding project expenditures commensurate with its new equity holding. Under a separate agreement, BG Group will also supply CNOOC with an additional 5 mtpa of LNG.

In November, BG Group completed the sale of its entire 50% equity holding in TGGT, a joint venture midstream company operating in east Texas and north Louisiana, to Azure Midstream Energy, LP (Azure). BG Group received net cash of $240 million along with a $17 million stake in Azure, equating to an approximate 3% equity holding.

In December, BG Group completed the sale of its 40% operated interest in the Norwegian PL407 licence, including the Bream discovery, for $22 million.

Board changes
On 13 November 2013, Chief Operating Officer Martin Houston stepped down from the Board and Group Executive Committee (GEC) and announced he will retire from BG Group by 31 December 2014. Sami Iskander, Executive Vice President Operations, took over the role of Chief Operating Officer with immediate effect, reporting to Chief Executive Chris Finlayson. Sami has been a member of the GEC since 2009.

Following the announcement in July, Simon Lowth joined BG Group on 2 December 2013 as Chief Financial Officer and as an Executive Director. Den Jones stood down as Interim Chief Financial Officer and as an Executive Director on the same date.

On 1 January 2014, Pam Daley and Martin Ferguson joined the Board as Non-Executive Directors and Dr John Hood succeeded Baroness Hogg as Senior Independent Director.

Upstream

Fourth Quarter 2013 $m	Fourth Quarter 2012 Restated[a] $m		Business Performance	Full Year 2013 $m	Full Year 2012 Restated[a] $m	
58.4	58.9	-1%	Production volumes (mmboe)[b]	**230.9**	240.5	-4%
3 387	2 928	+16%	Revenue and other operating income	**12 158**	11 954	+2%
1 483	1 350	+10%	E&P operating profit before exploration charge	**5 431**	5 830	-7%
(369)	(260)	+42%	Exploration charge	**(711)**	(684)	+4%
1 114	1 090	+2%	E&P operating profit	**4 720**	5 146	-8%
58	93	-38%	Liquefaction operating profit	**360**	351	+3%
(56)	(15)	+273%	Business development	**(113)**	(30)	+277%
1 116	1 168	-4%	Total operating profit	**4 967**	5 467	-9%
3 175	2 707	+17%	Capital investment on a cash basis	**11 180**	10 099	+11%

a) See note 1 (page 20).

b) Additional operating and financial data, including production volumes by country for the full year, is given on page 31.

Fourth quarter

Revenue and other operating income increased 16% to $3 387 million, reflecting a greater proportion of oil in the portfolio, partly offset by a 1% decrease in production volumes. Production volumes reduced primarily as a result of the effects of reservoir decline in Egypt and lower activity in the USA, partly offset by new developments coming onstream.

The Group's average realised oil price was in line with 2012 at $109.60 per barrel and the liquids price was marginally higher at $95.28 per barrel. The Group's average realised gas price increased 2% to 47.14 cents per therm. International gas price realisations were flat at 42.99 cents per therm. The average realised UK gas price increased 3% to 53.05 pence per therm as a result of increased spot sales.

E&P operating profit of $1 114 million was 2% higher due to the increase in revenue and other operating income offset by higher operating costs and DD&A. Unit operating expenditure increased to $13.02 per barrel of oil equivalent (boe), principally as a result of higher royalties and lifting costs from new developments in Brazil, and higher lifting costs in the UK which included the impact of increased maintenance activity.

The unit DD&A charge increased to $11.95 per boe as a result of a combination of new developments coming onstream and the impact of reserves revisions in the current and previous quarters.

The exploration charge of $369 million was 42% higher, due to higher well write-offs, including the relinquishment of certain acreage in the BM-S-9 concession as part of the Declaration of Commerciality of Carioca. Gross exploration expenditure of $403 million included spend in Australia ($102 million), Egypt ($70 million), Tanzania ($68 million), Brazil ($65 million) and the UK ($31 million).

BG Group's share of operating profit from liquefaction activities decreased 38% to $58 million, primarily as a result of a change in the tolling fee arrangements at Egyptian LNG.

Business development costs of $56 million were incurred in progressing the Group's potential integrated LNG projects in western Canada and Tanzania.

Capital investment on a cash basis of $3 175 million included investment in Australia ($1 789 million), Brazil ($541 million), the UK ($214 million) and Egypt ($186 million).

Upstream continued

Full year

Revenue and other operating income increased 2% to $12 158 million, reflecting favourable changes in the production mix with a greater proportion of oil in the portfolio, partly offset by a 4% reduction in production volumes and lower oil and liquids prices. Production volumes were lower as decreases, primarily in Egypt and the USA, were only partly offset by new developments coming onstream. The Group's average daily production was 633 kboed.

The Group's average realised oil price decreased 2% to $108.61 per barrel and the liquids price decreased 3% to $92.50 per barrel, reflecting movements in market prices. The Group's average realised gas price increased 4% to 46.59 cents per therm, reflecting a favourable change in the mix of fields and increased spot sales in the UK.

Total E&P operating profit was 8% lower as increased revenues were more than offset by higher operating costs and DD&A charges. Unit operating expenditure increased to $12.17 per boe, principally reflecting the impact of higher royalty costs as production increased from new royalty-paying fields in Brazil and Bolivia, and higher lifting costs, principally in the UK and Brazil. The unit DD&A charge increased to $11.29 per boe as a result of a combination of new developments coming onstream and the impact of reserves revisions.

BG Group's share of operating profit from liquefaction activities increased 3% to $360 million, primarily as a result of higher prices at Atlantic LNG, partly offset by lower profits at Egyptian LNG following a change in the tolling fee arrangements.

Business development costs of $113 million were incurred in progressing the Group's potential integrated LNG projects in western Canada and Tanzania.

Capital investment on a cash basis of $11 180 million included investment in Australia ($5 944 million), Brazil ($2 202 million), the UK ($760 million) and Egypt ($634 million).

LNG Shipping & Marketing

Fourth Quarter 2013 $m	Fourth Quarter 2012 $m		Business Performance	Full Year 2013 $m	Full Year 2012 $m	
2 816	2 955	-5%	LNG delivered volumes (thousand tonnes)	**10 878**	12 063	-10%
2 176	2 109	+3%	Revenue and other operating income	**7 655**	8 074	-5%
820	689	+19%	Shipping and marketing	**2 766**	2 709	+2%
(42)	(31)	+35%	Business development and other	**(123)**	(132)	-7%
778	658	+18%	Total operating profit	**2 643**	2 577	+3%
7	3	+133%	Capital investment on a cash basis	**23**	18	+28%

Additional operating and financial data is given on page 31.

Fourth quarter

LNG Shipping & Marketing total operating profit increased 18% to $778 million due to a favourable LNG cargo delivery mix with seven additional cargoes delivered to Asian markets and lower hedging losses, partly offset by two fewer cargoes delivered during the quarter as a result of reduced exports from Egypt.

During the quarter, BG Group delivered 46 LNG cargoes. Cargo deliveries comprised 37 to Asia and nine to South America (2012: 48 cargoes: 30 Asia, 13 South America, four USA and one Europe).

Full year

LNG Shipping & Marketing total operating profit increased 3% to $2 643 million primarily due to a favourable LNG cargo delivery mix with increased deliveries to high value Asian markets and lower hedging losses, partly offset by fewer cargo deliveries and lower margins, including the impact of the pricing change on cargoes delivered to Chile.

BG Group delivered 178 LNG cargoes, 19 fewer than in 2012, including 13 fewer long-term supply cargoes (eight from Egypt, five from Nigeria) and six fewer spot cargoes. Deliveries comprised 127 to Asia, 41 to South America, six to the USA, two to Europe, one to Mexico and one to the UAE (2012: 197 cargoes: 122 Asia, 47 South America, 19 USA, eight Europe and one UAE).

Presentation of Non-GAAP measures

Business Performance
'Business Performance' excludes discontinued operations and disposals, certain re-measurements and impairments (see below) as exclusion of these items provides a clear and consistent presentation of the underlying operating performance of the Group's ongoing business.

BG Group uses commodity instruments to manage price exposures associated with its marketing and optimisation activity. This activity enables the Group to take advantage of commodity price movements. It is considered more appropriate to include both unrealised and realised gains and losses arising from the mark-to-market of derivatives associated with this activity in 'Business Performance'.

Disposals, certain re-measurements and impairments
BG Group's commercial arrangements for marketing gas include the use of long-term gas sales contracts. Whilst the activity surrounding these contracts involves the physical delivery of gas, certain gas sales contracts are classified as derivatives under the rules of IAS 39 and are required to be measured at fair value at the balance sheet date. Unrealised gains and losses on these contracts reflect the comparison between current market gas prices and the actual prices to be realised under the gas sales contract and are disclosed separately as 'disposals, re-measurements and impairments'.

BG Group also uses commodity instruments to manage certain price exposures in respect of optimising the timing and location of its physical gas and LNG sales commitments. These instruments are also required to be measured at fair value at the balance sheet date under IAS 39 and where practical have been designated as formal hedges. However, IAS 39 does not always allow the matching of fair values to the economically hedged value of the related commodity, resulting in unrealised movements in fair value being recorded in the income statement. These movements in fair value, together with any unrealised gains and losses associated with discontinued hedge accounting relationships that continue to represent economic hedges, are disclosed separately as 'disposals, re-measurements and impairments'.

BG Group also uses financial instruments, including derivatives, to manage foreign exchange and interest rate exposure. These instruments are required to be recognised at fair value or amortised cost on the balance sheet in accordance with IAS 39. Most of these instruments have been designated either as hedges of foreign exchange movements associated with the Group's net investments in foreign operations, or as hedges of interest rate risk. Where these instruments represent economic hedges but cannot be designated as hedges under IAS 39, unrealised movements in fair value, together with foreign exchange movements associated with the underlying borrowings and foreign exchange movements on monetary items that form part of the Group's net investment in foreign operations, are recorded in the income statement and disclosed separately as 'disposals, re-measurements and impairments'.

Realised gains and losses relating to the instruments referred to above are included in Business Performance. This presentation best reflects the underlying performance of the business since it distinguishes between the temporary timing differences associated with re-measurements under IAS 39 rules and actual realised gains and losses.

BG Group has also separately identified profits and losses associated with the disposal of non-current assets, impairments of non-current assets and certain other exceptional items, as they require separate disclosure in order to provide a clearer understanding of the results for the period.

For a reconciliation between the overall results and Business Performance and details of disposals, re-measurements and impairments, see the consolidated income statement (page 14), note 2 (page 21) and note 3 (page 23).

Joint ventures and associates
Under IFRS, the results from jointly controlled entities (joint ventures) and associates, accounted for under the equity method, are required to be presented net of finance costs and tax on the face of the income statement. Given the relevance of these businesses within BG Group, the results of joint ventures and associates are presented before interest and tax, and after tax. This approach provides additional information on the source of BG Group's operating profits. For a reconciliation between operating profit and earnings including and excluding the results of joint ventures and associates, see note 3 (page 23).

Net borrowings
BG Group provides a reconciliation of net borrowings and an analysis of the amounts included within net borrowings as this is an important liquidity measure for the Group.

Legal Notice

Certain statements included in these results contain forward-looking information concerning BG Group's strategy, operations, financial performance or condition, outlook, growth opportunities or circumstances in the countries, sectors or markets in which BG Group operates. By their nature, forward-looking statements involve uncertainty because they depend on future circumstances, and relate to events, not all of which are within BG Group's control or can be predicted by BG Group. Although BG Group believes that the expectations and opinions reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations and opinions will prove to have been correct. Actual results and market conditions could differ materially from those set out in the forward-looking statements. For a detailed analysis of the factors that may affect our business, financial performance or results of operations, we urge you to look at the 'Principal risks and uncertainties' included in BG Group plc's 2013 Second Quarter & Half Year Results and in BG Group plc's Annual Report and Accounts 2012. No part of these results constitutes, or shall be taken to constitute, an invitation or inducement to invest in BG Group plc or any other entity, and must not be relied upon in any way in connection with any investment decision. BG Group undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

Please note that these results should be read in conjunction with BG Group's 2013 Results Presentation which has also been issued today. The 2013 Results Presentation is available for viewing at www.bg-group.com

Key Assumptions

REFERENCE CONDITIONS 2014 and 2015

- Brent Oil price real (1/1/2014): 2014 and 2015: $100/bbl
- US Henry Hub real (1/1/2014): 2014: $4.0/mmbtu; 2015 $4.25/mmbtu
- US/UK exchange rates of $1.55:£1
- US/AUD exchange rates of $1:$A1.05
- US/BRL exchange rates of $1:BRL2.10
- Prepared under International Financial Reporting Standards
- All production includes fuel gas

PRINCIPAL RISKS

- Asset Integrity and HSSE
- Capital requirements, liquidity and interest rates
- Climate change
- Commodity prices
- Credit
- Delivery of projects
- Environment
- Exchange rates
- Licence to operate and the political context
- Operational performance
- Organisational capacity
- Regulation, legislation and litigation
- Resources discovery, estimation and development

Consolidated Income Statement

Fourth Quarter

		2013			2012 Restated[a]		
	Notes	**Business Performance[b] $m**	**Disposals, re-measurements and impairments (Note 2)[b] $m**	**Total Result $m**	Business Performance[b] $m	Disposals, re-measurements and impairments (Note 2)[b] $m	Total Result $m
Group revenue		**5 450**	**–**	**5 450**	4 737	–	4 737
Other operating income	2	**(24)**	**2**	**(22)**	16	89	105
Group revenue and other operating income	3	**5 426**	**2**	**5 428**	4 753	89	4 842
Operating costs	2	**(3 615)**	**154**	**(3 461)**	(3 037)	–	(3 037)
Profits and losses on disposal of non-current assets and impairments	2	**–**	**(3 540)**	**(3 540)**	–	(271)	(271)
Operating profit/(loss)[c]	3	**1 811**	**(3 384)**	**(1 573)**	1 716	(182)	1 534
Finance income	2, 4	**28**	**(55)**	**(27)**	22	(48)	(26)
Finance costs	2, 4	**(102)**	**56**	**(46)**	(75)	34	(41)
Share of post-tax results from joint ventures and associates	3	**69**	**–**	**69**	81	–	81
Profit/(loss) before tax		**1 806**	**(3 383)**	**(1 577)**	1 744	(196)	1 548
Taxation	2, 5	**(671)**	**1 182**	**511**	(719)	106	(613)
Profit/(loss) for the period from continuing operations	3	**1 135**	**(2 201)**	**(1 066)**	1 025	(90)	935
Profit/(loss) for the period from discontinued operations	6	**–**	**(13)**	**(13)**	–	824	824
Profit/(loss) for the period		**1 135**	**(2 214)**	**(1 079)**	1 025	734	1 759
Attributable to:							
BG Group shareholders (earnings)		**1 135**	**(2 214)**	**(1 079)[d]**	1 025	716	1 741[d]
Non-controlling interest		**–**	**–**	**–**	–	18	18
		1 135	**(2 214)**	**(1 079)**	1 025	734	1 759
Earnings per share continuing operations – basic	7	**33.3c**	**(64.6c)**	**(31.3c)**	30.2c	(2.7c)	27.5c
Earnings per share discontinued operations – basic		**–**	**(0.4c)**	**(0.4c)**	–	23.7c	23.7c
Earnings per share continuing operations – diluted	7	**33.2c**	**(64.3c)**	**(31.1c)**	30.0c	(2.6c)	27.4c
Earnings per share discontinued operations – diluted		**–**	**(0.4c)**	**(0.4c)**	–	23.6c	23.6c
Total operating profit/(loss) including share of pre-tax operating results from joint ventures and associates[e]	3	**1 908**	**(3 384)**	**(1 476)**	1 830	(182)	1 648

a) See note 1 (page 20).

b) See Presentation of Non-GAAP measures (page 12) for an explanation of results excluding disposals, certain re-measurements and impairments and presentation of the results of joint ventures and associates.

c) Operating profit/(loss) is before share of results from joint ventures and associates.

d) Comprises earnings from continuing operations of $(1 066) million (2012 $935 million) and from discontinued operations of $(13) million (2012 $806 million).

e) This measurement is shown by BG Group as it is used as a means of measuring the underlying performance of the business.

The notes on pages 20 to 30 form an integral part of these condensed financial statements.

Consolidated Income Statement

Full Year

		2013			2012 Restated[a]		
	Notes	**Business Perform-ance[b] $m**	**Disposals, re-measure-ments and impairments (Note 2)[b] $m**	**Total Result $m**	Business Perform-ance[b] $m	Disposals, re-measure-ments and impairments (Note 2)[b] $m	Total Result $m
Group revenue		**19 192**	**–**	**19 192**	18 933	–	18 933
Other operating income	2	**(91)**	**210**	**119**	30	237	267
Group revenue and other operating income	3	**19 101**	**210**	**19 311**	18 963	237	19 200
Operating costs	2	**(11 981)**	**154**	**(11 827)**	(11 355)	–	(11 355)
Profits and losses on disposal of non-current assets and impairments	2	**–**	**(3 817)**	**(3 817)**	–	(1 651)	(1 651)
Operating profit/(loss)[c]	3	**7 120**	**(3 453)**	**3 667**	7 608	(1 414)	6 194
Finance income	2, 4	**104**	**65**	**169**	125	97	222
Finance costs	2, 4	**(283)**	**–**	**(283)**	(238)	(122)	(360)
Share of post-tax results from joint ventures and associates	3	**336**	**–**	**336**	289	–	289
Profit/(loss) before tax		**7 277**	**(3 388)**	**3 889**	7 784	(1 439)	6 345
Taxation	2, 5	**(2 903)**	**1 219**	**(1 684)**	(3 405)	353	(3 052)
Profit/(loss) for the year from continuing operations	3	**4 374**	**(2 169)**	**2 205**	4 379	(1 086)	3 293
Profit/(loss) for the year from discontinued operations	6	**–**	**245**	**245**	–	1 324	1 324
Profit/(loss) for the year		**4 374**	**(1 924)**	**2 450**	4 379	238	4 617
Attributable to:							
BG Group shareholders (earnings)		**4 374**	**(1 933)**	**2 441[d]**	4 379	144	4 523[d]
Non-controlling interest		**–**	**9**	**9**	–	94	94
		4 374	**(1 924)**	**2 450**	4 379	238	4 617
Earnings per share continuing operations – basic	7	**128.6c**	**(63.8c)**	**64.8c**	128.9c	(31.9c)	97.0c
Earnings per share discontinued operations – basic		**–**	**6.9c**	**6.9c**	–	36.2c	36.2c
Earnings per share continuing operations – diluted	7	**128.0c**	**(63.5c)**	**64.5c**	128.2c	(31.8c)	96.4c
Earnings per share discontinued operations – diluted		**–**	**6.9c**	**6.9c**	–	36.0c	36.0c
Total operating profit/(loss) including share of pre-tax operating results from joint ventures and associates[e]	3	**7 616**	**(3 453)**	**4 163**	8 050	(1 414)	6 636

a) See note 1 (page 20).

b) See Presentation of Non-GAAP measures (page 12) for an explanation of results excluding disposals, certain re-measurements and impairments and presentation of the results of joint ventures and associates.

c) Operating profit/(loss) is before share of results from joint ventures and associates.

d) Comprises earnings from continuing operations of $2 205 million (2012 $3 293 million) and from discontinued operations of $236 million (2012 $1 230 million).

e) This measurement is shown by BG Group as it is used as a means of measuring the underlying performance of the business.

The notes on pages 20 to 30 form an integral part of these condensed financial statements.

For information on dividends paid in the period, see note 9 (page 29).

Consolidated Statement of Comprehensive Income

Fourth Quarter			Full Year	
2013 **$m**	2012 Restated[a] $m		**2013** **$m**	2012 Restated[a] $m
(1 079)	1 759	Profit/(loss) for the period	**2 450**	4 617
		Other comprehensive income:		
		Items that may be reclassified to the income statement:		
215	139	Hedge adjustments net of tax[b]	**375**	915
4	–	Fair value movements on 'available-for-sale' assets net of tax[c]	**(8)**	14
(1 138)	(511)	Currency translation adjustments[d]	**(2 875)**	(1 063)
		Other items:		
13	(25)	Re-measurement of defined benefit pension obligation net of tax[e]	**(48)**	22
(906)	(397)	Other comprehensive income/(expense), net of tax	**(2 556)**	(112)
(1 985)	1 362	Total comprehensive income for the period	**(106)**	4 505
		Attributable to:		
(1 985)	1 342	BG Group shareholders	**(115)**	4 428
–	20	Non-controlling interest	**9**	77
(1 985)	1 362		**(106)**	4 505

a) See note 1 (page 20).

b) Income tax relating to hedge adjustments is a $54 million charge for the quarter (2012 $46 million charge) and a $90 million charge for the full year (2012 $304 million charge).

c) Income tax relating to fair value movements on 'available-for-sale' assets is $nil for the quarter (2012 $nil) and $nil for the full year (2012 $6 million credit).

d) A gain of $165 million (2012: $378 million) for the quarter and $119 million (2012: $355 million) for the full year was transferred to the income statement as part of the profit on disposal of non-US dollar denominated operations.

e) Income tax relating to the re-measurement of defined benefit pension obligations is a $4 million charge for the quarter (2012 $9 million credit) and $nil for the full year (2012 $9 million charge).

The notes on pages 20 to 30 form an integral part of these condensed financial statements.

Consolidated Balance Sheet

	As at 31 Dec 2013 $m	As at 31 Dec 2012 Restated[(a)] $m
Assets		
Non-current assets		
Goodwill	**25**	24
Other intangible assets	**3 864**	4 469
Property, plant and equipment	**42 225**	43 925
Investments	**2 933**	2 488
Deferred tax assets	**1 397**	821
Trade and other receivables	**777**	896
Commodity contracts and other derivative financial instruments	**623**	532
	51 844	53 155
Current assets		
Inventories	**838**	792
Trade and other receivables	**6 900**	6 369
Current tax receivable	**77**	25
Commodity contracts and other derivative financial instruments	**107**	129
Cash and cash equivalents	**6 208**	4 434
	14 130	11 749
Assets classified as held for sale	**–**	386
Total assets	**65 974**	65 290
Liabilities		
Current liabilities		
Borrowings	**(475)**	(1 064)
Trade and other payables	**(5 631)**	(5 301)
Current tax liabilities	**(1 831)**	(1 377)
Commodity contracts and other derivative financial instruments	**(297)**	(423)
	(8 234)	(8 165)
Non-current liabilities		
Borrowings	**(17 054)**	(14 443)
Trade and other payables	**(150)**	(123)
Commodity contracts and other derivative financial instruments	**(173)**	(347)
Deferred income tax liabilities	**(4 120)**	(4 636)
Retirement benefit obligations	**(168)**	(288)
Provisions for other liabilities and charges	**(4 115)**	(4 182)
	(25 780)	(24 019)
Liabilities associated with assets classified as held for sale	**–**	(158)
Total liabilities	**(34 014)**	(32 342)
Net assets	**31 960**	32 948
Equity		
Total shareholders' equity	**31 960**	32 891
Non-controlling interest in equity	**–**	57
Total equity	**31 960**	32 948

a) See note 1 (page 20).

The notes on pages 20 to 30 form an integral part of these condensed financial statements.

Consolidated Statement of Changes in Equity

	Called up share capital $m	Share premium account $m	Hedging reserve $m	Translation reserve $m	Other reserves $m	Retained earnings $m	Total $m	Non-controlling interest $m	Total $m
Equity as at 31 December 2012 as previously reported	578	619	(191)	1 934	2 710	27 387	**33 037**	57	**33 094**
Impact of change of accounting policy[(a)]	–	–	–	(7)	–	(139)	**(146)**	–	**(146)**
Equity as at 31 December 2012 (restated)	**578**	**619**	**(191)**	**1 927**	**2 710**	**27 248**	**32 891**	**57**	**32 948**
Total comprehensive income for the period	–	–	213	(2 713)	–	2 385	**(115)**	9	**(106)**
Issue of shares	1	44	–	–	–	–	**45**	–	**45**
Purchase of own shares	–	–	–	–	–	(13)	**(13)**	–	**(13)**
Adjustment in respect of employee share schemes	–	–	–	–	–	104	**104**	–	**104**
Disposal of non-controlling interest	–	–	–	–	–	–	**–**	(66)	**(66)**
Dividends on ordinary shares[(b)]	–	–	–	–	–	(952)	**(952)**	–	**(952)**
Equity as at 31 December 2013	**579**	**663**	**22**	**(786)**	**2 710**	**28 772**	**31 960**	**–**	**31 960**

	Called up share capital $m	Share premium account $m	Hedging reserve $m	Translation reserve $m	Other reserves $m	Retained earnings $m	Total $m	Non-controlling interest $m	Total $m
Equity as at 31 December 2011 as previously reported	577	584	(642)	2 508	2 710	23 647	**29 384**	291	**29 675**
Impact of change of accounting policy[(a)]	–	–	–	1	–	(165)	**(164)**	**–**	**(164)**
Equity as at 31 December 2011 (restated)	**577**	**584**	**(642)**	**2 509**	**2 710**	**23 482**	**29 220**	**291**	**29 511**
Total comprehensive income for the period	–	–	451	(582)	–	4 559	**4 428**	77	**4 505**
Issue of shares	1	35	–	–	–	–	**36**	–	**36**
Purchase of own shares	–	–	–	–	–	(16)	**(16)**	–	**(16)**
Adjustment in respect of employee share schemes	–	–	–	–	–	70	**70**	–	**70**
Disposal of non-controlling interest	–	–	–	–	–	–	**–**	(294)	**(294)**
Dividends on ordinary shares	–	–	–	–	–	(847)	**(847)**	–	**(847)**
Dividends to non-controlling interest	–	–	–	–	–	–	**–**	(17)	**(17)**
Equity as at 31 December 2012 (restated)	**578**	**619**	**(191)**	**1 927**	**2 710**	**27 248**	**32 891**	**57**	**32 948**

a) See note 1 (page 20).

b) Includes $26 million in respect of dividends attributable to holders of American Depositary Receipts in prior periods.

The notes on pages 20 to 30 form an integral part of these condensed financial statements.

Consolidated Cash Flow Statement

Fourth Quarter 2013 $m	Fourth Quarter 2012 Restated[a] $m		Full Year 2013 $m	Full Year 2012 Restated[a] $m
		Cash flows from operating activities		
(1 589)	2 519	Profit/(loss) before tax[b]	**4 147**	7 927
(69)	(87)	Share of post-tax results from joint ventures and associates	**(335)**	(311)
787	649	Depreciation of property, plant and equipment and amortisation of intangible assets	**2 955**	2 593
25	(65)	Fair value movements in commodity based contracts	**(98)**	(241)
3 540	(628)	(Profits) and losses on disposal of non-current assets and impairments[c]	**3 576**	499
292	132	Unsuccessful exploration expenditure written off	**394**	339
(31)	28	(Decrease)/increase in provisions	**(129)**	(174)
29	27	Finance income	**(170)**	(245)
48	40	Finance costs	**284**	431
20	13	Share-based payments	**74**	73
(309)	(380)	Increase in working capital	**(413)**	(176)
2 743	2 248	**Cash generated by operations**	**10 285**	10 715
(657)	(609)	Income taxes paid	**(2 468)**	(2 720)
2 086	1 639	**Net cash inflow from operating activities**	**7 817**	7 995
		Cash flows from investing activities		
58	36	Dividends received from joint ventures and associates	**147**	151
3 937	1 674	Proceeds from disposal of property, plant and equipment, intangible assets and investments	**4 601**	2 939
(2 985)	(2 602)	Purchase of property, plant and equipment and intangible assets	**(10 605)**	(9 974)
–	10	Loans to joint ventures and associates	**–**	(4)
6	40	Repayments from joint ventures and associates	**73**	702
(198)	(155)	Interests in subsidiaries, joint ventures and associates and other investments	**(610)**	(429)
31	27	Other loan repayments/(advances)	**112**	(280)
849	(970)	**Net cash inflow/(outflow) from investing activities**	**(6 282)**	(6 895)
		Cash flows from financing activities		
(290)	(254)	Net interest paid	**(560)**	(541)
(5)	(3)	Dividends paid	**(923)**	(859)
–	–	Dividends paid to non-controlling interest	**–**	(18)
360	(626)	Net proceeds from issue and repayment of borrowings	**1 620**	1 189
21	7	Issue of shares	**45**	36
–	–	Movements in own shares	**(13)**	(16)
86	(876)	**Net cash inflow/(outflow) from financing activities**	**169**	(209)
3 021	(207)	**Net increase/(decrease) in cash and cash equivalents[d]**	**1 704**	891
3 193	4 667	Cash and cash equivalents at beginning of period[e]	**4 520**	3 601
(6)	60	Effect of foreign exchange rate changes	**(16)**	28
6 208	4 520	**Cash and cash equivalents at end of period[e]**	**6 208**	4 520

The cash flows above are inclusive of discontinued operations (see note 6 page 27).

a) See note 1 (page 20).
b) Includes loss before tax from discontinued operations for the quarter of $12 million (2012 $971 million profit) and for the full year of $258 million profit (2012 $1 582 million profit).
c) Includes profit on disposal of non-current assets and impairments of discontinued operations for the quarter of $nil (2012 $899 million) and for the full year of $241 million (2012 $1 152 million).
d) Cash and cash equivalents comprise cash and short-term liquid investments that are readily convertible to cash.
e) The balance at 31 December 2013 includes cash and cash equivalents of $6 208 million (31 December 2012 $4 434 million) and cash included within assets held for sale of $nil (31 December 2012 $86 million).

The notes on pages 20 to 30 form an integral part of these condensed financial statements.

Notes

1. Basis of preparation

These primary statements are the condensed financial statements ('the financial statements') of BG Group plc for the quarter ended and the full year ended 31 December 2013 and are unaudited. The financial statements do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006, and should be read in conjunction with the Annual Report and Accounts for the year ended 31 December 2012 which have been prepared in accordance with IFRS as adopted by the EU, as they provide an update of previously reported information. The latest statutory accounts delivered to the registrar were for the year ended 31 December 2012 which were audited by PricewaterhouseCoopers LLP and on which the Auditors' Report was unqualified and did not contain statements under Sections 498(2) or 498(3) of the Companies Act 2006. These financial statements have been prepared in accordance with the accounting policies, methods of computation and presentation as set out in the Annual Report and Accounts 2012, except as stated below.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

In the fourth quarter of 2012, BG Group announced agreements to sell both the Group's interest in Gujarat Gas Company Limited in India and the Group's interest in the Brazil-Bolivia Pipeline as well as the disposals of Comgás in Brazil and BG Italia Power in Italy. As a result, these operations, which represented the majority of the Group's Transmission and Distribution business segment and were considered to be a separate major line of business for BG Group, have been treated as discontinued.

The Transmission and Distribution businesses remaining with BG Group, principally Mahanagar Gas in India, are now included within the Other business segment.

A single amount is presented on the income statement for discontinued operations, comprising the post-tax results of these businesses and the post-tax profit or loss recognised on re-measurement to fair value less costs to sell and on disposal of the businesses.

Presentation of results

The presentation of BG Group's results separately identifies the effect of:

- The re-measurement of certain financial instruments; and
- Profits and losses on the disposal and impairment of non-current assets and businesses and certain other exceptional items.

These items, which are detailed in note 2 to the financial statements (page 21) are excluded from Business Performance in order to provide readers with a clear and consistent presentation of the underlying operating performance of the Group's ongoing businesses.

New accounting standards and interpretations

The IASB issued an amended IAS 19 'Employee Benefits' in June 2011. The main amendment is to eliminate the option to defer the recognition of actuarial gains and losses, known as the 'corridor method'. The impact on the Group is that all actuarial gains and losses are recognised in other comprehensive income as they occur. In addition, net interest expense is calculated based on applying a single discount rate to the net deficit, replacing interest cost and expected return on plan assets. The amended standard has been adopted by the Group for the year ended 31 December 2013 and comparative information has been restated. The impact on the balance sheet as at 1 January 2012 is a reduction in net assets of $164 million. For the year ended 31 December 2012, the impact on profit before tax was a $21 million reduction ($6 million for the quarter) and the impact on other comprehensive income was a $14 million gain ($29 million loss for the quarter). The impact on the balance sheet as at 31 December 2012 is a reduction in net assets of $146 million.

The IASB issued an amended IAS 1 'Presentation of Financial Statements' in June 2011. The main amendment is a requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to the income statement. The amended standard has been adopted by the Group as of 1 January 2013 and has not had a material impact on the Group's financial statements for the year ended 31 December 2013.

A number of other amendments to accounting standards issued by the IASB are applicable from 1 January 2013. They have not had a material impact on the Group's financial statements for the year ended 31 December 2013.

2. Disposals, re-measurements and impairments

Fourth Quarter			Full Year	
2013 $m	2012 $m		**2013 $m**	2012 $m
2	89	Revenue and other operating income – re-measurements of commodity based contracts	**210**	237
154	–	Operating costs – pension curtailment gain	**154**	–
(3 540)	(271)	Profits and losses on disposal of non-current assets and impairments	**(3 817)**	(1 651)
1	(14)	Net finance income/(costs) – re-measurements of financial instruments	**65**	(25)
1 182	106	Taxation	**1 219**	353
(2 201)	(90)	Impact on earnings – continuing operations	**(2 169)**	(1 086)

Fourth quarter and full year: Revenue and other operating income

Re-measurements included within revenue and other operating income amount to a credit of $2 million for the quarter (2012 $89 million credit), of which a debit of $35 million (2012 $66 million credit) represents non-cash mark-to-market movements on certain long-term gas contracts. For the full year, a credit of $210 million in respect of re-measurements is included within revenue and other operating income (2012 $237 million credit), of which a credit of $34 million represents non-cash mark-to-market movements on certain long-term gas contracts (2012 $140 million credit). Whilst the activity surrounding these contracts involves the physical delivery of gas, the contracts fall within the scope of IAS 39 and meet the definition of a derivative instrument. In addition, re-measurements include a $37 million credit for the quarter (2012 $23 million credit) and a $176 million credit for the full year (2012 $97 million credit) representing unrealised mark-to-market movements associated with economic hedges.

Fourth quarter and full year: Operating costs

Operating costs comprise a curtailment gain of $154 million in respect of the closure of the BG Group UK defined benefit pension scheme to future accrual of benefits on 31 December 2013.

2. Disposals, re-measurements and impairments continued

Fourth quarter and full year: Disposals and impairments of non-current assets

The fourth quarter included a pre-tax charge of $2 000 million (post-tax $1 286 million) in relation to the Group's upstream operations in Egypt. The impairment charge results from reserve revisions and revised expectations of the value of its Egyptian operations, given continuing uncertainty over the business environment in Egypt. In addition, there was a pre-tax charge of $1 700 million (post-tax $1 105 million) in relation to the impairment of the Group's shale gas business in the USA. The impairment is against the backdrop of lower forward gas market prices, lower production expectations based on well performance and the continued low rig count.

In November, BG Group completed transactions with China National Offshore Oil Corporation (CNOOC) for the sale of certain additional interests in the QCLNG project in Australia for total consideration of $3.8 billion, resulting in a pre and post-tax profit on disposal of $31 million, and the sale of its 50% holding in TGGT in the USA, resulting in a pre-tax profit on disposal of $187 million (post-tax $98 million).

The third quarter included a pre-tax profit of $140 million (post-tax $107 million) in respect of the disposal of the Group's remaining 20% equity in the Quintero LNG regasification facility in Chile, partially offset by a pre-tax charge of $58 million (post-tax $22 million) following the write-off of certain E&P assets. In addition, there was a pre-tax charge of $10 million (post-tax $8 million) as a result of land relinquishments in the USA.

The second quarter included a pre-tax charge of $171 million (post-tax $94 million) in respect of the impairment of certain E&P assets as a result of a reserves revision and a pre-tax charge of $116 million (post-tax $75 million) as a result of land relinquishments in the USA.

In 2012, the second quarter results included a $1 800 million pre-tax charge in respect of the impairment of certain assets associated with the shale gas business in the USA (post-tax $1 295 million), partially offset by a pre-tax profit of $404 million on the disposal of 10% of the Group's interest in the Karachaganak gas-condensate project (post-tax $168 million). In the third quarter of 2012, BG Group completed the sale of the initial tranche of 20% equity in the Quintero LNG regasification facility in Chile which resulted in a pre-tax profit on disposal of $146 million (post-tax $110 million). In the fourth quarter of 2012, a $154 million pre-tax impairment charge (post-tax $34 million) was recognised against Upstream assets in Norway.

Other disposals and impairments in 2013 resulted in a pre-tax charge to the income statement of $58 million (2012 $121 million charge) in the fourth quarter (post-tax charge $34 million, 2012 $93 million charge) and a pre-tax charge of $120 million (2012 $247 million charge) in the full year (post-tax $47 million charge, 2012 $159 million charge).

Fourth quarter and full year: Net finance costs/income

Re-measurements presented in net finance costs include mark-to-market movements on certain derivatives used to hedge foreign exchange and interest rate risk, offset by foreign exchange movements on certain borrowings and movements on monetary items that form part of the Group's net investment in foreign operations.

3. Segmental analysis

Profit for the period
Analysed by operating segment

Fourth Quarter	Business Performance 2013 $m	Business Performance 2012 Restated[a] $m	Disposals, re-measurements and impairments 2013 $m	Disposals, re-measurements and impairments 2012 $m	Total Result 2013 $m	Total Result 2012 Restated[a] $m
Group revenue						
Upstream	**3 381**	2 926	**–**	–	**3 381**	2 926
LNG Shipping & Marketing	**2 206**	2 095	**–**	–	**2 206**	2 095
Other activities	**4**	3	**–**	–	**4**	3
Less: intra-group sales	**(141)**	(287)	**–**	–	**(141)**	(287)
Group revenue	**5 450**	4 737	**–**	–	**5 450**	4 737
Other operating income[b]	**(24)**	16	**2**	89	**(22)**	105
Group revenue and other operating income	**5 426**	4 753	**2**	89	**5 428**	4 842
Operating profit/(loss) before share of results from joint ventures and associates						
Upstream	**1 033**	1 071	**(3 452)**	(203)	**(2 419)**	868
LNG Shipping & Marketing	**771**	650	**81**	36	**852**	686
Other activities	**7**	(5)	**(13)**	(15)	**(6)**	(20)
	1 811	1 716	**(3 384)**	(182)	**(1 573)**	1 534
Share of pre-tax operating results from joint ventures and associates						
Upstream	**83**	97	**–**	–	**83**	97
LNG Shipping & Marketing	**7**	8	**–**	–	**7**	8
Other activities	**7**	9	**–**	–	**7**	9
	97	114	**–**	–	**97**	114
Total operating profit/(loss)						
Upstream	**1 116**	1 168	**(3 452)**	(203)	**(2 336)**	965
LNG Shipping & Marketing	**778**	658	**81**	36	**859**	694
Other activities	**14**	4	**(13)**	(15)	**1**	(11)
	1 908	1 830	**(3 384)**	(182)	**(1 476)**	1 648
Net finance (costs)/income						
Finance income	**28**	22	**(55)**	(48)	**(27)**	(26)
Finance costs	**(102)**	(75)	**56**	34	**(46)**	(41)
Share of joint ventures and associates	**(5)**	(8)	**–**	–	**(5)**	(8)
	(79)	(61)	**1**	(14)	**(78)**	(75)
Taxation						
Taxation	**(671)**	(719)	**1 182**	106	**511**	(613)
Share of joint ventures and associates	**(23)**	(25)	**–**	–	**(23)**	(25)
	(694)	(744)	**1 182**	106	**488**	(638)
Profit/(loss) for the period from continuing operations attributable to Shareholders (earnings)	**1 135**	1 025	**(2 201)**	(90)	**(1 066)**	935

a) See note 1 (page 20).

b) Business Performance Other operating income is attributable to segments as follows: Upstream $6 million (2012 $2 million) and LNG Shipping & Marketing $(30) million (2012 $14 million).

3. Segmental analysis continued

Full Year	Business Performance 2013 $m	Business Performance 2012 Restated[a] $m	Disposals, re-measurements and impairments 2013 $m	Disposals, re-measurements and impairments 2012 $m	Total Result 2013 $m	Total Result 2012 Restated[a] $m
Group revenue						
Upstream	**12 143**	11 941	**–**	–	**12 143**	11 941
LNG Shipping & Marketing	**7 761**	8 057	**–**	–	**7 761**	8 057
Other activities	**7**	12	**–**	–	**7**	12
Less: intra-group sales	**(719)**	(1 077)	**–**	–	**(719)**	(1 077)
Group revenue	**19 192**	18 933	**–**	–	**19 192**	18 933
Other operating income[b]	**(91)**	30	**210**	237	**119**	267
Group revenue and other operating income	**19 101**	18 963	**210**	237	**19 311**	19 200
Operating profit/(loss) before share of results from joint ventures and associates						
Upstream	**4 531**	5 107	**(3 815)**	(1 695)	**716**	3 412
LNG Shipping & Marketing	**2 617**	2 536	**363**	297	**2 980**	2 833
Other activities	**(28)**	(35)	**(1)**	(16)	**(29)**	(51)
	7 120	7 608	**(3 453)**	(1 414)	**3 667**	6 194
Share of pre-tax operating results from joint ventures and associates						
Upstream	**436**	360	**–**	–	**436**	360
LNG Shipping & Marketing	**26**	41	**–**	–	**26**	41
Other activities	**34**	41	**–**	–	**34**	41
	496	442	**–**	–	**496**	442
Total operating profit/(loss)						
Upstream	**4 967**	5 467	**(3 815)**	(1 695)	**1 152**	3 772
LNG Shipping & Marketing	**2 643**	2 577	**363**	297	**3 006**	2 874
Other activities	**6**	6	**(1)**	(16)	**5**	(10)
	7 616	8 050	**(3 453)**	(1 414)	**4 163**	6 636
Net finance (costs)/income						
Finance income	**104**	125	**65**	97	**169**	222
Finance costs	**(283)**	(238)	**–**	(122)	**(283)**	(360)
Share of joint ventures and associates	**(24)**	(39)	**–**	–	**(24)**	(39)
	(203)	(152)	**65**	(25)	**(138)**	(177)
Taxation						
Taxation	**(2 903)**	(3 405)	**1 219**	353	**(1 684)**	(3 052)
Share of joint ventures and associates	**(136)**	(114)	**–**	–	**(136)**	(114)
	(3 039)	(3 519)	**1 219**	353	**(1 820)**	(3 166)
Profit/(loss) for the year from continuing operations attributable to Shareholders (earnings)	**4 374**	4 379	**(2 169)**	(1 086)	**2 205**	3 293

a) See note 1 (page 20).

b) Business Performance Other operating income is attributable to segments as follows: Upstream $15 million (2012 $13 million) and LNG Shipping & Marketing $(106) million (2012 $17 million).

3. Segmental analysis continued

Fourth Quarter	Business Performance 2013 $m	Business Performance 2012 Restated[a] $m	Disposals, re-measurements and impairments 2013 $m	Disposals, re-measurements and impairments 2012 $m	Total Result 2013 $m	Total Result 2012 Restated[a] $m
Total operating profit/(loss)						
Upstream	**1 116**	1 168	**(3 452)**	(203)	**(2 336)**	965
LNG Shipping & Marketing	**778**	658	**81**	36	**859**	694
Other activities	**14**	4	**(13)**	(15)	**1**	(11)
	1 908	1 830	**(3 384)**	(182)	**(1 476)**	1 648
Less: Share of pre-tax operating results from joint ventures and associates					**(97)**	(114)
Add: Share of post-tax results from joint ventures and associates					**69**	81
Net finance costs					**(73)**	(67)
(Loss)/profit before tax					**(1 577)**	1 548
Taxation					**511**	(613)
(Loss)/profit for the period from continuing operations attributable to Shareholders (earnings)					**(1 066)**	935

a) See note 1 (page 20).

Full Year	Business Performance 2013 $m	Business Performance 2012 Restated[a] $m	Disposals, re-measurements and impairments 2013 $m	Disposals, re-measurements and impairments 2012 $m	Total Result 2013 $m	Total Result 2012 Restated[a] $m
Total operating profit/(loss)						
Upstream	**4 967**	5 467	**(3 815)**	(1 695)	**1 152**	3 772
LNG Shipping & Marketing	**2 643**	2 577	**363**	297	**3 006**	2 874
Other activities	**6**	6	**(1)**	(16)	**5**	(10)
	7 616	8 050	**(3 453)**	(1 414)	**4 163**	6 636
Less: Share of pre-tax operating results from joint ventures and associates					**(496)**	(442)
Add: Share of post-tax results from joint ventures and associates					**336**	289
Net finance costs					**(114)**	(138)
Profit before tax					**3 889**	6 345
Taxation					**(1 684)**	(3 052)
Profit for the year from continuing operations attributable to Shareholders (earnings)					**2 205**	3 293

a) See note 1 (page 20).

4. Net finance costs

Fourth Quarter 2013 $m	Fourth Quarter 2012 Restated[a] $m		Full Year 2013 $m	Full Year 2012 Restated[a] $m
(179)	(153)	Interest payable[b]	**(577)**	(479)
(27)	(26)	Interest on obligations under finance leases	**(108)**	(104)
134	131	Interest capitalised	**522**	457
(30)	(27)	Unwinding of discount on provisions[c]	**(120)**	(112)
56	34	Disposals, re-measurements and impairments[d]	**–**	(122)
(46)	(41)	Finance costs	**(283)**	(360)
28	22	Interest receivable	**104**	125
(55)	(48)	Disposals, re-measurements and impairments[d]	**65**	97
(27)	(26)	Finance income	**169**	222
(73)	(67)	Net finance costs[e]	**(114)**	(138)

a) See note 1 (page 20).

b) In 2013, interest payable includes foreign exchange losses of $43 million for the quarter (2012 $20 million losses) and foreign exchange losses of $44 million for the year (2012 $29 million losses).

c) Relates to the unwinding of the discount on provisions and amounts in respect of pension obligations which represent the unwinding of discount on the plans' net deficit.

d) Net finance (costs)/income in disposals, re-measurements and impairments for the quarter of $1 million (2012 $(14) million) and for the year of $65 million (2012 $(25) million) is included in note 2 (page 21).

e) Excludes Group share of net finance costs from joint ventures and associates for the quarter of $5 million (2012 $8 million) and for the year of $24 million (2012 $39 million).

5. Taxation

The tax charge for the fourth quarter was as follows:

Fourth Quarter	Business Performance 2013 $m	Business Performance 2012 Restated[a] $m	Disposals, re-measurements and impairments 2013 $m	Disposals, re-measurements and impairments 2012 $m	Total Result 2013 $m	Total Result 2012 Restated[a] $m
Tax charge/(credit) for the period excluding share of taxation from joint ventures and associates	**671**	719	**(1 182)**	(106)	**(511)**	613
Share of taxation from joint ventures and associates	**23**	25	**–**	–	**23**	25
Total including share of taxation from joint ventures and associates	**694**	744	**(1 182)**	(106)	**(488)**	638

a) See note 1 (page 20).

5. Taxation continued

The tax charge for the year was as follows:

Full Year	Business Performance 2013 $m	Business Performance 2012 Restated[(a)] $m	Disposals, re-measurements and impairments 2013 $m	Disposals, re-measurements and impairments 2012 $m	Total Result 2013 $m	Total Result 2012 Restated[(a)] $m
Tax charge/(credit) for the year excluding share of taxation from joint ventures and associates	**2 903**	3 405	**(1 219)**	(353)	**1 684**	3 052
Share of taxation from joint ventures and associates	**136**	114	**–**	–	**136**	114
Total including share of taxation from joint ventures and associates	**3 039**	3 519	**(1 219)**	(353)	**1 820**	3 166

a) See note 1 (page 20).

Business Performance taxation for the year, including share of taxation from joint ventures and associates, was $3 039 million (2012 $3 519 million). In the fourth quarter, the Group's effective tax rate for 2013 reduced to 41% from previous guidance in the third quarter of 2013 of 42% (2012: 44.5%), reflecting one-off changes in tax positions across a number of jurisdictions. The 2013 effective tax rate also includes a 1% reduction in respect of the revision of opening deferred tax balances following changes to UK taxation rates enacted in the third quarter of 2013.

6. Discontinued operations

The post-tax result of the businesses comprising discontinued operations for the quarter, including profits and losses on disposals and impairments, was a loss of $13 million (2012 $824 million profit) and for the full year was a profit of $245 million (2012 $1 324 million profit).

In June 2013, BG Group disposed of its 65.12% interest in Gujarat Gas Company Limited in India for consideration of $422 million, which resulted in a pre and post-tax profit of $245 million in the second quarter of 2013.

In May 2012, the Group disposed of its 40% equity interest in two gas-fired power generation plants in the Philippines to its partner, First Gen Corporation, for net cash proceeds of $360 million. This resulted in a pre and post-tax profit of $252 million in the second quarter of 2012.

In November 2012, the Group completed the sale of the Group's entire 60.1% holding in Comgás, originally announced in May, for Brazilian Reais 3.4 billion in cash (approximately $1.7 billion) to Cosan S.A. Indústria e Comércio. This resulted in a pre-tax profit of $1 057 million (post-tax profit of $916 million) in the fourth quarter of 2012.

Other disposals and impairments resulted in a post-tax result of $nil in the fourth quarter (2012 $146 million loss) and a post-tax loss of $2 million for the full year (2012 $145 million loss).

Excluding profits and losses on disposals and impairments, the post-tax result of the businesses comprising discontinued operations for the fourth quarter was a loss of $13 million (2012 $54 million profit) and for the full year was a profit of $2 million (2012 $301 million profit).

7. Earnings per ordinary share – continuing operations

Fourth Quarter					Full Year			
2013		2012 Restated[a]			**2013**		2012 Restated[a]	
$m	**cents per share**	$m	cents per share		**$m**	**cents per share**	$m	cents per share
1 135	**33.3**	1 025	30.2	Earnings – continuing operations excluding disposals, re-measurements and impairments	**4 374**	**128.6**	4 379	128.9
(2 201)	**(64.6)**	(90)	(2.7)	Disposals, re-measurements and impairments (after tax)	**(2 169)**	**(63.8)**	(1 086)	(31.9)
(1 066)	**(31.3)**	935	27.5	Earnings – continuing operations	**2 205**	**64.8**	3 293	97.0

a) See note 1 (page 20).

Basic earnings per share calculations in 2013 are based on the weighted average number of shares in issue of 3 406 million for the quarter and 3 402 million for the full year. The earnings figure used to calculate diluted earnings per ordinary share is the same as that used to calculate earnings per ordinary share given above, divided by 3 423 million for the quarter and 3 419 million for the full year, being the weighted average number of ordinary shares in issue during the period as adjusted for dilutive equity instruments.

8. Reconciliation of net borrowings[a] – Full Year

	$m
Net borrowings as at 31 December 2012	**(10 624)**
Net increase in cash and cash equivalents	**1 704**
Cash inflow from changes in borrowings	**(1 620)**
Inception of finance lease liabilities/assets	**(103)**
Foreign exchange and other re-measurements	**(53)**
Disposal of net borrowings classified as held for sale	**86**
Net borrowings as at 31 December 2013	**(10 610)**

As at 31 December 2013, BG Group's share of the net borrowings in joint ventures and associates amounted to approximately $0.6 billion, including BG Group shareholder loans of approximately $0.7 billion. These net borrowings are included in BG Group's share of the net assets in joint ventures and associates which are consolidated in BG Group's accounts.

a) Net borrowings are defined on page 35.

Net borrowings comprise:

	As at 31 Dec 2013 $m	As at 31 Dec 2012 $m
Amounts receivable/(due) within one year		
Cash and cash equivalents	**6 208**	4 434
Overdrafts, loans and finance leases	**(475)**	(1 064)
Loans and finance leases[a]	**38**	–
Derivative financial instruments[b]	**(11)**	(71)
	5 760	3 299
Amounts receivable/(due) after more than one year		
Loans and finance leases[a]	**(16 920)**	(14 248)
Derivative financial instruments[b]	**550**	325
	(16 370)	(13 923)
Net borrowings	**(10 610)**	(10 624)

a) Finance lease receivable of $172 million (2012 $195 million) included within current and non-current assets on the balance sheet.

b) These items are included within commodity contracts and other derivative financial instrument balances on the balance sheet.

8. Reconciliation of net borrowings – Full Year continued

Liquidity and Capital Resources

All the information below is as at 31 December 2013
The Group's principal borrowing entities are BG Energy Holdings Limited and certain wholly owned subsidiary undertakings, the majority of whose borrowings are guaranteed by BG Energy Holdings Limited (collectively BGEH).

BGEH had a $4.0 billion US Commercial Paper Programme and a $2.0 billion Euro Commercial Paper Programme, both of which were unutilised. BGEH also had a $15.0 billion Euro Medium Term Note Programme, of which $9.0 billion was unutilised.

BGEH had aggregate undrawn committed revolving bank borrowing facilities of $5.22 billion, of which $2.18 billion expires in 2016 and $3.04 billion expires in 2017. Furthermore BGEH had $1.8 billion of undrawn credit facilities provided by an export credit agency, subject to documentation.

In addition, BGEH had uncommitted borrowing facilities including multicurrency lines, overdraft facilities of £45 million and credit facilities of $20 million, all of which were unutilised.

9. Dividends

	Full Year			
	2013		2012	
	$m	**cents per share**	$m	cents per share
Prior year final dividend, paid in the year	**478**	**14.26**	443	12.96
Interim dividend, paid in the year	**448**	**13.07**	404	11.88
Total dividend paid in the year	**926**	**27.33**	847	24.84
Proposed final dividend for the year ended 31 December 2013	**534**	**15.68**		

The proposed final dividend for the year ended 31 December 2013 of 15.68 cents per share takes the 2013 full year dividend to 28.75 cents per share.

The final dividend of 14.26 cents per ordinary share ($478 million) in respect of the year ended 31 December 2012 was paid on 31 May 2013 to shareholders on the register at the close of business on 19 April 2013. The interim dividend of 13.07 cents per ordinary share ($448 million) in respect of the year ending 31 December 2013 was paid on 6 September 2013 to shareholders on the register as at 9 August 2013. The proposed final dividend of 15.68 cents per share ($534 million) in respect of the year ended 31 December 2013 is payable on 30 May 2014 to shareholders on the register at close of business on 25 April 2014.

10. Quarterly information: earnings and earnings per share

	2013 **$m**	2012 Restated[(a)] $m	**2013** **cents per share**	2012 Restated[(a)] cents per share
First quarter				
Total Result – continuing operations	**1 208**	1 170	**35.5**	34.4
Total Result – discontinued operations	**(1)**	47	**–**	1.4
Business Performance	**1 183**	1 225	**34.8**	36.1
Second quarter				
Total Result – continuing operations	**833**	(20)	**24.5**	(0.6)
Total Result – discontinued operations	**261**	300	**7.7**	8.8
Business Performance	**986**	1 020	**29.0**	30.0
Third quarter				
Total Result – continuing operations	**1 230**	1 208	**36.2**	35.5
Total Result – discontinued operations	**(11)**	77	**(0.3)**	2.3
Business Performance	**1 070**	1 109	**31.5**	32.6
Fourth quarter				
Total Result – continuing operations	**(1 066)**	935	**(31.3)**	27.5
Total Result – discontinued operations	**(13)**	806	**(0.4)**	23.7
Business Performance	**1 135**	1 025	**33.3**	30.2
Full year				
Total Result – continuing operations	**2 205**	3 293	**64.8**	97.0
Total Result – discontinued operations	**236**	1 230	**6.9**	36.2
Business Performance	**4 374**	4 379	**128.6**	128.9

a) See note 1 (page 20).

Supplementary information: Operating and financial data

Fourth Quarter 2013	Fourth Quarter 2012	Third Quarter 2013		Full Year 2013	Full Year 2012
			E&P Production volumes (mmboe)		
10.2	6.3	8.9	Oil	**35.8**	29.4
8.7	8.5	8.2	Liquids	**33.9**	33.9
39.5	44.1	36.3	Gas	**161.2**	177.2
58.4	58.9	53.4	Total	**230.9**	240.5
			E&P Production volumes (boed in thousands)		
111	69	96	Oil	**98**	80
95	92	89	Liquids	**93**	93
429	479	395	Gas	**442**	484
635	640	580	Total	**633**	657
$109.60	$109.62	$111.72	Average realised oil price per barrel	**$108.61**	$110.86
$95.28	$94.85	$96.42	Average realised liquids price per barrel	**$92.50**	$94.98
53.05p (86.21c)	51.37p (82.65c)	44.61p (68.17c)	Average realised UK gas price per produced therm	**53.67p (84.07c)**	45.91p (72.80c)
42.99c	42.98c	43.87c	Average realised International gas price per produced therm	**42.73c**	42.05c
47.14c	46.03c	45.42c	Average realised gas price per produced therm	**46.59c**	44.84c
$7.47	$6.31	$7.49	E&P lifting costs per boe	**$7.07**	$6.06
$13.02	$11.03	$13.36	E&P operating expenditure per boe	**$12.17**	$10.25
$11.95	$9.44	$10.91	E&P DD&A per boe	**$11.29**	$9.05
1 995	1 951	2 234	E&P development expenditure (including acquisitions) ($m)	**8 210**	6 796

	Full Year			
	2013 mmboe	2012 mmboe	**2013 kboed**	2012 kboed
E&P Production volumes by country				
Australia	**9.1**	9.2	**25**	25
Bolivia	**13.1**	10.2	**36**	28
Brazil	**14.3**	9.3	**39**	25
Egypt	**40.7**	48.1	**112**	132
India	**7.3**	9.2	**20**	25
Kazakhstan	**33.6**	36.0	**92**	98
Norway	**0.8**	1.1	**2**	3
Thailand	**15.1**	13.1	**41**	36
Trinidad and Tobago	**25.6**	26.8	**70**	73
Tunisia	**13.7**	13.5	**38**	37
UK	**36.5**	35.2	**100**	96
USA	**21.1**	28.8	**58**	79
Total	**230.9**	240.5	**633**	657

Supplementary information: Operating and financial data continued

Fourth Quarter		Third Quarter		Full Year	
2013	2012	2013		**2013**	2012
			Gross exploration expenditure ($m)		
326	258	514	Capitalised expenditure (including acquisitions)	**1 341**	855
77	128	72	Other expenditure	**317**	365
403	386	586	Total	**1 658**	1 220
			Gross exploration expenditure by country ($m)		
102	68	85	Australia	**283**	214
65	28	288	Brazil	**474**	162
70	70	41	Egypt	**200**	188
68	77	108	Tanzania	**360**	278
31	43	18	UK	**108**	156
67	100	46	Other	**233**	222
403	386	586	Total	**1 658**	1 220
			Exploration expenditure charge ($m)		
292	132	31	Capitalised expenditure written off	**394**	319
77	128	72	Other expenditure	**317**	365
369	260	103	Total	**711**	684
			Capital investment ($m)		
1 789	1 330	1 428	Australia	**5 944**	5 043
541	534	608	Brazil	**2 202**	1 553
186	186	184	Egypt	**634**	637
96	57	97	Tanzania	**362**	259
214	230	145	UK	**760**	1 099
14	76	21	USA	**102**	408
335	294	304	Other	**1 176**	1 100
3 175	2 707	2 787	Upstream	**11 180**	10 099
7	3	5	LNG Shipping & Marketing	**23**	18
1	2	–	Other	**2**	9
–	35	–	Discontinued operations	**10**	281
3 183	2 747	2 792	Capital investment on a cash basis ($m)	**11 215**	10 407
(116)	504	532	Other items[(a)]	**1 029**	1 317
3 067	3 251	3 324	**Total capital investment ($m)**	**12 244**	11 724
3 061	3 210	3 315	Upstream	**12 206**	11 409
8	2	8	LNG Shipping & Marketing	**28**	15
(2)	2	1	Other	**–**	3
–	37	–	Discontinued operations	**10**	297
3 067	3 251	3 324	**Total capital investment ($m)**	**12 244**	11 724

a) Other items include movements in accruals and prepayments, capitalised financing costs and movements in finance leases

Supplementary information: Operating and financial data continued

Fourth Quarter 2013	Fourth Quarter 2012	Third Quarter 2013		Full Year 2013	Full Year 2012
			Depreciation and amortisation by segment ($m)		
746	606	628	Upstream	**2 793**	2 348
40	40	39	LNG Shipping & Marketing	**158**	158
1	1	1	Other	**3**	4
787	647	668	Total	**2 954**	2 510
			LNG cargo deliveries by country		
–	1	1	Argentina	**1**	6
–	2	–	Brazil	**1**	3
9	10	9	Chile	**39**	38
5	3	2	China	**9**	6
–	–	–	Greece	**–**	1
–	1	–	India	**3**	8
15	15	12	Japan	**57**	67
–	–	–	Mexico	**1**	–
–	–	–	Netherlands	**–**	1
–	–	–	Portugal	**1**	2
5	–	5	Singapore	**13**	–
7	8	6	South Korea	**29**	28
3	3	5	Taiwan	**12**	13
2	–	2	Thailand	**4**	–
–	1	–	Turkey	**–**	2
–	–	1	UAE	**1**	1
–	–	–	UK	**1**	2
–	4	1	USA	**6**	19
46	48	44	Total	**178**	197
2 816	2 955	2 683	**LNG delivered volumes (thousand tonnes)**	**10 878**	12 063

Historical supplementary information is available on the BG Group plc website: www.bg-group.com

Additional information: Exploration and Production – Total Resources data

	SPE PRMS [a]	SEC data [a]	
	As at 31 Dec 2013 mmboe	**As at 31 Dec 2013 mmboe**	As at 31 Dec 2012 mmboe
Proved	**3 538**	**3 322**	3 431
Probable	**3 452**	**3 618**	3 758
Discovered resources	**6 041**	**6 041**	6 739
Risked exploration	**4 740**	**4 740**	4 583
Total reserve/resource base	**17 771**	**17 721**	18 511

a) In accordance with recommendations issued by European Securities and Markets Authority (ESMA) and to achieve greater consistency across its reporting of reserves and resources, from year ended 31 December 2013 onwards BG Group has decided to adopt the reserves definitions and guidelines consistent with the internationally recognised Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers (SPE). In accordance with the SPE PRMS guidelines, BG Group uses gas and crude oil price forecasts based on reference conditions in the year ended 31 December 2013 reserves estimates. Reserves (proved and probable) as at 31 December 2013 are measured in accordance with SPE PRMS definitions and in this transition year are shown together with the estimates under the SEC definitions, which formed the basis for measurement previously used by the Group.

Total additions and revisions to proved reserves during the year were 339 mmboe and 123 mmboe for SPE PRMS and SEC respectively. For SPE PRMS this includes technical revisions due to new data and field performance updates of 203 mmboe (SEC 202 mmboe), extensions, discoveries and reclassifications of 196 mmboe (SEC 15 mmboe), and the net effect of price movements of 83 mmboe (SEC 49 mmboe), offset by a decrease of 143 mmboe under both definitions in respect of acquisitions and disposals.

Total Proved Reserve Replacement Ratio (RRR):

The three/one year average proved reserve replacement ratio is the total net proved reserves changes over the three/one year period, including acquisitions and disposals but excluding production, divided by the total net production for that period.

	3 year	1 year
SEC data[b]	161%	53%

Organic Proved Reserve Replacement Ratio (RRR):

The three/one year average proved reserve replacement ratio is the total net proved reserves changes over the three/one year period, excluding acquisitions, disposals and production, divided by the total net production for that period. SEC RRR and F&D data is presented below.

	3 year	1 year
SEC data[b]	179%	115%

Finding & Development Cost (F&D):

The three/one year average unit finding and development cost is calculated by dividing the total exploration, development and unproved acquisition costs incurred over the period by the total changes in net proved reserves excluding acquisitions, disposals and production for that period.

	3 year	1 year
SEC data[b]	$20.1/boe	$37.1/boe

b) SEC definitions have been applied to measure the RRR and F&D metrics. Consistent with industry practice, the change in the reserve measurement basis from SEC to SPE-PRMS will be applied prospectively from 31 December 2013 with no restatement of previously published reserve data. The Group intends to report future RRR and F&D metrics applying the SPE-PRMS measurement basis only.

Glossary

In BG Group's results some or all of the following definitions are used:

bcf	billion cubic feet
bcfd	billion cubic feet per day
boe	barrels of oil equivalent
boed	barrels of oil equivalent per day
bopd	barrels of oil per day
Capital investment	Comprises expenditure on property, plant and equipment, other intangible assets and investments, including business combinations
Capital investment on a cash basis	Comprises cash flows on purchase of property, plant and equipment and intangible assets, loans to joint ventures and associates and investments in subsidiaries, joint ventures and associates
Delivered volumes	Comprise all LNG volumes discharged in a given period, excluding LNG utilised by the ships
E&P	Exploration and Production
DD&A	depreciation, depletion and amortisation
FPSO	Floating Production Storage and Offloading system
Gearing ratio	net borrowings as a percentage of total shareholders' funds (excluding the re-measurement of commodity financial instruments and associated deferred tax) plus net borrowings
IAS	International Accounting Standard issued by the IASB
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
kboed	thousand barrels of oil equivalent per day
LNG	Liquefied Natural Gas
LNG Shipping & Marketing	LNG shipping, marketing and interests in regasification businesses
m	Million
mmboe	million barrels of oil equivalent
mmbtu	million british thermal units
mmcfd	million cubic feet per day
mmscfd	million standard cubic feet per day
mtpa	million tonnes per annum
Net borrowings	Comprise cash, current asset investments, finance lease liabilities/assets, currency and interest rate derivative financial instruments and short and long-term borrowings. Excludes net borrowings in respect of assets classified as held for sale
PSC	production sharing contract
SEC	US Securities and Exchange Commission
SPE PRMS	Petroleum Resources Management System published by the Society of Petroleum Engineers, American Association of Petroleum Geologists, World Petroleum Council and the Society of Petroleum Evaluation Engineers
tcf	trillion cubic feet
Total operating profit	Operating profit plus share of pre-tax operating results of joint ventures and associates
Total resources	The aggregate of proved and probable reserves plus discovered resources and risked exploration
Unit operating expenditure per boe	Production costs and royalties incurred over the period divided by the net production for the period. This measure does not include the impact of depreciation and amortisation costs and exploration costs as they are not considered to be costs associated with the operation of producing assets
Unit lifting costs per boe	'Unit operating expenditure' as defined above, excluding royalty, tariff and insurance costs incurred over the period divided by the net production for the period
Upstream	Exploration & Production and LNG liquefaction businesses

Enquiries

Enquiries relating to BG Group's results, business and financial position should be made to:

Investor Relations Department
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RG6 1PT

Tel: 0118 929 3025
email: invrel@bg-group.com

General enquiries about shareholder matters should be made to:

Equiniti Limited
Aspect House
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BN99 6DA

Tel: 0871 384 2064
Online: via https://help.shareview.co.uk

(From here, you will be able to email your query securely)

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High resolution images are available at www.flickr.com/bggroup

BG Group is listed on the US over-the-counter market known as the International OTCQX. Enquiries should be made to:

OTC Markets Group Inc.
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email: info@otcmarkets.com

Financial Calendar

Ex-dividend for 2013 final dividend	23 April 2014
Record date for 2013 final dividend	25 April 2014
Announcement of 2014 first quarter results	1 May 2014
AGM	15 May 2014
Payment of 2013 final dividend	30 May 2014

BG Group plc website: www.bg-group.com

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