BG Group plc

2014 THIRD QUARTER & NINE MONTHS RESULTS

Third Quarter Highlights

- Appointment of Helge Lund as Chief Executive
- E&P production down 2% at 569 kboed; decline in Egypt, partially offset by higher production in Brazil; no change to 2014 production guidance
- Upstream total operating profit at $746 million, down 36%; increased proportion of higher margin oil, more than offset by lower realised prices and higher costs
- LNG total operating profit at $576 million, down 4%; no change to 2014 LNG guidance
- Business Performance EPS down 29% to 22.3 cents; Total EPS up 22% to 44.3 cents
- Excellent flow rates in Brazil; BG Group net production exceeded 100 kboed in October
- QCLNG remains on track for first LNG in December; commenced mechanical testing of compressors
- $350 million equivalent received from Egyptian government in October; receivables down to $1.2 billion

BG Group's interim Executive Chairman, Andrew Gould said:

"We have made good progress with our key projects in the quarter and delivered a solid set of results. Earlier this month, we appointed a new Chief Executive, Helge Lund. Helge's track record in building a world class exploration and production portfolio speaks for itself, and we believe we have the best person in the international oil and gas market to lead BG Group in its next phase of growth.

Our developments in Brazil and Australia are progressing well and, in the case of Brazil, beginning to have a material impact on our business. Reaching net production of over 100 kboed from our Brazil assets is a major achievement, and to do it so swiftly after first commercial production in 2010 reflects the quality and the scale of our interests there. In Australia, the Queensland Curtis LNG project is on target to export its first LNG cargo by the end of the year, which will add volumes and flexibility to the company's global LNG portfolio."

Third Quarter				Nine Months		
2014 $m	2013 $m		**Business Performance**[(a)]	**2014 $m**	2013 $m	
1 312	1 773	-26%	Total operating profit including share of pre-tax operating results from joint ventures and associates	**5 313**	5 708	-7%
759	1 070	-29%	Earnings for the period	**3 120**	3 239	-4%
22.3c	31.5c	-29%	Earnings per share	**91.6c**	95.2c	-4%
			Total results for the period (including disposals, re-measurements and impairments)			
2 327	1 745	+33%	Operating profit before share of pre-tax operating results from joint ventures and associates	**6 179**	5 240	+18%
2 406	1 867	+29%	Total operating profit including share of pre-tax operating results from joint ventures and associates	**6 456**	5 639	+14%
1 510	1 230	+23%	Earnings for the period continuing operations	**3 979**	3 271	+22%
44.3c	36.2c	+22%	Earnings per share continuing operations	**116.8c**	96.2c	+21%

a) 'Business Performance' excludes disposals, certain re-measurements and impairments and certain other exceptional items as exclusion of these items provides a clear and consistent presentation of the underlying operating performance of the Group's ongoing business. For further information see Presentation of Non-GAAP measures (page 14) and notes 1 to 3 (pages 22 to 25). Unless otherwise stated, the results discussed in this release relate to BG Group's Business Performance.

Business Review – Group

Third Quarter 2014 $m	Third Quarter 2013 $m		Business Performance	Nine Months 2014 $m	Nine Months 2013 $m	
4 581	4 397	+4%	Revenue and other operating income	**15 143**	13 675	+11%
746	1 169	-36%	Upstream	**3 302**	3 851	-14%
576	602	-4%	LNG Shipping & Marketing	**2 017**	1 865	+8%
(10)	2	–	Other activities	**(6)**	(8)	-25%
1 312	1 773	-26%	**Total operating profit including share of pre-tax results from joint ventures and associates**	**5 313**	5 708	-7%
(47)	(63)	-25%	Net finance costs	**(113)**	(124)	-9%
(506)	(640)	-21%	Taxation for the period	**(2 080)**	(2 345)	-11%
759	1 070	-29%	Earnings for the period	**3 120**	3 239	-4%
22.3c	31.5c	-29%	Earnings per share (cents)	**91.6c**	95.2c	-4%
			Cash flow and balance sheet			
1 238	1 351	-8%	Net cash flow from operating activities	**5 723**	5 731	–
(2 242)	(2 792)	-20%	Capital investment on a cash basis[(a)]	**(7 001)**	(8 032)	-13%
(929)	(1 391)	-33%	Free cash flow[(b)]	**(1 283)**	(2 334)	-45%
			Net debt[(c)]	**11 098**	13 001	-15%
			Gearing %[(c)]	**24.1%**	27.6%	

a) Includes capital investment relating to discontinued operations for the quarter of $nil (2013 $nil) and for the nine months of $nil (2013 $10 million).

b) Reflects net cash flow from operating activities, less net interest paid and capital investment on a cash basis, plus dividends received and loan repayments.

c) For a definition see the Glossary on page 36.

Third quarter

Revenue and other operating income increased 4% to $4 581 million. This reflected a material increase in Brazil oil volumes which was largely offset by lower net production across other fields and lower commodity prices. Revenue in 2013 also included losses from the Group's legacy LNG hedging programme.

Total operating profit decreased 26% to $1 312 million. Brazil contributed strong growth in operating profit and E&P unit margins, with revenue growth outstripping the expected cost increases associated with the ramp up of production. This was more than offset by significant profit reductions in Kazakhstan as a result of revenue declines, and in the UK as a result of the higher cost of new developments and shutdowns. LNG Shipping & Marketing total operating profit was lower mainly due to the higher cost of spot cargo purchases.

Net finance costs of $47 million included realised foreign exchange hedge gains of $24 million and other foreign exchange losses of $29 million (2013 net finance costs of $63 million included foreign exchange losses of $24 million).

Group earnings of $759 million and EPS of 22.3 cents both decreased 29% primarily as a result of the reduction in total operating profit.

The Brent oil hedges entered into in the first quarter of 2014 have not materially impacted the third quarter results. Further details are given in the Risk management for commodity prices and foreign exchange rates section on page 7.

Business Review – Group continued

Third quarter continued

Net cash flow from operating activities of $1 238 million decreased by $113 million as a result of lower business performance operating profit, partly offset by higher working capital cash inflow. Free cash flow improved by $462 million to $(929) million primarily as a result of a $550 million reduction in capital investment. This reduction in capital investment is primarily related to Australia, with both a lower equity percentage and a lower capital run rate as the project approaches first LNG. Capital investment on a cash basis of $2 242 million was entirely in the Upstream segment and concentrated primarily on the Group's key growth projects in Australia and Brazil, together with investments in the UK and Norway. Further details are provided in the Third quarter business highlights section (see page 4) and the Supplementary information: Operating and financial data section (see page 33).

Nine months

Revenue and other operating income increased 11% to $15 143 million. Upstream revenues reflected a material increase in oil volumes from Brazil, partly offset by lower net production across other fields and lower liquids and UK gas prices. LNG revenue benefited from higher realised prices whilst revenue in 2013 included losses from the Group's legacy LNG hedge programme.

Total operating profit decreased 7% to $5 313 million. Brazil contributed strong growth in operating profit and E&P unit margins, with revenue growth outstripping the expected cost increases associated with the ramp up of production. LNG Shipping & Marketing total operating profits were also higher, reflecting favourable selling prices and higher volumes. However, these were more than offset by significant profit reductions in the UK as a result of the higher cost of new developments and shutdowns, and in Kazakhstan as a result of lower revenues.

Net finance costs of $113 million included realised foreign exchange hedge gains of $41 million and other foreign exchange losses of $25 million (2013 net finance costs of $124 million included foreign exchange losses of $1 million).

The tax charge for the nine months reflects the lower total operating profit and a lower expected effective tax rate for 2014 (including BG Group's share of joint ventures and associates' tax) of 40% compared to 42% in the prior year.

Group earnings of $3 120 million and EPS of 91.6 cents both decreased 4%, reflecting the reduction in total operating profit, partly offset by the decrease in net finance costs and the reduction in the Group's tax charge.

Net cash flow from operating activities of $5 723 million decreased marginally by $8 million as the lower business performance operating profit was offset by a higher working capital cash inflow. Free cash flow improved by $1 051 million to $(1 283) million, primarily reflecting a $1 031 million reduction in capital investment. This reduction in capital investment is primarily related to Australia, with both a lower equity percentage and a lower capital run rate as the project approaches first LNG. Capital investment on a cash basis of $7 001 million was almost entirely in the Upstream segment ($6 988 million) and concentrated primarily on the Group's key growth projects in Australia and Brazil. Further details are provided in the Supplementary information: Operating and financial data section (see page 33).

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

Third quarter

Total earnings for the third quarter of 2014 were $1 510 million (44.3 cents per share) and included a post-tax gain of $751 million in respect of disposals, re-measurements and impairments, of which $771 million was a gain arising from the disposal of the Central Area Transmission System (CATS) gas pipeline in the UK. Total earnings in the third quarter of 2013 were $1 230 million (36.2 cents per share) and included a post-tax gain of $160 million in respect of disposals, re-measurements and impairments.

Nine months

Total earnings for the nine months of 2014 were $3 979 million (116.8 cents per share) and included a post-tax gain of $859 million in respect of disposals, re-measurements and impairments, of which $771 million was a gain arising from the disposal of the CATS gas pipeline in the UK, and $170 million was a gain arising from the sale of six LNG vessels. These gains were partly offset by exceptional restructuring costs of $65 million. Total earnings in the nine months of 2013 were $3 271 million (96.2 cents per share) and included a post-tax gain of $32 million in respect of disposals, re-measurements and impairments.

For further information see Presentation of Non-GAAP measures (page 14) and notes 1 to 3 (pages 22 to 25).

Third quarter business highlights

Overview
E&P production was 569 thousand barrels of oil equivalent per day (kboed), down 2% from the third quarter of 2013, as increased production from Brazil (+39 kboed) and the UK (+22 kboed) was more than offset by declines in Egypt (-57 kboed) and Kazakhstan (-13 kboed).

The LNG Shipping & Marketing segment supplied 44 cargoes (2.7 million tonnes) in the quarter, directly in line with the prior year; 33 of these cargoes were supplied to Asian markets (2013 32).

Australia
The QCLNG project, to deliver 8.5 million tonnes per annum (mtpa) of capacity, remains on schedule for first LNG in the fourth quarter of 2014 and within the Phase 1 budget of $20.4 billion.

In the Bellevue upstream development area, all three field compression stations (FCSs), along with the central processing plant (CPP) they supply, are now operational. Bellevue, in addition to Ruby Jo, Windibri and Kenya, completes the key supply infrastructure in the Surat Basin required for Train 1.

Around 2 300 coal seam gas (CSG) wells have been drilled as at the end of the third quarter, with around 1 300 CSG wells available for production or de-watering. Average flow rates continue to be in line with expectations.

In August, a new project labour agreement was signed, which ended the industrial dispute with the labour unions. Following this, at the LNG plant on Curtis Island, the gas turbine generators (GTGs) successfully provided permanent power for the facility and in October, mechanical testing for the compressors commenced. The introduction of hydrocarbons into purification front-end units is planned to occur in November with plant cool down planned for the end of November. There is limited remaining contingency in the schedule, but the Group currently expects the first LNG cargo to leave Curtis Island in December 2014.

As part of the commissioning process, the Group is ramping up gas production at the QCLNG project. In the third quarter, production at 34 kboed was 31% higher than the third quarter of 2013 and is planned to continue to ramp up in line with first LNG in December 2014. The increased production has short term implications for the domestic gas market. BG Group has several arrangements in place to manage ramp gas, which include storage and commercial agreements to supply domestic customers.

Brazil
Production from the Group's Santos Basin interests continues to grow. Average net production for the quarter was 81 kboed (2013 42 kboed), and in October, the Group achieved net stabilised production of more than 100 kboed.

The *Cidade de Paraty* (FPSO 3) on Lula North East reached its capacity of 120 thousand barrels of oil per day (kbopd) from only four producing wells, fewer than originally planned, as a result of higher than anticipated flow rates. Plateau production was achieved within 16 months from first oil, despite the delays associated with the buoyancy supported riser (BSR) system to hook up wells.

In October, first production from the Iracema development commenced. The first well at the 150 kbopd *Cidade de Mangaratiba* (FPSO 5) is producing around 10 kbopd during the commissioning of natural gas and reinjection systems, with total productive capacity of around 30 kbopd thereafter. Five producer wells have already been drilled for this FPSO.

The 150 kbopd *Cidade de Ilhabela* (FPSO 4) at Sapinhoá North has moved into position and is expected to commence production in the fourth quarter of 2014. Seven producer wells have already been drilled for this FPSO.

The 150 kbopd *Cidade de Itaguai* (FPSO 6) for Iracema North is around 75% complete at the end of the quarter. The operator expects first oil in the fourth quarter of 2015.

In BM-S-11, appraisal activity continues at Iara gathering data to help formulate the Declaration of Commerciality (DoC) which is due by the end of 2014. The extended well test (EWT) on the Iara-4 appraisal well continues with high average flow rates of around 30 kbopd. Testing will continue until December. Results from an Iara appraisal well, currently drilling in the north east of the block, are due in the fourth quarter. Data from these activities will help formulate the development plan for the Iara area which will be submitted in 2015, after the DoC.

Third quarter business highlights continued

Canada
BG Group continues to investigate the best way to advance the Prince Rupert LNG project. However, given current uncertainty about the size and number of North American projects, BG Group is taking a prudent approach to development in Canada by moderating future expenditure.

Egypt
E&P production was 55 kboed, 51% lower than the same period in 2013 and broadly in line with the second quarter of 2014. The reduction reflects deteriorating reservoir performance and the continued high proportion of diversions to the domestic market, where the Group is entitled to a lower share of production. Five of the Phase 9a wells are now onstream, however the nine well development will only temporarily offset underlying E&P production declines.

No LNG cargoes were lifted by BG Group in the third quarter. With declining upstream production and minimal gas supplies to Egyptian LNG, the Group continues to expect very limited cargoes to be lifted from Egyptian LNG for the foreseeable future.

In the third quarter of 2014, activities in Egypt accounted for 10% of BG Group's production and around 3% of earnings from continuing operations. The Group expects the earnings contribution from Egypt to continue to reduce over time.

At the end of the third quarter, the domestic receivables balance was in line with the previous quarter at $1.5 billion, with $1.4 billion overdue. As at 30 September 2014, the book value of BG Group's investment in Egypt including receivables was $3.0 billion, of which $0.2 billion relates to Egyptian LNG. In October, BG Group received a payment equivalent to $350 million from the Egyptian government, reducing the receivables balance to $1.2 billion.

Norway
The Knarr FPSO (63 kbopd gross capacity, BG Group 45% and operator) safely arrived in Norway in September and is due to be transferred to the field shortly. The Group's target for first production in the fourth quarter remains in place, but is subject to the receipt of Norwegian regulatory approvals, along with favourable weather conditions during subsequent mooring and well connection activities in the field. The project cost has increased to $1.2 billion (BG Group net) reflecting the expanded scope of works to accommodate the later development of the Knarr West discovery as well as higher costs in the sub-sea market.

Tanzania
In August, the Group completed a second drill-stem test (DST) on the Mzia discovery in Block 1. The DST included sustained gas production at a maximum flow rate of 101 million standard cubic feet per day (mmscfd). The results provide further support for a hub development to supply a potential onshore LNG project.

In October, the Kamba-1 exploration well in Block 4 resulted in a gas discovery at Kamba and successfully appraised the Fulusi extension of the Pweza reservoir. The Group is now focused on development engineering for the potential upstream and LNG project. The Kamba-1 well is the 11th discovery and the 16th consecutive successful well for BG Group in Tanzania.

BG Group retains its 60% equity interest in, and is operator of, Blocks 1 and 4. BG Group has informed the government of its intended withdrawal from its 60% equity interest in Block 3 ($74 million exploration charge). The Papa-1 well, drilled in 2012, is the only gas discovery in Block 3. It is now estimated that BG Group's offshore Blocks 1 and 4 hold total gross recoverable resources of around 16 tcf, with further exploration upside.

Trinidad and Tobago
In August, the Ministry of Energy and Energy Affairs (MEEA) announced BG Group had successfully bid for the Trinidad and Tobago Deepwater Atlantic Area Blocks 3 and 7. The Group has 35% equity in both blocks. The award is subject to the finalisation of negotiation of the respective Production Sharing Contracts with the MEEA, which is expected to complete in the fourth quarter of 2014.

UK
The Everest shutdown commenced at the start of October, with the focus on asset integrity and safety critical maintenance. Storm damage to the flotel in early October required the vessel to be taken to shore for repairs. The maintenance is continuing using the personnel available on the platform, with the scope reduced accordingly. Those work items not completed during the coming weeks, will be deferred to a shutdown in 2015.

Third quarter business highlights continued

UK continued
BG Group is delaying a sanction decision on the high-pressure high-temperature Jackdaw project in the central North Sea, whilst the Group studies more economic and lower risk development solutions. These include a tie-back of the field to third-party infrastructure.

USA
BG Group continues to expect Federal Energy Regulatory Commission (FERC) approval for the Lake Charles LNG project in 2015. This 15 mtpa project will be financed and owned by Energy Transfer. However, BG Group will have effective control of the construction, development and operation of the project, together with a 25 year liquefaction capacity contract. If the project is licenced and sanctioned, BG Group expects that the legal entity which will own the Lake Charles liquefaction project will be fully consolidated in the Group's financial statements.

Portfolio Management
In July, BG Group announced the completion of the sale of its 62.78% equity interest in the Central Area Transmission System (CATS) gas pipeline in the UK North Sea. A post-tax profit on disposal of $771 million has been recorded in the third quarter results. In 2013, the CATS asset contributed $93 million to the Group's total operating profit. The sale does not impact BG Group's rights to capacity in CATS.

Board changes

In October, BG Group announced the appointment of Helge Lund as Chief Executive and as an Executive Director with effect from 2 March 2015. Andrew Gould, interim Executive Chairman, will return to the role of non-executive Chairman on the same date.

Mr Lund will receive a conditional share award as part of his remuneration package on joining BG Group. This award is subject to prior approval at a specially convened general meeting of shareholders to be held on 15 December 2014. Mr Lund is not obliged to join BG Group if the share award is not approved.

Outlook

There is no change to any BG Group guidance for 2014.

2015 guidance will be provided at the Group's fourth quarter and full year results on 3 February 2015.

The Group's 2014 E&P production guidance remains at the lower end of the 590 - 630 kboed range. This reflects the previously disclosed issues in Egypt and the acceleration into 2014 of production sharing contract (PSC) effects in Kazakhstan following higher than reference condition oil prices.

The Group's outlook for 2014 unit operating expenditure and unit DD&A of $15.50 - 16.25 per boe and $12.25 - 13.00 per boe respectively, at reference conditions, remains unchanged.

In the LNG Shipping & Marketing segment, total operating profit guidance of $2.1 - 2.4 billion at reference conditions remains unchanged. The strong performance in the first three quarters of 2014 is not expected to continue into the fourth quarter, with lower delivered volumes and an adverse change in the Group's supply and sales mix.

In 2015, the Group continues to expect fewer cargoes from Equatorial Guinea given the operator's planned gas development programme. With lower contracted supplies from Equatorial Guinea and Egypt there will be fewer portfolio cargoes available for spot sales. However, the Group currently has sufficient flexibility within its LNG portfolio to ensure all customer commitments are met in 2015.

The Group's 2014 effective tax rate is expected to be 40%.

Risk management for commodity prices and foreign exchange rates

Commodity prices
In the first quarter, BG Group entered into Brent oil swaps at an average price of $106 per barrel for the period of April through December 2014. The Brent oil price is $86 per barrel as at 27 October 2014.

In the third quarter, as a result of the fall in the Brent oil price, $22 million pre-tax realised gains and $213 million pre-tax unrealised gains were recognised. After the effect of UK tax, the forecast remaining positions are expected to hedge more than 70% of the Group's 2014 earnings sensitivity to oil price movements from October through December.

The hedge impact is allocated across both Upstream and LNG Shipping & Marketing segments in accordance with the Group's expected Brent exposures. In the third quarter, approximately 75% of the recorded realised hedge impact was in the Upstream segment, with the balance in the LNG Shipping & Marketing segment.

BG Group's policy is not to hedge commodity prices as a matter of course. However, from time to time it may elect to hedge certain revenue or cost streams.

Foreign exchange rates
The Group enters into currency exchange rate transactions to hedge certain currency cash flows and to adjust the currency composition of its assets and liabilities.

In the first quarter, BG Group entered into foreign exchange hedging instruments that are intended to reduce the Group's exposure to the Australian dollar and the Brazilian real for the period of April through December 2014, related to its capital investment for the year.

In the third quarter, $24 million pre-tax realised gains and $34 million pre-tax unrealised losses were recognised in the income statement with a further $8 million realised gains capitalised as assets under construction. For the period of October through December 2014, the Australian dollar forwards are expected to hedge approximately 50% of the forecast remaining sensitivity of the Group's underlying cash flow to the Australian dollar/US dollar exchange rate and the costless collars on the Brazilian real are expected to hedge approximately 60% of the forecast remaining sensitivity to the Brazilian real/US dollar exchange rate outside of the cap and floor levels.

Upstream

Third Quarter 2014 $m	Third Quarter 2013 $m		Business Performance	Nine Months 2014 $m	Nine Months 2013 $m	
52.36	53.43	-2%	**E&P production volumes (mmboe)**	**163.15**	172.55	-5%
2 770	2 683	+3%	E&P	**8 975**	8 413	+7%
112	100	+12%	Liquefaction	**328**	358	-8%
2 882	2 783	+4%	**Upstream revenue and other operating income**	**9 303**	8 771	+6%
(465)	(400)	+16%	Lifting costs	**(1 365)**	(1 196)	+14%
(436)	(313)	+39%	Royalties and other operating costs	**(1 204)**	(854)	+41%
(901)	(713)	+26%	**E&P operating costs**	**(2 569)**	(2 050)	+25%
(329)	(170)	+94%	Other E&P costs	**(954)**	(504)	+89%
(614)	(583)	+5%	DD&A	**(1 866)**	(1 911)	-2%
926	1 217	-24%	**E&P operating profit before exploration charge**	**3 586**	3 948	-9%
(235)	(103)	+128%	Exploration charge	**(513)**	(342)	+50%
691	1 114	-38%	**E&P operating profit**	**3 073**	3 606	-15%
75	84	-11%	Liquefaction operating profit	**240**	302	-21%
(20)	(29)	-31%	Business development	**(11)**	(57)	-81%
746	1 169	-36%	**Upstream operating profit**	**3 302**	3 851	-14%
2 242	2 787	-20%	Capital investment on a cash basis	**6 988**	8 005	-13%

Third Quarter 2014 $/boe	Third Quarter 2013 $/boe	Second Quarter 2014 $/boe	E&P unit costs and margins	Nine Months 2014 $/boe	Nine Months 2013 $/boe
8.88	7.49	8.39	Lifting costs	**8.36**	6.93
8.33	5.87	7.03	Royalties and other operating costs	**7.38**	4.96
17.21	13.36	15.42	**E&P operating costs**	**15.74**	11.89
6.29	3.17	6.84	Other E&P costs	**5.85**	2.91
11.72	10.91	11.06	DD&A	**11.44**	11.08
35.22	27.44	33.32	**E&P unit costs**	**33.03**	25.88
17.69	22.78	24.10	E&P operating profit margin[(a)]	**21.98**	22.88
29.41	33.69	35.16	E&P EBITDA margin[(a)]	**33.42**	33.96

a) Unit margins calculated on the basis of E&P operating profit before exploration charge.

Additional operating and financial data is given on page 33.

Upstream continued

Third Quarter 2014	Third Quarter 2013	Second Quarter 2014		Nine Months 2014	Nine Months 2013
			E&P production volumes (mmboe)		
11.58	8.89	12.27	Oil	**35.42**	25.66
7.39	8.23	7.83	Liquids	**24.02**	25.14
33.39	36.31	33.68	Gas	**103.71**	121.75
52.36	53.43	53.78	**Total**	**163.15**	172.55
			E&P production volumes (kboed)		
126	96	135	Oil	**130**	94
80	89	86	Liquids	**88**	92
363	395	370	Gas	**380**	446
569	580	591	**Total**	**598**	632
			E&P production volumes by country (kboed)		
34	26	30	Australia	**30**	25
48	37	51	Bolivia	**49**	35
81	42	68	Brazil	**69**	38
55	112	57	Egypt	**59**	115
17	20	20	India	**18**	20
74	87	86	Kazakhstan	**86**	90
1	2	2	Norway	**2**	2
40	40	37	Thailand	**40**	41
50	54	60	Trinidad and Tobago	**61**	68
32	38	28	Tunisia	**32**	38
100	78	112	UK	**112**	99
37	44	40	USA	**40**	61
569	580	591	**Total**	**598**	632
			E&P average realised prices		
$103.91	$111.72	$110.21	Oil price per barrel	**$107.75**	$108.11
$79.37	$96.42	$91.33	Liquids price per barrel	**$85.67**	$91.53
36.95p (62.30c)	44.61p (68.17c)	38.01p (63.74c)	UK gas price per produced therm	**42.09p (70.34c)**	53.88p (83.36c)
48.05c	43.87c	43.58c	International gas price per produced therm	**45.51c**	42.64c
50.01c	45.42c	45.90c	Average realised gas price per produced therm	**48.66c**	46.41c

Third quarter

Production volumes decreased 2% reflecting reservoir decline and lower entitlement in Egypt, lower entitlement in Kazakhstan, shutdowns in the UK, including Buzzard, and declines in the USA. These reductions have been partially offset by the ramp up of projects in Brazil, new developments coming onstream in the UK and Bolivia and the ramp up in Australia as part of the commissioning process for Train 1 at QCLNG.

Revenue and other operating income increased 4% to $2 882 million. The revenue growth was driven mainly by a material increase in Brazil oil volumes. This was largely offset by: lower net production across other fields; lower oil, liquids and UK gas prices; and a lower revenue entitlement, including a prior period adjustment, in Kazakhstan to reflect lower cash distributions under the production sharing contract.

E&P operating profit, before exploration, of $926 million was down 24%. Brazil contributed strong growth in operating profit and unit EBIT and EBITDA margins, with revenue growth outstripping the expected increase in operating and other E&P costs associated with the ramp up of production. This was more than offset by significant reductions in profit in Kazakhstan as a result of the revenue declines and, in the UK, as a result of the increased costs of new developments coming onstream and additional maintenance.

Consequently, the Group's unit E&P EBIT margin was $5.09 per barrel of oil equivalent (boe) lower at $17.69 per boe and the unit EBITDA margin was $4.28 per boe lower at $29.41 per boe.

The Group's average realised oil price (unhedged) decreased 7% to $103.91 per barrel reflecting lower market prices. The liquids price decreased 18% to $79.37 per barrel, reflecting movements in market prices combined with the lower revenue entitlement in Kazakhstan. The average realised gas price per produced therm increased 10% to 50.01 cents, with higher international gas price realisations (up 10%) reflecting favourable changes in the mix of fields, partly offset by lower market prices in the UK.

Unit operating expenditure increased to $17.21 per boe (2013 $13.36 per boe), principally reflecting lower Group volumes combined with: higher royalty costs and special participation fees in Brazil; higher royalties from new developments in Bolivia; and additional maintenance and tariff costs in the UK (the latter following the disposal of the CATS pipeline).

Other E&P unit costs increased to $6.29 per boe (2013 $3.17 per boe) and included the impacts in Brazil of the timing of oil liftings, increased oil shipping activity and elimination of profit associated with the Iara extended well test.

The unit DD&A charge increased to $11.72 per boe (2013 $10.91 per boe) as a result of the higher cost of new developments in the UK, partly offset by a reduced depreciation charge in Egypt and the USA following the recognition of impairments in the fourth quarter of 2013, and reserves maturation in Brazil.

The exploration charge of $235 million increased 128% as a result of increased seismic activity in Trinidad and Tobago and Colombia, and well write offs, principally the Block 3 withdrawal in Tanzania ($74 million). Gross exploration expenditure of $303 million included spend in Tanzania ($100 million), Australia ($58 million), Trinidad and Tobago ($54 million), Colombia ($19 million) and the UK ($14 million).

BG Group's share of operating profit from liquefaction activities decreased 11% to $75 million, as a result of significantly lower throughput at Egyptian LNG, which is expected to continue for the foreseeable future, partly offset by higher sales prices at Atlantic LNG Train 1.

Business development costs of $20 million were incurred as the Group progressed potential integrated LNG projects in Tanzania and western Canada.

Capital investment on a cash basis of $2 242 million included investment in Australia ($889 million), Brazil ($592 million), the UK ($121 million), Norway ($119 million) and Egypt ($108 million).

Nine months

Production volumes were 5% lower as a result of reservoir decline and lower entitlement in Egypt, declines in the USA, and a higher number of shutdown days in both Trinidad and Tobago and Tunisia. These declines were partially offset by the continued ramp up of production from new developments in Brazil, Bolivia and the UK.

Revenue and other operating income increased 6% to $9 303 million. This increase was driven mainly by a material increase in Brazil oil volumes, together with higher production from Bolivia and the UK. This was partly offset by: lower net production across other fields; lower revenue entitlement in Kazakhstan; and lower liquids and UK gas prices.

Nine months continued

E&P operating profit before exploration charge at $3 586 million was down 9%. Brazil contributed strong growth in operating profit and unit EBIT and EBITDA margins, with revenue growth outstripping the expected increase in operating and other E&P costs associated with the ramp up of production. This was more than offset by reductions in profit in the UK as a result of the increased costs of new developments coming onstream and additional maintenance, combined with lower revenues in Kazakhstan and Tunisia.

Consequently, the Group's unit E&P EBIT margin was $0.90 per boe lower at $21.98 per boe and the unit E&P EBITDA margin was $0.54 per boe lower at $33.42 per boe.

The Group's average realised oil price (unhedged) was in line with 2013 at $107.75 per barrel. The liquids price decreased 6% to $85.67 per barrel, reflecting movements in market prices coupled with the lower revenue entitlement in Kazakhstan. The Group's average realised gas price per therm increased 5%, as a favourable change in the mix of fields was partly offset by a 16% reduction in the average realised UK gas price reflecting lower market prices.

Unit operating expenditure increased to $15.74 per boe (2013 $11.89 per boe), principally as a result of lower Group volumes combined with: higher royalty costs, special participation fees and lifting costs from new developments in Brazil; higher royalties in Bolivia; and, in the UK, higher lifting costs as a result of additional maintenance and higher tariff costs following the CATS pipeline disposal.

Other E&P unit costs increased to $5.85 per boe (2013 $2.91 per boe) and included the impacts in Brazil of the timing of oil liftings, increased oil shipping activity and eliminations of profit on oil sales from extended well tests.

The unit DD&A charge increased to $11.44 per boe (2013 $11.08 per boe) as a result of the higher cost of new developments in the UK, partly offset by a reduced depreciation charge in Egypt and the USA following the recognition of impairments in the fourth quarter of 2013, and reserves maturation in Brazil.

The exploration charge of $513 million increased 50% reflecting higher well write offs and increased seismic activity in Trinidad and Tobago and Colombia. Gross exploration expenditure of $913 million included Tanzania ($233 million), Australia ($171 million), Trinidad and Tobago ($121 million) and the UK ($39 million).

BG Group's share of operating profit from liquefaction activities decreased 21% to $240 million, as a result of significantly lower throughput at Egyptian LNG, partly offset by higher sales prices at Atlantic LNG Train 1.

Business development costs of $11 million were incurred as the Group progressed potential integrated LNG projects in Tanzania and western Canada, and includes the reimbursement of previous business development expenditure from a partner.

Capital investment on a cash basis of $6 988 million included investment in Australia ($2 970 million), Brazil ($1 716 million), the UK ($398 million), Norway ($344 million) and Egypt ($313 million).

LNG Shipping & Marketing

Third Quarter 2014 $m	Third Quarter 2013 $m		Business Performance	Nine Months 2014 $m	Nine Months 2013 $m	
2 705	2 683	+1%	**LNG delivered volumes (thousand tonnes)**	**8 254**	8 062	+2%
1 819	1 756	+4%	**Revenue and other operating income**	**6 236**	5 479	+14%
622	630	-1%	Shipping and marketing	**2 112**	1 946	+9%
(46)	(28)	+64%	Business development and other	**(95)**	(81)	+17%
576	602	-4%	**Total operating profit**	**2 017**	1 865	+8%
–	5	–	Capital investment on a cash basis	**8**	16	-50%

Third Quarter 2014	Third Quarter 2013	Second Quarter 2014		Nine Months 2014	Nine Months 2013
			LNG cargo supply by source		
10	14	16	Atlantic LNG	**41**	44
–	5	1	Egyptian LNG	**1**	19
11	7	10	Nigeria	**29**	21
14	15	14	Equatorial Guinea	**42**	43
9	3	9	Spot purchases	**21**	5
44	44	50	**Total**	**134**	132
			LNG cargo deliveries by geographical region		
33	32	32	Asia	**91**	90
2	1	1	Europe & Other	**5**	4
–	1	2	North America	**3**	6
9	10	15	South America	**35**	32
44	44	50	**Total**	**134**	132

Additional operating and financial data is given on page 33.

Third quarter

Revenue and other operating income was 4% higher, primarily reflecting the hedging losses incurred in 2013 from the Group's historical LNG hedging programme, which completed in the first quarter of 2014. Prices in the quarter were in line with those achieved in the third quarter of 2013.

Shipping and marketing operating profit decreased 1% to $622 million with higher costs of supply, primarily reflecting an increase in spot cargo purchases, offsetting the higher revenues.

Business development and other costs include expenditure on the Lake Charles liquefaction project.

Nine months

Revenue and other operating income was 14% higher as a result of favourable LNG sales prices and higher delivered volumes combined with lower losses from the Group's historical LNG hedging programme, which completed in the first quarter of 2014. Overall volumes increased 2% despite fewer cargoes delivered from Egypt (falling from 19 in 2013 to one in 2014) as a result of the increase in spot cargo purchases.

Shipping and marketing operating profit increased 9% to $2 112 million reflecting the higher revenues, partially offset by higher costs of supply primarily as a result of an increase in spot cargo purchases.

Business development and other costs include expenditure on the Lake Charles liquefaction project.

Presentation of Non-GAAP measures

Business Performance

'Business Performance' excludes discontinued operations and disposals, certain re-measurements and impairments and certain other exceptional items (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 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 associated borrowings and certain intercompany balances, 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 16), note 2 (page 23) and note 3 (page 25).

Joint ventures and associates

Under IFRS, the results from 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 25).

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 2014 Second Quarter & Half Year Results and in BG Group plc's Annual Report and Accounts 2013. 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.

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

Consolidated Income Statement

Third Quarter

		2014			2013		
	Notes	**Business Perform-ance[a] $m**	**Disposals, re-measure-ments and impairments (Note 2)[a] $m**	**Total Result $m**	Business Perform-ance[a] $m	Disposals, re-measure-ments and impairments (Note 2)[a] $m	Total Result $m
Group revenue		**4 590**	**–**	**4 590**	4 426	–	4 426
Other operating income	2	**(9)**	**391**	**382**	(29)	48	19
Group revenue and other operating income	3	**4 581**	**391**	**4 972**	4 397	48	4 445
Operating costs		**(3 348)**	**–**	**(3 348)**	(2 746)	–	(2 746)
Profits and losses on disposal of non-current assets and impairments	2	**–**	**703**	**703**	–	46	46
Operating profit/(loss)[b]	3	**1 233**	**1 094**	**2 327**	1 651	94	1 745
Finance income	2, 4	**20**	**(207)**	**(187)**	5	(69)	(64)
Finance costs	2, 4	**(63)**	**(141)**	**(204)**	(62)	211	149
Share of post-tax results from joint ventures and associates	3	**50**	**–**	**50**	84	–	84
Profit/(loss) before tax		**1 240**	**746**	**1 986**	1 678	236	1 914
Taxation	2, 5	**(481)**	**5**	**(476)**	(608)	(76)	(684)
Profit/(loss) for the period from continuing operations	3	**759**	**751**	**1 510**	1 070	160	1 230
Profit/(loss) for the period from discontinued operations	6	**–**	**(1)**	**(1)**	–	(11)	(11)
Profit/(loss) for the period		**759**	**750**	**1 509**	1 070	149	1 219
Profit attributable to:							
Shareholders (earnings)		**759**	**750**	**1 509[c]**	1 070	149	1 219[c]
Non-controlling interest		**–**	**–**	**–**	–	–	–
		759	**750**	**1 509**	1 070	149	1 219
Earnings per share continuing operations – basic	7	**22.3c**	**22.0c**	**44.3c**	31.5c	4.7c	36.2c
Earnings per share discontinued operations – basic		**–**	**–**	**–**	–	(0.3c)	(0.3c)
Earnings per share continuing operations – diluted	7	**22.2c**	**21.9c**	**44.1c**	31.3c	4.7c	36.0c
Earnings per share discontinued operations – diluted		**–**	**–**	**–**	–	(0.3c)	(0.3c)
Total operating profit/(loss) including share of pre-tax operating results from joint ventures and associates[d]	3	**1 312**	**1 094**	**2 406**	1 773	94	1 867

a) See Presentation of Non-GAAP measures (page 14) for an explanation of results excluding disposals, certain re-measurements and impairments and presentation of the results of joint ventures and associates.

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

c) Comprises earnings from continuing operations of $1 510 million (2013 $1 230 million) and from discontinued operations of $(1) million (2013 $(11) million).

d) 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 22 to 32 form an integral part of these condensed financial statements.

Consolidated Income Statement

Nine Months

	Notes	2014 Business Performance[a] $m	2014 Disposals, re-measurements and impairments (Note 2)[a] $m	2014 Total Result $m	2013 Business Performance[a] $m	2013 Disposals, re-measurements and impairments (Note 2)[a] $m	2013 Total Result $m
Group revenue		**15 083**	**–**	**15 083**	13 742	–	13 742
Other operating income	2	**60**	**386**	**446**	(67)	208	141
Group revenue and other operating income	3	**15 143**	**386**	**15 529**	13 675	208	13 883
Operating costs		**(10 107)**	**(79)**	**(10 186)**	(8 366)	–	(8 366)
Profits and losses on disposal of non-current assets and impairments	2	**–**	**836**	**836**	–	(277)	(277)
Operating profit/(loss)[b]	3	**5 036**	**1 143**	**6 179**	5 309	(69)	5 240
Finance income	2, 4	**92**	**–**	**92**	76	120	196
Finance costs	2, 4	**(193)**	**(250)**	**(443)**	(181)	(56)	(237)
Share of post-tax results from joint ventures and associates	3	**176**	**–**	**176**	267	–	267
Profit/(loss) before tax		**5 111**	**893**	**6 004**	5 471	(5)	5 466
Taxation	2, 5	**(1 991)**	**(34)**	**(2 025)**	(2 232)	37	(2 195)
Profit/(loss) for the period from continuing operations	3	**3 120**	**859**	**3 979**	3 239	32	3 271
Profit/(loss) for the period from discontinued operations	6	**–**	**7**	**7**	–	258	258
Profit/(loss) for the period		**3 120**	**866**	**3 986**	3 239	290	3 529
Profit attributable to:							
Shareholders (earnings)		**3 120**	**866**	**3 986[c]**	3 239	281	3 520[c]
Non-controlling interest		**–**	**–**	**–**	–	9	9
		3 120	**866**	**3 986**	3 239	290	3 529
Earnings per share continuing operations – basic	7	**91.6c**	**25.2c**	**116.8c**	95.2c	1.0c	96.2c
Earnings per share discontinued operations – basic		**–**	**0.2c**	**0.2c**	–	7.3c	7.3c
Earnings per share continuing operations – diluted	7	**91.1c**	**25.1c**	**116.2c**	94.8c	0.9c	95.7c
Earnings per share discontinued operations – diluted		**–**	**0.2c**	**0.2c**	–	7.3c	7.3c
Total operating profit/(loss) including share of pre-tax operating results from joint ventures and associates[d]	3	**5 313**	**1 143**	**6 456**	5 708	(69)	5 639

a) See Presentation of Non-GAAP measures (page 14) for an explanation of results excluding disposals, certain re-measurements and impairments and presentation of the results of joint ventures and associates.

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

c) Comprises earnings from continuing operations of $3 979 million (2013 $3 271 million) and from discontinued operations of $7 million (2013 $249 million).

d) 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 22 to 32 form an integral part of these condensed financial statements.

For information on dividends paid in the period, see note 9 (page 31).

Consolidated Statement of Comprehensive Income

Third Quarter 2014 $m	Third Quarter 2013 $m		Nine Months 2014 $m	Nine Months 2013 $m
1 509	1 219	Profit for the period	**3 986**	3 529
		Other comprehensive income:		
		Items that may be reclassified to the income statement:		
(481)	644	Hedge adjustments net of tax[(a)]	**(165)**	160
(6)	8	Fair value movements on 'available-for-sale' assets	**(2)**	(12)
(294)	(677)	Currency translation adjustments	**75**	(1 737)
		Other items:		
(4)	(36)	Re-measurement of defined benefit pension obligations net of tax[(b)]	**(5)**	(61)
(785)	(61)	Other comprehensive income net of tax	**(97)**	(1 650)
724	1 158	Total comprehensive income for the period	**3 889**	1 879
		Attributable to:		
724	1 158	BG Group shareholders	**3 889**	1 870
–	–	Non-controlling interest	**–**	9
724	1 158		**3 889**	1 879

a) Income tax relating to hedge adjustments is a $121 million credit for the quarter (2013 $180 million charge) and a $43 million credit for the nine months (2013 $36 million charge).

b) Income tax relating to the re-measurement of defined benefit pension obligations is a $1 million credit for the quarter (2013 $4 million charge) and a $2 million credit for the nine months (2013 $4 million credit).

The notes on pages 22 to 32 form an integral part of these condensed financial statements.

Consolidated Balance Sheet

	As at 30 Sep 2014 $m	As at 31 Dec 2013 $m	As at 30 Sep 2013 $m
Assets			
Non-current assets			
Goodwill and other intangible assets	**4 231**	3 889	4 941
Property, plant and equipment	**44 960**	42 225	47 648
Investments	**3 597**	2 933	3 039
Deferred tax assets	**1 260**	1 397	754
Trade and other receivables	**898**	777	745
Commodity contracts and other derivative financial instruments	**515**	623	716
	55 461	51 844	57 843
Current assets			
Inventories	**1 143**	838	1 053
Trade and other receivables	**5 870**	6 900	6 157
Current tax receivable	**72**	77	37
Commodity contracts and other derivative financial instruments	**192**	107	82
Cash and cash equivalents	**4 267**	6 208	3 193
	11 544	14 130	10 522
Assets classified as held for sale(a)	**181**	–	–
Total assets	**67 186**	65 974	68 365
Liabilities			
Current liabilities			
Borrowings	**(60)**	(475)	(464)
Trade and other payables	**(5 381)**	(5 631)	(5 953)
Current tax liabilities	**(1 803)**	(1 831)	(1 785)
Commodity contracts and other derivative financial instruments	**(151)**	(297)	(317)
	(7 395)	(8 234)	(8 519)
Non-current liabilities			
Borrowings	**(15 898)**	(17 054)	(16 527)
Trade and other payables	**(126)**	(150)	(158)
Commodity contracts and other derivative financial instruments	**(92)**	(173)	(117)
Deferred tax liabilities	**(4 028)**	(4 120)	(4 597)
Retirement benefit obligations	**(119)**	(168)	(325)
Provisions for other liabilities and charges	**(4 336)**	(4 115)	(4 222)
	(24 599)	(25 780)	(25 946)
Liabilities associated with assets classified as held for sale(a)	**(291)**	–	–
Total liabilities	**(32 285)**	(34 014)	(34 465)
Net assets	**34 901**	31 960	33 900
Equity			
Total shareholders' equity	**34 901**	31 960	33 900
Total equity	**34 901**	31 960	33 900

a) As at 30 September 2014, assets classified as held for sale include certain UK North Sea assets.

The notes on pages 22 to 32 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-con-trolling interest $m	Total $m
Equity as at 31 December 2013	**579**	**663**	**22**	**(786)**	**2 710**	**28 772**	**31 960**	**–**	**31 960**
Total comprehensive income for the period	–	–	(22)	(68)	–	3 979	**3 889**	–	**3 889**
Issue of shares	–	20	–	–	–	–	**20**	–	**20**
Adjustment in respect of employee share schemes	–	–	–	–	–	59	**59**	–	**59**
Dividends on ordinary shares	–	–	–	–	–	(1 027)	**(1 027)**	–	**(1 027)**
Equity as at 30 September 2014	**579**	**683**	**–**	**(854)**	**2 710**	**31 783**	**34 901**	**–**	**34 901**

	Called up share capital $m	Share premium account $m	Hedging reserve $m	Translation reserve $m	Other reserves $m	Retained earnings $m	Total $m	Non-con-trolling interest $m	Total $m
Equity as at 31 December 2012	**578**	**619**	**(191)**	**1 927**	**2 710**	**27 248**	**32 891**	**57**	**32 948**
Total comprehensive income for the period	–	–	178	(1 755)	–	3 447	**1 870**	9	**1 879**
Issue of shares	–	24	–	–	–	–	**24**	–	**24**
Purchase of own shares	–	–	–	–	–	(13)	**(13)**	–	**(13)**
Adjustment in respect of employee share schemes	–	–	–	–	–	80	**80**	–	**80**
Disposal of non-controlling interest	–	–	–	–	–	–	**–**	(66)	**(66)**
Dividends on ordinary shares	–	–	–	–	–	(952)	**(952)**	–	**(952)**
Equity as at 30 September 2013	**578**	**643**	**(13)**	**172**	**2 710**	**29 810**	**33 900**	**–**	**33 900**

The notes on pages 22 to 32 form an integral part of these condensed financial statements.

Consolidated Cash Flow Statement

Third Quarter 2014 $m	Third Quarter 2013 $m		Nine Months 2014 $m	Nine Months 2013 $m
		Cash flows from operating activities		
1 986	1 908	Profit before tax[a]	**6 013**	5 736
(50)	(83)	Share of post-tax results from joint ventures and associates	**(176)**	(266)
701	669	Depreciation of property, plant and equipment and amortisation of intangible assets	**2 140**	2 168
(316)	(28)	Fair value movements in commodity based contracts	**(353)**	(123)
(703)	(46)	(Profits) and losses on disposal of non-current assets and impairments[b]	**(836)**	36
85	31	Unsuccessful exploration expenditure written off	**162**	102
(53)	(64)	Decrease in provisions for liabilities and retirement benefit obligations	**(47)**	(98)
187	64	Finance income	**(92)**	(199)
204	(150)	Finance costs	**443**	236
17	18	Share-based payments	**48**	54
(93)	(283)	(Increase)/decrease in working capital	**319**	(104)
1 965	2 036	**Cash generated by operations**	**7 621**	7 542
(727)	(685)	Income taxes paid	**(1 898)**	(1 811)
1 238	1 351	**Net cash inflow from operating activities**	**5 723**	5 731
		Cash flows from investing activities		
64	35	Dividends received	**150**	89
788	172	Proceeds from disposal of property, plant and equipment, intangible assets and investments	**844**	664
(1 946)	(2 703)	Purchase of property, plant and equipment and intangible assets	**(6 318)**	(7 620)
8	20	Repayments from joint ventures and associates	**37**	67
(296)	(89)	Interests in subsidiaries, joint ventures and associates and other investments	**(683)**	(412)
27	27	Other loan repayments	**83**	81
(1 355)	(2 538)	**Net cash outflow from investing activities**	**(5 887)**	(7 131)
		Cash flows from financing activities		
(24)	(32)	Net interest paid	**(275)**	(270)
(477)	(444)	Dividends paid	**(1 020)**	(918)
(55)	140	Net proceeds from issue and repayment of borrowings	**(489)**	1 260
8	5	Issue of shares	**20**	24
–	–	Movements in own shares	**–**	(13)
(548)	(331)	**Net cash (outflow)/inflow from financing activities**	**(1 764)**	83
(665)	(1 518)	**Net decrease in cash and cash equivalents[c]**	**(1 928)**	(1 317)
4 968	4 705	Cash and cash equivalents at beginning of period	**6 208**	4 520
(36)	6	Effect of foreign exchange rate changes	**(13)**	(10)
4 267	3 193	**Cash and cash equivalents at end of period**	**4 267**	3 193

The cash flows above are inclusive of discontinued operations (see note 6 page 29).

a) Includes profit before tax from discontinued operations for the quarter of $nil (2013 $6 million loss) and for the nine months of $9 million (2013 $270 million).

b) Includes profit on disposal of non-current assets and impairments of discontinued operations for the quarter of $nil (2013 $nil) and for the nine months of $nil (2013 $241 million).

c) Cash and cash equivalents comprise cash and short-term liquid investments that are readily convertible to cash.

The notes on pages 22 to 32 form an integral part of these condensed financial statements.

Notes

1. Basis of preparation

These results which are unaudited and approved by the Board on 27 October 2014, are the condensed financial statements ('the financial statements') of BG Group plc for the quarter ended and the nine months ended 30 September 2014. 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 2013 which have been prepared in accordance with IFRS as adopted by the EU. The latest statutory accounts delivered to the registrar were for the year ended 31 December 2013 which were audited by Ernst & Young 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 IAS 34 'Interim Financial Reporting' as adopted by the EU and the accounting policies, methods of computation and presentation as set out in the Annual Report and Accounts 2013, 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.

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 of disposal 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 23), 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 IFRS 11 'Joint Arrangements' in May 2011. The standard aims to provide a more substance-based reflection of joint arrangements in the financial statements by focusing on the rights and obligations of the arrangement rather than the legal form. The standard has been adopted by the Group for the year ended 31 December 2014 and has not had a material impact on the Group's financial statements.

A number of amendments to accounting standards issued by the IASB are applicable from 1 January 2014. They have not had a material impact on the Group's financial statements for the period ended 30 September 2014.

Changes in functional currency

Following a period of sustained growth and increased production performance, the cash flows and economic returns of the Group's Brazil upstream operations are now principally denominated in US dollars. From 1 January 2014, the functional currency of these operations changed from Brazilian real to US dollar in accordance with IAS 21.

2. Disposals, re-measurements and impairments

Third Quarter 2014 $m	Third Quarter 2013 $m		Nine Months 2014 $m	Nine Months 2013 $m
391	48	Revenue and other operating income	**386**	208
–	–	Operating costs	**(79)**	–
		Profits and losses on disposal of non-current assets and impairments:		
749	130	Disposals of non-current assets	**962**	36
(44)	(75)	Impairments	**(84)**	(303)
(2)	(9)	Other	**(42)**	(10)
703	46		**836**	(277)
(348)	142	Net finance (costs)/income – re-measurements of financial instruments	**(250)**	64
5	(76)	Taxation	**(34)**	37
751	160	Impact on earnings – continuing operations	**859**	32

Third quarter and nine months: Revenue and other operating income

Re-measurements included within revenue and other operating income amount to a credit of $391 million for the quarter (2013 $48 million), of which a credit of $70 million (2013 $28 million) represents non-cash mark-to-market movements on certain gas contracts. For the nine months, a credit of $386 million in respect of re-measurements is included within revenue and other operating income (2013 $208 million), of which a credit of $170 million represents non-cash mark-to-market movements on certain gas contracts (2013 $69 million). 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 net $216 million credit for the quarter (2013 $20 million) and a net $111 million credit for the nine months (2013 $139 million) representing unrealised mark-to-market movements associated with economic hedges, including a credit of $213 million in the quarter and $99 million in the nine months associated with Brent oil swaps partially hedging the Group's exposure to commodity prices in 2014. Other operating income in 2014 for the quarter and nine months also includes a $105 million credit in respect of final settlement of a legacy treaty dispute relating to investments formerly held by the Group.

Third quarter and nine months: Operating costs

Operating costs in 2014 include a $79 million pre-tax charge (post-tax $65 million) in the nine months relating to exceptional restructuring costs in the UK, Egypt and Australia.

Third quarter and nine months: Disposals of non-current assets

In 2014, the third quarter included a pre and post-tax gain of $771 million in respect of the disposal of the Central Area Transmission System (CATS) gas pipeline in the UK and a pre and post-tax charge of $22 million as a result of the relinquishment of an exploration licence in Australia. The second quarter of 2014 included a pre-tax gain of $216 million (post-tax $170 million) in respect of the sale of six LNG vessels, which were previously held as finance leases and have subsequently been leased back under operating leases, and a pre-tax charge of $3 million (post-tax $2 million) as a result of land relinquishments in the USA.

In 2013, the third quarter included a pre-tax profit of $140 million (post-tax $111 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 $10 million (post-tax $8 million) as a result of land relinquishments in the USA. The second quarter of 2013 included a pre-tax charge of $116 million (post-tax $75 million) as a result of land relinquishments in the USA.

Other disposals in 2014 resulted in a pre-tax result to the income statement of $nil (2013 $nil) in the third quarter (post-tax $nil, 2013 $nil) and a pre-tax result of $nil (2013 $22 million gain) in the nine months (post-tax $nil, 2013 $22 million gain).

2. Disposals, re-measurements and impairments continued

Third quarter and nine months: Impairments

In 2014, the third quarter and nine months included a pre-tax charge of $44 million (post-tax $27 million) and a pre-tax charge of $84 million (post-tax $11 million gain) respectively following the impairment of certain E&P assets.

In 2013, the third quarter and nine months included a pre-tax charge of $75 million (post-tax $40 million) and a pre-tax charge of $303 million (post-tax $148 million) respectively following the impairment of certain E&P assets.

Third quarter and nine months: Other

Other items in 2014 resulted in a pre-tax charge of $2 million (2013 $9 million) in the third quarter (post-tax $3 million, 2013 $3 million) and a pre-tax charge of $42 million (2013 $10 million) in the nine months (post-tax $37 million; 2013 $7 million).

Third quarter and nine months: Net finance income/(costs)

Re-measurements presented in net finance costs includes mark-to-market movements on certain derivatives used to hedge foreign exchange and interest rate risk and foreign exchange movements on borrowings and certain intercompany balances. In addition, re-measurements include a charge of $34 million in the third quarter and a charge of $3 million in the nine months primarily associated with derivatives partially hedging the Group's Australian dollar foreign exchange exposure in its 2014 capex programme that do not qualify for hedge accounting under IAS 39.

3. Segmental analysis

Profit for the period
Analysed by operating segment

	Business Performance		Disposals, re-measurements and impairments		Total Result	
Third Quarter	**2014 $m**	2013 $m	**2014 $m**	2013 $m	**2014 $m**	2013 $m
Group revenue[a]						
Upstream	**2 912**	2 780	**–**	–	**2 912**	2 780
LNG Shipping & Marketing	**1 798**	1 789	**–**	–	**1 798**	1 789
Other activities	**2**	1	**–**	–	**2**	1
Less: intra-group sales	**(122)**	(144)	**–**	–	**(122)**	(144)
Group revenue	**4 590**	4 426	**–**	–	**4 590**	4 426
Other operating income[b]	**(9)**	(29)	**391**	48	**382**	19
Group revenue and other operating income	**4 581**	4 397	**391**	48	**4 972**	4 445
Operating profit/(loss) before share of results from joint ventures and associates						
Upstream	**675**	1 062	**923**	(66)	**1 598**	996
LNG Shipping & Marketing	**575**	595	**66**	160	**641**	755
Other activities	**(17)**	(6)	**105**	–	**88**	(6)
	1 233	1 651	**1 094**	94	**2 327**	1 745
Share of pre-tax operating results from joint ventures and associates						
Upstream	**71**	107	**–**	–	**71**	107
LNG Shipping & Marketing	**1**	7	**–**	–	**1**	7
Other activities	**7**	8	**–**	–	**7**	8
	79	122	**–**	–	**79**	122
Total operating profit/(loss)						
Upstream	**746**	1 169	**923**	(66)	**1 669**	1 103
LNG Shipping & Marketing	**576**	602	**66**	160	**642**	762
Other activities	**(10)**	2	**105**	–	**95**	2
	1 312	1 773	**1 094**	94	**2 406**	1 867
Net finance (costs)/income						
Finance income	**20**	5	**(207)**	(69)	**(187)**	(64)
Finance costs	**(63)**	(62)	**(141)**	211	**(204)**	149
Share of joint ventures and associates	**(4)**	(6)	**–**	–	**(4)**	(6)
	(47)	(63)	**(348)**	142	**(395)**	79
Taxation						
Taxation	**(481)**	(608)	**5**	(76)	**(476)**	(684)
Share of joint ventures and associates	**(25)**	(32)	**–**	–	**(25)**	(32)
	(506)	(640)	**5**	(76)	**(501)**	(716)
Profit/(loss) for the period from continuing operations attributable to Shareholders (earnings)	**759**	1 070	**751**	160	**1 510**	1 230

a) External sales are attributable to segments as follows: Upstream $2 792 million (2013 $2 636 million), LNG Shipping & Marketing $1 796 million (2013 $1 789 million) and Other $2 million (2013 $1 million). Intra-group sales are attributable to segments as follows: Upstream $120 million (2013 $144 million) and LNG Shipping & Marketing $2 million (2013 $nil).

b) Business Performance Other operating income is attributable to segments as follows: Upstream $(30) million (2013 $3 million), LNG Shipping & Marketing $21 million (2013 $(33) million) and Other $nil (2013 $1 million).

3. Segmental analysis continued

Nine Months	Business Performance 2014 $m	Business Performance 2013 $m	Disposals, re-measurements and impairments 2014 $m	Disposals, re-measurements and impairments 2013 $m	Total Result 2014 $m	Total Result 2013 $m
Group revenue[a]						
Upstream	**9 333**	8 762	**–**	–	**9 333**	8 762
LNG Shipping & Marketing	**6 146**	5 555	**–**	–	**6 146**	5 555
Other activities	**6**	3	**–**	–	**6**	3
Less: intra-group sales	**(402)**	(578)	**–**	–	**(402)**	(578)
Group revenue	**15 083**	13 742	**–**	–	**15 083**	13 742
Other operating income[b]	**60**	(67)	**386**	208	**446**	141
Group revenue and other operating income	**15 143**	13 675	**386**	208	**15 529**	13 883
Operating profit/(loss) before share of results from joint ventures and associates						
Upstream	**3 061**	3 498	**793**	(363)	**3 854**	3 135
LNG Shipping & Marketing	**2 004**	1 846	**251**	282	**2 255**	2 128
Other activities	**(29)**	(35)	**99**	12	**70**	(23)
	5 036	5 309	**1 143**	(69)	**6 179**	5 240
Share of pre-tax operating results from joint ventures and associates						
Upstream	**241**	353	**–**	–	**241**	353
LNG Shipping & Marketing	**13**	19	**–**	–	**13**	19
Other activities	**23**	27	**–**	–	**23**	27
	277	399	**–**	–	**277**	399
Total operating profit/(loss)						
Upstream	**3 302**	3 851	**793**	(363)	**4 095**	3 488
LNG Shipping & Marketing	**2 017**	1 865	**251**	282	**2 268**	2 147
Other activities	**(6)**	(8)	**99**	12	**93**	4
	5 313	5 708	**1 143**	(69)	**6 456**	5 639
Net finance (costs)/income						
Finance income	**92**	76	**–**	120	**92**	196
Finance costs	**(193)**	(181)	**(250)**	(56)	**(443)**	(237)
Share of joint ventures and associates	**(12)**	(19)	**–**	–	**(12)**	(19)
	(113)	(124)	**(250)**	64	**(363)**	(60)
Taxation						
Taxation	**(1 991)**	(2 232)	**(34)**	37	**(2 025)**	(2 195)
Share of joint ventures and associates	**(89)**	(113)	**–**	–	**(89)**	(113)
	(2 080)	(2 345)	**(34)**	37	**(2 114)**	(2 308)
Profit/(loss) for the period from continuing operations attributable to Shareholders (earnings)	**3 120**	3 239	**859**	32	**3 979**	3 271

a) External sales are attributable to segments as follows: Upstream $8 934 million (2013 $8 199 million), LNG Shipping & Marketing $6 143 million (2013 $5 540 million) and Other $6 million (2013 $3 million). Intra-group sales are attributable to segments as follows: Upstream $399 million (2013 $563 million) and LNG Shipping & Marketing $3 million (2013 $15 million).

b) Business Performance Other operating income is attributable to segments as follows: Upstream $(30) million (2013 $9 million) and LNG Shipping & Marketing $90 million (2013 $(76) million).

3. Segmental analysis continued

Third Quarter	Business Performance 2014 $m	Business Performance 2013 $m	Disposals, re-measurements and impairments 2014 $m	Disposals, re-measurements and impairments 2013 $m	Total Result 2014 $m	Total Result 2013 $m
Total operating profit/(loss)						
Upstream	**746**	1 169	**923**	(66)	**1 669**	1 103
LNG Shipping & Marketing	**576**	602	**66**	160	**642**	762
Other activities	**(10)**	2	**105**	–	**95**	2
	1 312	1 773	**1 094**	94	**2 406**	1 867
Less: Share of pre-tax operating results from joint ventures and associates					**(79)**	(122)
Add: Share of post-tax results from joint ventures and associates					**50**	84
Net finance costs					**(391)**	85
Profit before tax					**1 986**	1 914
Taxation					**(476)**	(684)
Profit for the period from continuing operations attributable to Shareholders (earnings)					**1 510**	1 230

Nine Months	Business Performance 2014 $m	Business Performance 2013 $m	Disposals, re-measurements and impairments 2014 $m	Disposals, re-measurements and impairments 2013 $m	Total Result 2014 $m	Total Result 2013 $m
Total operating profit/(loss)						
Upstream	**3 302**	3 851	**793**	(363)	**4 095**	3 488
LNG Shipping & Marketing	**2 017**	1 865	**251**	282	**2 268**	2 147
Other activities	**(6)**	(8)	**99**	12	**93**	4
	5 313	5 708	**1 143**	(69)	**6 456**	5 639
Less: Share of pre-tax operating results from joint ventures and associates					**(277)**	(399)
Add: Share of post-tax results from joint ventures and associates					**176**	267
Net finance costs					**(351)**	(41)
Profit before tax					**6 004**	5 466
Taxation					**(2 025)**	(2 195)
Profit for the period from continuing operations attributable to Shareholders (earnings)					**3 979**	3 271

4. Net finance income/(costs)

Third Quarter 2014 $m	Third Quarter 2013 $m		Nine Months 2014 $m	Nine Months 2013 $m
(135)	(131)	Interest payable[(a)]	**(400)**	(398)
(20)	(28)	Interest on obligations under finance leases	**(69)**	(81)
132	126	Interest capitalised	**390**	388
(40)	(29)	Unwinding of discount on provisions[(b)]	**(114)**	(90)
(141)	211	Disposals, re-measurements and impairments[(c)]	**(250)**	(56)
(204)	149	Finance costs	**(443)**	(237)
20	5	Interest receivable[(a)]	**92**	76
(207)	(69)	Disposals, re-measurements and impairments[(c)]	**–**	120
(187)	(64)	Finance income	**92**	196
(391)	85	Net finance (costs)/income[(d)]	**(351)**	(41)

a) In 2014, net interest payable includes foreign exchange losses of $5 million for the quarter (2013 $24 million losses) and foreign exchange gains of $16 million for the nine months (2013 $1 million losses).

b) 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.

c) Net finance income/(costs) in disposals, re-measurements and impairments for the quarter of $(348) million (2013 $142 million) and for the nine months of $(250) million (2013 $64 million) is included in note 2 (page 23) and principally reflects mark-to-market movements on certain derivatives used to hedge foreign exchange and interest rate risk and foreign exchange movements on borrowings and certain intercompany balances.

d) Excludes Group share of net finance costs from joint ventures and associates for the quarter of $4 million (2013 $6 million) and for the nine months of $12 million (2013 $19 million).

5. Taxation

The tax charge for the third quarter was as follows:

	Business Performance		Disposals, re-measurements and impairments		Total Result	
Third Quarter	**2014 $m**	2013 $m	**2014 $m**	2013 $m	**2014 $m**	2013 $m
Tax charge/(credit) for the period excluding share of taxation from joint ventures and associates	**481**	608	**(5)**	76	**476**	684
Share of taxation from joint ventures and associates	**25**	32	**–**	–	**25**	32
Total including share of taxation from joint ventures and associates	**506**	640	**(5)**	76	**501**	716

The tax charge for the nine months was as follows:

	Business Performance		Disposals, re-measurements and impairments		Total Result	
Nine Months	**2014 $m**	2013 $m	**2014 $m**	2013 $m	**2014 $m**	2013 $m
Tax charge/(credit) for the period excluding share of taxation from joint ventures and associates	**1 991**	2 232	**34**	(37)	**2 025**	2 195
Share of taxation from joint ventures and associates	**89**	113	**–**	–	**89**	113
Total including share of taxation from joint ventures and associates	**2 080**	2 345	**34**	(37)	**2 114**	2 308

Business Performance taxation for the nine months, including share of taxation from joint ventures and associates, was $2 080 million (2013 $2 345 million). The effective tax rate of 40% is based on the best estimate of the weighted average annual income tax rate expected for the full year (2013 42%).

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 $1 million loss (2013 $11 million loss) and for the nine months was a $7 million profit (2013 $258 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.

7. Earnings per ordinary share – continuing operations

Third Quarter					Nine Months			
2014		2013			**2014**		2013	
$m	**cents per share**	$m	cents per share		**$m**	**cents per share**	$m	cents per share
759	**22.3**	1 070	31.5	Earnings – continuing operations excluding disposals, re-measurements and impairments	**3 120**	**91.6**	3 239	95.2
751	**22.0**	160	4.7	Disposals, re-measurements and impairments (after tax)	**859**	**25.2**	32	1.0
1 510	**44.3**	1 230	36.2	Earnings – continuing operations	**3 979**	**116.8**	3 271	96.2

Basic earnings per share calculations in 2014 are based on the weighted average number of shares in issue of 3 409 million for the quarter and 3 408 million for the nine months.

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 3 425 million for the quarter and 3 423 million for the nine months, 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] – Nine Months

	$m
Net borrowings as at 31 December 2013	**(10 610)**
Net decrease in cash and cash equivalents	**(1 928)**
Cash outflow from changes in borrowings	**489**
Inception of finance lease liabilities	**(247)**
Disposal of finance lease liabilities	**923**
Foreign exchange and other re-measurements	**275**
Net borrowings as at 30 September 2014	**(11 098)**

As at 30 September 2014, 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 36.

Net borrowings comprise:

	As at 30 Sep 2014 $m	As at 31 Dec 2013 $m
Amounts receivable/(due) within one year		
Cash and cash equivalents	**4 267**	6 208
Trade and other receivables[a]	**39**	38
Borrowings	**(60)**	(475)
Commodity contracts and other derivative financial instruments	**(19)**	(11)
	4 227	5 760
Amounts receivable/(due) after more than one year		
Borrowings	**(15 898)**	(17 054)
Trade and other receivables[a]	**133**	134
Commodity contracts and other derivative financial instruments	**440**	550
	(15 325)	(16 370)
Net borrowings	**(11 098)**	(10 610)

a) Finance lease receivable of $172 million (2013 $172 million) included within current and non-current trade and other receivables on the balance sheet.

Liquidity and Capital Resources – as at 30 September 2014

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. In addition, BGEH had an undrawn £250 million committed revolving bank borrowing facility which expires in 2015 and a further credit facility provided by an export credit agency, of which $1.7 billion was undrawn.

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

	Nine Months			
	2014		2013	
	$m	**cents per share**	$m	cents per share
Prior year final dividend, paid in the period	**547**	**15.68**	478	14.26
Interim dividend, paid in the period	**480**	**14.38**	448	13.07
Total dividend paid in the period	**1 027**	**30.06**	926	27.33

The final dividend of 15.68 cents per ordinary share ($547 million) in respect of the year ended 31 December 2013 was paid on 30 May 2014 to shareholders on the register at the close of business on 25 April 2014. The interim dividend of 14.38 cents per ordinary share ($480 million) in respect of the year ending 31 December 2014 was paid on 12 September 2014 to shareholders on the register as at 15 August 2014.

10. Quarterly information: earnings and earnings per share

	2014 **$m**	2013 $m	**2014 cents per share**	2013 cents per share
First quarter				
Total Result – continuing operations	**1 102**	1 208	**32.4**	35.5
Total Result – discontinued operations	**8**	(1)	**0.2**	–
Business Performance	**1 152**	1 183	**33.8**	34.8
Second quarter				
Total Result – continuing operations	**1 367**	833	**40.1**	24.5
Total Result – discontinued operations	**–**	261	**–**	7.7
Business Performance	**1 209**	986	**35.5**	29.0
Third quarter				
Total Result – continuing operations	**1 510**	1 230	**44.3**	36.2
Total Result – discontinued operations	**(1)**	(11)	**–**	(0.3)
Business Performance	**759**	1 070	**22.3**	31.5
Fourth quarter				
Total Result – continuing operations		(1 066)		(31.3)
Total Result – discontinued operations		(13)		(0.4)
Business Performance		1 135		33.3
Full year				
Total Result – continuing operations		2 205		64.8
Total Result – discontinued operations		236		6.9
Business Performance		4 374		128.6

11. Commitments and contingencies

Details of the Group's commitments and contingent liabilities as at 31 December 2013 can be found in note 22, page 125 of the Annual Report and Accounts 2013. The Group's capital expenditure commitments have decreased by approximately $1.1 billion in the nine month period to 30 September 2014, primarily reflecting progress on the Group's major growth projects. The Group's contingent liabilities have increased by approximately $1.4 billion in respect of warranties to third parties. In its 2014 Annual Report and Accounts the Group intends to amend the lease commitment disclosure for 'Vessels and other' and 'FPSOs' to appropriately: exclude certain operating and maintenance costs; reflect a minimum lease term of 15 years rather than 20 years for certain FPSOs; and remove four FPSO leases from the disclosure for which commitments had not been finalised. The impact of excluding these amounts on the 2013 lease payments disclosure is to reduce operating lease commitments for 'Vessels and other' from $6.1 billion to $4.4 billion and to reduce operating lease commitments for FPSOs from $13.0 billion to $4.4 billion.

12. Related party transactions

The Group provides goods and services to, and receives goods and services from, its joint ventures and associates. In addition, the Group provides financing to some of these parties by way of loans. Details of related party transactions for the year ended 31 December 2013 can be found in note 23, page 127 of the Annual Report and Accounts 2013. There have been no material changes in these relationships in the nine month period to 30 September 2014.

No related party transactions have taken place in the first nine months of the current financial year that have materially affected the financial position or the performance of the Group during that period.

Supplementary information: Operating and financial data

Third Quarter 2014	Third Quarter 2013	Second Quarter 2014		Nine Months 2014	Nine Months 2013
			Gross exploration expenditure ($m)		
153	514	228	Capitalised expenditure (including acquisitions)	**562**	1 015
150	72	97	Other expenditure	**351**	240
303	586	325	Total	**913**	1 255
			Gross exploration expenditure by country ($m)		
58	85	63	Australia	**171**	181
(13)	288	17	Brazil[(a)]	**50**	409
19	–	17	Colombia	**36**	–
9	41	15	Egypt	**53**	130
6	1	1	Kenya	**58**	7
100	108	105	Tanzania	**233**	292
54	4	65	Trinidad and Tobago	**121**	9
14	18	11	UK	**39**	77
3	2	9	Uruguay	**42**	39
53	39	22	Other	**110**	111
303	586	325	Total	**913**	1 255
			Exploration expenditure charge ($m)		
85	31	20	Capitalised expenditure written off	**162**	102
150	72	97	Other expenditure	**351**	240
235	103	117	Total	**513**	342

a) Gross exploration in Brazil for the third quarter of 2014 is presented net of a $41 million credit capitalised as a result of the extended well test on Iara.

Supplementary information: Operating and financial data continued

Third Quarter 2014	Third Quarter 2013	Second Quarter 2014		Nine Months 2014	Nine Months 2013
			Capital investment ($m)		
889	1 428	1 007	Australia	**2 970**	4 155
592	608	690	Brazil	**1 716**	1 661
108	184	81	Egypt	**313**	448
53	37	43	Kazakhstan	**148**	107
119	83	117	Norway	**344**	167
82	97	75	Tanzania	**208**	266
45	30	36	Thailand	**121**	83
91	35	121	Trinidad and Tobago	**267**	97
121	145	127	UK	**398**	546
39	21	29	USA	**99**	88
103	119	149	Other	**404**	387
2 242	2 787	2 475	Upstream	**6 988**	8 005
–	5	1	LNG Shipping & Marketing	**8**	16
–	–	–	Other	**5**	1
–	–	–	Discontinued operations	**–**	10
2 242	2 792	2 476	Capital investment on a cash basis ($m)	**7 001**	8 032
604	532	(52)	Other items[a]	**426**	1 145
2 846	3 324	2 424	**Total capital investment ($m)**	**7 427**	9 177
2 845	3 315	2 424	Upstream[b]	**7 417**	9 145
1	8	–	LNG Shipping & Marketing	**6**	20
–	1	–	Other	**4**	2
–	–	–	Discontinued operations	**–**	10
2 846	3 324	2 424	**Total capital investment ($m)**	**7 427**	9 177

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

b) Includes E&P development expenditure of $2 161 million for the quarter (third quarter 2013 $2 234 million; second quarter 2014 $1 720 million) and $5 381 million for the nine months (2013 $6 215 million).

Supplementary information: Operating and financial data continued

Third Quarter 2014	Third Quarter 2013	Second Quarter 2014		Nine Months 2014	Nine Months 2013
			Depreciation and amortisation by segment ($m)		
668	628	652	Upstream	**2 028**	2 047
32	39	37	LNG Shipping & Marketing	**109**	118
1	1	1	Other	**3**	2
701	668	690	Total	**2 140**	2 167
			LNG cargo deliveries by country		
6	2	5	China	**14**	4
2	–	–	India	**2**	3
11	12	12	Japan	**30**	42
3	–	1	Malaysia	**4**	–
8	5	7	Singapore	**22**	8
2	6	4	South Korea	**14**	22
1	5	2	Taiwan	**4**	9
–	2	1	Thailand	**1**	2
33	32	32	**Asia**	**91**	90
1	–	–	France	**1**	–
–	–	–	Mexico	**1**	1
–	–	–	Portugal	**–**	1
–	1	1	UAE	**1**	1
1	–	–	UK	**2**	1
2	1	1	**Europe & Other**	**5**	4
–	1	2	USA	**3**	6
–	1	2	**North America**	**3**	6
1	1	–	Argentina	**1**	1
–	–	3	Brazil	**5**	1
8	9	12	Chile	**29**	30
9	10	15	**South America**	**35**	32
44	44	50	Total	**134**	132
2 705	2 683	3 102	**LNG delivered volumes (thousand tonnes)**	**8 254**	8 062

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

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
BSR	Buoyancy supported riser
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
EBITDA	Earnings before interest, tax, depreciation and amortisation
E&P	Exploration and Production
E&P EBITDA margin	E&P EBITDA before exploration charge divided by production volumes for the period
E&P operating profit margin	E&P operating profit before exploration charge divided by production volumes for the period
DD&A	depreciation, depletion and amortisation
FPSO	Floating Production Storage and Offloading system
Free cash flow	net cash flow from operating activities, less net interest paid and capital investment on a cash basis, plus dividends from joint ventures and associates and loan repayments
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 Standard
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 debt / 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
tcf	trillion cubic feet
Total operating profit	Operating profit plus share of pre-tax operating results of joint ventures and associates
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:

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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:

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

Financial Calendar

Specially convened general meeting	15 December 2014
Announcement of 2014 fourth quarter and full year results	3 February 2015
Announcement of 2015 first quarter results	8 May 2015

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

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