

BP PLC  
Form 6-K  
October 01, 2012

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 6-K

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934

for the period ended 01 October, 2012

BP p.l.c.  
(Translation of registrant's name into English)

1 ST JAMES'S SQUARE, LONDON, SW1Y 4PD, ENGLAND  
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual  
reports under cover Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark whether the registrant by furnishing the information  
contained in this Form is also thereby furnishing the information to the  
Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of  
1934.

Yes  No

Exhibit 1.1	Director/PDMR Shareholding dated 10 September 2012
Exhibit 1.2	Transaction in Own Shares dated 10 September 2012
Exhibit 1.3	Q2 2012 Payments of Dividend in Sterling dated 11 September 2012
Exhibit 1.4	Transaction in Own Shares dated 13 September 2012
Exhibit 1.5	Transaction in Own Shares dated 17 September 2012
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Exhibit 1.1

BP plc- Director/PDMR Shareholding  
BP plc- 10 September 2012

BP p.l.c.

Notification of transactions of persons discharging managerial responsibility or connected persons  
BP p.l.c. was advised on 10 September 2012 by Computershare Plan Managers that on 10 September 2012 the following Directors and senior executives (all persons discharging managerial responsibilities in BP p.l.c.) acquired in London the number of BP ordinary shares (ISIN number GB0007980591) shown opposite their names below at £4.347 per share through participation in the BP ShareMatch UK Plan :-

Director

Mr I.C. Conn	73 shares
Mr B. Gilvary	73 shares

Other Persons Discharging Managerial Responsibilities

Mr R. Bondy	73 shares
Mr B. Looney	73 shares
Mr D. Sanyal	70 shares

This notice is given in fulfilment of the obligation under DTR3.1.4(1)(a)R.

Exhibit 1.2

BP plc- Transaction in Own Shares  
BP plc- 10 September 2012

BP p.l.c.  
Transaction in own shares

BP p.l.c. announces that on 10 September 2012 it transferred the following number of ordinary shares, which were previously held as treasury shares, to participants in its employee share schemes:

Date of transfer:	10 September 2012
Number of ordinary shares transferred:	69,732
Highest transfer price per share:	£4.55
Lowest transfer price per share:	£3.68

Following the above transfer, BP p.l.c. holds 1,830,517,612 ordinary shares in treasury, and has 19,036,352,645 ordinary shares in issue (excluding treasury shares).

This announcement is made in accordance with the requirements of Listing Rule 12.6.4.

Exhibit 1.3

BP plc- Q2 2012 Payments of Dividend in Sterling  
BP plc- 11 September 2012

BP p.l.c.  
Second quarter interim dividend for 2012  
Payments of dividends in sterling

On 31 July 2012, the Directors of BP p.l.c. announced that the interim dividend for the second quarter 2012 would be US\$0.08 per ordinary share (US\$0.48 per ADS). This interim dividend is to be paid on 25 September 2012 to shareholders on the share register on 10 August 2012. The dividend is payable in cash in sterling to holders of ordinary shares and in US dollars to holders of ADSs. A scrip dividend alternative has been made available for this dividend allowing shareholders to elect to receive their dividend in the form of new ordinary shares and ADS holders in the form of new ADSs.

Sterling dividends payable in cash will be converted from US dollars at an average of the market exchange rate over the four dealing days from 5 September 2012 to 10 September 2012 (£1 = US\$ 1.59455). Accordingly, the amount of sterling dividend payable in cash on 25 September 2012 will be:

5.0171  
pence per share.

Details of the first quarter dividend and timetable are available at [www.bp.com/dividends](http://www.bp.com/dividends) and details of the Scrip Dividend Programme are available at [www.bp.com/scrip](http://www.bp.com/scrip).

Jens Bertelsen

Deputy Company Secretary

Exhibit 1.4

BP plc- Transaction in Own Shares  
BP plc- 13 September 2012

BP p.l.c.  
Transaction in own shares

BP p.l.c. announces that on 13 September 2012 it transferred the following number of ordinary shares, which were previously held as treasury shares, to participants in its employee share schemes:

Date of transfer:	13 September 2012
Number of ordinary shares transferred:	695,474
Highest transfer price per share:	£4.347
Lowest transfer price per share:	£4.20

Following the above transfer, BP p.l.c. holds 1,829,822,138 ordinary shares in treasury, and has 19,037,195,419 ordinary shares in issue (excluding treasury shares).

This announcement is made in accordance with the requirements of Listing Rule 12.6.4.

Exhibit 1.5

BP plc- Transaction in Own Shares  
BP plc- 17 September 2012

BP p.l.c.  
Transaction in own shares

BP p.l.c. announces that on 17 September 2012 it transferred the following number of ordinary shares, which were previously held as treasury shares, to participants in its employee share schemes:

Date of transfer:	17 September 2012
Number of ordinary shares transferred:	36,381
Highest transfer price per share:	£4.20
Lowest transfer price per share:	£3.68

Following the above transfer, BP p.l.c. holds 1,829,785,757 ordinary shares in treasury, and has 19,037,550,700 ordinary shares in issue (excluding treasury shares).

This announcement is made in accordance with the requirements of Listing Rule 12.6.4.

Exhibit 1.6

BP plc- Transaction in Own Shares  
BP plc- 20 September 2012

BP p.l.c.  
Transaction in own shares

BP p.l.c. announces that on 20 September 2012 it transferred the following number of ordinary shares, which were previously held as treasury shares, to participants in its employee share schemes:

Date of transfer:	20 September 2012
Number of ordinary shares transferred:	20,923
Highest transfer price per share:	£4.20
Lowest transfer price per share:	£4.55

Following the above transfer, BP p.l.c. holds 1,829,764,834 ordinary shares in treasury, and has 19,038,064,583 ordinary shares in issue (excluding treasury shares).

This announcement is made in accordance with the requirements of Listing Rule 12.6.4.

Exhibit 1.7

BP plc- Transaction in Own Shares  
BP plc- 24 September 2012

BP p.l.c.  
Transaction in own shares

BP p.l.c. announces that on 24 September 2012 it transferred the following number of ordinary shares, which were previously held as treasury shares, to participants in its employee share schemes:

Date of transfer:	24 September 2012
Number of ordinary shares transferred:	17,378
Highest transfer price per share:	£4.55
Lowest transfer price per share:	£4.20

Following the above transfer, BP p.l.c. holds 1,829,747,456 ordinary shares in treasury, and has 19,038,240,649 ordinary shares in issue (excluding treasury shares).

This announcement is made in accordance with the requirements of Listing Rule 12.6.4.

Exhibit 1.8

BP plc- Director/PDMR Shareholding  
BP plc- 26 September 2012

BP p.l.c.

Notification of transactions of persons discharging managerial responsibility or connected persons

On 25 September 2012 BP p.l.c. was advised by Equiniti that on 25 September 2012 the following individuals acquired the number of BP ordinary shares (ISIN number GB0007980591) shown opposite their name at a Reference share price of \$7.035 per share, through the BP Scrip Dividend Programme.

	Ordinary Shares
Dr M.C Daly Senior executive (a person discharging managerial responsibility)	69
Mr B. Looney Senior executive (a person discharging managerial responsibility)	227
Mr D Sanyal Senior executive (a person discharging managerial responsibility)	329
Mrs C. F. Shorten Conn Connected person of Mr I. C. Conn, a Director of BP p.l.c.	377

This notice is given in fulfilment of the obligation under DTR3.1.4 (1)(a)R

Exhibit 1.9

BP plc- Director/PDMR Shareholding  
BP plc- 27 September 2012

BP p.l.c.

Notification of transactions of persons discharging managerial responsibility or connected persons

BP p.l.c. was notified on 26 September 2012 by SEB Sweden that on 25 September 2012 Mr Carl-Henric Svanberg, a Director of BP p.l.c., acquired 10,965 BP ordinary shares (ISIN number GB0007980591) at a Reference share price of \$7.035 per share, through the BP Scrip Dividend Programme.

This notice is given in fulfilment of the obligation under DTR3.1.4 (1)(a)R

Exhibit 1.10

BP plc- Transaction in Own Shares  
BP plc- 27 September 2012

BP p.l.c.

Transaction in own shares

BP p.l.c. announces that on 27 September 2012 it transferred the following number of ordinary shares, which were previously held as treasury shares, to participants in its employee share schemes:

Date of transfer:	27 September 2012
Number of ordinary shares transferred:	11,663

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Highest transfer price per share: £4.55  
Lowest transfer price per share: £4.20

Following the above transfer, BP p.l.c. holds 1,829,735,793 ordinary shares in treasury, and has 19,053,373,668 ordinary shares in issue (excluding treasury shares).

This announcement is made in accordance with the requirements of Listing Rule 12.6.4.

Exhibit 1.11

BP plc- Director/PDMR Shareholding  
BP plc- 28 September 2012

BP p.l.c.  
Notification of transactions of persons discharging managerial responsibility or connected persons

BP p.l.c. was advised on 27 September 2012 by Fidelity Stock Plan Services LLC, that on 25 September 2012 the following senior executives (persons discharging managerial responsibility) in BP p.l.c. acquired the number of BP Restricted Share Units shown opposite their name at a Reference share price US\$42.260 per ADS (ISIN number US0556221044), as a result of participation in the Scrip Dividend Programme. 1 ADS is equivalent to 6 ordinary shares.

	Deferred Annual Bonus Plan	Executive Performance Plan	Restricted Share Plan	Long Term Performance Plan
Mr M. Bly	274.482	265.83	225.602	133.521
Mr R. Fryar	227.238	265.83	465.825	N/A
Mr A. Hopwood	265.759	325.262	465.825	N/A
Mr H. L. McKay	513.102	265.83	846.900	N/A

This notice is given in fulfilment of the obligation under DTR3.1.4 (1)(a)R

Exhibit 1.12

BP plc- Transaction in Own Shares  
BP plc- 28 September 2012

BP p.l.c.  
Transaction in own shares

BP p.l.c. announces that on 28 September 2012 it transferred the following number of ordinary shares, which were previously held as treasury shares, to participants in its employee share schemes:

Date of transfer: 28 September 2012

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Number of ordinary shares transferred: 604,982  
Transfer price per share: £4.46

Following the above transfer, BP p.l.c. holds 1,829,130,811 ordinary shares in treasury, and has 19,053,994,550 ordinary shares in issue (excluding treasury shares).

This announcement is made in accordance with the requirements of Listing Rule 12.6.4.

Exhibit 1.13

BP plc- Total Voting Rights  
BP plc- 28 September 2012

BP p.l.c.

Total voting rights and share capital

As at 28 September 2012, the issued share capital of BP p.l.c. comprised 19,053,994,550 ordinary shares (excluding treasury shares) par value US\$0.25 per share, each with one vote; and 12,706,252 preference shares par value £1 per share with two votes for every £5 in nominal capital held.

The number of ordinary shares which have been bought back and are held in treasury by BP p.l.c. is 1,829,130,811. These treasury shares are not taken into consideration in relation to the payment of dividends and voting at shareholder meetings.

The total number of voting rights in BP p.l.c. is 19,059,077,050. This information may be used by shareholders for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, BP p.l.c. under the FSA's Disclosure and Transparency Rules.

This announcement is made in accordance with the requirements of Disclosure and Transparency Rule 5.6.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BP p.l.c.  
(Registrant)

Dated: 01 October 2012

/s/ J. BERTELSEN  
.....  
J. BERTELSEN  
Deputy Company Secretary

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our ability to sustain, manage and forecast our costs and proper inventory levels;

the loss of any significant customers, decreased demand by industry retailers and the cancellation of order commitments;

our ability to continue to manufacture and ship our products that are sourced in China and Vietnam, which could be adversely affected by various economic, political or trade conditions, or a natural disaster in China or Vietnam;

our ability to predict our revenues, which have varied significantly in the past and can be expected to fluctuate in the future due to a number of reasons, many of which are beyond our control;

sales levels during the spring, back-to-school and holiday selling seasons; and

other factors referenced or incorporated by reference in our annual report on Form 10-K for the year ended December 31, 2017 under the captions “Item 1A: Risk Factors” and “Item 7: Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

The risks included here are not exhaustive. Other sections of this report may include additional factors that could adversely impact our business, financial condition and results of operations. Moreover, we operate in a very competitive and rapidly changing environment, and new risk factors emerge from time to time. We cannot predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statements. Given these inherent and changing risks and uncertainties, investors should not place undue reliance on forward-looking statements, which reflect our opinions only as of the date of this quarterly report, as a prediction of actual results. We undertake no obligation to publicly release any revisions to the forward-looking statements after the date of this document, except as otherwise required by reporting requirements of applicable federal and states securities laws.

## FINANCIAL OVERVIEW

Our net sales for the three months ended June 30, 2018 were \$1.135 billion, an increase of \$108.9 million, or 10.6%, as compared to net sales of \$1.026 billion for the three months ended June 30, 2017. This increase was primarily attributable to increased sales from our international wholesale and retail businesses, and was partially offset by a decrease in our domestic wholesale segment. Gross margins increased to 49.4% for the three months ended June 30, 2018 from 47.6% for the same period in the prior year primarily due to higher proportion of international wholesale sales. Net earnings attributable to Skechers U.S.A., Inc. were \$45.3 million for the three months ended June 30, 2018, a decrease of \$14.2 million, or 23.9%, compared to net earnings of \$59.5 million in the prior-year period. Diluted net earnings per share attributable to Skechers U.S.A., Inc. for the three months ended June 30, 2018

were \$0.29, which reflected a 23.7% decrease from the \$0.38 diluted net earnings per share reported in the same prior-year period. The decrease in net earnings and diluted net earnings per share attributable to Skechers U.S.A., Inc. for the three months ended June 30, 2018 was due to increased selling expenses of \$14.0 million, increased general and administrative expenses of \$65.6 million, of which \$29.4 million related directly to support our growth in China, and a higher effective tax rate all of which were partially offset by increased net sales and higher gross margins. The results of operations for the three months ended June 30, 2018 are not necessarily indicative of the results to be expected for the entire fiscal year ending December 31, 2018.

We have three reportable segments – domestic wholesale sales, international wholesale sales, and retail sales, which includes e-commerce sales. We evaluate segment performance based primarily on net sales and gross margins.

Revenue by segment as a percentage of net sales was as follows:

	Three Months Ended June 30,	
	2018	2017
Percentage of revenues by segment:		
Domestic wholesale	28.0 %	33.2 %
International wholesale	41.0 %	34.9 %
Retail	31.0 %	31.9 %
Total	100.0%	100.0%

As of June 30, 2018, we owned and operated 668 stores, which included 459 domestic retail stores and 209 international retail stores. We have established our presence in what we believe to be most of the major domestic retail markets. During the first six months of 2018, we opened one domestic concept store, 13 domestic warehouse stores, seven international concept stores, and six international outlet stores. In addition, we closed four domestic concept stores. We review all of our stores for impairment annually, or more frequently if events occur that may be an indicator of impairment, and we carefully review our under-performing stores and consider the potential for non-renewal of leases upon completion of the current term of the applicable lease.

During the remainder of 2018, we intend to focus on: (i) continuing to develop new lifestyle and performance product at affordable prices to increase product count for all customers, (ii) continuing to manage our inventory and expenses to be in line with expected sales levels, (iii) growing our international business, and (iv) strategically expanding our global retail distribution channel by opening another 30 to 35 Company-owned retail stores during the remainder of the year.

## RESULTS OF OPERATIONS

The following table sets forth, for the periods indicated, selected information from our results of operations (in thousands) and as a percentage of net sales:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2018		2017		2018		2017	
Net sales	\$1,134,797	100.0 %	\$1,025,934	100.0 %	\$2,384,875	100.0 %	\$2,098,742	100.0 %
Cost of sales	573,840	50.6	537,613	52.4	1,240,815	52.0	1,133,923	54.0
Gross profit	560,957	49.4	488,321	47.6	1,144,060	48.0	964,819	46.0
Royalty income	5,350	0.5	3,221	0.3	10,872	0.4	7,451	0.3
	566,307	49.9	491,542	47.9	1,154,932	48.4	972,270	46.3
Operating expenses:								
Selling	114,022	10.0	99,950	9.7	198,468	8.3	173,759	8.3
General and administrative	370,927	32.7	305,283	29.8	726,308	30.5	587,779	28.0
	484,949	42.7	405,233	39.5	924,776	38.8	761,538	36.3
Earnings from operations	81,358	7.2	86,309	8.4	230,156	9.7	210,732	10.0
Interest income	2,518	0.2	381	—	3,273	0.1	794	—
Interest expense	(1,464 )	(0.1 )	(1,845 )	(0.2 )	(2,542 )	(0.1 )	(3,334 )	(0.1 )
Other, net	(7,473 )	(0.7 )	2,664	0.3	(4,070 )	(0.2 )	3,359	0.2
Earnings before income tax expense	74,939	6.6	87,509	8.5	226,817	9.5	211,551	10.1
Income tax expense	14,080	1.2	14,109	1.3	28,700	1.2	31,516	1.5
Net earnings	60,859	5.4	73,400	7.2	198,117	8.3	180,035	8.6
Less: Net earnings attributable to non-controlling interests	15,575	1.4	13,865	1.4	35,181	1.5	26,505	1.3
Net earnings attributable to Skechers U.S.A., Inc.	\$45,284	4.0 %	\$59,535	5.8 %	\$162,936	6.8 %	\$153,530	7.3 %

## THREE MONTHS ENDED June 30, 2018 COMPARED TO THREE MONTHS ENDED June 30, 2017

## Net sales

Net sales for the three months ended June 30, 2018 were \$1.135 billion, an increase of \$108.9 million, or 10.6%, as compared to net sales of \$1.026 billion for the three months ended June 30, 2017. The increase in net sales came from our international wholesale and global retail businesses from our Women's and Men's Sport, Men's U.S.A., You by

Skechers, and Cali divisions partially offset by a decrease in our domestic wholesale segment.

Our domestic wholesale net sales decreased \$23.9 million, or 7.0%, to \$317.2 million for the three months ended June 30, 2018 from \$341.1 million for the three months ended June 30, 2017. The decrease in the domestic wholesale segment's net sales was primarily the result of a 3.1% unit sales volume decrease to 15.2 million pairs for the three months ended June 30, 2018 from 15.7 million pairs for the same period in 2017. The decrease in our domestic wholesale segment was also attributable to lower average selling prices, and decreased sales in our Women's and Men's Go and Women's active divisions. The average selling price per pair within the domestic wholesale decreased to \$20.84 per pair for the three months ended June 30, 2018 compared to \$21.72 per pair for the same period last year, which was primarily attributable to a product sales mix with lower average selling prices.

Our international wholesale segment sales increased \$106.7 million, or 29.8%, to \$464.8 million for the three months ended June 30, 2018 compared to sales of \$358.1 million for the three months ended June 30, 2017. Our international wholesale sales consist of direct sales – those we make to department stores and specialty retailers – and sales to our distributors, who in turn sell to retailers in various international regions where we do not sell directly. Direct subsidiary sales increased \$111.9 million, or 40.9%, to \$385.4 million for the three months ended June 30, 2018 compared to net sales of \$273.5 million for the three months ended June 30, 2017. The largest sales increases during the quarter came from several of our European subsidiaries and our joint ventures in China and South Korea, primarily due to increased sales of product from our Women's and Men's Sport, Men's U.S.A., You by Skechers, and Cali divisions. Our distributor sales decreased \$5.2 million to \$79.4 million for the three months ended June 30, 2018, a 6.1% decrease from sales of \$84.6 million for the three months ended June 30, 2017. The decrease was primarily due to decreased sales to our distributors in the United Arab Emirates ("U.A.E."), Australia and New Zealand.

Our retail segment sales increased \$25.9 million to \$352.7 million for the three months ended June 30, 2018, a 7.9% increase over sales of \$326.8 million for the three months ended June 30, 2017. The increase in retail sales was primarily attributable to operating an additional net 54 stores and increased comparable store sales of 4.5% resulting from increased sales across several key divisions, including Women's and Men's Sport, Men's USA and Skecher Street divisions. During the second quarter of 2018, we opened one domestic concept store, five domestic warehouse stores, one international concept store, and five international outlet stores. In addition, we closed one domestic concept store. For the three months ended June 30, 2018, our domestic retail sales increased 7.2% compared to the same period in 2017, which was primarily attributable to positive comparable domestic store sales of 2.2% and a net increase of 24 domestic stores. Our international retail store sales increased 9.4% compared to the same period in 2017, which was primarily attributable to positive comparable international store sales of 11.3% and a net increase of 30 international stores compared to the prior period.

#### Gross profit

Gross profit for the three months ended June 30, 2018 increased \$72.7 million, or 14.9%, to \$561.0 million as compared to \$488.3 million for the three months ended June 30, 2017. Gross profit as a percentage of net sales, or gross margins, increased to 49.4% for three-month period ended June 30, 2018 from 47.6% for the same period in the prior year. Our domestic wholesale segment gross profit decreased \$6.5 million to \$119.5 million for the three months ended June 30, 2018 as compared to \$126.0 million for the three months ended June 30, 2017, primarily due to lower sales. Domestic wholesale margins increased to 37.7% for the three months ended June 30, 2018 from 36.9% for the three months ended June 30, 2017 primarily from product sales mix with higher average gross margins.

Gross profit for our international wholesale segment increased \$67.6 million, or 40.9%, to \$232.9 million for the three months ended June 30, 2018 as compared to \$165.3 million for the three months ended June 30, 2017. International wholesale gross margins were 50.1% for the three months ended June 30, 2018 compared to 46.2% for the three months ended June 30, 2017. Gross margins for our direct subsidiary sales increased to 54.8% for the three months ended June 30, 2018 compared to 52.2% for the three months ended June 30, 2017. The increase in international wholesale gross margins was attributable a product sales mix with higher average margins and positive foreign currency exchange rates from a stronger U.S. dollar. Gross margins for our distributor sales were 27.4% for the three months ended June 30, 2018 compared to 26.8% for the three months ended June 30, 2017, which was due to a product sales mix with higher average gross margins.

Gross profit for our retail segment increased \$11.6 million, or 5.9%, to \$208.6 million for the three months ended June 30, 2018 as compared to \$197.0 million for the three months ended June 30, 2017. Gross margins for all our company-owned domestic and international stores and our e-commerce business were 59.1% for the three months ended June 30, 2018 as compared to 60.3% for the three months ended June 30, 2017. Gross margins for our domestic stores, which includes e-commerce, were 61.6% and 61.9% for the three months ended June 30, 2018 and 2017, respectively. Gross margins for our international stores were 54.4% for the three months ended June 30, 2018 as compared to 57.1% for the three months ended June 30, 2017. The decrease in international retail gross margins was attributable a product sales mix with lower average margins, which was partially offset by positive foreign currency exchange rates from a stronger U.S. dollar.

Our cost of sales includes the cost of footwear purchased from our manufacturers, duties, quota costs, inbound freight (including ocean, air and freight from the dock to our distribution centers), broker fees and storage costs. Because we include expenses related to our distribution network in general and administrative expenses while some of our competitors may include expenses of this type in cost of sales, our gross margins may not be comparable, and we may report higher gross margins than some of our competitors in part for this reason.

#### Selling expenses

Selling expenses increased by \$14.0 million, or 14.1%, to \$114.0 million for the three months ended June 30, 2018 from \$100.0 million for the three months ended June 30, 2017. As a percentage of net sales, selling expenses were 10.0% and 9.7% for the three months ended June 30, 2018 and 2017, respectively. The \$14.0 million increase was due to international advertising expenses to support the growth of our international business.

Selling expenses consist primarily of the following: sales representative sample costs, sales commissions, trade shows, advertising and promotional costs, which may include television, print ads, ad production costs and point-of-purchase (POP) costs. Selling expenses are not allocated to segments.

### General and administrative expenses

General and administrative expenses increased by \$65.6 million, or 21.5%, to \$370.9 million for the three months ended June 30, 2018 from \$305.3 million for the three months ended June 30, 2017. As a percentage of sales, general and administrative expenses were 32.7% and 29.8% for the three months ended June 30, 2018 and 2017, respectively. The \$65.6 million increase in general and administrative expenses was primarily attributable to approximately \$34.2 million related to supporting our international wholesale operations due to increased sales volumes and expansion in Asia, \$6.2 million in additional legal costs and \$6.3 million and \$5.4 million of additional operating expenses attributable to opening and operating 30 new international retail stores and 24 new domestic retail stores, respectively, since June 30, 2017. In addition, the expenses related to our distribution network, including purchasing, receiving, inspecting, allocating, warehousing and packaging of our products, increased \$4.4 million to \$59.4 million for the three months ended June 30, 2018 as compared to \$55.0 million for the same period in the prior year. The increase in warehousing costs was primarily due to increased sales volumes worldwide.

General and administrative expenses consist primarily of the following: salaries, wages, related taxes and various overhead costs associated with our corporate staff, stock-based compensation, domestic and international retail operations, non-selling related costs of our international operations, costs associated with our distribution centers, professional fees related to legal, consulting and accounting, insurance, depreciation and amortization, and expenses related to our distribution network, which includes the functions of purchasing, receiving, inspecting, allocating, warehousing and packaging our products. These general and administrative expenses are not allocated to segments.

### Other income (expense)

Interest income increased \$2.1 million to \$2.5 million for the three months ended June 30, 2018, as compared to \$0.4 million at June 30 2017. The increase in interest income was due primarily due to increased interest rates and higher average cash balances as compared to the prior year period. Interest expense decreased by \$0.3 million to \$1.5 million for the three months ended June 30, 2018 compared to \$1.8 million for the same period in 2017. Interest expense decreased primarily due to reduced interest paid to our foreign manufacturers. Other expense increased \$10.2 million to \$7.5 million for the three months ended June 30, 2018 as compared to other income of \$2.7 million for the same period in 2017. The increase in other expense was primarily attributable to foreign currency exchange loss of \$7.5 million for the three months ended June 30, 2018, as compared to a foreign currency exchange gain of \$3.2 million for the three months ended June 30, 2017. This increased foreign currency exchange loss was primarily attributable to the impact of a stronger U.S. dollar on our intercompany investments in our non-U.S. subsidiaries.

### Income taxes

Income tax expense and the effective tax rate for the three months ended June 30, 2018 and 2017 were as follows (dollar amounts in thousands):

	Three Months Ended June 30,	
	2018	2017
Income tax expense	\$ 14,080	\$ 14,109
Effective tax rate	18.8 %	16.1 %

The tax provisions for the three months ended June 30, 2018 and 2017 were computed using the estimated effective tax rates applicable to each of the domestic and international taxable jurisdictions for the full year. We estimate our effective annual tax rate for the remainder of 2018 will be at the top of or slightly higher than the range of 12% and

17% previously disclosed in the Company's first quarter Form 10-Q. Our effective tax rate is subject to management's quarterly review and revision, as necessary.

Our provision for income tax expense and effective income tax rate are significantly impacted by the mix of our domestic and foreign earnings (loss) before income taxes. In the foreign jurisdictions in which we have operations, the applicable statutory rates range from 0% to 34%, which are generally significantly lower than the U.S. federal and state combined statutory rate of approximately 26%.

For the three months ended June 30, 2018, the increase in the effective tax rate was primarily due to increased U.S. tax on foreign earnings resulting from changes in U.S. tax law under the Tax Act.

As of June 30, 2018, we had approximately \$844.8 million in cash and cash equivalents, of which \$375.9 million, or 44.5%, was held outside the U.S. Of the \$375.9 million held by our non-U.S. subsidiaries, approximately \$176.9 million is available for repatriation to the U.S. without incurring U.S. income taxes and applicable non-U.S. income and withholding taxes in excess of the amounts accrued in our condensed consolidated financial statements as of June 30, 2018.