The General Manager
Karachi Stock Exchange Limited
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Fax # 111-573-329

Shell Pakistan Limited
Shell House
6, Ch. Khaliquzzaman Road
Karachi-75530
Tel +92 (21) 111 888 222
P.O. Box 3901 Karachi

August 19, 2015

Dear Sir,

FINANCIAL RESULTS FOR THE QUARTER & SIX MONTHS ENDED JUNE 30, 2015

This is to inform you that a meeting of the Board of Directors of the Company was held at 11:00 a.m. on Wednesday, August 19, 2015 to consider the accounts for the quarter & six months ended June 30, 2015.

FINANCIAL RESULTS

The financial results of the Company are as follows:

	Half year ended		Quarter ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
	(Rupees '000)			
Sales	135,043,958	150,488,383	75,825,275	85,618,024
Other revenue	334,463	347,516	193,581	188,600
	135,378,421	150,835,899	76,018,856	85,806,624
Sales tax	(24,733,292)	(21,091,862)	(13,549,088)	(12,081,174)
Net revenue	110,645,129	129,744,037	62,469,768	73,725,450
Cost of products sold	(104,816,422)	(124,670,223)	(57,975,337)	(70,828,419)
Gross profit	5,828,707	5,073,814	4,494,431	2,897,031
Distribution and marketing expenses	(2,172,786)	(2,205,842)	(1,100,087)	(1,312,716)
Administrative expenses	(2,066,592)	(1,925,033)	(995,129)	(885,373)
	1,589,329	942,939	2,399,215	698,942
Other operating expenses	(494,802)	(131,341)	(363,544)	(42,482)
	1,094,527	811,598	2,035,671	656,460
Other income	128,966	892,077	87,589	(84,552)
Operating profit	1,223,493	1,703,675	2,123,260	571,908
Finance costs	(144,693)	(243,294)	(73,828)	(102,531)
	1,078,800	1,460,381	2,049,432	469,377
Share of profit of associate - net of tax	266,889	243,221	156,688	139,471
Profit before taxation	1,345,689	1,703,602	2,206,120	608,848
Taxation	(811,613)	(972,411)	(918,969)	(389,099)
Profit for the period	534,076	731,191	1,287,151	219,749
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	534,076	731,191	1,287,151	219,749
	(Rupees)			
Earnings per share	4.99	6.83	12.03	2.05

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We enclose a copy of the Chairman's review for the quarter & six months ended June 30, 2015.

We will be sending you 200 copies of the printed Accounts for distribution amongst the members of your Exchange.

Yours faithfully,
Shell Pakistan Limited

TARIQ SAEED
Secretary

CC: The General Manager
Lahore Stock Exchange Ltd.
19, Khayaban-e-Awan-e-Iqbal
Lahore-54000

Fax # 042-36368485

Registered in Pakistan No. 2687
Registered Office Shell House
6, Ch. Khaliquzzaman Road Karachi-75530

Chairman's Review

For the half year ended June 30, 2015

Our performance

On behalf of the Board of Directors of Shell Pakistan Limited, I am pleased to share the results of your Company for the half year ended June 30, 2015. In the second quarter of 2015, the Company delivered a strong operational performance with above market growth in Motor Gasoline and Automotive Diesel as well as improved market share in Lubricants. Your Company delivered a profit after tax of Rs 1,287 million for the 2nd quarter of 2015 compared to a profit after tax of Rs 220 million for the 2nd quarter 2014. For the half year ended June 2015, your Company delivered a profit after tax of Rs 534 million compared to a profit after tax of Rs 731 million in the same period last year.

Due to improvement in the global oil prices, stock loss experienced in Q1 was partially offset by stock gains in this quarter. Financial results of your Company however, continued to be affected by low regulated fuel margins, continued significant impact of the turnover tax mechanism and financial burden resulting from overdue receivables from the Government.

Receivables & financing costs

During the current period, your Company was not able to collect further refunds from the Government due to which the Company continues to incur financing cost on bank borrowings required to fund these receivables. As at 30th June 2015, total outstanding receivables stand at Rs 5,820 million. The Company's management is actively working with relevant Government authorities to recover the remaining amount on an expedited basis to ensure business continuity and growth.

Fuel margins

Petrol and diesel margins in Pakistan are regulated and fixed in Rupees per liter. Currently, these margins are not at a level sufficient to cover steadily rising direct costs of operations and the high cost of financing required for investment in stocks and business assets. In November 2014, a minimal increase in regulated fuel margins was granted by the Government. However, these still remain the lowest in the region and we continue to advocate for a further favorable revision to bring them in line with increasing costs of doing business.

Turnover tax

Due to the minimum tax on turnover regime applicable to oil companies, your Company pays Corporate Tax irrespective of the level of profits earned in the period, which has unfairly eroded its operating profit performance and is stifling future investment and growth prospects in the industry. The Company's management is in continuous discussions with Government authorities to remove this anomaly and to bring it in line with various allowances and lower rates that are granted to other similarly regulated sectors in the country.

Going forward

The management remains committed to maintain focus on improving the financial performance of your Company. We thank our shareholders, customers and staff for their sustained support and trust in the Company.

Chairman