



- Royal Dutch Shell's (NYSE:RDS.A)(NYSE:RDS.B) fourth quarter 2015 earnings, on a current cost of supplies (CCS) basis (see page 5) were \$1.8 billion compared with \$4.2 billion for the same quarter a year ago. Full year 2015 CCS earnings were \$3.8 billion compared with \$19.0 billion in 2014.
- Fourth quarter 2015 CCS earnings excluding identified items (see page 5) were \$1.8 billion compared with \$3.3 billion for the fourth quarter of 2014, a decrease of 44%. Fourth quarter 2015 earnings were positively impacted by non-cash net gains of some \$0.3 billion from currency exchange rate effects on deferred tax positions. Full year 2015 CCS earnings excluding identified items were \$10.7 billion compared with \$22.6 billion in 2014.
- Compared with the fourth quarter 2014, CCS earnings excluding identified items benefited from continued strong Downstream performance reflecting steps taken by the company to improve financial performance. In Upstream, earnings were impacted by the significant fall in oil and gas prices, partly offset by lower costs. Contributions from integrated gas were higher mainly as a result of improved trading performance and the effect of the strengthening of the Australian dollar on deferred tax positions.
- Fourth quarter 2015 basic CCS earnings per share excluding identified items decreased by 44% versus the fourth quarter 2014. Full year 2015 basic CCS earnings per share excluding identified items decreased by 53% versus 2014.
- Total dividends distributed to Royal Dutch Shell plc shareholders in the quarter were \$3.0 billion, of which \$1.2 billion were set aside for the Scrip Dividend Programme. No shares were bought back during the fourth quarter.
- Gearing at the end of 2015 was 14.0% compared with 12.2% at the end of 2014.
- A fourth quarter 2015 dividend has been announced of \$0.47 per ordinary share and \$0.94 per American Depositary Share ("ADS").
- Royal Dutch Shell is expected to announce a dividend of \$0.47 per ordinary share and \$0.94 per ADS in respect of the first quarter of 2016.

#### SUMMARY OF UNAUDITED RESULTS

| Quarters |         |         |      | \$ million   |  | Full year |         |     |
|----------|---------|---------|------|--|--|-----------|---------|-----|
| Q4 2015  | Q3 2015 | Q4 2014 | %[1] |  |  | 2015      | 2014    | %   |
|          |         |         |      | Income/(loss) attributable to Royal Dutch Shell plc shareholders |  |           |         |     |
| 939      | (7,416) | 595     | +58  | Current cost of supplies (CCS) adjustment for Downstream         |  | 1,939     | 14,874  | -87 |
| 901      | 1,296   | 3,568   |      | CCS earnings   |  | 1,903     | 4,167   |     |
| 1,840    | (6,120) | 4,163   | -56  | Identified items[2]  |  | 3,842     | 19,041  | -80 |
| 15       | (7,890) | 901     |      | CCS earnings excluding identified items                          |  | (6,834)   | (3,521) |     |
| 1,825    | 1,770   | 3,262   | -44  | Of which:  |  | 10,676    | 22,562  | -53 |
| 493      | (425)   | 1,730   |      | Upstream   |  | 1,780     | 16,505  |     |
| 1,524    | 2,617   | 1,550   |      | Downstream   |  | 9,748     | 6,265   |     |
| (192)    | (422)   | (18)    |      | Corporate and Non-controlling interest                           |  | (852)     | (208)   |     |
|          |         |         |      | Cash flow from operating activities                              |  |           |         |     |
| 5,423    | 11,231  | 9,608   | -44  |  |  | 29,810    | 45,044  | -34 |
|          |         |         |      | Basic CCS earnings per share (\$)                                |  |           |         |     |
| 0.29     | (0.97)  | 0.66    | -56  | Basic CCS earnings per ADS (\$)                                  |  | 0.61      | 3.02    | -80 |
| 0.58     | (1.94)  | 1.32    |      | Basic CCS earnings per share excl. identified items (\$)         |  | 1.22      | 6.04    |     |
| 0.29     | 0.28    | 0.52    | -44  | Basic CCS earnings per ADS excl. identified items (\$)           |  | 1.69      | 3.57    | -53 |
| 0.58     | 0.56    | 1.04    |      | Dividend per share (\$)  |  | 3.38      | 7.14    |     |
| 0.47     | 0.47    | 0.47    | -    | Dividend per ADS (\$)  |  | 1.88      | 1.88    | -   |
| 0.94     | 0.94    | 0.94    |      |  |  | 3.76      | 3.76    |     |

[1] Q4 on Q4 change

[2] See page 5

Royal Dutch Shell Chief Executive Officer Ben van Beurden commented: "The completion of the BG transaction, which we are expecting to complete in the matter of weeks, marks the start of a new chapter in Shell, rejuvenating the company, and improving shareholder returns.

We are making substantial changes in the company, reorganising our Upstream, and reducing costs and capital investment, as we move forward with the BG transaction. Shell, and respond to lower oil prices. As we have previously indicated, this will include a reduction of some 10,000 staff and direct costs in 2015-16 across both companies.

In 2015, we significantly curtailed spending by reducing the number of new investment decisions and designing lower-cost development projects.

solutions. For 2016, we have exited the Bab sour gas project in Abu Dhabi, and are postponing final investment decisions on LNG C Bonga South West in deep water Nigeria. Operating costs and capital investment have been reduced by a total of \$12.5 billion as compared to 2014, and we expect further reductions in 2016.

As a result of our actions in 2015, we have retained a strong balance sheet position, with 14% gearing. Shell will take further impact to manage through the oil price downturn, should conditions warrant that. Shell's dividends for 2015 were \$1.88 per share, and are expected to be at least \$1.88 per share in 2016, as previously announced."

#### FOURTH QUARTER 2015 PORTFOLIO DEVELOPMENTS

##### Upstream

During the quarter in Canada, Shell announced the start of commercial operations at the Quest carbon capture and storage project. The project will capture one-third of the emissions from Shell's Scotford Upgrader, which turns oil sand bitumen into synthetic crude that can be refined into fuels and other products. The carbon dioxide ("CO<sub>2</sub>") is then transported through a pipeline and injected more than two kilometres underground, below multiple layers of impermeable rock formations. Quest is designed to capture and safely store more than one million tonnes of CO<sub>2</sub> per year.

In Ireland, Shell announced first production from the Corrib gas field (Shell interest 45%). At peak annual production, the Corrib gas field is expected to produce 45 thousand barrels of oil equivalent per day ("boe/d").

Shell started up the gas injection facilities at the Shell-operated Gumusut-Kakap deep-water development (Shell interest 33%) in Malaysia, which follows first oil production, achieved in the fourth quarter 2014.

In New Zealand, Shell agreed to sell its interest in the Maui natural gas pipeline (Shell interest 83.75%) to First State Investments for a consideration of NZD 335 million (around USD 200 million). The transaction, subject to regulatory approval, is expected to complete in the first half of 2016.

In Nigeria, Shell Nigeria Exploration and Production Company Ltd announced first production from the Bonga Phase 3 project (Shell interest 55%). Bonga Phase 3 is an expansion of the Bonga Main development, with peak production expected to be some 50 thousand boe/d. The gas will be transported through existing pipelines to the Bonga floating production, storage and offloading facility.

Also in Nigeria, Shell completed the sale of its 30% interest in Oil Mining Lease ("OML") 71 and OML 72 to West African Exploration and Production Company Limited, as part of its ongoing portfolio review and optimisation. Both of these blocks were non-producing.

In Shell's exploration programme there was one successful non-operated oil discovery with the Beryl K well (Shell interest 45%) in the United Kingdom.

Shell had continued success with near-field exploration discoveries in Brunei, the Netherlands, and Oman.

In January, Shell announced that after careful and thorough evaluation of technical challenges, it has decided to exit the joint development of the Bab sour gas reservoirs (Shell interest 40%) with ADNOC in the emirate of Abu Dhabi, United Arab Emirates, and to stop further joint development of the project. The evaluation concluded that for Shell, the development of the project does not fit with the company's strategy, particularly in the current economic climate prevailing in the energy industry.

Upstream divestment proceeds totalled some \$0.3 billion for the fourth quarter 2015.

##### Downstream

During the quarter, Shell announced that it reached final investment decision ("FID") on a project to increase alpha olefins production at its chemical manufacturing site in Geismar, Louisiana. Shell will construct a fourth alpha olefins unit, adding 425 thousand tonnes of capacity. The project will make the site the largest alpha olefins producer in the world.

Shell also announced FID on a project to build a major new unit at the Pernis refinery in Rotterdam, the Netherlands. The solvent extraction unit will remove heavier fractions from crude oil, allowing the refinery to upgrade a larger proportion of its oil intake into lighter, higher-value products. Construction work is planned to start in 2016, subject to permit approvals, with completion expected by the end of 2018.

In the United Kingdom, Shell completed the sale of 185 service stations across the United Kingdom to independent dealers. All 185 stations will retain the Shell brand and sell Shell's fuels.

In the United States, Shell completed the sale of an additional 3.7% interest in Shell Midstream Partners, L.P. to public investors via

issuance of an additional 9,200,000 LP units for net proceeds of \$297 million.

Downstream divestment proceeds totalled some \$1.1 billion for the fourth quarter 2015 and included proceeds from the divestments of Butagaz LPG business in France, Shell's 75% interest in Tongyi Lubricants in China, the retail, commercial fuels, and supply and distribution logistics businesses in Norway.

## KEY FEATURES OF THE FOURTH QUARTER AND FULL YEAR 2015

- Fourth quarter 2015 CCS earnings (see Note [2]) were \$1,840 million, 56% lower than for the same quarter a year ago. Full year 2015 CCS earnings were \$3,842 million, 80% lower than in 2014.
- Fourth quarter 2015 CCS earnings excluding identified items (see page 5) were \$1,825 million compared with \$3,262 million for the same quarter in 2014, a decrease of 44%. Fourth quarter 2015 CCS earnings excluding identified items benefited from continued strong Downstream earnings reflecting steps taken by the company to improve financial performance. In Upstream, earnings were impacted by the significant increase in gas prices, partly offset by lower costs. Contributions from integrated gas were higher mainly as a result of improved trading performance and the effect of the strengthening of the Australian dollar on deferred tax positions. Full year 2015 CCS earnings excluding identified items were \$10,676 million compared with \$22,562 million in 2014, a decrease of 53%.
- Basic CCS earnings per share for the fourth quarter 2015 decreased by 56% versus the same quarter a year ago. Full year 2015 basic CCS earnings per share decreased by 80% versus 2014.
- Basic CCS earnings per share excluding identified items for the fourth quarter 2015 decreased by 44% versus the same quarter a year ago. Full year 2015 basic CCS earnings per share excluding identified items decreased by 53% versus 2014.
- Cash flow from operating activities for the fourth quarter 2015 was \$5.4 billion, compared with \$9.6 billion for the same quarter a year ago. Excluding working capital movements, cash flow from operating activities for the fourth quarter 2015 was \$3.8 billion, compared with \$7.2 billion for the same quarter last year. Full year 2015 cash flow from operating activities was \$29.8 billion, compared with \$45.0 billion in 2014. Excluding working capital movements, full year cash flow from operating activities for the full year 2015 was \$24.3 billion, compared with \$38.6 billion in 2014.
- Capital investment (see Note [B]) for the fourth quarter 2015 was \$7.9 billion and divestments (see Note [C]) were \$1.7 billion. Full year 2015 capital investment was \$28.9 billion, \$8.4 billion lower than in 2014. This was delivered by efficiency improvements and selectivity on new investments. Capital investment for Shell and BG combined for the full year 2016 is expected to be \$33 billion, a 45% reduction from combined spending, which peaked in 2013. Flexibility for further reductions is available and will be utilised should conditions warrant this. Full year 2015 divestments were \$5.5 billion, of which proceeds from the sales of interests in Shell Midstream Partners, L.P. were \$1.7 billion.
- Operating costs (see Note [F]) for the full year 2015 decreased by \$4.1 billion, to \$41.1 billion, and Shell's costs are expected to decrease in 2016, by a further \$3 billion. This is some 15% lower than 2014 levels. Synergies from the BG combination will be in addition to the cost savings from the full year 2015 cost reduction programme.
- Total dividends distributed to Royal Dutch Shell plc shareholders in the fourth quarter 2015 were \$3.0 billion, of which \$1.2 billion was paid by issuing some 49.0 million A shares under the Scrip Dividend Programme. Total dividends distributed in the full year 2015 were \$12.0 billion, of which \$2.6 billion were settled by issuing some 96.3 million A shares under the Scrip Dividend Programme.
- Under our share buyback programme during the full year 2015, some 12.7 million shares were bought back for cancellation for a total of \$0.4 billion. No shares were bought back during the fourth quarter.
- Return on average capital employed on a reported income basis (see Note [D]) was 1.9% at the end of 2015 compared with 7.1% in 2014.
- Gearing (see Note [E]) was 14.0% at the end of 2015 versus 12.2% at the end of 2014.
- Oil and gas production for the fourth quarter 2015 was 3,039 thousand boe/d, a decrease of 5% compared with the fourth quarter 2014. Full year 2015 production was in line with the same period last year excluding the impact of divestments, curtailment and underground storage reinjection at NAM in the Netherlands, a Malaysia PSC expiry, PSC price effects, and security impacts in Nigeria. Full year 2015 oil and gas production was 2,954 thousand boe/d, a decrease of 4% compared with 2014. Full year 2015 production of oil increased by 1% compared with 2014, excluding the impact of divestments, curtailment and underground storage reinjection at NAM in the Netherlands, Abu Dhabi licence and Malaysia PSC expiries, PSC price effects, and security impacts in Nigeria.
- Equity sales of LNG of 5.68 million tonnes for the fourth quarter 2015 were 8% lower than for the same quarter a year ago. Full year 2015 equity sales of LNG of 22.62 million tonnes were 6% lower than in 2014.
- Oil products sales volumes for the fourth quarter 2015 were 1% lower than for the fourth quarter 2014. Chemicals sales volumes for the fourth quarter 2015 increased by 7% compared with the same quarter a year ago. Full year 2015 oil products sales volumes were 1% higher than in 2014. Full year 2015 chemicals sales volumes increased by 10% compared with 2014.
- When the 2015 Annual Report and Form 20-F is filed, the proved reserves reporting will update on Shell's 2015 performance, including the impact of the proposed combination with BG.
- At the end of 2015, total proved reserves on an SEC basis are expected to be 11.7 billion boe, after taking into account 2015 production. With 2015 production of 1.1 billion boe, our proved Reserves Replacement Ratio for the year on an SEC basis is expected to be 100%. This compares with a reduction of 1.4 billion boe to our SEC proved reserves. The 3-year average headline proved Reserves Replacement Ratio on an SEC basis is expected to be 48%. When final volumes are reported in the 2015 Annual Report and Form 20-F, Shell expects that SEC proved oil and gas reserves will be reduced by 0.2 billion boe, before taking into account production. Falling oil prices have reduced Shell's reserves in 2015. Consistent with our past practice, the impact of changing prices is reflected by replacing the 2014 year average price with the 2015 year average price to determine the potential adjustment to SEC proved reserves. Applying this methodology, 1.7 billion of proved reserves would have been excluded from our 2014 SEC proved reserves if the 2015 year average price was used. This adjustment of 1.7 billion boe includes de-booking of 0.4 billion boe of proved reserves at Cardo and Muskeg River Mine in Canada, and 0.95 billion boe associated with Muskeg River Mine in Canada. However, due to significant structural cost improvements in 2015 these 0.95 billion boe are retained in 2015. These barrels are not considered additions for SEC reporting purposes as they were already included in our 2014 SEC proved reserves. Further information will be provided in our 2015 Annual Report and Form 20-F, which is expected to be filed in March 2016.
- Supplementary financial and operational disclosure for the fourth quarter 2015 is available at <http://www.shell.com/investor>

## SUMMARY OF IDENTIFIED ITEMS

Earnings for the fourth quarter 2015 reflected the following items, which in aggregate amounted to a net gain of \$15 million (compared to a net charge of \$901 million for the fourth quarter 2014), as summarised in the table below:

- Upstream earnings included a net charge of \$826 million, primarily reflecting asset impairments of some \$640 million and a net accounting of certain commodity derivatives and gas contracts of some \$210 million, partly offset by gains on divestments of some \$34 million. Upstream earnings for the fourth quarter 2014 included a net gain of \$915 million.
- Downstream earnings included a net gain of \$978 million, primarily reflecting gains on divestments of some \$995 million and the effect of fair value accounting of commodity derivatives of some \$100 million, offset by impairment charges of some \$100 million. Downstream earnings for the fourth quarter 2014 included a net charge of \$6 million.
- Corporate results and Non-controlling interest included a net charge of \$137 million, mainly reflecting a tax provision. Earnings for the fourth quarter 2014 included a net charge of \$8 million.

### SUMMARY OF IDENTIFIED ITEMS

| Quarters |         |         | \$ million                                   | Full year |         |
|----------|---------|---------|--|-----------|---------|
| Q4 2015  | Q3 2015 | Q4 2014 |  | 2015      | 2014    |
|          |         |         | Segment earnings impact of identified items: |           |         |
| (826)    | (8,218) | 915     | Upstream                                     | (7,443)   | (664)   |
| 978      | (136)   | (6)     | Downstream                                   | 495       | (2,854) |
|          |         |         | Corporate and                                |           |         |
| (137)    | 464     | (8)     | Non-controlling interest                     | 114       | (3)     |
| 15       | (7,890) | 901     | Earnings impact                              | (6,834)   | (3,521) |

These identified items are shown to provide additional insight into segment earnings and income attributable to shareholders. They are shown on Shell's CCS earnings of the following items:

- Divestment gains and losses
- Impairments
- Fair value accounting of commodity derivatives and certain gas contracts (see Note [A])
- Redundancy and restructuring

Further items may be identified in addition to the above.

## EARNINGS BY BUSINESS SEGMENT

| UPSTREAM |         |         |                  |   | \$ million | 2015   | Full year<br>2014 | % |
|----------|---------|---------|------------------|---|------------|--------|-------------------|---|
| Q4 2015  | Q3 2015 | Q4 2014 | Quarters<br>%[1] |   |            |        |                   |   |
| 493      | (425)   | 1,730   | -72              | Upstream earnings<br>excluding identified<br>items              | 1,780      | 16,505 | -89               |   |
| (333)    | (8,643) | 2,645   | -113             | Upstream earnings   | (5,663)    | 15,841 | -136              |   |
| 2,916    | 4,044   | 4,991   | -42              | Upstream cash flow from<br>operating activities                 | 13,181     | 31,839 | -59               |   |
| 5,820    | 5,848   | 7,511   | -23              | Upstream capital<br>investment                                  | 23,527     | 31,293 | -25               |   |
| 1,532    | 1,528   | 1,526   | -                | Liquids production<br>available for sale<br>(thousand b/d)      | 1,509      | 1,484  | +2                |   |
| 8,741    | 7,837   | 9,782   | -11              | Natural gas production<br>available for sale<br>(million scf/d) | 8,380      | 9,259  | -9                |   |
| 3,039    | 2,880   | 3,213   | -5               | Total production<br>available for sale<br>(thousand boe/d)      | 2,954      | 3,080  | -4                |   |
| 5.68     | 5.31    | 6.20    | -8               | Equity sales of LNG<br>(million tonnes)                         | 22.62      | 23.97  | -6                |   |

[1] Q4 on Q4 change

Fourth quarter Upstream earnings excluding identified items were \$493 million compared with \$1,730 million a year ago. Identified items incurred a net charge of \$826 million compared with a net gain of \$915 million for the fourth quarter 2014 (see page 5).

Compared with the fourth quarter 2014, earnings excluding identified items were impacted by the significant decline in oil and gas prices, partially offset by decreased costs and lower exploration expenses, including lower well write-offs, and lower taxation.

Compared with the fourth quarter 2014, earnings benefited from the impact of the strengthening of the Australian dollar and Brazilian real exchange rates, which increased earnings by \$553 million and \$135 million respectively. The benefit of these deferred tax movements in the fourth quarter 2015 was \$257 million after tax, compared with a negative impact of some \$431 million after tax in the same period a year ago.

Upstream Americas excluding identified items incurred a loss.

Global liquids realisations were 46% lower than for the fourth quarter 2014. Global natural gas realisations were 33% lower than for the fourth quarter 2014, with a 44% decrease in the Americas and a 31% decrease outside the Americas.

Fourth quarter 2015 production was 3,039 thousand boe/d compared with 3,213 thousand boe/d a year ago. Liquids production was 2,954 thousand boe/d compared with 3,080 thousand boe/d a year ago and natural gas production decreased by 11% compared with the fourth quarter 2014. Fourth quarter 2015 production was 2,954 thousand boe/d compared with 3,080 thousand boe/d the same period last year excluding the impact of divestments, curtailment and underground storage reinjection at NAM in the Netherlands, the PSC expiry, PSC price effects, and security impacts in Nigeria.

The continuing ramp-up of existing fields, in particular Cardamom and Mars B in the Americas, Bonga Main in Nigeria and Gumusut in the Netherlands, contributed some 88 thousand boe/d to production compared with the fourth quarter 2014.

Equity LNG sales volumes of 5.68 million tonnes decreased by 8% compared with the same quarter a year ago, mainly reflecting the expiry of the Malaysia LNG Dua JVA.

Full year Upstream earnings excluding identified items were \$1,780 million compared with \$16,505 million in 2014. Identified items were a net charge of \$7,443 million, compared with a net charge of \$664 million in 2014 (see page 5).

Compared with 2014, Upstream earnings excluding identified items were impacted by the significant decline in oil and gas prices. Earnings benefited from lower costs including favourable exchange rate effects and divestments, and decreased depreciation.

Compared with 2014, the impact of the weakening of the Australian dollar and Brazilian real on deferred tax positions reduced earnings by \$131 million and \$311 million respectively. The impact of these deferred tax movements in the full year 2015 was \$1,022 million after tax, compared with an impact of \$580 million after tax in 2014.

Global liquids realisations were 48% lower than in 2014. Global natural gas realisations were 27% lower than in 2014, with a 47% decrease in the Americas and a 24% decrease outside the Americas.

Full year 2015 production was 2,954 thousand boe/d compared with 3,080 thousand boe/d in 2014. Liquids production increased by 2% and natural gas production decreased by 9% compared with 2014. Production volumes in 2015 increased by 1%, compared with 2014, excluding the impact of divestments, curtailment and underground storage reinjection at NAM in the Netherlands, Abu Dhabi license and Malaysia PSC expiries, PSC price effects, and security impacts in Nigeria.

New field start-ups and the continuing ramp-up of existing fields, in particular Cardamom and Mars B in the Americas and Bonga NW in Nigeria, contributed some 117 thousand boe/d to production in 2015, which more than offset the impact of field declines.

Equity LNG sales volumes of 22.62 million tonnes were 6% lower than in 2014, mainly reflecting the expiry of the Malaysia LNG Dua JVA, the Woodside divestment and increased maintenance activities.

| DOWNSTREAM |         |         |      |  |  |        |           |      |
|------------|---------|---------|------|--|--|--------|-----------|------|
| Quarters   |         |         |      |  | \$ million   |        | Full year |      |
| Q4 2015    | Q3 2015 | Q4 2014 | %[1] |  |  | 2015   | 2014      | %    |
|            |         |         |      |  | Downstream CCS earnings excluding identified items |        |           |      |
| 1,524      | 2,617   | 1,550   | -2   |  |  | 9,748  | 6,265     | +56  |
| 2,502      | 2,481   | 1,544   | +62  |  | Downstream CCS earnings                            | 10,243 | 3,411     | +200 |
|            |         |         |      |  |  |        |           |      |
|            |         |         |      |  | Downstream cash flow from operating activities     |        |           |      |
| 2,101      | 6,605   | 4,698   | -55  |  |  | 14,076 | 11,292    | +25  |
|            |         |         |      |  |  |        |           |      |
|            |         |         |      |  | Downstream capital investment                      |        |           |      |
| 1,974      | 1,211   | 2,098   | -6   |  |  | 5,119  | 5,910     | -13  |
|            |         |         |      |  |  |        |           |      |
|            |         |         |      |  | Refinery processing intake (thousand b/d)          |        |           |      |
| 2,630      | 2,776   | 2,718   | -3   |  |  | 2,805  | 2,903     | -3   |
|            |         |         |      |  |  |        |           |      |
|            |         |         |      |  | Oil products sales volumes (thousand b/d)          |        |           |      |
| 6,297      | 6,586   | 6,392   | -1   |  |  | 6,432  | 6,365     | +1   |
|            |         |         |      |  |  |        |           |      |
|            |         |         |      |  | Chemicals sales volumes (thousand tonnes)          |        |           |      |
| 4,178      | 4,452   | 3,895   | +7   |  |  | 17,148 | 17,008    | +1   |

[1] Q4 on Q4 change

Fourth quarter Downstream earnings excluding identified items were \$1,524 million compared with \$1,550 million for the fourth quarter 2014. Identified items were a net gain of \$978 million, compared with a net charge of \$6 million for the fourth quarter 2014 (see page 5).

Compared with the fourth quarter 2014, Downstream earnings excluding identified items benefited from improved refining industry conditions. Earnings also benefited from lower costs including favourable exchange rate effects, and lower taxation. Earnings were impacted by lower results from marketing, largely as a result of negative exchange rate effects, and decreased

contributions from trading and supply. Contributions from Chemicals decreased mainly as a result of weaker base chemicals and intermediates industry conditions.

Refinery intake volumes were 3% lower compared with the same quarter last year. Refinery availability was 83%, compared with 95% for the fourth quarter 2014, mainly as a result of increased maintenance.

Oil products sales volumes decreased by 1% compared with the same period a year ago, mainly reflecting lower trading volumes.

Chemicals sales volumes increased by 7% compared with the same quarter last year. Chemicals manufacturing plant availability increased to 81% from 65% for the fourth quarter 2014, reflecting recovery at the Moerdijk chemical site in the Netherlands, partly offset by increased maintenance activities.

Full year Downstream earnings excluding identified items were \$9,748 million compared with \$6,265 million in 2014. Identified items were a net gain of \$495 million, compared with a net charge of \$2,854 million in 2014 (see page 5).

Compared with 2014, Downstream earnings excluding identified items benefited from higher realised refining margins, reflecting the industry environment, lower costs including the impact of favourable exchange rate effects and divestments, and lower taxation. Contributions from marketing were impacted by negative exchange rate effects, with strong underlying performance. Contributions from Chemicals increased, reflecting improved industry conditions for intermediates and for base chemicals in Asia, partly offset by unit shut-downs at the Moerdijk chemical site in the Netherlands.

Refinery intake volumes were 3% lower compared with 2014. Excluding portfolio impacts, refinery intake volumes were 1% lower than in 2014. Refinery availability was 90%, compared with 93% in 2014.

Oil products sales volumes increased by 1% compared with 2014, mainly reflecting higher trading volumes.

Chemicals sales volumes increased by 1% compared with 2014, primarily driven by increased demand in Asia and overall improved intermediates market conditions. Chemicals manufacturing plant availability was 85%, in line with 2014.

| CORPORATE AND NON-CONTROLLING INTEREST |                     |         | \$ million  | Full year |       |
|--|---------------------|---------|---|-----------|-------|
| Q4 2015                                | Quarters<br>Q3 2015 | Q4 2014 |   | 2015      | 2014  |
| (192)                                  | (422)               | (18)    | Corporate and Non-controlling interest excl. identified items | (852)     | (208) |
| (158)                                  | (355)               | (24)    | Of which:   |           |       |
| (34)                                   | (67)                | 6       | Corporate   | (536)     | (153) |
|  |                     |         | Non-controlling interest                                      | (316)     | (55)  |
| (329)                                  | 42                  | (26)    | Corporate and Non-controlling interest                        | (738)     | (211) |

Fourth quarter Corporate results and Non-controlling interest excluding identified items were a loss of \$192 million, compared with a loss of \$18 million for the same period last year. Identified items for the fourth quarter 2015 were a net charge of \$137 million, whereas earnings for the fourth quarter 2014 included a net charge of \$8 million (see page 5).

Compared with the fourth quarter 2014, Corporate results excluding identified items mainly reflected lower tax credits and higher net interest expense, partly offset by favourable exchange rate effects.

Compared with the fourth quarter 2014, earnings were negatively impacted by the strengthening Brazilian real on deferred tax positions related to financing of the Upstream business by \$84 million. The impact of this on the fourth quarter 2015 earnings excluding identified items was a charge of \$4 million after tax, compared with an \$80 million gain in the same period a year ago.

Full year Corporate results and Non-controlling interest excluding identified items were a loss of \$852 million compared with a loss of \$208 million in 2014. Identified items for 2015 were a net gain of \$114 million, whereas earnings for 2014 included a net charge of \$3 million (see page 5).

Compared with 2014, Corporate results excluding identified items mainly reflected adverse currency exchange rate effects,

partly offset by higher tax credits.

Compared with 2014, earnings benefited from the impact of the weakening Brazilian real on deferred tax positions related to financing of the Upstream business by \$160 million. The impact of this on the full year 2015 earnings excluding identified items was a gain of \$252 million after tax, compared with a gain of \$92 million in 2014.

## OPERATIONAL OUTLOOK FOR THE FIRST QUARTER 2016

The following information reflects Shell's asset base as of December 31, 2015.

Compared with the first quarter 2015, Upstream earnings are expected to be impacted by some 40 thousand boe/d associated with the impact of curtailment and underground storage utilisation at NAM, some 20 thousand boe/d related to a Malaysia PSC expiry, and some 15 thousand boe/d as a result of divestments. The impact of maintenance is expected to be lower by some 30 thousand boe/d. In Qatar, the Pearl GTL plant will undergo planned maintenance starting in March and continuing into the second quarter 2016.

Refinery availability is expected to decline in the first quarter 2016 as a result of higher turnaround activity and increased maintenance compared with the same period a year ago. Unit shutdowns at the Bukom chemical site in Singapore are expected to result in similar Chemicals manufacturing plant availability as in the first quarter 2015, which was heavily impacted by unit shutdowns at the Moerdijk chemical site in the Netherlands.

Upon the successful completion of the recommended combination with BG which it is expected on February 15, 2016, Shell's consolidated financial results will include BG's financial performance and the fair values of its assets and liabilities.

## FORTHCOMING EVENTS

First quarter 2016 results and first quarter 2016 dividend are scheduled to be announced on May 4, 2016. Second quarter 2016 results and second quarter 2016 dividend are scheduled to be announced on July 28, 2016. Third quarter 2016 results and third quarter 2016 dividend are scheduled to be announced on October 27, 2016.

Shell's Capital Markets Day will be held on June 7, 2016 in London, United Kingdom.

## PROFIT ESTIMATES

Certain statements set out in the update on fourth quarter 2015 and full year unaudited results and related supplementary prospectus published by Shell on January 20, 2016 represented profit estimates under the UK City Code on Takeovers and Mergers. The profit estimates relating to the fourth quarter ended December 31, 2015 have been confirmed by the fourth quarter results set out in this announcement and the profit estimates relating to the full year ended December 31, 2015 have been superseded by the publication of the unaudited full year results set out in this announcement.

## UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF INCOME

| Quarters |         |         |      | \$ million   | Full year |         |     |
|----------|---------|---------|------|--|-----------|---------|-----|
| Q4 2015  | Q3 2015 | Q4 2014 | %[1] |  | 2015      | 2014    | %   |
| 58,146   | 68,706  | 92,374  |      | Revenue  | 264,960   | 421,105 |     |
|          |         |         |      | Share of profit of joint ventures and associates                 | 3,527     | 6,116   |     |
| 793      | 193     | 818     |      | Interest and other income  | 3,669     | 4,123   |     |
| 1,237    | 285     | 974     |      | Total revenue and other income                                   | 272,156   | 431,344 |     |
| 60,176   | 69,184  | 94,166  |      | Purchases  | 194,644   | 327,278 |     |
| 43,166   | 51,612  | 73,640  |      | Production and manufacturing expenses                            | 28,095    | 30,038  |     |
|          |         |         |      | Selling, distribution and administrative expenses                | 11,956    | 13,965  |     |
| 3,090    | 2,896   | 3,426   |      | Research and development   | 1,093     | 1,222   |     |
| 297      | 291     | 363     |      | Exploration  | 5,719     | 4,224   |     |
| 549      | 3,406   | 1,323   |      | Depreciation, depletion and amortisation                         | 26,714    | 24,499  |     |
| 5,281    | 12,156  | 4,991   |      | Interest expense   | 1,888     | 1,804   |     |
| 519      | 527     | 430     |      | Income/(loss) before taxation                                    | 2,047     | 28,314  | -93 |
| (241)    | (9,123) | 2,528   | -110 | Taxation   | (153)     | 13,584  |     |
| (1,183)  | (1,730) | 2,110   |      | Income/(loss) for the period                                     | 2,200     | 14,730  | -85 |
| 942      | (7,393) | 418     | +125 | Income/(loss) attributable to non-controlling interest           | 261       | (144)   |     |
| 3        | 23      | (177)   |      | Income/(loss) attributable to Royal Dutch Shell plc shareholders | 1,939     | 14,874  | -87 |
| 939      | (7,416) | 595     | +58  |  |           |         |     |

[1] Q4 on Q4 change

EARNINGS PER SHARE

| Quarters |         |         | \$                         | Full year |      |
|----------|---------|---------|----------------------------|-----------|------|
| Q4 2015  | Q3 2015 | Q4 2014 |                            | 2015      | 2014 |
| 0.15     | (1.17)  | 0.09    | Basic earnings per share   | 0.31      | 2.36 |
| 0.15     | (1.16)  | 0.09    | Diluted earnings per share | 0.30      | 2.36 |

SHARES[1]

| Quarters |         |         | Millions  | Full year |         |
|----------|---------|---------|---|-----------|---------|
| Q4 2015  | Q3 2015 | Q4 2014 |   | 2015      | 2014    |
|          |         |         | Weighted average number of shares as the basis for: |           |         |
| 6,356.0  | 6,327.7 | 6,301.0 | Basic earnings per share                            | 6,320.3   | 6,311.5 |
| 6,416.1  | 6,396.9 | 6,301.1 | Diluted earnings per share                          | 6,393.8   | 6,311.6 |
|          |         |         | Shares outstanding at the end of the period         | 6,397.5   | 6,295.0 |
| 6,397.5  | 6,348.4 | 6,295.0 |   |           |         |

[1] Royal Dutch Shell plc ordinary shares of EUR0.07 each

Notes 1 to 6 are an integral part of these unaudited Condensed Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| Quarters |          |         | \$ million   | Full year |          |
|----------|----------|---------|--|-----------|----------|
| Q4 2015  | Q3 2015  | Q4 2014 |  | 2015      | 2014     |
| 942      | (7,393)  | 418     | Income/(loss) for the period   | 2,200     | 14,730   |
|          |          |         | Other comprehensive income net of tax:   |           |          |
|          |          |         | Items that may be reclassified to income in later periods:                     |           |          |
| (1,249)  | (3,341)  | (2,398) | - Currency translation differences   | (7,121)   | (5,321)  |
| (119)    | (324)    | (560)   | - Unrealised gains/(losses) on securities                                      | (707)     | (797)    |
| (202)    | 139      | 537     | - Cash flow hedging gains/(losses)   | 61        | 528      |
|          |          |         | - Share of other comprehensive income/(loss) of joint ventures and associates  | (40)      | (156)    |
| (1,611)  | (3,507)  | (2,507) | Total  | (7,807)   | (5,746)  |
|          |          |         | Items that are not reclassified to income in later periods:                    |           |          |
| 3,140    | (2,369)  | (3,011) | - Retirement benefits remeasurements   | 4,951     | (6,482)  |
| 1,529    | (5,876)  | (5,518) | Other comprehensive income/(loss) for the period                               | (2,856)   | (12,228) |
| 2,471    | (13,269) | (5,100) | Comprehensive income/(loss) for the period                                     | (656)     | 2,502    |
| (16)     | (53)     | (163)   | Comprehensive income/(loss) attributable to non-controlling interest           | 155       | (190)    |
| 2,487    | (13,216) | (4,937) | Comprehensive income/(loss) attributable to Royal Dutch Shell plc shareholders | (811)     | 2,692    |

Notes 1 to 6 are an integral part of these unaudited Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED BALANCE SHEET

|   |              | \$ million   |              |
|---|--------------|--------------|--------------|
|   | Dec 31, 2015 | Sep 30, 2015 | Dec 31, 2014 |
| Assets  |              |              |              |
| Non-current assets:                                       |              |              |              |
| Intangible assets   | 6,283        | 6,300        | 7,076        |
| Property, plant and equipment                             | 182,838      | 181,681      | 192,472      |
| Joint ventures and associates                             | 30,150       | 30,940       | 31,558       |
| Investments in securities                                 | 3,416        | 3,573        | 4,115        |
| Deferred tax[1]   | 11,033       | 10,258       | 8,131        |
| Retirement benefits                                       | 4,362        | 2,366        | 1,682        |
| Trade and other receivables                               | 8,717        | 8,331        | 8,304        |
|   | 246,799      | 243,449      | 253,338      |
| Current assets:   |              |              |              |
| Inventories   | 15,822       | 19,276       | 19,701       |
| Trade and other receivables                               | 45,784       | 49,130       | 58,470       |
| Cash and cash equivalents                                 | 31,752       | 31,846       | 21,607       |
|   | 93,358       | 100,252      | 99,778       |
| Total assets  | 340,157      | 343,701      | 353,116      |
| Liabilities   |              |              |              |
| Non-current liabilities:                                  |              |              |              |
| Debt  | 52,849       | 50,438       | 38,332       |
| Trade and other payables                                  | 4,528        | 4,510        | 3,582        |
| Deferred tax[1]   | 8,976        | 9,935        | 12,052       |
| Retirement benefits                                       | 12,587       | 14,557       | 16,318       |
| Decommissioning and other provisions                      | 26,148       | 25,110       | 23,834       |
|   | 105,088      | 104,550      | 94,118       |
| Current liabilities:                                      |              |              |              |
| Debt  | 5,530        | 5,149        | 7,208        |
| Trade and other payables                                  | 52,770       | 55,230       | 64,864       |
| Taxes payable   | 8,233        | 10,378       | 9,797        |
| Retirement benefits                                       | 350          | 359          | 377          |
| Decommissioning and other provisions                      | 4,065        | 5,553        | 3,966        |
|   | 70,948       | 76,669       | 86,212       |
| Total liabilities   | 176,036      | 181,219      | 180,330      |
| Equity attributable to Royal Dutch Shell plc shareholders | 162,876      | 161,348      | 171,966      |
| Non-controlling interest                                  | 1,245        | 1,134        | 820          |
| Total equity  | 164,121      | 162,482      | 172,786      |
| Total liabilities and equity                              | 340,157      | 343,701      | 353,116      |

[1] Deferred tax assets increased and deferred tax liabilities decreased in 2015 primarily as a result of the impairments described in Note 2.

Notes 1 to 6 are an integral part of these unaudited Condensed Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity attributable to Royal Dutch Shell plc shareholders

| \$ million   | Share capital | Shares held in trust | Other reserves | Retained earnings | Total    | Non-controlling interest | Total equity |
|--|---------------|----------------------|----------------|-------------------|----------|--------------------------|--------------|
| At January 1, 2015   | 540           | (1,190)              | (14,365)       | 186,981           | 171,966  | 820                      | 172,786      |
| Comprehensive income/(loss) for the period                                 | -             | -                    | (2,750)        | 1,939             | (811)    | 155                      | (656)        |
| Capital contributions from, and other changes in, non-controlling interest | -             | -                    | -              | 501               | 501      | 387                      | 888          |
| Dividends paid   | -             | -                    | -              | (11,972)          | (11,972) | (117)                    | (12,089)     |
| Scrip dividends[1]   | 7             | -                    | (7)            | 2,602             | 2,602    | -                        | 2,602        |
| Repurchases of shares[2]   | (1)           | -                    | 1              | 1                 | 1        | -                        | 1            |
| Shares held in trust: net sales and dividends received                     | -             | 606                  | -              | 70                | 676      | -                        | 676          |
| Share-based compensation   | -             | -                    | (65)           | (22)              | (87)     | -                        | (87)         |
| At December 31, 2015   | 546           | (584)                | (17,186)       | 180,100           | 162,876  | 1,245                    | 164,121      |
| At January 1, 2014   | 542           | (1,932)              | (2,037)        | 183,474           | 180,047  | 1,101                    | 181,148      |
| Comprehensive income/(loss) for the period                                 | -             | -                    | (12,182)       | 14,874            | 2,692    | (190)                    | 2,502        |
| Capital contributions from, and other changes in, non-controlling interest | -             | -                    | -              | 727               | 727      | 25                       | 752          |
| Dividends paid   | -             | -                    | -              | (11,843)          | (11,843) | (116)                    | (11,959)     |
| Scrip dividends[1]   | 6             | -                    | (6)            | 2,399             | 2,399    | -                        | 2,399        |
| Repurchases of shares  | (8)           | -                    | 8              | (2,787)           | (2,787)  | -                        | (2,787)      |
| Shares held in trust: net sales and dividends received                     | -             | 742                  | -              | 107               | 849      | -                        | 849          |
| Share-based compensation   | -             | -                    | (148)          | 30                | (118)    | -                        | (118)        |
| At December 31, 2014   | 540           | (1,190)              | (14,365)       | 186,981           | 171,966  | 820                      | 172,786      |

[1] Under the Scrip Dividend Programme some 96.3 million A shares, equivalent to \$2.6 billion, were issued during 2015 and some 64.6 million A shares, equivalent to \$2.4 billion, were issued during 2014.

[2] Share repurchases in January 2015 were offset by repurchase commitments accrued at December 31, 2014. The share buyback programme was suspended in February 2015.

Notes 1 to 6 are an integral part of these unaudited Condensed Consolidated Financial Statements.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| Quarters |         |         | \$ million                             | Full year |          |
|----------|---------|---------|--|-----------|----------|
| Q4 2015  | Q3 2015 | Q4 2014 |  | 2015      | 2014     |
|          |         |         | Cash flow from operating activities    |           |          |
| 942      | (7,393) | 418     | Income/(loss) for the period           | 2,200     | 14,730   |
|          |         |         | Adjustment for:                        |           |          |
| 1,212    | 1,146   | 2,330   | - Current taxation                     | 7,058     | 13,757   |
| 405      | 426     | 375     | - Interest expense (net)               | 1,529     | 1,598    |
|          |         |         | - Depreciation, depletion and          |           |          |
| 5,281    | 12,156  | 4,991   | amortisation                           | 26,714    | 24,499   |
|          |         |         | - Net losses/(gains) on sale of        |           |          |
| (1,108)  | (493)   | (972)   | non-current assets and businesses      | (3,460)   | (3,212)  |
|          |         |         | - Decrease/(increase) in working       |           |          |
| 1,598    | 5,883   | 6,124   | capital                                | 5,521     | 6,405    |
|          |         |         | - Share of loss/(profit) of joint      |           |          |
| (793)    | (193)   | (818)   | ventures and associates                | (3,527)   | (6,116)  |
|          |         |         | - Dividends received from joint        |           |          |
| 1,440    | 1,039   | 1,531   | ventures and associates                | 4,627     | 6,902    |
|          |         |         | - Deferred taxation, retirement        |           |          |
|          |         |         | benefits, decommissioning              |           |          |
|          |         |         | and other provisions                   |           |          |
| (1,827)  | (2,407) | (1,705) |  | (5,827)   | (1,720)  |
| (3)      | 2,302   | 1,000   | - Other[1]                             | 2,648     | 2,500    |
|          |         |         | Net cash from operating activities     |           |          |
| 7,147    | 12,466  | 13,274  | (pre-tax)                              | 37,483    | 59,343   |
|          |         |         | Taxation paid                          |           |          |
| (1,724)  | (1,235) | (3,666) |  | (7,673)   | (14,299) |
| 5,423    | 11,231  | 9,608   | Net cash from operating activities     | 29,810    | 45,044   |
|          |         |         | Cash flow from investing activities    |           |          |
| (7,299)  | (6,412) | (8,831) | Capital expenditure[2]                 | (26,131)  | (31,676) |
|          |         |         | Investments in joint ventures and      |           |          |
| (5)      | (274)   | 107     | associates                             | (896)     | (1,426)  |
|          |         |         | Proceeds from sale of property, plant  |           |          |
| 1,398    | 913     | 2,245   | and equipment and businesses           | 4,720     | 9,873    |
|          |         |         | Proceeds from sale of joint ventures   |           |          |
| 26       | 81      | 279     | and associates                         | 276       | 4,163    |
| 91       | 82      | 56      | Interest received                      | 288       | 174      |
| (397)    | (108)   | (536)   | Other[2]                               | (664)     | (765)    |
| (6,186)  | (5,718) | (6,680) | Net cash used in investing activities  | (22,407)  | (19,657) |
|          |         |         | Cash flow from financing activities    |           |          |
|          |         |         | Net increase/(decrease) in debt with   |           |          |
| (9)      | (1,394) | (173)   | maturity period within three months    | (586)     | (3,332)  |
| 5,213    | 5,490   | 4,001   | Other debt: New borrowings             | 21,500    | 7,778    |
| (1,818)  | (1,387) | (571)   | Repayments                             | (6,023)   | (4,089)  |
| (484)    | (532)   | (310)   | Interest paid                          | (1,742)   | (1,480)  |
| 177      | 2       | 1,002   | Change in non-controlling interest     | 598       | 989      |
|          |         |         | Cash dividends paid to:                |           |          |
| (1,782)  | (2,362) | (2,987) | - Royal Dutch Shell plc shareholders   | (9,370)   | (9,444)  |
| (45)     | (27)    | (39)    | - Non-controlling interest             | (117)     | (116)    |
| -        | -       | (971)   | Repurchases of shares                  | (409)     | (3,328)  |
|          |         |         | Shares held in trust: net              |           |          |
|          |         |         | sales/(purchases) and dividends        |           |          |
| 7        | (1)     | (29)    | received                               | (39)      | 232      |
| 1,259    | (211)   | (77)    | Net cash used in financing activities  | 3,812     | (12,790) |
|          |         |         | Currency translation differences       |           |          |
|          |         |         | relating to cash and                   |           |          |
| (590)    | (437)   | (271)   | cash equivalents                       | (1,070)   | (686)    |
|          |         |         | Increase/(decrease) in cash and cash   |           |          |
| (94)     | 4,865   | 2,580   | equivalents                            | 10,145    | 11,911   |
|          |         |         | Cash and cash equivalents at beginning |           |          |
| 31,846   | 26,981  | 19,027  | of period                              | 21,607    | 9,696    |
|          |         |         | Cash and cash equivalents at end of    |           |          |
| 31,752   | 31,846  | 21,607  | period                                 | 31,752    | 21,607   |

[1] In 2015, this mainly related to well write-offs.

[2] Reflects a minor change to definition with effect from 2015 which has no overall impact on net cash used in investing activities. Comparative information has been reclassified.

Notes 1 to 6 are an integral part of these unaudited Condensed Consolidated Financial Statements.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. Basis of preparation

These unaudited Condensed Consolidated Financial Statements of Royal Dutch Shell plc and its subsidiaries (collectively referred to as Shell) have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union and as issued by the International Accounting Standards Board and on the basis of the same accounting principles as, and should be read in conjunction with, the Annual Report and Form 20-F for the year ended December 31, 2014 (pages 111 to 116) as filed with the U.S. Securities and Exchange Commission.

The financial information presented in these Condensed Consolidated Financial Statements does not constitute statutory accounts within the meaning of section 434(3) of the Companies Act 2006. Statutory accounts for the year ended December 31, 2014 were published in Shell's Annual Report and a copy was delivered to the Registrar of Companies in England and Wales. The auditors' report on those accounts was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report and did not contain a statement under sections 498(2) or 498(3) of the Companies Act 2006.

### 2. Segment information

Segment earnings are presented on a current cost of supplies basis (CCS earnings), which is the earnings measure used by the Chief Executive Officer for the purposes of making decisions about allocating resources and assessing performance. On this basis, the purchase price of volumes sold during the period is based on the current cost of supplies during the same period after making allowance for the tax effect. CCS earnings therefore exclude the effect of changes in the oil price on inventory carrying amounts.

Information by business segment:

| Quarters |         | \$ million                | Full year |         |
|----------|---------|---------------------------|-----------|---------|
| Q4 2015  | Q4 2014 |                           | 2015      | 2014    |
|          |         | Third-party revenue       |           |         |
| 6,712    | 11,251  | Upstream                  | 28,480    | 45,240  |
| 51,410   | 81,093  | Downstream                | 236,384   | 375,752 |
| 24       | 30      | Corporate                 | 96        | 113     |
| 58,146   | 92,374  | Total third-party revenue | 264,960   | 421,105 |
|          |         | Inter-segment revenue     |           |         |
| 5,512    | 9,429   | Upstream                  | 25,447    | 47,059  |
| 386      | 596     | Downstream                | 1,362     | 2,294   |
| -        | -       | Corporate                 | -         | -       |
|          |         | CCS earnings              |           |         |
| (333)    | 2,645   | Upstream[1]               | (5,663)   | 15,841  |
| 2,502    | 1,544   | Downstream[2]             | 10,243    | 3,411   |
| (295)    | (32)    | Corporate                 | (425)     | (156)   |
| 1,874    | 4,157   | Total CCS earnings        | 4,155     | 19,096  |

| Quarters |         | \$ million  | Full year |         |
|----------|---------|---|-----------|---------|
| Q4 2015  | Q4 2014 |   | 2015      | 2014    |
| 1,874    | 4,157   | Total CCS earnings                                      | 4,155     | 19,096  |
|          |         | Current cost of supplies adjustment:                    |           |         |
| (1,122)  | (4,336) | Purchases   | (2,278)   | (5,087) |
| 320      | 1,251   | Taxation  | 646       | 1,454   |
|          |         | Share of profit/(loss) of joint ventures and associates | (323)     | (733)   |
| (130)    | (654)   |   |           |         |
| 942      | 418     | Income/(loss) for the period                            | 2,200     | 14,730  |

1 Third quarter 2015 Upstream earnings include impairment charges of \$3,689 million after taxation, primarily related to North America shale gas properties, and the impact of the decisions to cease Alaska drilling activities for the foreseeable future and to cease the Carmon Creek project (\$2,584 million and \$2,032 million after taxation respectively). Second quarter 2014 Upstream earnings included an impairment charge of \$1,943 million after taxation, partly offset by divestment gains of \$1,230 million after taxation.

2 First quarter 2014 Downstream earnings included an impairment charge of \$2,284 million related to refineries in Asia and Europe.

### 3. Share capital

#### Issued and fully paid

| Number of shares      | Ordinary shares of EUR0.07 each |               | Sterling deferred shares of GBP1 each |
|-----------------------|---------------------------------|---------------|---------------------------------------|
|                       | A                               | B             |                                       |
| At January 1, 2015    | 3,907,302,393                   | 2,440,410,614 | 50,000                                |
| Scrip dividends       | 96,336,688                      | -             | -                                     |
| Repurchases of shares | (12,717,512)                    | -             | -                                     |
| At December 31, 2015  | 3,990,921,569                   | 2,440,410,614 | 50,000                                |
| At January 1, 2014    | 3,898,011,213                   | 2,472,839,187 | 50,000                                |
| Scrip dividends       | 64,568,758                      | -             | -                                     |
| Repurchases of shares | (55,277,578)                    | (32,428,573)  | -                                     |
| At December 31, 2014  | 3,907,302,393                   | 2,440,410,614 | 50,000                                |

#### Nominal value

| \$ million            | Ordinary shares of EUR0.07 each |     | Total |
|-----------------------|---------------------------------|-----|-------|
|                       | A                               | B   |       |
| At January 1, 2015    | 334                             | 206 | 540   |
| Scrip dividends       | 7                               | -   | 7     |
| Repurchases of shares | (1)                             | -   | (1)   |
| At December 31, 2015  | 340                             | 206 | 546   |
| At January 1, 2014    | 333                             | 209 | 542   |
| Scrip dividends       | 6                               | -   | 6     |
| Repurchases of shares | (5)                             | (3) | (8)   |
| At December 31, 2014  | 334                             | 206 | 540   |

The total nominal value of sterling deferred shares is less than \$1 million.

At Royal Dutch Shell plc's Annual General Meeting on May 19, 2015, the Board was authorised to allot ordinary shares in Royal Dutch Shell plc, and to grant rights to subscribe for or to convert any security into ordinary shares in Royal Dutch Shell plc, up to an aggregate nominal amount of 147 million (representing 2,100 million ordinary shares of 0.07 each), and to list such shares or rights on any stock exchange. This authority expires at the earlier of the close of business on August 19, 2016, and the end of the Annual General Meeting to be held in 2016, unless previously renewed, revoked or varied by Royal Dutch Shell plc in a general meeting.

### 4. Other reserves

| \$ million   | Merger<br>reserve[1] | Share<br>premium<br>reserve<br>[1] | Capital<br>redemption<br>reserve[2] | Share plan<br>reserve | Accumulated<br>other<br>comprehensive<br>income | Total    |
|--|----------------------|------------------------------------|-------------------------------------|-----------------------|---|----------|
| At January 1, 2015   | 3,405                | 154                                | 83                                  | 1,723                 | (19,730)  | (14,365) |
| Other comprehensive<br>income/(loss)<br>attributable to Royal<br>Dutch Shell plc<br>shareholders | -                    | -                                  | -                                   | -                     | (2,750)   | (2,750)  |
| Scrip dividends  | (7)                  | -                                  | -                                   | -                     | -   | (7)      |
| Repurchases of shares  | -                    | -                                  | 1                                   | -                     | -   | 1        |
| Share-based<br>compensation  | -                    | -                                  | -                                   | (65)                  | -   | (65)     |
| At December 31, 2015   | 3,398                | 154                                | 84                                  | 1,658                 | (22,480)  | (17,186) |
| At January 1, 2014   | 3,411                | 154                                | 75                                  | 1,871                 | (7,548)   | (2,037)  |
| Other comprehensive<br>income/(loss)<br>attributable to Royal<br>Dutch Shell plc<br>shareholders | -                    | -                                  | -                                   | -                     | (12,182)  | (12,182) |
| Scrip dividends  | (6)                  | -                                  | -                                   | -                     | -   | (6)      |
| Repurchases of shares  | -                    | -                                  | 8                                   | -                     | -   | 8        |
| Share-based<br>compensation  | -                    | -                                  | -                                   | (148)                 | -   | (148)    |
| At December 31, 2014   | 3,405                | 154                                | 83                                  | 1,723                 | (19,730)  | (14,365) |

[1] The merger reserve and share premium reserve were established as a consequence of Royal Dutch Shell plc becoming the single parent company of Royal Dutch Petroleum Company and The "Shell" Transport and Trading Company, p.l.c., now The Shell Transport and Trading Company Limited, in 2005.

[2] The capital redemption reserve was established in connection with repurchases of shares of Royal Dutch Shell plc.

## 5. Derivative contracts

The table below provides the carrying amounts of derivatives contracts held, disclosed in accordance with IFRS 13 Fair Value Measurement.

| \$ million                                      | Dec 31, 2015 | Sep 30, 2015 | Dec 31, 2014 |
|---|--------------|--------------|--------------|
| Included within:                                |              |              |              |
| Trade and other receivables &#8211; non-current | 744          | 885          | 703          |
| Trade and other receivables &#8211; current     | 13,114       | 12,433       | 14,037       |
| Trade and other payables &#8211; non-current    | 1,687        | 1,407        | 520          |
| Trade and other payables &#8211; current        | 10,757       | 9,892        | 11,554       |

As disclosed in the Consolidated Financial Statements for the year ended December 31, 2014, presented in the Annual Report and Form 20-F for that year, Shell is exposed to the risks of changes in fair value of its financial assets and liabilities. The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values at December 31, 2015 are consistent with those used in the year ended December 31, 2014, and the carrying amounts of derivative contracts measured using predominantly unobservable inputs have not changed materially since that date.

The fair value of debt excluding finance lease liabilities at December 31, 2015, was \$53,480 million (September 30, 2015: \$50,744 million; December 31, 2014: \$41,120 million). Fair value is determined from the prices quoted for those securities.

## 6. Recommended cash and share offer for BG Group plc by Royal Dutch Shell plc

On April 8, 2015, the Boards of Royal Dutch Shell plc and BG Group plc announced that they had reached agreement on the

terms of a recommended cash and share offer to be made by Royal Dutch Shell plc for the entire issued and to be issued share capital of BG Group plc.

The shareholders of Royal Dutch Shell plc and BG Group plc voted to approve the transaction at meetings on January 27, 2016 and January 28, 2016 respectively. The transaction is expected to complete on February 15, 2016, subject to the satisfaction or waiver of certain customary conditions, including the sanction of the scheme arrangement to implement the combination by the High Court of Justice.

Under certain circumstances occurring on or prior to July 31, 2016, Royal Dutch Shell plc has agreed to pay BG Group plc £750 million by way of compensation for any loss suffered by BG Group plc in connection with the preparation and negotiation of the transaction.

## ADDITIONAL NOTES FOR INFORMATION

### A. Impacts of accounting for derivatives

In the ordinary course of business Shell enters into contracts to supply or purchase oil and gas products as well as power and environmental products. Derivative contracts are entered into for mitigation of resulting economic exposures (generally price exposure) and these derivative contracts are carried at period-end market price (fair value), with movements in fair value recognised in income for the period. Supply and purchase contracts entered into for operational purposes are, by contrast, recognised when the transaction occurs (see also below); furthermore, inventory is carried at historical cost or net realisable value, whichever is lower.

As a consequence, accounting mismatches occur because: (a) the supply or purchase transaction is recognised in a different period; or (b) the inventory is measured on a different basis.

In addition, certain UK gas contracts held by Upstream are, due to pricing or delivery conditions, deemed to contain embedded derivatives or written options and are also required to be carried at fair value even though they are entered into for operational purposes.

The accounting impacts of the aforementioned are reported as identified items in this Report.

### B. Capital investment

Capital investment is a measure used to make decisions about allocating resources and assessing performance. It is defined as the sum of capital expenditure, exploration expense (excluding well write-offs), new investments in joint ventures and associates, new finance leases and other adjustments.

### C. Divestments

Divestment proceeds comprise proceeds from sale of property, plant and equipment and businesses, joint ventures and associates, and other Upstream and Downstream investments, adjusted onto an accruals basis.

The term "Divestments" comprises both divestment proceeds as defined above and proceeds from sale of interests in Shell Midstream Partners, L.P. ("SMP"). Proceeds from sale of interests in SMP are included within "Change in non-controlling interest" in the Condensed Consolidated Statement of Cash Flows.

### D. Return on average capital employed

Return on average capital employed (ROACE) measures the efficiency of Shell's utilisation of the capital that it employs and is a common measure of business performance. In this calculation, ROACE is defined as the sum of income for the current and previous three quarters, adjusted for after-tax interest expense, as a percentage of the average capital employed for the same period. The tax rate used is Shell's effective tax rate for the period. Capital employed consists of total equity, current debt and non-current debt.

### E. Gearing

Gearing, calculated as net debt (total debt less cash and cash equivalents) as a percentage of total capital (net debt plus total equity), is a key measure of Shell's capital structure.

## F. Operating costs

Operating costs comprise production and manufacturing expenses; selling, distribution and administrative expenses; and research and development expenses.

## G. Liquidity and capital resources

Fourth quarter net cash from operating activities was \$5.4 billion compared with \$9.6 billion for the same period last year.

Total current and non-current debt increased to \$58.4 billion at December 31, 2015 from \$55.6 billion at September 30, 2015 while cash and cash equivalents were \$31.8 billion at December 31, 2015, in line with the position at September 30, 2015. During the fourth quarter 2015, Shell issued \$5.0 billion of debt under the US shelf registration. No new debt was issued under the European medium-term note programme.

Capital investment for the fourth quarter 2015 was \$7.9 billion, of which \$5.8 billion in Upstream, \$2.0 billion in Downstream and \$0.1 billion in Corporate. Capital investment for the same period last year was \$9.7 billion, including \$7.5 billion in Upstream and \$2.1 billion in Downstream.

Dividends of \$0.47 per share are announced on February 4, 2016 in respect of the fourth quarter. These dividends are payable on March 29, 2016. In the case of B shares, the dividends will be payable through the dividend access mechanism and are expected to be treated as UK-source rather than Dutch-source. See the Annual Report and Form 20-F for the year ended December 31, 2014 for additional information on the dividend access mechanism.

Under the Scrip Dividend Programme shareholders can increase their shareholding in Shell by choosing to receive new shares instead of cash dividends. Only new A shares will be issued under the Programme, including to shareholders who currently hold B shares.

Full year net cash from operating activities was \$29.8 billion compared with \$45.0 billion last year.

Total current and non-current debt increased to \$58.4 billion at December 31, 2015 from \$45.5 billion at December 31, 2014 while cash and cash equivalents increased to \$31.8 billion at December 31, 2015 from \$21.6 billion at December 31, 2014. During 2015 Shell issued \$15.0 billion of debt under the US shelf registration, and \$5.2 billion of debt under the European medium-term note programme.

Capital investment for 2015 was \$28.9 billion, of which \$23.6 billion in Upstream, \$5.1 billion in Downstream and \$0.2 billion in Corporate. Capital investment for 2014 was \$37.3 billion, of which \$31.3 billion in Upstream, \$5.9 billion in Downstream and \$0.1 billion in Corporate.

## CAUTIONARY STATEMENT

The release, presentation, publication or distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements. Any failure to comply with applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction.

This announcement is not intended to and does not constitute or form part of any offer to sell or subscribe for or any invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the recommended combination of Royal Dutch Shell plc ("Shell") and BG Group plc ("BG") (the "Combination") or otherwise nor shall there be any sale, issuance or transfer of securities of Shell or BG pursuant to the Combination in any jurisdiction in contravention of applicable laws.

All amounts shown throughout this announcement are unaudited. All peak production figures in Portfolio Developments are quoted at 100% expected production.

The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate entities. In this announcement "Shell", "Shell group" and "Royal Dutch Shell" are sometimes used for convenience where references are made to Royal Dutch Shell plc and its subsidiaries in general. Likewise, the words "we", "us" and "our" are also used to refer to subsidiaries in general or to those who work for them. These expressions are also used where no useful purpose is served by identifying the particular company or companies. "Subsidiaries", "Shell subsidiaries" and "Shell companies" as used in this announcement refer to companies over which Royal Dutch Shell plc either directly or indirectly has control. Companies over

which Shell has joint control are generally referred to as "joint ventures" and companies over which Shell has significant influence but neither control nor joint control are referred to as "associates". The term "Shell interest" is used for convenience to indicate the direct and/or indirect ownership interest held by Shell in a venture, partnership or company, after exclusion of all third-party interest.

This announcement contains forward-looking statements concerning the financial condition, results of operations and businesses of Royal Dutch Shell and of the Combination. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Royal Dutch Shell, BG and the combined group to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions. These forward-looking statements are identified by their use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "goals", "intend", "may", "objectives", "outlook", "plan", "probably", "project", "risks", "schedule", "seek", "should", "target", "will" and similar terms and phrases. There are a number of factors that could affect the future operations of Royal Dutch Shell and could cause those results to differ materially from those expressed in the forward-looking statements included in this announcement, including (without limitation): (a) price fluctuations in crude oil and natural gas; (b) changes in demand for Shell's products; (c) currency fluctuations; (d) drilling and production results; (e) reserves estimates; (f) loss of market share and industry competition; (g) environmental and physical risks; (h) risks associated with the identification of suitable potential acquisition properties and targets, and successful negotiation and completion of such transactions; (i) the risk of doing business in developing countries and countries subject to international sanctions; (j) legislative, fiscal and regulatory developments including regulatory measures addressing climate change; (k) economic and financial market conditions in various countries and regions; (l) political risks, including the risks of expropriation and renegotiation of the terms of contracts with governmental entities, delays or advancements in the approval of projects and delays in the reimbursement for shared costs; and (m) changes in trading conditions. All forward-looking statements contained in this announcement are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on forward-looking statements. Additional risk factors that may affect future results are contained in Royal Dutch Shell's Form 20-F for the year ended December 31, 2014 (available at <http://www.shell.com/investor> and <http://www.sec.gov>). These risk factors also expressly qualify all forward-looking statements contained in this announcement and should be considered by the reader. Each forward-looking statement speaks only as of the date of this announcement, February 4, 2016. Neither Royal Dutch Shell plc nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this announcement.

This Report contains references to Shell's website. These references are for the readers' convenience only. Shell is not incorporating by reference any information posted on <http://www.shell.com>

We may have used certain terms, such as resources, in this announcement that the United States Securities and Exchange Commission (SEC) strictly prohibits us from including in our filings with the SEC. U.S. investors are urged to consider closely the disclosure in our Form 20-F, File No 1-32575, available on the SEC website <http://www.sec.gov>. You can also obtain this form from the SEC by calling 1-800-SEC-0330.

February 4, 2016

The information in this Report reflects the unaudited consolidated financial position and results of Royal Dutch Shell plc. Company No. 4366849, Registered Office: Shell Centre, London, SE1 7NA, England, UK.

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