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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington D.C. 20549

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**Form 6-K**

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**REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16  
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For July 2014

Commission File Number: 1-32575

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**Royal Dutch Shell plc**  
(Exact name of registrant as specified in its charter)

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**England and Wales**  
(Jurisdiction of incorporation or organization)

**30, Carel van Bylandtlaan, 2596 HR The Hague**  
**The Netherlands**  
**Tel No: (011 31 70) 377 9111**  
(Address of principal executive offices)

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

Form 20-F       Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

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Royal Dutch Shell plc (the “Registrant”) is filing the following exhibits on this Report on Form 6-K, each of which is hereby incorporated by reference:

| <b>Exhibit No.</b> | <b>Description</b>   |
|--------------------|--|
| 99.1               | Regulatory release.  |
| 99.2               | Royal Dutch Shell plc – Three and six month period ended June 30, 2014 Unaudited Condensed Interim Financial Report. |

This Unaudited Condensed Interim Financial Report contains the Unaudited Condensed Consolidated Interim Financial Statements of the Registrant and its consolidated subsidiaries for the three and six month period ended June 30, 2014 and Business Review in respect of such period. This Report on Form 6-K contains the Unaudited Condensed Interim Financial Report with additional information required to keep current our registration statement on Form F-3.

This Report on Form 6-K is incorporated by reference into:

- a) the Registration Statement on Form F-3 of Royal Dutch Shell plc and Shell International Finance B.V. (Registration Numbers 333-177588 and 333-177588-01); and
- b) the Registration Statements on Forms S-8 of Royal Dutch Shell plc (Registration Numbers 333-126715, 333-141397, 333-171206 and 333-192821).

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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 authorised.

Royal Dutch Shell plc  
(Registrant)

By: /s/ M. Edwards

Name: M. Edwards  
Title: Deputy Company Secretary

Date: July 31, 2014

**Three and six month period ended June 30, 2014**  
**Unaudited Condensed Interim Financial Report**

On July 31, 2014, Royal Dutch Shell plc released the Unaudited Condensed Interim Financial Report for the three and six month period ended June 30, 2014 of Royal Dutch Shell plc and its consolidated subsidiaries (collectively, "Shell").

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Royal Dutch Shell plc

**Three and six month period ended June 30, 2014**  
**Unaudited Condensed Interim Financial Report**

Royal Dutch Shell plc

Unaudited Condensed Interim Financial Report

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## 2ND QUARTER 2014 UNAUDITED RESULTS

- Royal Dutch Shell's second quarter 2014 earnings, on a current cost of supplies (CCS) basis (see Note 2), were \$5.1 billion compared with \$2.4 billion for the same quarter a year ago. Earnings included an identified net charge of \$1.0 billion after tax, mainly reflecting impairments which were partly offset by divestment gains (see page 11).
- Second quarter 2014 CCS earnings excluding identified items (see page 11) were \$6.1 billion compared with \$4.6 billion for the second quarter 2013, an increase of 33%.
- Compared with the second quarter 2013, CCS earnings excluding identified items benefited from higher liquids production volumes and prices, the impact of the strengthening Australian dollar on a deferred tax liability, and higher contributions from Manufacturing. These items were partly offset by increased depreciation, higher costs, and the phasing of a dividend from an LNG venture into the third quarter of 2014.
- Basic CCS earnings per share excluding identified items increased by 33% versus the same quarter last year.
- Cash flow from operating activities for the second quarter 2014 was \$8.6 billion, compared with \$12.4 billion for the same quarter last year. Excluding working capital movements, cash flow from operating activities for the second quarter 2014 was \$11.0 billion, compared with \$8.4 billion for the second quarter 2013.
- Capital investment for the second quarter 2014 was \$8.5 billion. Net capital investment (see Note 2) for the second quarter 2014 was \$1.1 billion, compared with \$10.9 billion for the same period a year ago.
- Total dividends distributed in the quarter were \$3.0 billion, of which \$1.0 billion were settled under the Scrip Dividend Programme. During the second quarter some 8.6 million A shares were bought back for cancellation for a consideration of \$0.3 billion. Shell has now cancelled the Scrip Dividend Programme and scrip dividends will not be offered for the second quarter 2014 dividend.
- Gearing at the end of the second quarter 2014 was 13.4%.
- A second quarter 2014 dividend has been announced of \$0.47 per ordinary share and \$0.94 per American Depositary Share ("ADS"), an increase of 4% compared with the second quarter 2013.

## SUMMARY OF UNAUDITED RESULTS

| Quarters     |         |         |                | \$ million   | Half year      |         |            |
|--------------|---------|---------|----------------|--|----------------|---------|------------|
| Q2 2014      | Q1 2014 | Q2 2013 | % <sup>1</sup> |  | 2014           | 2013    | %          |
| <b>5,307</b> | 4,509   | 1,737   | <b>+206</b>    | <b>Income attributable to Royal Dutch Shell plc shareholders</b> | <b>9,816</b>   | 9,913   | <b>-1</b>  |
| <b>(160)</b> | (44)    | 657     |                | Current cost of supplies (CCS) adjustment for Downstream         | <b>(204)</b>   | 432     |            |
| <b>5,147</b> | 4,465   | 2,394   | <b>+115</b>    | <b>CCS earnings</b>  | <b>9,612</b>   | 10,345  | <b>-7</b>  |
| <b>(979)</b> | (2,862) | (2,206) |                | Identified items <sup>2</sup>                                    | <b>(3,841)</b> | (1,775) |            |
| <b>6,126</b> | 7,327   | 4,600   | <b>+33</b>     | <b>CCS earnings excluding identified items</b>                   | <b>13,453</b>  | 12,120  | <b>+11</b> |
|              |         |         |                | Of which:  |                |         |            |
| <b>4,722</b> | 5,710   | 3,526   |                | <b>Upstream</b>  | <b>10,432</b>  | 9,174   |            |
| <b>1,347</b> | 1,575   | 1,168   |                | <b>Downstream</b>  | <b>2,922</b>   | 3,016   |            |
| <b>57</b>    | 42      | (94)    |                | <b>Corporate and Non-controlling interest</b>                    | <b>99</b>      | (70)    |            |
| <b>8,641</b> | 13,984  | 12,444  | <b>-31</b>     | <b>Cash flow from operating activities</b>                       | <b>22,625</b>  | 24,003  | <b>-6</b>  |
| <b>0.81</b>  | 0.71    | 0.38    | <b>+113</b>    | <b>Basic CCS earnings per share (\$)</b>                         | <b>1.52</b>    | 1.64    | <b>-7</b>  |
| <b>1.62</b>  | 1.42    | 0.76    |                | Basic CCS earnings per ADS (\$)                                  | <b>3.04</b>    | 3.28    |            |
| <b>0.97</b>  | 1.17    | 0.73    | <b>+33</b>     | <b>Basic CCS earnings per share excl. identified items (\$)</b>  | <b>2.13</b>    | 1.92    | <b>+11</b> |
| <b>1.94</b>  | 2.34    | 1.46    |                | Basic CCS earnings per ADS excl. identified items (\$)           | <b>4.26</b>    | 3.84    |            |
| <b>0.47</b>  | 0.47    | 0.45    | <b>+4</b>      | <b>Dividend per share (\$)</b>                                   | <b>0.94</b>    | 0.90    | <b>+4</b>  |
| <b>0.94</b>  | 0.94    | 0.90    |                | Dividend per ADS (\$)  | <b>1.88</b>    | 1.80    |            |

<sup>1</sup> Q2 on Q2 change

<sup>2</sup> See page 11

**Royal Dutch Shell Chief Executive Officer Ben van Beurden commented:**

“We are making progress with the priorities I set out at the start of 2014: to balance growth and returns by focusing on better financial performance, enhanced capital efficiency, and continued strong project delivery.

Shell’s strategy is founded on technological expertise, disciplined capital investment, integrated operations, and large scale. This is underpinned by an unrelenting focus on safety. We aim to grow cash flow through the cycle and deliver competitive shareholder returns.

I am determined to get a tighter grip on business performance management in the company, and improve the balance between growth and returns.

Our financial performance for the second quarter of 2014 was more robust than year-ago levels but I want to see stronger, more competitive results right across the company, particularly in Oil Products and North America resources plays. Improvement of financial performance in these two parts of the business will take time, but I see early momentum, which we must maintain.

Sharper accountability in the company means that we are targeting our growth investment more effectively, focusing on areas of the business where performance improvement is most needed, and driving asset sales in non-strategic positions.

The impairments we have announced today in Upstream Americas reflect the restructuring of Shell’s resources plays portfolio. We see attractive growth opportunities there such as natural gas integration and liquids-rich shales.

We are taking firm actions to improve Shell’s capital efficiency by selling selected assets and making tougher project decisions. We have completed some \$8 billion of asset sales so far in 2014. This represents good progress towards our targets to focus the portfolio, and to maintain the financial framework in robust health.

We’ve continued to ramp up production at Mars B in the Gulf of Mexico – part of Shell’s industry-leading deep-water portfolio – and our exploration programme is delivering, with new finds in the Gulf of Mexico and Malaysia.

Our dividend for the second quarter of 2014 is 4% up from year-ago levels. We are expecting some \$7 – \$8 billion of share buybacks for 2014 and 2015 combined, of which \$1.6 billion were completed in the first half of this year. These expected buybacks and dividend distributions are expected to exceed \$30 billion over the two-year period. All of this underlines the company’s recent improved performance and future potential.”

### Upstream

Shell continued to divest non-strategic Upstream positions during the second quarter of 2014 with divestment proceeds totalling some \$6.5 billion.

During the quarter Shell completed a sell-down of 78.27 million shares in Woodside Petroleum Limited (“Woodside”) in **Australia** for a consideration of \$3 billion, reducing Shell’s interest from 23% to approximately 14%.

Also in Australia, Shell completed the sale of its 8% interest in the Wheatstone-lago joint venture and its 6.4% interest in the 8.9 million tonnes per annum (“mtpa”) Wheatstone LNG project, which is under development, to the Kuwait Foreign Petroleum Exploration Company for \$1.5 billion.

In **Brazil**, Shell completed the sale of its 23% interest in the Shell-operated deep-water project BC-10 to Qatar Petroleum International for a consideration of \$1.2 billion.

In **Canada**, Shell agreed to divest its 100% interest in the Orion Steam Assisted Gravity Drainage (“SAGD”) project, currently producing approximately six thousand barrels of oil equivalent per day (“boe/d”), to Osum Oil Sands Corp for a consideration of some \$0.3 billion, subject to closing. The deal is expected to close in the third quarter 2014.

Also in Canada, Shell signed a binding agreement to sell its entire interest in the Burnt Timber, Hunter Valley and Panther River gas fields and associated infrastructure (current production of approximately four thousand boe/d) to CQ Energy Partnership for a consideration of some \$50 million. The Burnt Timber Gas Plant is not included in the sale and ceased operations in the second quarter 2014.

Shell also agreed to sell its interest in a portion of its dry gas Deep Basin assets in Canada (current production of some seven thousand boe/d) to Mapan Energy Ltd. for a consideration of some \$0.1 billion, subject to closing.

In **Japan**, Shell announced that it will begin supplying liquefied natural gas (“LNG”) to one of Japan’s leading electric companies from October 2014. The deal, with Chubu Electric, includes an agreement to supply up to 12 cargoes of LNG a year (0.7 mtpa) for the next 20 years.

In the **United States**, Shell completed the divestment of its 100% interest in approximately 106,000 net acres of the Eagle Ford liquids-rich shale (“LRS”) asset (current production of some 20 thousand boe/d) to Sanchez Energy Corporation for a consideration of some \$0.6 billion. The agreement is effective from January 1, 2014.

Also in the United States, Shell completed the sale of its 50% interest in approximately 312,000 net acres in the Niobrara and Sandwash basins for a consideration of some \$90 million.

In the United Kingdom North Sea, Shell is considering the sale of the Anasuria, Nelson and Sean late life assets, currently producing some 14 thousand boe/d.

During the quarter, in Shell’s heartlands exploration programme Shell announced an oil discovery in the Norphlet play in the deep waters of the Gulf of Mexico with the successful Rydberg exploration well (Shell interest 57.2%). As previously reported, Shell participated in the non-operated Rosmari-1 discovery (Shell interest 85%) offshore Malaysia during the quarter, adding new gas resources.

Shell had continued success with near-field exploration discoveries in a number of countries.

As part of its global exploration programme, Shell added **new acreage** positions following successful bidding results in New Zealand, the Netherlands and the Gulf of Mexico in the United States.

During the second quarter Shell entered the **front end engineering and design** (“FEED”) phase on the key non-operated project Val d’Agri Phase 2 (Shell interest 39%) in **Italy**. This project is expected to deliver peak production of some 65 thousand boe/d after coming on-stream.



In **Upstream Americas resources plays** (shale oil and gas), we have completed a new bottom up review of our portfolio and strategy. The majority of near-term investments will be directed at North America liquids-rich shales, focused on appraisal in Western Canada and the Permian. Major divestments of non-core liquids-rich shales positions are now complete. In Western Canada dry gas, the company has long-term growth potential related to LNG opportunities. Shell's Lower 48 dry gas positions, where we have established production and further exploration potential, remain under review and could potentially be the subject of further impairments and/or asset sales.

### **Downstream**

Downstream **divestment proceeds** totalled some \$0.9 billion for the second quarter 2014.

In the **United States**, Shell announced that its wholly-owned subsidiary, Shell Midstream Partners, L.P., has filed a Registration Statement on Form S-1 with the U.S. Securities and Exchange Commission related to the proposed initial public offering of common units representing limited partner interests. Shell intends to apply to list the common units on the New York Stock Exchange under the ticker symbol "SHLX". The offering is expected to occur in the second half of 2014.

In July, Shell signed an agreement to become the first customer of new, dedicated LNG for transport infrastructure planned at the Port of Rotterdam in **the Netherlands**. Shell has committed to buy capacity from the Gate terminal, which has enabled investment in the terminal expansion. This agreement is expected to increase availability of LNG as a transport fuel for vessels in northwest Europe.

<sup>1</sup> See pages 25 and 26 for first quarter 2014 portfolio developments.

## KEY FEATURES OF THE SECOND QUARTER 2014

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- **Second quarter 2014 CCS earnings** (see Note 2) were \$5,147 million, 115% higher than for the same quarter a year ago. Second quarter 2014 earnings included an identified net charge of \$1.0 billion after tax, mainly reflecting impairments which were partly offset by divestment gains (see page 11).
- **Second quarter 2014 CCS earnings excluding identified items** (see page 11) were \$6,126 million compared with \$4,600 million for the second quarter 2013, an increase of 33%.
- **Compared with the second quarter 2013**, CCS earnings excluding identified items benefited from higher liquids production volumes and prices, the impact of the strengthening Australian dollar on a deferred tax liability, and higher contributions from Manufacturing. These items were partly offset by increased depreciation, higher costs, and the phasing of a dividend from an LNG venture into the third quarter of 2014.
- **Basic CCS earnings per share** increased by 113% versus the same quarter a year ago.
- **Basic CCS earnings per share excluding identified items** increased by 33% versus the same quarter a year ago.
- **Cash flow from operating activities** for the second quarter 2014 was \$8.6 billion, compared with \$12.4 billion for the same quarter last year. Excluding working capital movements, cash flow from operating activities for the second quarter 2014 was \$11.0 billion, compared with \$8.4 billion for the same quarter last year.
- **Net capital investment** (see Note 2) for the second quarter 2014 was \$1.1 billion. **Capital investment** for the second quarter 2014 was \$8.5 billion and **divestment proceeds** were \$7.4 billion.
- Total **dividends distributed** in the second quarter 2014 were \$3.0 billion of which \$1.0 billion were settled by issuing some 26.6 million A shares under the Scrip Dividend Programme for the first quarter 2014 dividend.
- Under our **share buyback programme** some 8.6 million A shares were bought back for cancellation during the second quarter 2014 for a consideration of \$0.3 billion.
- **Return on average capital employed** on a reported income basis (see Note 8) was 7.9% at the end of the second quarter 2014, versus 12.1% at the end of the second quarter 2013.
- **Gearing** was 13.4% at the end of the second quarter 2014 versus 10.3% at the end of the second quarter 2013.
- **Oil and gas production** for the second quarter 2014 was 3,077 thousand boe/d, in line with the second quarter 2013. Excluding the impact of divestments, Abu Dhabi license expiry, PSC price effects, and security impacts in Nigeria, second quarter 2014 production was 4% higher than for the same period last year.
- **Equity sales of LNG** of 6.00 million tonnes for the second quarter 2014 were 28% higher than for the same quarter a year ago.
- **Oil products sales volumes** for the second quarter 2014 were 4% higher than for the second quarter 2013. **Chemicals sales volumes** for the second quarter 2014 increased by 4% compared with the same quarter a year ago.

## SUMMARY OF IDENTIFIED ITEMS

Earnings for the second quarter 2014 reflected the following items, which in aggregate amounted to a net charge of \$979 million (compared with a net charge of \$2,206 million for the second quarter 2013), as summarised in the table below:

- **Upstream** earnings included a net charge of \$902 million, reflecting impairments of \$1,943 million, predominantly related to dry gas properties in the United States, triggered by a reduced capital allocation to these assets. These were partly offset by divestment gains of \$1,230 million mainly related to Wheatstone and the sell-down of 78.27 million shares in Woodside. Identified items also included a net charge on fair value accounting of commodity derivatives and certain gas contracts of \$44 million and a net charge of \$145 million for other items, mainly comprised of a tax charge on an asset transfer. Upstream earnings for the second quarter 2013 included a net charge of \$1,845 million.
- **Downstream** earnings included a net charge of \$76 million, reflecting a net charge on fair value accounting of commodity and derivatives of \$50 million, a net impairment charge of \$35 million, and a net charge of \$119 million for other items, mainly related to a prior year sale obligation. These items were partly offset by gains on divestments of \$128 million. Downstream earnings for the second quarter 2013 included a net charge of \$365 million.
- **Corporate results and Non-controlling interest** included a net charge of \$1 million. Earnings for the second quarter 2013 included a net gain of \$4 million.

## SUMMARY OF IDENTIFIED ITEMS

| Q2 2014 | Quarters             |         |   | \$ million | Half year      |                |
|---------|----------------------|---------|---|------------|----------------|----------------|
|         | Q1 2014 <sup>1</sup> | Q2 2013 |   |            | 2014           | 2013           |
|         |                      |         | <b>Segment earnings impact of identified items:</b> |            |                |                |
| (902)   | (283)                | (1,845) | Upstream  |            | (1,185)        | (1,672)        |
| (76)    | (2,580)              | (365)   | Downstream  |            | (2,656)        | (525)          |
| (1)     | 1                    | 4       | Corporate and Non-controlling interest              |            | 0              | 422            |
| (979)   | (2,862)              | (2,206) | <b>Earnings impact</b>                              |            | <b>(3,841)</b> | <b>(1,775)</b> |

1 See page 26

These identified items are shown to provide additional insight into segment earnings and income attributable to shareholders. They include the full impact 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 7)
- Redundancy and restructuring

Further items may be identified in addition to the above.

## EARNINGS BY BUSINESS SEGMENT

### UPSTREAM

| Quarters |         |         |                | \$ million  | Half year     |        |     |
|----------|---------|---------|----------------|---|---------------|--------|-----|
| Q2 2014  | Q1 2014 | Q2 2013 | % <sup>1</sup> |   | 2014          | 2013   | %   |
| 4,722    | 5,710   | 3,526   | +34            | <b>Upstream earnings excluding identified items</b>         | <b>10,432</b> | 9,174  | +14 |
| 3,820    | 5,427   | 1,681   | +127           | <b>Upstream earnings</b>                                    | <b>9,247</b>  | 7,502  | +23 |
| 8,919    | 9,075   | 8,143   | +10            | <b>Upstream cash flow from operating activities</b>         | <b>17,994</b> | 17,848 | +1  |
| 562      | 9,340   | 9,549   | -94            | <b>Upstream net capital investment</b>                      | <b>9,902</b>  | 16,919 | -41 |
| 1,499    | 1,481   | 1,502   | 0              | Liquids production available for sale (thousand b/d)        | 1,490         | 1,570  | -5  |
| 9,153    | 10,227  | 9,050   | +1             | Natural gas production available for sale (million scf/d)   | 9,687         | 10,085 | -4  |
| 3,077    | 3,245   | 3,062   | 0              | <b>Total production available for sale (thousand boe/d)</b> | <b>3,160</b>  | 3,309  | -5  |
| 6.00     | 6.09    | 4.68    | +28            | <b>Equity sales of LNG (million tonnes)</b>                 | <b>12.09</b>  | 9.83   | +23 |

<sup>1</sup> Q2 on Q2 change

**Second quarter** Upstream earnings excluding identified items were \$4,722 million compared with \$3,526 million a year ago. Identified items were a net charge of \$902 million, compared with a net charge of \$1,845 million for the second quarter 2013 (see page 11).

Compared with the second quarter 2013, earnings excluding identified items benefited from higher liquids production volumes and prices, including contributions from Deepwater in the Americas, Iraq, and Integrated Gas, as well as the impact of the strengthening Australian dollar on a deferred tax liability. These items were partly offset by increased depreciation, higher costs, and the phasing of a dividend from an LNG venture into the third quarter of 2014.

Global liquids realisations were 3% higher than for the second quarter 2013. Global natural gas realisations were 8% lower than for the same quarter a year ago, with a 16% increase in the Americas and a 15% decrease outside the Americas.

Second quarter 2014 production was 3,077 thousand boe/d compared with 3,062 thousand boe/d a year ago. Liquids production was in line with the second quarter 2013 and natural gas production increased by 1%. Excluding the impact of divestments, Abu Dhabi license expiry, PSC price effects, and security impacts in Nigeria, second quarter 2014 production was 4% higher than for the same period last year.

The continuing ramp-up of fields and new field start-ups, in particular Majnoon in Iraq and Mars B in the Gulf of Mexico, contributed some 140 thousand boe/d to production for the second quarter 2014, more than offsetting the impact of field declines. Production also benefited from a number of new wells in existing fields and improved well performance in the Gulf of Mexico.

Equity sales of LNG of 6.00 million tonnes increased by 28% compared to the same quarter a year ago, mainly reflecting the contribution from the acquisition of Repsol's LNG business and decreased feedgas disruptions in Nigeria.

**Half year** Upstream earnings excluding identified items were \$10,432 million compared with \$9,174 million for the first half year 2013. Identified items were a net charge of \$1,185 million, compared with a net charge of \$1,672 million for the first half year 2013 (see page 11).

Compared with the first half year 2013, Upstream earnings excluding identified items reflected increased liquids production volumes and prices, including contributions from Iraq, Deepwater in the Americas, and Integrated Gas, gas trading results as well as the strengthening Australian dollar on a deferred tax liability. Earnings were impacted by increased depreciation, higher costs and well write-offs.

Global liquids realisations were in line with the first half year 2013. Global natural gas realisations were 2% lower than for the first half year 2013, with a 32% increase in the Americas and a 9% decrease outside the Americas.

Half year 2014 production was 3,160 thousand boe/d compared with 3,309 thousand boe/d for the same period a year ago. Liquids production was down 5% and natural gas production decreased by 4% compared with the first half year 2013. Excluding the impact of divestments, Abu Dhabi license expiry, PSC price effects, security impacts in Nigeria and the NAM curtailment, first half year 2014 production was in line with the same period last year.

Equity sales of LNG of 12.09 million tonnes were 23% higher than for the first half year 2013, reflecting the contribution from the acquisition of Repsol's LNG business and decreased feedgas disruptions in Nigeria, partly offset by higher planned maintenance at some LNG plants.

## DOWNSTREAM

| Quarters |         |         |                |   | \$ million | Half year |      |   |
|----------|---------|---------|----------------|---|------------|-----------|------|---|
| Q2 2014  | Q1 2014 | Q2 2013 | % <sup>1</sup> |   |            | 2014      | 2013 | % |
| 1,347    | 1,575   | 1,168   | +15            | <b>Downstream CCS earnings excluding identified items</b> | 2,922      | 3,016     | -3   |   |
| 1,271    | (1,005) | 803     | +58            | <b>Downstream CCS earnings</b>                            | 266        | 2,491     | -89  |   |
| 262      | 3,145   | 3,761   | -93            | <b>Downstream cash flow from operating activities</b>     | 3,407      | 4,126     | -17  |   |
| 543      | 776     | 1,328   | -59            | <b>Downstream net capital investment</b>                  | 1,319      | 2,148     | -39  |   |
| 3,034    | 2,965   | 2,914   | +4             | <b>Refinery processing intake (thousand b/d)</b>          | 3,000      | 2,902     | +3   |   |
| 6,453    | 6,319   | 6,212   | +4             | <b>Oil products sales volumes (thousand b/d)</b>          | 6,386      | 6,109     | +5   |   |
| 4,387    | 4,285   | 4,211   | +4             | <b>Chemicals sales volumes (thousand tonnes)</b>          | 8,672      | 8,354     | +4   |   |

<sup>1</sup> Q2 on Q2 change

**Second quarter** Downstream earnings excluding identified items were \$1,347 million compared with \$1,168 million for the second quarter 2013. Identified items were a net charge of \$76 million, compared with a net charge of \$365 million for the second quarter 2013 (see page 11).

Compared with the second quarter 2013, Downstream earnings excluding identified items benefited from higher contributions from Manufacturing. This was despite weaker refining industry conditions, in particular in Asia and Europe. Earnings were impacted by increased costs resulting from one-off provisions, and lower contributions from trading and supply activities. Contributions from Chemicals were higher as a result of improved base chemicals industry conditions mainly in North America as well as lower planned maintenance, partly offset by weaker intermediates industry conditions.

Downstream cash flow from operating activities was impacted by negative working capital movements in Oil Products primarily driven by inventory effects.

Refinery intake volumes were 4% higher compared with the same quarter last year, mainly as a result of improved operational performance. Refinery availability increased to 94% compared with 92% in the second quarter 2013.

Oil products sales volumes increased by 4% compared with the same period a year ago reflecting higher trading volumes partly offset by lower marketing volumes.

Chemicals sales volumes increased by 4% compared with the same quarter last year, mainly as a result of higher utilisation. Chemicals manufacturing plant availability increased to 90% from 88% for the second quarter 2013, as a result of lower planned maintenance, partly offset by higher unplanned maintenance.

**Half year** Downstream earnings excluding identified items were \$2,922 million compared with \$3,016 million for the first half year 2013. Identified items were a net charge of \$2,656 million, compared with a net charge of \$525 million for the first half year 2013 (see page 11).

Compared with the first half year 2013, Downstream earnings excluding identified items were impacted by lower contributions from trading and supply and weaker refining industry conditions in Asia and Europe. These items were partly offset by a stronger refining margin environment in the United States Gulf Coast and improved refining operational performance. Contributions from Chemicals were higher as a result of improved base chemicals industry conditions primarily in North America as well as lower planned maintenance, partly offset by weaker intermediates industry conditions.

Refinery intake volumes were 3% higher compared with the first half year 2013, mainly as a result of improved operational performance. Refinery availability increased to 93% from 92% for the same period a year ago.

Oil products sales volumes increased by 5% compared with the same period a year ago, mainly as a result of higher trading volumes partly offset by lower marketing volumes.

Chemicals sales volumes increased by 4% compared with the first half year 2013, mainly as a result of higher utilisation. Chemicals manufacturing plant availability increased to 93% from 90% for the first half year 2013, as a result of lower planned maintenance, partly offset by higher unplanned maintenance.

## CORPORATE AND NON-CONTROLLING INTEREST

| Q2 2014 | Quarters |         |  | \$ million | Half year   |             |
|---------|----------|---------|--|------------|-------------|-------------|
|         | Q1 2014  | Q2 2013 |  |            | 2014        | 2013        |
| 57      | 42       | (94)    | <b>Corporate and Non-controlling interest excl. identified items</b> |            | <b>99</b>   | <b>(70)</b> |
|         |          |         | Of which:  |            |             |             |
| 101     | 76       | (77)    | <b>Corporate</b>   |            | <b>177</b>  | <b>11</b>   |
| (44)    | (34)     | (17)    | <b>Non-controlling interest</b>                                      |            | <b>(78)</b> | <b>(81)</b> |
| 56      | 43       | (90)    | <b>Corporate and Non-controlling interest</b>                        |            | <b>99</b>   | <b>352</b>  |

**Second quarter** Corporate results and Non-controlling interest excluding identified items were a gain of \$57 million, compared with a loss of \$94 million for the same period last year. Identified items for the second quarter 2014 were a net charge of \$1 million, whereas earnings for the second quarter 2013 included a net gain of \$4 million (see page 11).

Compared with the second quarter 2013, Corporate results excluding identified items mainly reflected favourable currency exchange rate effects, higher tax credits, and lower costs, partly offset by increased net interest expense.

**Half year** Corporate results and Non-controlling interest excluding identified items were a gain of \$99 million compared with a loss of \$70 million for the first half year 2013. Identified items for the first half year 2014 offset to nil, compared with a net gain of \$422 million for the first half year 2013 (see page 11).

Compared with the first half year 2013, Corporate results excluding identified items mainly reflected favourable currency exchange rate effects and lower costs, partly offset by higher net interest expense.

## FORTHCOMING EVENTS

On September 5, 2014 an Investor Day will be held in New York, United States.

Third quarter 2014 results and third quarter 2014 dividend are scheduled to be announced on October 30, 2014.

## CONSOLIDATED STATEMENT OF INCOME

| Quarters       |         |         |                | \$ million   | Half year      |         |           |
|----------------|---------|---------|----------------|--|----------------|---------|-----------|
| Q2 2014        | Q1 2014 | Q2 2013 | % <sup>1</sup> |  | 2014           | 2013    | %         |
| <b>111,222</b> | 109,658 | 112,669 |                | Revenue  | <b>220,880</b> | 225,479 |           |
| <b>1,716</b>   | 2,070   | 1,433   |                | Share of profit of joint ventures and associates                 | <b>3,786</b>   | 3,736   |           |
| <b>2,336</b>   | 351     | 246     |                | Interest and other income  | <b>2,687</b>   | 647     |           |
| <b>115,274</b> | 112,079 | 114,348 |                | <b>Total revenue and other income</b>                            | <b>227,353</b> | 229,862 |           |
| <b>85,296</b>  | 83,835  | 88,901  |                | Purchases  | <b>169,131</b> | 175,504 |           |
| <b>7,839</b>   | 7,179   | 7,000   |                | Production and manufacturing expenses                            | <b>15,018</b>  | 13,458  |           |
| <b>3,755</b>   | 3,434   | 3,661   |                | Selling, distribution and administrative expenses                | <b>7,189</b>   | 7,248   |           |
| <b>274</b>     | 283     | 305     |                | Research and development   | <b>557</b>     | 599     |           |
| <b>1,128</b>   | 927     | 1,228   |                | Exploration  | <b>2,055</b>   | 1,876   |           |
| <b>7,354</b>   | 7,424   | 7,502   |                | Depreciation, depletion and amortisation                         | <b>14,778</b>  | 11,727  |           |
| <b>505</b>     | 452     | 379     |                | Interest expense   | <b>957</b>     | 780     |           |
| <b>9,123</b>   | 8,545   | 5,372   | <b>+70</b>     | <b>Income before taxation</b>                                    | <b>17,668</b>  | 18,670  | <b>-5</b> |
| <b>3,778</b>   | 4,003   | 3,631   |                | Taxation   | <b>7,781</b>   | 8,703   |           |
| <b>5,345</b>   | 4,542   | 1,741   | <b>+207</b>    | <b>Income for the period</b>                                     | <b>9,887</b>   | 9,967   | <b>-1</b> |
| <b>38</b>      | 33      | 4       |                | Income attributable to non-controlling interest                  | <b>71</b>      | 54      |           |
| <b>5,307</b>   | 4,509   | 1,737   | <b>+206</b>    | <b>Income attributable to Royal Dutch Shell plc shareholders</b> | <b>9,816</b>   | 9,913   | <b>-1</b> |

<sup>1</sup> Q2 on Q2 change

## EARNINGS PER SHARE

| Quarters    |         |         | \$                         | Half year   |      |
|-------------|---------|---------|----------------------------|-------------|------|
| Q2 2014     | Q1 2014 | Q2 2013 |                            | 2014        | 2013 |
| <b>0.84</b> | 0.72    | 0.28    | Basic earnings per share   | <b>1.56</b> | 1.57 |
| <b>0.84</b> | 0.72    | 0.27    | Diluted earnings per share | <b>1.56</b> | 1.57 |

SHARES<sup>1</sup>

| Quarters       |         |         | Millions  | Half year      |         |
|----------------|---------|---------|---|----------------|---------|
| Q2 2014        | Q1 2014 | Q2 2013 |   | 2014           | 2013    |
|                |         |         | Weighted average number of shares as the basis for: |                |         |
| <b>6,323.0</b> | 6,287.8 | 6,313.7 | Basic earnings per share                            | <b>6,305.5</b> | 6,311.3 |
| <b>6,323.4</b> | 6,288.9 | 6,316.9 | Diluted earnings per share                          | <b>6,305.8</b> | 6,314.6 |
| <b>6,341.7</b> | 6,321.8 | 6,296.0 | Shares outstanding at the end of the period         | <b>6,341.7</b> | 6,296.0 |

<sup>1</sup> Royal Dutch Shell plc ordinary shares of €0.07 each

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

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| Quarters  |              |              | \$ million   |  | Half year    |                |
|---|--------------|--------------|--|--|--------------|----------------|
| Q2 2014   | Q1 2014      | Q2 2013      |  |  | 2014         | 2013           |
| 5,345   | 4,542        | 1,741        | <b>Income for the period</b>   |  | <b>9,887</b> | <b>9,967</b>   |
| Other comprehensive income net of tax:                      |              |              |  |  |              |                |
| Items that may be reclassified to income in later periods:  |              |              |  |  |              |                |
| 591   | (551)        | (1,024)      | - Currency translation differences   |  | 40           | (2,676)        |
| (182)   | 28           | (71)         | - Unrealised (losses)/gains on securities                                      |  | (154)        | (40)           |
| (18)  | 19           | 142          | - Cash flow hedging (losses)/gains   |  | 1            | 155            |
| 5   | (7)          | (29)         | - Share of other comprehensive income/(loss) of joint ventures and associates  |  | (2)          | (85)           |
| <b>396</b>  | <b>(511)</b> | <b>(982)</b> | <b>Total</b>   |  | <b>(115)</b> | <b>(2,646)</b> |
| Items that are not reclassified to income in later periods: |              |              |  |  |              |                |
| (253)   | (546)        | 584          | - Retirement benefits remeasurements   |  | (799)        | 2,020          |
| <b>(253)</b>  | <b>(546)</b> | <b>584</b>   | <b>Total</b>   |  | <b>(799)</b> | <b>2,020</b>   |
| 143   | (1,057)      | (398)        | <b>Other comprehensive income/(loss) for the period</b>                        |  | <b>(914)</b> | <b>(626)</b>   |
| <b>5,488</b>  | <b>3,485</b> | <b>1,343</b> | <b>Comprehensive income for the period</b>                                     |  | <b>8,973</b> | <b>9,341</b>   |
| 48  | 29           | (22)         | Comprehensive income/(loss) attributable to non-controlling interest           |  | 77           | 3              |
| <b>5,440</b>  | <b>3,456</b> | <b>1,365</b> | <b>Comprehensive income attributable to Royal Dutch Shell plc shareholders</b> |  | <b>8,896</b> | <b>9,338</b>   |

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



CONDENSED CONSOLIDATED BALANCE SHEET

|  | \$ million          |                     |                     |
|--|---------------------|---------------------|---------------------|
|  | <u>Jun 30, 2014</u> | <u>Mar 31, 2014</u> | <u>Dec 31, 2013</u> |
| <b>Assets</b>  |                     |                     |                     |
| <b>Non-current assets:</b>                                       |                     |                     |                     |
| Intangible assets <sup>1</sup>                                   | 7,423               | 7,482               | 4,394               |
| Property, plant and equipment                                    | 193,069             | 194,608             | 191,897             |
| Joint ventures and associates                                    | 34,455              | 35,909              | 34,613              |
| Investments in securities  | 4,647               | 4,761               | 4,715               |
| Deferred tax   | 6,557               | 6,177               | 5,785               |
| Retirement benefits  | 3,439               | 3,197               | 3,574               |
| Trade and other receivables                                      | 9,121               | 10,036              | 9,191               |
|  | <b>258,711</b>      | <b>262,170</b>      | <b>254,169</b>      |
| <b>Current assets:</b>   |                     |                     |                     |
| Inventories  | 31,361              | 28,829              | 30,009              |
| Trade and other receivables                                      | 65,225              | 63,670              | 63,638              |
| Cash and cash equivalents <sup>1</sup>                           | 15,419              | 11,924              | 9,696               |
|  | <b>112,005</b>      | <b>104,423</b>      | <b>103,343</b>      |
| <b>Total assets</b>  | <b>370,716</b>      | <b>366,593</b>      | <b>357,512</b>      |
| <b>Liabilities</b>   |                     |                     |                     |
| <b>Non-current liabilities:</b>                                  |                     |                     |                     |
| Debt <sup>1</sup>  | 38,901              | 41,236              | 36,218              |
| Trade and other payables   | 4,167               | 4,281               | 4,065               |
| Deferred tax   | 11,950              | 11,882              | 11,943              |
| Retirement benefits  | 11,967              | 11,385              | 11,182              |
| Decommissioning and other provisions                             | 22,714              | 22,298              | 19,698              |
|  | <b>89,699</b>       | <b>91,082</b>       | <b>83,106</b>       |
| <b>Current liabilities:</b>                                      |                     |                     |                     |
| Debt <sup>1</sup>  | 5,221               | 4,493               | 8,344               |
| Trade and other payables   | 72,495              | 70,738              | 70,112              |
| Taxes payable  | 13,542              | 13,488              | 11,173              |
| Retirement benefits  | 389                 | 387                 | 382                 |
| Decommissioning and other provisions                             | 3,257               | 3,275               | 3,247               |
|  | <b>94,904</b>       | <b>92,381</b>       | <b>93,258</b>       |
| <b>Total liabilities</b>   | <b>184,603</b>      | <b>183,463</b>      | <b>176,364</b>      |
| <b>Equity attributable to Royal Dutch Shell plc shareholders</b> | <b>185,015</b>      | <b>182,028</b>      | <b>180,047</b>      |
| Non-controlling interest   | 1,098               | 1,102               | 1,101               |
| <b>Total equity</b>  | <b>186,113</b>      | <b>183,130</b>      | <b>181,148</b>      |
| <b>Total liabilities and equity</b>                              | <b>370,716</b>      | <b>366,593</b>      | <b>357,512</b>      |

<sup>1</sup> See Note 6

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| \$ million   | Equity attributable to Royal Dutch Shell plc shareholders |                         |                   |                      |                | Non-<br>controlling<br>interest | Total<br>equity |
|--|---|-------------------------|-------------------|----------------------|----------------|---------------------------------|-----------------|
|  | Share<br>capital  | Shares held<br>in trust | Other<br>reserves | Retained<br>earnings | Total          |                                 |                 |
| <b>At January 1, 2014</b>  | 542   | (1,932)                 | (2,037)           | 183,474              | <b>180,047</b> | 1,101                           | <b>181,148</b>  |
| Comprehensive income for the period  | —   | —                       | (920)             | 9,816                | <b>8,896</b>   | 77                              | <b>8,973</b>    |
| Capital contributions from, and other changes in, non-controlling interest | —   | —                       | —                 | 3                    | <b>3</b>       | (7)                             | <b>(4)</b>      |
| Dividends paid   | —   | —                       | —                 | (5,862)              | <b>(5,862)</b> | (73)                            | <b>(5,935)</b>  |
| Scrip dividends <sup>1</sup>   | 6   | —                       | (6)               | 2,399                | <b>2,399</b>   | —                               | <b>2,399</b>    |
| Repurchases of shares <sup>2</sup>   | (4)   | —                       | 4                 | (1,028)              | <b>(1,028)</b> | —                               | <b>(1,028)</b>  |
| Shares held in trust: net sales/(purchases) and dividends received         | —   | 809                     | —                 | 56                   | <b>865</b>     | —                               | <b>865</b>      |
| Share-based compensation   | —   | —                       | (305)             | —                    | <b>(305)</b>   | —                               | <b>(305)</b>    |
| <b>At June 30, 2014</b>  | 544   | (1,123)                 | (3,264)           | 188,858              | <b>185,015</b> | 1,098                           | <b>186,113</b>  |
| <b>At January 1, 2013</b>  | 542   | (2,287)                 | (3,752)           | 180,246              | <b>174,749</b> | 1,433                           | <b>176,182</b>  |
| Comprehensive income for the period  | —   | —                       | (575)             | 9,913                | <b>9,338</b>   | 3                               | <b>9,341</b>    |
| Capital contributions from, and other changes in, non-controlling interest | —   | —                       | —                 | —                    | —              | (2)                             | <b>(2)</b>      |
| Dividends paid   | —   | —                       | —                 | (5,598)              | <b>(5,598)</b> | (80)                            | <b>(5,678)</b>  |
| Scrip dividends <sup>1</sup>   | 4   | —                       | (4)               | 1,647                | <b>1,647</b>   | —                               | <b>1,647</b>    |
| Repurchases of shares <sup>2</sup>   | (6)   | —                       | 6                 | (3,077)              | <b>(3,077)</b> | —                               | <b>(3,077)</b>  |
| Shares held in trust: net sales/(purchases) and dividends received         | —   | 559                     | —                 | 59                   | <b>618</b>     | —                               | <b>618</b>      |
| Share-based compensation   | —   | —                       | (430)             | (380)                | <b>(810)</b>   | —                               | <b>(810)</b>    |
| <b>At June 30, 2013</b>  | 540   | (1,728)                 | (4,755)           | 182,810              | <b>176,867</b> | 1,354                           | <b>178,221</b>  |

<sup>1</sup> Under the Scrip Dividend Programme some 64.6 million A shares, equivalent to \$2.4 billion, were issued during the first half year 2014 and some 49.2 million A shares, equivalent to \$1.6 billion, were issued during the first half year 2013. On May 22, 2014, Shell announced the cancellation of its Scrip Dividend Programme with effect from the second quarter 2014 interim dividend onwards.

<sup>2</sup> Includes shares committed to repurchase and repurchases subject to settlement at the end of the quarter

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

| Quarters                                   |         |         | \$ million   | Half year |          |
|--|---------|---------|--|-----------|----------|
| Q2 2014                                    | Q1 2014 | Q2 2013 |  | 2014      | 2013     |
| <b>Cash flow from operating activities</b> |         |         |  |           |          |
| 5,345                                      | 4,542   | 1,741   | <b>Income for the period</b>   | 9,887     | 9,967    |
| Adjustment for:                            |         |         |  |           |          |
| 4,336                                      | 4,400   | 4,048   | - Current taxation   | 8,736     | 8,940    |
| 468  | 378     | 301     | - Interest expense (net)   | 846       | 658      |
| 7,355                                      | 7,424   | 7,502   | - Depreciation, depletion and amortisation                                     | 14,779    | 11,727   |
| (2,203)                                    | 41      | (44)    | - Net (gains)/losses on sale of assets   | (2,162)   | (257)    |
| (2,335)                                    | 875     | 4,085   | - (Increase)/decrease in working capital                                       | (1,460)   | 4,119    |
| (1,716)                                    | (2,070) | (1,433) | - Share of profit of joint venture and associates                              | (3,786)   | (3,736)  |
| 1,768                                      | 1,507   | 2,703   | - Dividends received from joint ventures and associates                        | 3,275     | 3,945    |
| (396)                                      | (308)   | (845)   | - Deferred taxation, retirement benefits, decommissioning and other provisions | (704)     | (856)    |
| 399  | 529     | 784     | - Other  | 928       | 811      |
| 13,021                                     | 17,318  | 18,842  | Net cash from operating activities (pre-tax)                                   | 30,339    | 35,318   |
| (4,380)                                    | (3,334) | (6,398) | Taxation paid  | (7,714)   | (11,315) |
| 8,641                                      | 13,984  | 12,444  | <b>Net cash from operating activities</b>                                      | 22,625    | 24,003   |
| <b>Cash flow from investing activities</b> |         |         |  |           |          |
| (7,872)                                    | (7,397) | (8,987) | Capital expenditure <sup>1</sup>   | (15,269)  | (16,849) |
| (493)                                      | (889)   | (291)   | Investments in joint ventures and associates                                   | (1,382)   | (663)    |
| 3,539                                      | 306     | 319     | Proceeds from sales of assets  | 3,845     | 701      |
| 3,671                                      | 56      | 63      | Proceeds from sales of joint ventures and associates                           | 3,727     | 217      |
| 188  | 152     | (347)   | Other investments (net)  | 340       | (327)    |
| 31   | 58      | 71      | Interest received  | 89        | 107      |
| (936)                                      | (7,714) | (9,172) | <b>Net cash used in investing activities</b>                                   | (8,650)   | (16,814) |
| <b>Cash flow from financing activities</b> |         |         |  |           |          |
| (1,397)                                    | (1,297) | (370)   | Net decrease in debt with maturity period within three months                  | (2,694)   | (237)    |
| 140  | 3,195   | 198     | Other debt: New borrowings   | 3,335     | 378      |
| (251)                                      | (2,933) | (3,556) | Repayments   | (3,184)   | (5,741)  |
| (398)                                      | (368)   | (176)   | Interest paid  | (766)     | (334)    |
| (13)                                       | —       | 8       | Change in non-controlling interest   | (13)      | 1        |
| Cash dividends paid to:                    |         |         |  |           |          |
| (1,964)                                    | (1,499) | (2,043) | - Royal Dutch Shell plc shareholders   | (3,463)   | (3,951)  |
| (45)                                       | (28)    | (59)    | - Non-controlling interest   | (73)      | (80)     |
| (346)                                      | (1,241) | (1,934) | Repurchases of shares  | (1,587)   | (2,479)  |
| 90   | 123     | (432)   | Shares held in trust: net (purchases)/sales and dividends received             | 213       | (442)    |
| (4,184)                                    | (4,048) | (8,364) | <b>Net cash used in financing activities</b>                                   | (8,232)   | (12,885) |
| (26)                                       | 6       | 18      | Currency translation differences relating to cash and cash equivalents         | (20)      | (314)    |
| 3,495                                      | 2,228   | (5,074) | <b>Increase/(decrease) in cash and cash equivalents</b>                        | 5,723     | (6,010)  |
| 11,924                                     | 9,696   | 17,614  | <b>Cash and cash equivalents at beginning of period</b>                        | 9,696     | 18,550   |
| 15,419                                     | 11,924  | 12,540  | <b>Cash and cash equivalents at end of period</b>                              | 15,419    | 12,540   |

<sup>1</sup> See Note 6

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

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 1. Basis of preparation

These unaudited Condensed Consolidated Interim Financial Statements (“Interim 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, 2013 (pages 105 to 110) as filed with the U.S. Securities and Exchange Commission.

Shell’s operating plan for the foreseeable future demonstrates its ability to operate its cash-generating activities, selling products to a diversified customer base. These activities are expected to generate sufficient cash to enable Shell to service its financing requirements, pay dividends and fund its investing activities. As a result, the Directors have a reasonable expectation that Shell has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis of accounting in preparing the financial statements contained in this Report.

The financial information presented in the Interim 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, 2013 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). 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.

Net capital investment (see Note 9) is defined as capital expenditure as reported in the Condensed Consolidated Statement of Cash Flows, adjusted for: proceeds from disposals (excluding other investments (net) in the Corporate segment); exploration expense excluding exploration wells written off; investments in joint ventures and associates; and leases and other items.

CCS earnings and net capital investment information are the dominant measures used by the Chief Executive Officer for the purposes of making decisions about allocating resources and assessing performance.

Information by business segment:

| Quarters                     |                |                                  | \$ million     |                |
|------------------------------|----------------|----------------------------------|----------------|----------------|
| Q2 2014                      | Q2 2013        |                                  | 2014           | 2013           |
| <b>Third-party revenue</b>   |                |                                  |                |                |
| 10,658                       | 12,085         | Upstream                         | 23,671         | 24,461         |
| 100,548                      | 100,534        | Downstream                       | 197,151        | 200,943        |
| 16                           | 50             | Corporate                        | 58             | 75             |
| <b>111,222</b>               | <b>112,669</b> | <b>Total third-party revenue</b> | <b>220,880</b> | <b>225,479</b> |
| <b>Inter-segment revenue</b> |                |                                  |                |                |
| 12,621                       | 10,353         | Upstream                         | 24,872         | 22,495         |
| 463                          | 158            | Downstream                       | 1,071          | 401            |
| —                            | —              | Corporate                        | —              | —              |
| <b>Segment earnings</b>      |                |                                  |                |                |
| 3,820                        | 1,681          | Upstream <sup>1</sup>            | 9,247          | 7,502          |
| 1,271                        | 803            | Downstream <sup>2</sup>          | 266            | 2,491          |
| 100                          | (73)           | Corporate                        | 177            | 418            |
| <b>5,191</b>                 | <b>2,411</b>   | <b>Total segment earnings</b>    | <b>9,690</b>   | <b>10,411</b>  |

1 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. Second quarter 2013 Upstream earnings included an impairment charge of \$2,071 million after taxation.

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

| Quarters                             |              |  | \$ million   |               |
|--------------------------------------|--------------|--|--------------|---------------|
| Q2 2014                              | Q2 2013      |  | 2014         | 2013          |
| <b>5,191</b>                         | <b>2,411</b> | <b>Total segment earnings</b>                    | <b>9,690</b> | <b>10,411</b> |
| Current cost of supplies adjustment: |              |  |              |               |
| 151                                  | (794)        | Purchases  | 143          | (681)         |
| (42)                                 | 218          | Taxation   | (43)         | 190           |
| 45                                   | (94)         | Share of profit of joint ventures and associates | 97           | 47            |
| <b>5,345</b>                         | <b>1,741</b> | <b>Income for the period</b>                     | <b>9,887</b> | <b>9,967</b>  |

### 3. Share capital

#### Issued and fully paid

| Number of shares        | Ordinary shares of €0.07 each |                      | Sterling deferred shares<br>of £1 each |
|-------------------------|-------------------------------|----------------------|--|
|                         | A                             | B                    |  |
| At January 1, 2014      | 3,898,011,213                 | 2,472,839,187        | 50,000                                 |
| Scrip dividends         | 64,568,758                    | —                    | —                                      |
| Repurchases of shares   | (8,620,000)                   | (32,428,573)         | —                                      |
| <b>At June 30, 2014</b> | <b>3,953,959,971</b>          | <b>2,440,410,614</b> | <b>50,000</b>                          |
| At January 1, 2013      | 3,772,388,687                 | 2,617,715,189        | 50,000                                 |
| Scrip dividends         | 49,223,025                    | —                    | —                                      |
| Repurchases of shares   | —                             | (72,247,018)         | —                                      |
| <b>At June 30, 2013</b> | <b>3,821,611,712</b>          | <b>2,545,468,171</b> | <b>50,000</b>                          |

#### Nominal value

| \$ million              | Ordinary shares of €0.07 each |            |            |
|-------------------------|-------------------------------|------------|------------|
|                         | A                             | B          | Total      |
| At January 1, 2014      | 333                           | 209        | 542        |
| Scrip dividends         | 6                             | —          | 6          |
| Repurchases of shares   | (1)                           | (3)        | (4)        |
| <b>At June 30, 2014</b> | <b>338</b>                    | <b>206</b> | <b>544</b> |
| At January 1, 2013      | 321                           | 221        | 542        |
| Scrip dividends         | 4                             | —          | 4          |
| Repurchases of shares   | —                             | (6)        | (6)        |
| <b>At June 30, 2013</b> | <b>325</b>                    | <b>215</b> | <b>540</b> |

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

At Royal Dutch Shell plc's Annual General Meeting on May 20, 2014, 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 20, 2015, and the end of the Annual General Meeting to be held in 2015, unless previously renewed, revoked or varied by Royal Dutch Shell plc in a general meeting.

### 4. Other reserves

| \$ million  | Merger<br>reserve <sup>1</sup> | Share<br>premium<br>reserve <sup>1</sup> | Capital<br>redemption<br>reserve <sup>2</sup> | Share plan<br>reserve | Accumulated<br>other<br>comprehensive<br>income | Total          |
|---|--------------------------------|--|---|-----------------------|---|----------------|
|   |                                |  |   |                       |   |                |
| <b>At January 1, 2014</b>   | 3,411                          | 154                                      | 75  | 1,871                 | (7,548)   | <b>(2,037)</b> |
| Other comprehensive loss attributable to Royal Dutch Shell plc shareholders | —                              | —  | —   | —                     | (920)   | <b>(920)</b>   |
| Scrip dividends   | (6)                            | —  | —   | —                     | —   | <b>(6)</b>     |
| Repurchases of shares   | —                              | —  | 4   | —                     | —   | <b>4</b>       |
| Share-based compensation  | —                              | —  | —   | (305)                 | —   | <b>(305)</b>   |
| <b>At June 30, 2014</b>   | <b>3,405</b>                   | <b>154</b>                               | <b>79</b>                                     | <b>1,566</b>          | <b>(8,468)</b>                                  | <b>(3,264)</b> |
| <b>At January 1, 2013</b>   | 3,423                          | 154                                      | 63  | 2,028                 | (9,420)   | <b>(3,752)</b> |
| Other comprehensive loss attributable to Royal Dutch Shell plc shareholders | —                              | —  | —   | —                     | (575)   | <b>(575)</b>   |
| Scrip dividends   | (4)                            | —  | —   | —                     | —   | <b>(4)</b>     |
| Repurchases of shares   | —                              | —  | 6   | —                     | —   | <b>6</b>       |
| Share-based compensation  | —                              | —  | —   | (430)                 | —   | <b>(430)</b>   |
| <b>At June 30, 2013</b>   | <b>3,419</b>                   | <b>154</b>                               | <b>69</b>                                     | <b>1,598</b>          | <b>(9,995)</b>                                  | <b>(4,755)</b> |

<sup>1</sup> 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, plc, now The Shell Transport and Trading Company Limited, in 2005.

<sup>2</sup> 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*.

| <u>\$ million</u>                         | <u>Jun 30, 2014</u> | <u>Mar 31, 2014</u> | <u>Dec 31, 2013</u> |
|---|---------------------|---------------------|---------------------|
| <b>Included within:</b>                   |                     |                     |                     |
| Trade and other receivables – non-current | <b>1,587</b>        | 1,761               | 1,772               |
| Trade and other receivables – current     | <b>8,393</b>        | 7,577               | 6,445               |
| Trade and other payables – non-current    | <b>497</b>          | 569                 | 587                 |
| Trade and other payables – current        | <b>8,949</b>        | 7,944               | 6,474               |

As disclosed in the Consolidated Financial Statements for the year ended December 31, 2013, 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 June 30, 2014 are consistent with those used in the year ended December 31, 2013, and the carrying amounts of derivative contracts measured using predominantly unobservable inputs has not changed materially since that date.

The fair value of debt excluding finance lease liabilities at June 30, 2014, was \$39,047 million (March 31, 2014: \$39,967 million; December 31, 2013: \$40,569 million). Fair value is determined from the prices quoted for those securities.

## 6. Acquisition of Repsol LNG businesses

On January 1, 2014, Shell completed the acquisition from Repsol S.A. of its LNG operations located in Trinidad and Tobago and Peru and related shipping and marketing activities, as reported in the Annual Report and Form 20-F for the year ended December 31, 2013 (page 139).

Cash consideration was \$4.1 billion, of which \$3.4 billion was transferred on December 31, 2013 and \$0.7 billion on January 2, 2014. After taking account of cash balances of \$0.3 billion in the entities acquired, the impact on capital expenditure in the Condensed Consolidated Statement of Cash Flows was \$3.4 billion and \$0.4 billion in the fourth quarter 2013 and the first quarter 2014 respectively. The impact on net capital investment, which also reflected the inclusion of finance lease liabilities assumed on January 1, 2014, was \$3.4 billion and \$2.0 billion in the fourth quarter 2013 and the first quarter 2014 respectively.

The updated fair values of the net assets acquired at January 1, 2014 and the fair value of the consideration paid were as follows:

|                               | <u>\$ million</u>             |
|-------------------------------|-------------------------------|
|                               | <u>Fair value<sup>1</sup></u> |
| <b>Net assets acquired:</b>   |                               |
| Intangible assets             | 3,273                         |
| Property, plant and equipment | 1,198                         |
| Joint ventures and associates | 531                           |
| Cash and cash equivalents     | 329                           |
| Other assets                  | 424                           |
| Debt                          | (1,601)                       |
| Other liabilities             | (39)                          |
| <b>Consideration paid</b>     | <b>4,115</b>                  |

<sup>1</sup> The determination of the fair values of the net assets acquired is provisional and will be subject to further review during the 12 months from the acquisition date.

## 7. Impacts of accounting for derivatives

In the ordinary course of business Shell enters into contracts to supply or purchase oil and gas products, and also enters into derivative contracts to mitigate resulting economic exposures (generally price exposure). 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.

## 8. 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. Capital employed consists of total equity, current debt and non-current debt.

## 9. Liquidity and capital resources

**Second quarter** net cash from operating activities was \$8.6 billion compared with \$12.4 billion for the same period last year.

Total current and non-current debt decreased to \$44.1 billion at June 30, 2014 from \$45.7 billion at March 31, 2014 while cash and cash equivalents increased to \$15.4 billion at June 30, 2014 from \$11.9 billion at March 31, 2014. No new debt was issued under the US shelf registration or under the euro medium-term note programme during the second quarter of 2014.

Net capital investment for the second quarter 2014 was \$1.1 billion, of which \$0.6 billion in Upstream and \$0.5 billion in Downstream. Net capital investment for the same period of 2013 was \$10.9 billion, of which \$9.5 billion in Upstream, \$1.3 billion in Downstream and \$0.1 billion in Corporate.

Dividends of \$0.47 per share are announced on July 31, 2014 in respect of the second quarter. These dividends are payable on September 25, 2014. 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, 2013 for additional information on the dividend access mechanism.

On May 22, 2014, Shell announced the cancellation of its Scrip Dividend Programme with effect from the second quarter 2014 interim dividend onwards.

**Half year** net cash from operating activities was \$22.6 billion compared with \$24.0 billion for the same period last year.

Total current and non-current debt decreased to \$44.1 billion at June 30, 2014 from \$44.6 billion at December 31, 2013 while cash and cash equivalents increased to \$15.4 billion at June 30, 2014 from \$9.7 billion at December 31, 2013. New debt was issued under the euro medium-term note programme during the first half 2014.

Net capital investment for the first half 2014 was \$11.3 billion, of which \$9.9 billion in Upstream, \$1.3 billion in Downstream and \$0.1 billion in Corporate. Net capital investment for the same period of 2013 was \$19.1 billion, of which \$16.9 billion in Upstream, \$2.1 billion in Downstream and \$0.1 billion in Corporate.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties affecting Shell are described in the Risk Factors section of the Annual Report and Form 20-F for the year ended December 31, 2013 (pages 11 to 14) and are summarised below. There are no material changes in those Risk Factors for the remaining 6 months of the financial year.

- We are exposed to fluctuating prices of crude oil, natural gas, oil products and chemicals.
- Our ability to achieve strategic objectives depends on how we react to competitive forces.
- As our business model involves treasury and trading risks, we are affected by the global macroeconomic environment as well as financial and commodity market conditions.
- Our future hydrocarbon production depends on the delivery of large and complex projects, as well as on our ability to replace proved oil and gas reserves.
- An erosion of our business reputation would have a negative impact on our brand, our ability to secure new resources and our licence to operate.
- Our future performance depends on the successful development and deployment of new technologies.
- Rising climate change concerns could lead to additional regulatory measures that may result in project delays and higher costs.
- The nature of our operations exposes us to a wide range of health, safety, security and environment risks.
- Shell mainly self-insures its risk exposures.
- A further erosion of the business and operating environment in Nigeria would adversely impact Shell.
- We operate in more than 70 countries that have differing degrees of political, legal and fiscal stability. This exposes us to a wide range of political developments that could result in changes to laws and regulations. In addition, Shell and its joint ventures and associates face the risk of litigation and disputes worldwide.
- Our operations expose us to social instability, civil unrest, terrorism, acts of war, piracy and government sanctions that could have an adverse impact on our business.
- We rely heavily on information technology systems for our operations.
- We have substantial pension commitments, whose funding is subject to capital market risks.
- The estimation of proved oil and gas reserves involves subjective judgements based on available information and the application of complex rules, so subsequent downward adjustments are possible.
- Many of our major projects and operations are conducted in joint arrangements or associates. This may reduce our degree of control, as well as our ability to identify and manage risks.
- Violations of antitrust and competition law carry fines and expose us and/or our employees to criminal sanctions and civil suits.
- Violations of anti-bribery and corruption law carry fines and expose us and/or our employees to criminal sanctions and civil suits.
- Violations of data protection laws carry fines and expose us and/or our employees to criminal sanctions and civil suits.
- The Company's Articles of Association determine the jurisdiction for shareholder disputes. This might limit shareholder remedies.



## **FIRST QUARTER 2014 PORTFOLIO DEVELOPMENTS**

### **Upstream**

In Brazil, Shell announced an agreement to sell a 23% interest in the Shell-operated deep-water project BC-10 to Qatar Petroleum International for a consideration of some \$1 billion. Subject to regulatory approval, the transaction is expected to close in 2014.

In Brunei, final investment decision (“FID”) was taken on the Maharaja Lela South (“ML South”) development (Shell interest 35%). The development is expected to deliver peak production of 35 thousand barrels of oil equivalent per day (“boe/d”).

Shell successfully commenced export of its first crude from the Majnoon oil field in Iraq, where production exceeded the 175,000 barrels per day (b/d) First Commercial Production target which initiated the commencement of cost recovery.

In the United Kingdom, Shell entered into an agreement with the government to progress the Peterhead Carbon Capture and Storage (“CCS”) project to the next phase of front-end engineering and design (“FEED”). The project aims to capture and store 10 million tonnes of CO<sub>2</sub> over 10 years. If successful, the project could represent the first industrial-scale application of CCS technology at a gas-fired power station anywhere in the world.

In the United States, Shell announced first production from the Mars B deep-water development (Shell interest 71.5%) in the Gulf of Mexico. The Olympus platform was completed and installed more than six months ahead of schedule, allowing for early production. Olympus is Shell’s seventh, and largest, floating deep-water platform in the Gulf of Mexico and extends the life of the overall Mars basin to around 2050. It is expected that the project will ramp up to a peak production of 100 thousand boe/d in 2016.

Also in the United States, Shell reached an agreement to sell its 50% interest in approximately 312,000 acres in the Niobrara and Sandwash basins for a consideration of some \$90 million. Subject to regulatory approval, the deal is expected to close in May, 2014.

Shell commenced FEED on the Appomattox deep-water development project (Shell interest 80%) in the Gulf of Mexico, United States. Including the Vicksburg A discovery (Shell interest 75%), the resources associated with this development are estimated to be greater than 600 million barrels of oil equivalent (“boe”). The project is expected to deliver peak production of 150 thousand boe/d.

The Siakap North-Petai development (Shell interest 21%) offshore Malaysia commenced production. The development is expected to deliver peak production of around 30 thousand boe/d.

During the quarter, in Shell’s heartlands exploration programme, a Shell-operated oil discovery at the Limbayong prospect (Shell interest 35%) offshore Malaysia was announced. Shell participated in the non-operated Lympstone gas discovery (Shell interest 50%) offshore Australia, and in April in the Rosmari-1 discovery (Shell interest 85%) offshore Malaysia, adding new gas resources. In addition during the quarter, we had a successful appraisal of the Pegaga gas discovery (Shell interest 20%) offshore Malaysia.

Shell had continued success with near-field exploration discoveries in a number of countries.

As part of its global exploration programme, Shell added new acreage positions following successful bidding results in Namibia, Norway, and Russia.

Upstream divestment proceeds totalled some \$0.3 billion for the first quarter 2014 and included among others proceeds from the completed sale of Shell’s interest in Mississippi Lime acreage in Kansas, United States.

In April, Shell approved to move into FEED for an LNG facility in Canada. The facility is expected to have capacity of approximately 12 million tonnes per annum (“mtpa”) with expansion potential to approximately 24 mtpa.

In Upstream Americas resources plays (shale oil and gas), insights from ongoing exploration and appraisal drilling results and production information, and Shell’s ongoing restructuring of this portfolio, could potentially lead to future asset sales and/or impairments.

## **Downstream**

In Australia, Shell announced a binding agreement to sell its Downstream businesses (excluding Aviation) to Vitol for a total transaction value of approximately \$2.6 billion. The sale covers Shell's Geelong Refinery and 870-site Retail business, along with its Bulk Fuels, Bitumen, Chemicals and part of its Lubricants businesses. It also includes a brand licence arrangement and an exclusive distributor arrangement in Australia for Shell Lubricants. The deal is subject to regulatory approvals and is expected to close in 2014.

In Italy, Shell reached an agreement with Kuwait Petroleum International for the sale of its Retail, Supply & Distribution Logistics and Aviation businesses. Under this agreement, Shell's Retail network will be re-branded to Q8 in the country. The sale is subject to regulatory approvals and is expected to close in 2014.

Consistent with Shell's strategic intent to concentrate its Downstream global footprint and businesses where it can be most competitive, Shell announced the intent to sell its Downstream Refining and Marketing businesses in Denmark.

Shell is also considering the sale of certain of its Marketing assets in Norway.

Downstream divestment proceeds totalled some \$0.2 billion for the first quarter 2014 and included among others proceeds from the divestment of Shell's 16.3% interest in Ceska Rafinerska in the Czech Republic.

### **FIRST QUARTER 2014 SUMMARY OF IDENTIFIED ITEMS**

Earnings for the first quarter 2014 reflected the following items, which in aggregate amounted to a net charge of \$2,862 million (compared with a net gain of \$431 million in the first quarter 2013), as summarised in the table below:

- Upstream earnings included a net charge of \$283 million, mainly reflecting charges related to asset impairments of \$168 million. Identified items also included net charges related to the fair value accounting of commodity derivatives and certain gas contracts, the impact of a reduction in the discount rate used for provisions, and divestments. Earnings for the first quarter 2013 included a net gain of \$173 million.
- Downstream earnings included a net charge of \$2,580 million, including impairments of \$2,284 million related to refineries in Asia and Europe. The refining-related impairments, equivalent to 14% of Shell's refinery asset base, reflect the latest insight into margins based on feedstock supply and product demand outlook. This charge includes the write-off of the Bukom oil refinery, at Shell's integrated refinery and chemicals facility in Singapore, and excludes the Bukom chemicals plant. The company has initiatives underway to improve the profitability of the integrated facilities at Bukom. Earnings for the first quarter 2013 included a net charge of \$160 million.
- Corporate and Non-controlling interest earnings included a net gain of \$1 million. Earnings for the first quarter 2013 included a net gain of \$418 million.

## **CAUTIONARY STATEMENT**

All amounts shown throughout this Report are unaudited.

The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate entities. In this document “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 document 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 document contains forward-looking statements concerning the financial condition, results of operations and businesses of Royal Dutch Shell. 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 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 document, 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 document 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, 2013 (available at [www.shell.com/investor](http://www.shell.com/investor) and [www.sec.gov](http://www.sec.gov)). These risk factors also expressly qualify all forward-looking statements contained in this document and should be considered by the reader. Each forward-looking statement speaks only as of the date of this document, July 31, 2014. 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 document.

We may have used certain terms, such as resources, in this document 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 [www.sec.gov](http://www.sec.gov). You can also obtain this form from the SEC by calling 1-800-SEC-0330.

July 31, 2014

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The information in this Report reflects the unaudited consolidated financial position and results of Royal Dutch Shell plc.

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Royal Dutch Shell plc

Unaudited Condensed Interim Financial Report

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## APPENDIX

### Share-based compensation

There are a number of share-based compensation plans for Shell employees. The principal share-based employee compensation plan is the Performance Share Plan ("PSP"). For the details of the PSP, reference is made to the Annual Report and Form 20-F for the year ended December 31, 2013. The following table presents the number of shares and American Depositary Shares ("ADSs") in Royal Dutch Shell plc conditionally awarded under the PSP outstanding as at June 30, 2014. The measurement period for the shares granted is three years.

| <u>PSPs</u>                              | <u>A shares</u> | <u>B shares</u> | <u>A ADSs</u> |
|--|-----------------|-----------------|---------------|
| Outstanding at June 30, 2014 (thousands) | 33,472          | 11,456          | 9,603         |

Prior to the introduction in 2005 of the PSP, Shell's plans offered options over shares and ADSs of Royal Dutch Shell plc which were awarded to eligible employees, at a price not less than the fair market value of the shares and ADSs at the date the options were granted. The following table presents the number of shares and ADSs in the Company under option as at June 30, 2014, and the range of expiration dates.

| <u>Share option plans</u>                 | <u>A shares</u>     | <u>B shares</u> | <u>A ADSs</u> |
|---|---------------------|-----------------|---------------|
| Under option at June 30, 2014 (thousands) | 2,306               | —               | —             |
| Range of expiration dates                 | Aug 2014 – Jun 2016 | —               | —             |

### Ratio of earnings to fixed charges

The following table sets out for the years ended December 31, 2009, 2010, 2011, 2012 and 2013 and the six months ended June 30, 2014, the consolidated unaudited ratio of earnings to fixed charges.

|   | <u>Six months<br/>ended June 30,</u> | <u>Years ending<br/>December 31,</u> |               |               |               |               | \$ million |
|---|--------------------------------------|--------------------------------------|---------------|---------------|---------------|---------------|------------|
|   | <u>2014</u>                          | <u>2013</u>                          | <u>2012</u>   | <u>2011</u>   | <u>2010</u>   | <u>2009</u>   |            |
| Pre-tax income from continuing operations before income from equity investees | 13,882                               | 26,317                               | 41,564        | 46,806        | 29,391        | 16,044        |            |
| Total fixed charges   | 1,087                                | 1,710                                | 1,712         | 1,608         | 1,684         | 1,669         |            |
| Distributed income from equity investees                                      | 3,275                                | 7,117                                | 10,573        | 9,681         | 6,519         | 4,903         |            |
| Less: interest capitalised  | 353                                  | 762                                  | 567           | 674           | 969           | 1,088         |            |
| <b>Total earnings</b>   | <b>17,891</b>                        | <b>34,382</b>                        | <b>53,282</b> | <b>57,421</b> | <b>36,625</b> | <b>21,528</b> |            |
| Interest expensed and capitalised   | 792                                  | 1,412                                | 1,461         | 1,209         | 1,218         | 902           |            |
| Interest within rental expense  | 295                                  | 298                                  | 251           | 399           | 466           | 767           |            |
| <b>Total fixed charges</b>  | <b>1,087</b>                         | <b>1,710</b>                         | <b>1,712</b>  | <b>1,608</b>  | <b>1,684</b>  | <b>1,669</b>  |            |
| <b>Ratio of earnings to fixed charges</b>                                     | <b>16.46</b>                         | <b>20.11</b>                         | <b>31.12</b>  | <b>35.71</b>  | <b>21.75</b>  | <b>12.90</b>  |            |

For the purposes of the table above, "earnings" consists of pre-tax income from continuing operations (before adjustment for non-controlling interest) plus fixed charges (excluding capitalised interest) less undistributed income of joint ventures and associates. Fixed charges consist of expensed and capitalised interest (excluding accretion expense) plus interest within rental expenses (for operating leases).

## Capitalisation and indebtedness

The following table sets out the unaudited consolidated combined capitalisation and indebtedness of Shell as at June 30, 2014. This information is derived from the Condensed Consolidated Interim Financial Statements.

|   | \$ million<br>June 30, 2014 |
|---|-----------------------------|
| Equity attributable to Royal Dutch Shell plc shareholders | 185,015                     |
| Current debt  | 5,221                       |
| Non-current debt  | 38,901                      |
| <b>Total debt</b> [A] [B]                                 | <b>44,122</b>               |
| <b>Total capitalisation</b>                               | <b>229,137</b>              |

[A] Of total debt, \$37.9 billion was unsecured and \$6.2 billion was secured.

[B] Includes, as at June 30, 2014, \$32.4 billion of debt issued by Shell International Finance B.V., a 100%-owned subsidiary of Royal Dutch Shell plc which is guaranteed by Royal Dutch Shell plc (December 31, 2013: \$35.2 billion), with the remainder raised by other subsidiaries with no recourse beyond the immediate borrower and/or the local assets. As at June 30, 2014, Shell also had outstanding guarantees of \$3.2 billion, of which \$2.2 billion relate to debt of joint ventures and associates.

Shell included certain non-GAAP measures and calculations in its Unaudited Condensed Interim Financial report which are listed and explained as follows:

### Net capital investment by business segment

Net capital investment is defined as capital expenditure as reported in the Condensed Consolidated Statement of Cash Flows, adjusted for: proceeds from disposals (excluding other investments (net) in the Corporate segment); exploration expense excluding exploration wells written off; investments in joint ventures and associates; and leases and other items.

|  | \$ million<br>Six months ended |               |
|--|--------------------------------|---------------|
|  | June 30, 2014                  | June 30, 2013 |
| Net capital investment:                                      |                                |               |
| Upstream   | 9,902                          | 16,919        |
| Downstream   | 1,319                          | 2,148         |
| Corporate  | 67                             | 68            |
| <b>Total</b>   | <b>11,288</b>                  | <b>19,135</b> |
| Proceeds from disposals                                      | 7,928                          | 907           |
| Capital investment   | 19,216                         | 20,042        |
| Exploration expense, excluding exploration wells written off | (937)                          | (1,124)       |
| Investments in joint ventures and associates                 | (1,382)                        | (663)         |
| Leases and other adjustments                                 | (1,628)                        | (1,406)       |
| <b>Capital expenditure</b>                                   | <b>15,269</b>                  | <b>16,849</b> |

## Return on average capital employed

Return on average capital employed (ROACE) measures the efficiency of Shell's utilisation of the capital that it employs. 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. Capital employed consists of total equity, current debt and non-current debt.

| Calculation of ROACE                           | \$ million    |               |
|--|---------------|---------------|
|  | June 30, 2014 | June 30, 2013 |
| Income for current and previous three quarters | 16,446        | 23,987        |
| Interest expense after tax                     | 918           | 862           |
| Income before interest expense                 | 17,364        | 24,849        |
| Capital employed – opening                     | 211,192       | 200,131       |
| Capital employed - closing                     | 230,236       | 211,192       |
| Capital employed - average                     | 220,714       | 205,662       |
| <b>ROACE</b>                                   | <b>7.9%</b>   | <b>12.1%</b>  |