



The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

**Shell Pakistan Limited**

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

August 16, 2017

Dear Sir,

**FINANCIAL RESULTS FOR THE QUARTER & SIX MONTHS ENDED JUNE 30, 2017**

This is to inform you that the Board of Directors of our Company in their meeting held on Wednesday, August 16, 2017 at 10:00 a.m. at the Registered Office of the Company recommended the following:

(i) **CASH DIVIDEND**

An Interim cash dividend for the quarter and six months ended June 30, 2017 at Rs. 7.00 per share (i.e. 70%).

(ii) **BONUS SHARES**

It has been recommended by the Board of Directors to issue Bonus Shares in the proportion of NIL share(s) for every NIL share(s) held i.e. NIL %. This is in addition to the Interim Bonus Shares already issued @ NIL %.

(iii) **RIGHT SHARES**

The Board has recommended to issue NIL % Right Shares at par/at a discount/premium of Rs. NIL per share in proportion of NIL share(s) for every NIL share(s). The entitlement of right shares being declared simultaneously will be/will not be applicable on Bonus Shares as declared above.

(iv) **ANY OTHER ENTITLEMENT/CORPORATE ACTION**

NIL

(v) **ANY OTHER PRICE-SENSITIVE INFORMATION**

NIL

## FINANCIAL RESULTS

The financial results of the Company are as follows:

	Half year ended		Quarter ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
------(Rupees '000)-----				
Sales	117,370,923	117,435,141	59,437,813	60,766,772
Other revenue	538,643	492,094	289,411	252,298
	<u>117,909,566</u>	<u>117,927,235</u>	<u>59,727,224</u>	<u>61,019,070</u>
Sales tax	(21,865,374)	(27,864,281)	(12,607,391)	(13,631,883)
Net revenue	<u>96,044,192</u>	<u>90,062,954</u>	<u>47,119,833</u>	<u>47,387,187</u>
Cost of products sold	(88,311,492)	(83,476,972)	(43,515,433)	(42,779,764)
<b>Gross profit</b>	<u>7,732,700</u>	<u>6,585,982</u>	<u>3,604,400</u>	<u>4,607,423</u>
Distribution and marketing expenses	(2,669,955)	(2,298,188)	(1,372,470)	(1,183,603)
Administrative expenses	(1,937,171)	(1,880,874)	(997,359)	(915,674)
	<u>3,125,574</u>	<u>2,406,920</u>	<u>1,234,571</u>	<u>2,508,146</u>
Other expenses	(369,282)	(204,753)	(160,701)	(203,550)
	<u>2,756,292</u>	<u>2,202,167</u>	<u>1,073,870</u>	<u>2,304,596</u>
Other income	295,227	422,948	205,045	268,047
<b>Operating profit</b>	<u>3,051,519</u>	<u>2,625,115</u>	<u>1,278,915</u>	<u>2,572,643</u>
Finance costs	(93,795)	(91,417)	(43,145)	(61,143)
	<u>2,957,724</u>	<u>2,533,698</u>	<u>1,235,770</u>	<u>2,511,500</u>
Share of profit of associate - net of tax	362,837	274,178	188,562	135,653
<b>Profit before taxation</b>	<u>3,320,561</u>	<u>2,807,876</u>	<u>1,424,332</u>	<u>2,647,153</u>
Taxation	(982,197)	(595,043)	(482,051)	(455,581)
<b>Profit for the period</b>	<u>2,338,364</u>	<u>2,212,833</u>	<u>942,281</u>	<u>2,191,572</u>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>2,338,364</u>	<u>2,212,833</u>	<u>942,281</u>	<u>2,191,572</u>
------(Rupees)-----				
<b>Earnings per share (basic and diluted)</b>	<u>21.85</u>	<u>20.68</u>	<u>8.81</u>	<u>20.48</u>

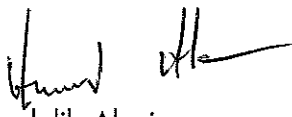
The above entitlement will be paid to the shareholders whose names will appear in the Register of Members at the close of business on Thursday, September 14, 2017.

The Share Transfer Books of the Company will be closed from Friday, September 15 to Thursday, September 21, 2017 (both days inclusive). Transfers received in order at the office of our Share Registrars FAMCO Associates (Pvt) Ltd., 8-F, next to Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi-75400 by the close of business on Thursday, September 14, 2017 will be treated in time for the purpose of above entitlement to the transferees.

We enclose a copy of the Chief Executive's Review, on behalf of the Board of Directors of the Company, for the quarter and six months ended June 30, 2017.

We will be sending you 200 copies of the printed Accounts for distribution amongst the TRE Certificate Holders of the Exchange.

Yours faithfully,  
Shell Pakistan Limited

  
Andalib Alavi  
Secretary

---

# Shell Pakistan Limited

## ANNOUNCEMENT OF INTERIM DIVIDEND

The Board of Directors of the Company at a meeting held on Wednesday, August 16, 2017 has recommended an Interim Dividend for the year ending December 31, 2017 at the rate of Rs. 7.00 per ordinary share of Rs. 10.00 each (i.e.70%).

### CLOSURE OF BOOKS

The Register of Members of the Company shall remain closed and no transfer of shares will be accepted for registration from Friday, September 15 to Thursday, September 21, 2017 (both days inclusive). Transfers received in order at the office of our Share Registrars FAMCO Associates (Pvt) Ltd., 8-F, next to Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shakra-e-Faisal, Karachi-75400 by the close of business on Thursday, September 14, 2017 will be in time for the purpose of payment of the interim dividend to the transferees.

Shareholders are requested to notify our Share Registrars of any change in their addresses promptly. This will ensure that the dividend warrants are dispatched to shareholders at their correct addresses.

Members are advised that as per the orders of the SECP inter alia vide SRO No. 831(1)/2012 dated July 5, 2012 and SRO No. 19(1)/2014 dated January 10, 2014, CNIC number of the concerned member is mandatorily required to be mentioned on Dividend Warrants, Members Register and other Statutory Returns. Members are therefore requested to submit a copy of their CNIC (if not already provided) to our Share Registrars FAMCO Associates (Pvt) Ltd., 8-F, next to Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shakra-e-Faisal, Karachi-75400 at the earliest. In case of non-receipt of the copies of valid CNICs of the Members, the Company may be constrained, under section 251(2)(a) of the Companies Ordinance 1984, to withhold dispatch of Dividend Warrants to such Members.

The SECP has mandated that all dividends paid after 1st November 2017 shall only be paid electronically directly into a bank account designated by the shareholders, consequently those shareholders who have not yet provided their bank account details are requested to do so otherwise subsequent dividends will have to be withheld by the Company.

By Order of the Board

  
Andalib Alavi  
Secretary

Dated: August 16, 2017

Shell House  
6, Ch. Khaliqzaman Road  
P. O. Box 3901  
Karachi - 75530

Chief Executive's Review  
For the half year ended June 30, 2017

**Our Performance**

Dear Shareholders,

On behalf of the Board of Directors of Shell Pakistan Limited, I would like to share the results of your Company for the half year ended June 30, 2017. The Company has continued to build upon the strong performance delivered in 2016, with a clear focus on operations excellence driving strategic priorities in order to deliver profitable and sustainable growth. Your Company delivered a profit after tax of Rs. 2,338 million in the first half of the year, compared to a profit after tax of Rs. 2,212 million in the same period last year. The directors have declared an interim dividend of Rs. 7/- per share.

As you must have heard, the tank lorry involved in the tragic Ahmedpur incident was leased and operated by one of the Company's hauliers and was transporting fuel from our Terminal. We are deeply saddened by the devastating tank lorry fire and your Company is working with aid agencies to support the haulier to provide immediate and on-going relief efforts to the affected, which include providing food and medical aid. Your Company is working closely with the authorities to improve the overall safety standards of fuel transport in the Industry.

Due to continued oil price volatility and compliance to regulatory requirements of maintaining strategic stock levels in the country, your Company continued to be exposed to inventory losses. With Shell's global supply chain network, we continue to drive for best available prices for imported products, and some of these efforts have been successful in mitigating potential losses.

In your Company, we continue to drive towards creating and sustaining a culture that drives our commitment to business principles, safety of people and protecting the environment. Your Company continued a strict focus on managing costs while investing in initiatives that will drive value for the Company in the future, whilst continuing to keep our customers at the heart of everything we do.

**Receivables & financing costs**

The results of your Company continue to be affected by the financial burden resulting from overdue 'receivables' from the Government of Pakistan, and your Company continues to incur financing cost on bank borrowings required to fund these receivables. As at 30<sup>th</sup> June 2017, total outstanding receivables stand at Rs. 4,414 million. The Company's management is in engagement with relevant Government authorities for the recovery of 'receivables' to ensure we enhance shareholder returns, drive for efficient business, and invest in growth opportunities in Pakistan.

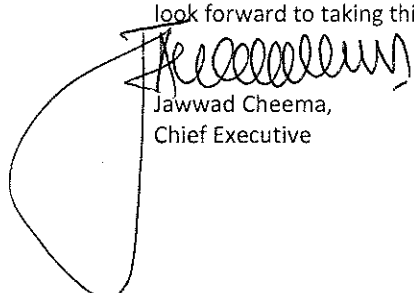
**Fuel margins**

Despite recent moves to link main grade Motor gasoline and diesel margins based on CPI, we continue to advocate for a further favorable revision based on the benchmarking of margins in Pakistan with the available margins in the region. We continue to advocate and push for further deregulation of the downstream value chain in Pakistan to drive for more investments in the downstream sector.

The Government of Pakistan made it possible for the Oil Marketing Companies to improve Main Grade motor gasoline RON specifications from 87 to 92, and the forthcoming upgradation of Diesel to EURO II specifications are positive steps towards providing Pakistani customers with better quality fuels.

**Going forward**

The management remains committed to maintain focus driving sustained financial performance of your Company, and we continue to drive for achieving Goal Zero in our safety performance, where the recent tragic events have renewed our determination to lead the industry towards safer operating standards for all our stakeholders and partners. We assure you that we are driving towards credible, competitive and affordable business plans that deliver top quartile business performance. We thank our shareholders, customers and staff for their sustained support and trust in the Company, and look forward to taking this Company to newer heights.



Jawwad Cheema,  
Chief Executive