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ROYAL DUTCH/SHELL CONTINUES STRONG PERFORMANCE

The Royal Dutch/Shell Group of Companies today reported strong third quarter results for 2003 with net income of \$2.7 billion, similar to 2002 – bringing net income for the year to date to a record \$10.8 billion, a rise of 52%. Earnings on an adjusted current cost of supplies (CCS) basis for the quarter rose 16% to \$2.6 billion.

Sir Philip Watts, Chairman of The “Shell” Transport and Trading Company, p.l.c., said: “Our portfolio and people continue to produce excellent results, with strong cashflow supporting our dividend growth. We have delivered a great number of strategic milestones, and we continue to take action on under performing assets.”

Highlights from the first nine months of 2003 include:

Earnings and returns Adjusted CCS earnings of \$9.8 billion were up 53%. ROACE over 12 months was 16%.

Strong cashflow Strong cash flow of nearly \$21 billion from operations and divestments supported the increased dividend payout (over \$6 billion), the ongoing investment programme (almost \$10 billion year to date), and prudent balance sheet management. The debt ratio has been reduced to 22% (from 24% at the end of 2002).

Strategic milestones Strategic progress included: first production of oil sands in Canada, offshore in Nigeria, and in deepwater in Brazil; the go-ahead for the Sakhalin integrated oil and gas development; increased shareholding in the giant Kashagan field in Kazakhstan; commercial agreement on the ground-breaking Qatar Gas to Liquids scheme; access to gas exploration in Saudi Arabia; and continued expansion of the global LNG portfolio.

Portfolio upgrading Divestment proceeds already exceed \$3 billion. Strong management focus continues to deal with the under performing parts of the global portfolio. Net profit on divestments exceeds non-recurring charges associated with this portfolio upgrading.

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Concluding, Sir Philip said: “The scale and dynamism of our operations means there is always a lot happening in Shell. But 2003 has been remarkable for the range and quality of the strategic milestones – as we use our financial strength, experience in managing world-scale projects, and ability to apply technology to build the new legacy positions which will underpin our future profitability.”

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