

11. Indicate the item numbers reported herein: **Item 9**

RE: Pilipinas Shell Q1 earnings up by 27%, delivering P2.89 billion. (Please refer to attached)

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: 17 May 2017


ELLIE CHRIS C. NAVARRA
Assistant Corporate Secretary



Pilipinas Shell Q1 earnings up by 27%, delivering P2.89 billion

Pilipinas Shell Q1 2017 earnings rose by 27%, closing the quarter at P2.89 billion, up from P2.27 billion in Q1 2016. The higher earnings were primarily driven by retail sales volume growth, higher premium fuel penetration, and strong refinery performance. Inventory holding gains more than offset the impact of lower commercial sales volumes.

Always aiming to provide motorists with smarter products for clean and efficient transport, Retail fuel sales volumes grew by 2% versus the same quarter last year as a result of competitive marketing campaigns and contributions from new retail sites while sustaining growth from the company's V-Power line-up of premium performance fuels. The company's non-fuel retailing business exhibited double digit growth compared to same quarter last year, with Shell Select and lube bay offerings specifically exhibiting triple digit growth. For the quarter, Pilipinas Shell opened a total of 16 Shell Select, 6 Deli2Go and 17 Shell Helix Oil Change+ outlets across the country.

Net income growth was also supported by the strong performance of its Tabangao refinery due to high plant reliability that allowed the company to capture the full benefit of higher refining margins during the period. Driving efficiency through smarter infrastructure, the new North Mindanao Import Facility (NMIF) in Cagayan de Oro is delivering the logistics cost savings that enables Shell fuels to remain competitive in the region.

Pilipinas Shell maintained the robustness of its balance sheet with a gearing ratio of 23%, reduced from 27% in Q1 2016, highlighting the company's ability to generate strong cash flows. Return on Average Capital Employed (ROACE) increased to 8.3% in Q1 2017 from 7.7% the same quarter last year.

Last April 2017, Pilipinas Shell declared a cash dividend of P1.65 per share based on 2nd half 2016 earnings, resulting in a total payout of approximately P2.7 billion. In August last year, P3.3 billion was paid out as interim dividend based on 1st half 2016 audited results. The total dividend payout attributable to 2016 earnings amounts to P5.96 billion which translates to 80.1% dividend payout ratio.

Looking forward, in the face of climate change, continued population growth and the challenge to satisfy the increasing clamor for clean energy, Pilipinas Shell President and CEO, Cesar G. Romero says: "We at Pilipinas Shell are directly responding by investing in energy efficiency, emissions reduction, and leak prevention. We continue to operate

responsibly, live by our principles, and contribute to wider public dialogue and synergies for better energy and climate policies.”

About Pilipinas Shell :

Pilipinas Shell Petroleum Corporation (PSPC) is involved in the manufacture, marketing, supply and distribution of oil products—serving customers in almost every field of transport, commerce and industry with its wide range of high quality fuels, lubricants, liquefied petroleum gas, aviation fuel, bitumen and other specialty products. Pilipinas Shell commenced operations of its first crude distiller in Tabangao, Batangas in 1962 (now a refinery). Its Refinery in Batangas has a rated capacity of 110-thousand-barrels-per-day, including 22 oil distribution terminals/depots, 10 lubricants warehouses, 2 bitumen import facilities across the country and close to a 1,000 retail service stations nationwide.

ENQUIRIES:

Atty Erwin Orocio

PSPC Corporate Secretary

+632 499 4553/ erwin.orocio@shell.com

Angelica Castillo

Corporate Controller & Investor Relations Manager

+6322269349/ angelica.castillo@shell.com

Cesar Abaricia

Media Relations Manager

+63 9189194256/ cesar.abaricia@shell.com