



Creating value via the Shell IT Ecosystem



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Agenda

- Shell Overview
- IT in Shell
- IT Ecosystem
- Downstream IT Application Projects
 - Journey to Top Quartile
 - Deliver More for Less
 - Sourcing Value Realisation

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Shell Overview

Profile

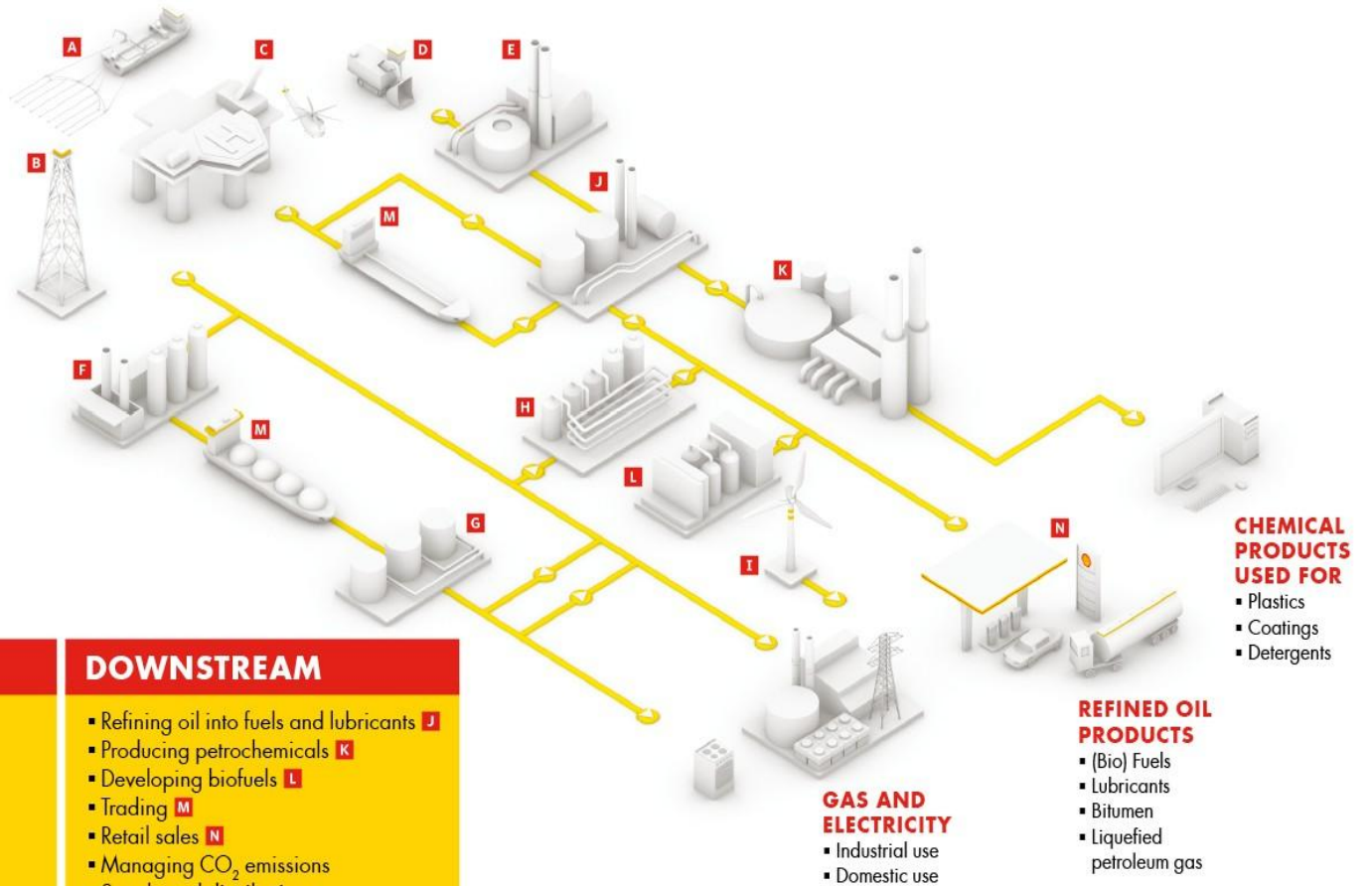
- We are active in more than 90 countries
- Worldwide, we have 101,000 full-time employees
- We produce around 3.1 million barrels of oil equivalent per day
- Our fuel retail network has around 44,000 service stations
- We sell transport fuel to some 10 million customers a day



In 2009...

- We generated an income of \$12.7 billion from a revenue of \$278 billion
- Invested \$31.7 billion in capital
- Spent over \$1.2 billion on R&D

Business Overview



UPSTREAM

- Exploring for oil and gas **A**
- Developing fields **B**
- Producing oil and gas **C**
- Mining oil sands **D**
- Extracting bitumen **E**
- Liquefying gas by cooling (LNG) **F**
- Regasifying LNG **G**
- Converting gas to liquid products (GTL) **H**
- Generating wind energy **I**

DOWNSTREAM

- Refining oil into fuels and lubricants **J**
- Producing petrochemicals **K**
- Developing biofuels **L**
- Trading **M**
- Retail sales **N**
- Managing CO₂ emissions
- Supply and distribution
- Business-to-business sales

GAS AND ELECTRICITY

- Industrial use
- Domestic use

REFINED OIL PRODUCTS

- (Bio) Fuels
- Lubricants
- Bitumen
- Liquefied petroleum gas

CHEMICAL PRODUCTS USED FOR

- Plastics
- Coatings
- Detergents

IT in Shell

IT in Shell

North Sea Platform



Qatar Construction



Unconventional - Canada



Business Portfolios

5 Major Businesses and Functions

12,000+ IT staff (Shell and Suppliers)

11,600 Business Applications

Desktop

>200,000 users
4.5m internal email/day
Reject 33 million spam emails/day

Hosting

157 data centers and main equipment rooms (15 Global/Regional Datacenters)
>400 facilities

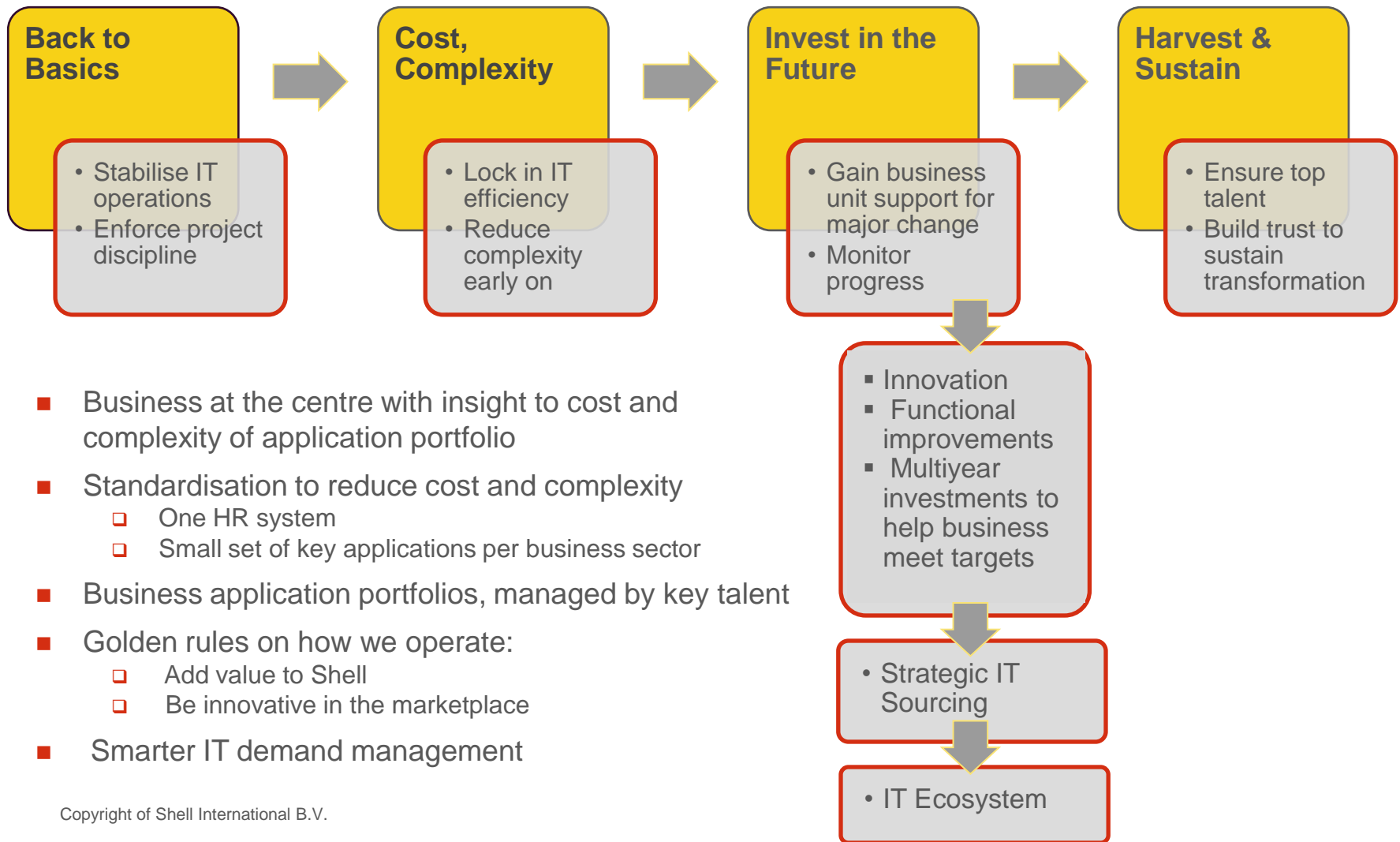
Telecom

140,000 telephone extensions (19,000 IPT)
56,000 mobile phones
1,140 Terabytes data traffic per week

Technical Support

95,000 HD calls per month
55,000 Requests closed per month

Multi-year IT Transformation – Four Phases



IT Ecosystem

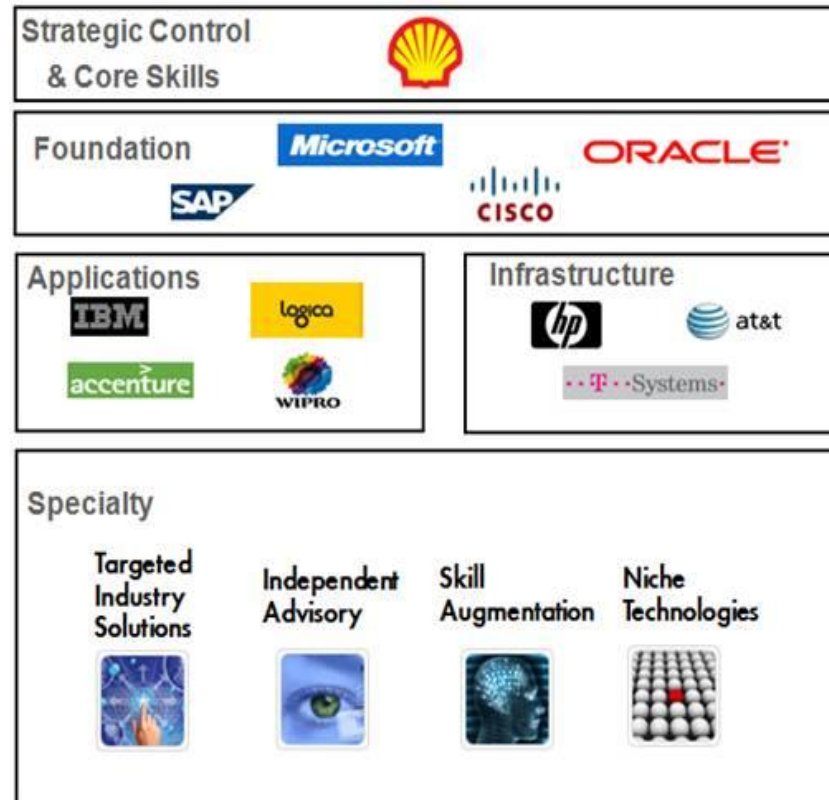
Shell IT Ecosystem

Key Drivers

- Top Quartile and cost effective performance to maximise value to the Shell business
- Efficient demand management and appropriately constrained supply
- Innovation and ability to shape the market
- Improved delivery through enhanced collaboration

Ecosystem

- IT suppliers
- Shell businesses
- Shell IT



Key Characteristics

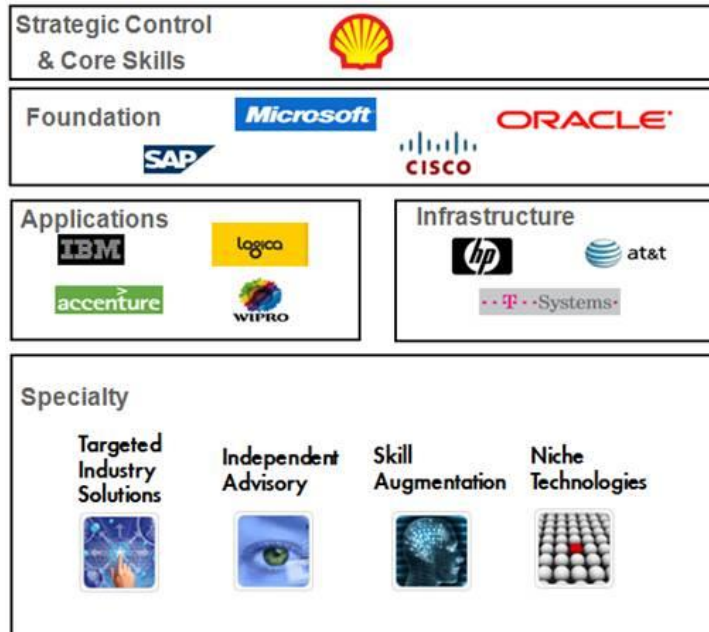
- 80% of external IT spend focused on key suppliers
- Suppliers focus their engagements within defined segments
- Build supporting and mutually reinforcing relationships within segments and at interfaces

IT Ecosystem at Work: Breakthrough Solutions

4 “Grand Challenges” that encourage our suppliers to deliver step change in cost and quality

Application Delivery

- Optimal Cost Locations
- Resource Mix



Storage Management

- Service Tiers
- Lifecycle Management

Application Support

- Virtual model
- Standard approach

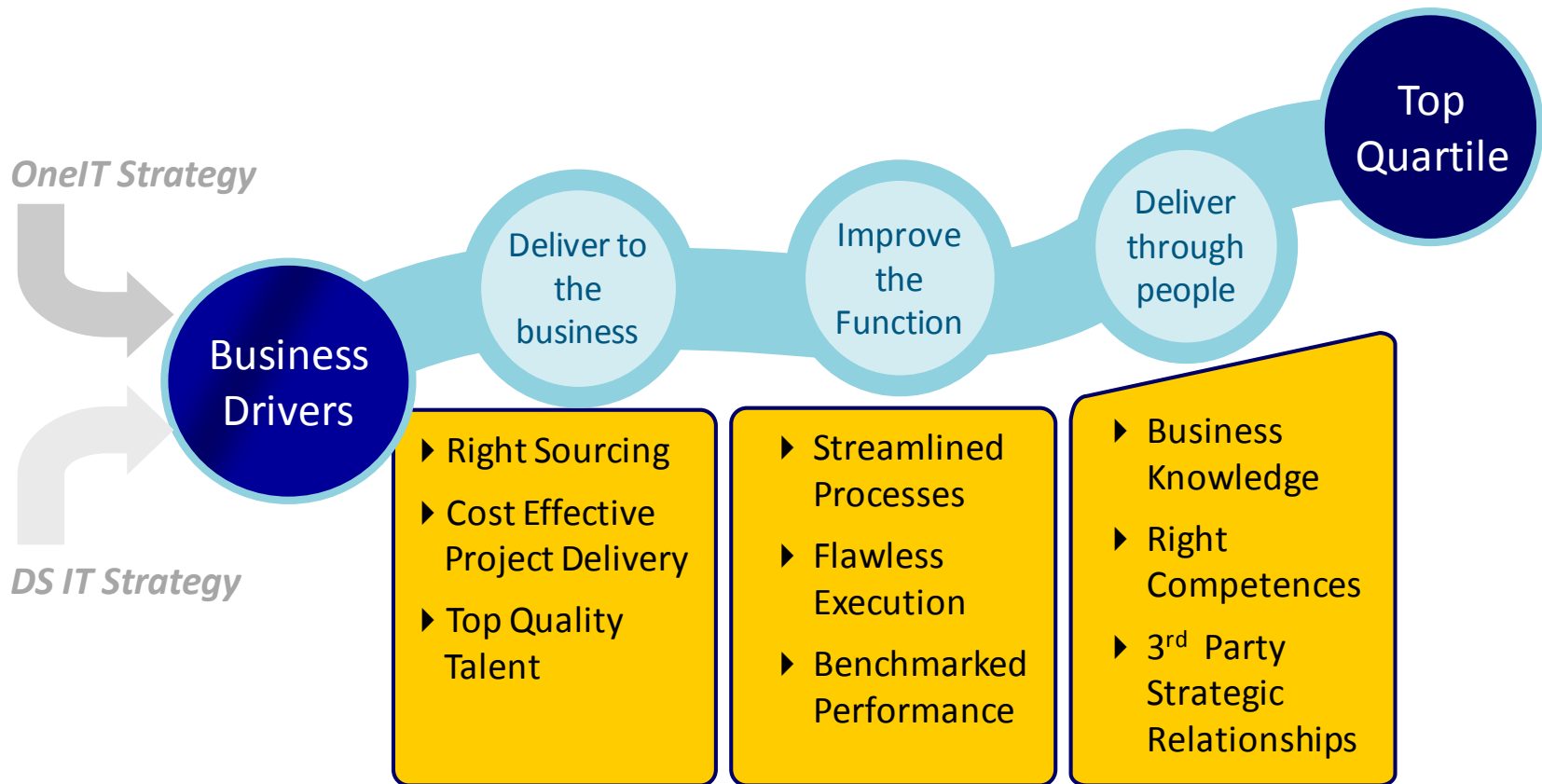
- Transform how we work together
- Collaborate to create better solutions
- Leverage collective knowledge and delivery capabilities to improve business outcome

Cloud Services

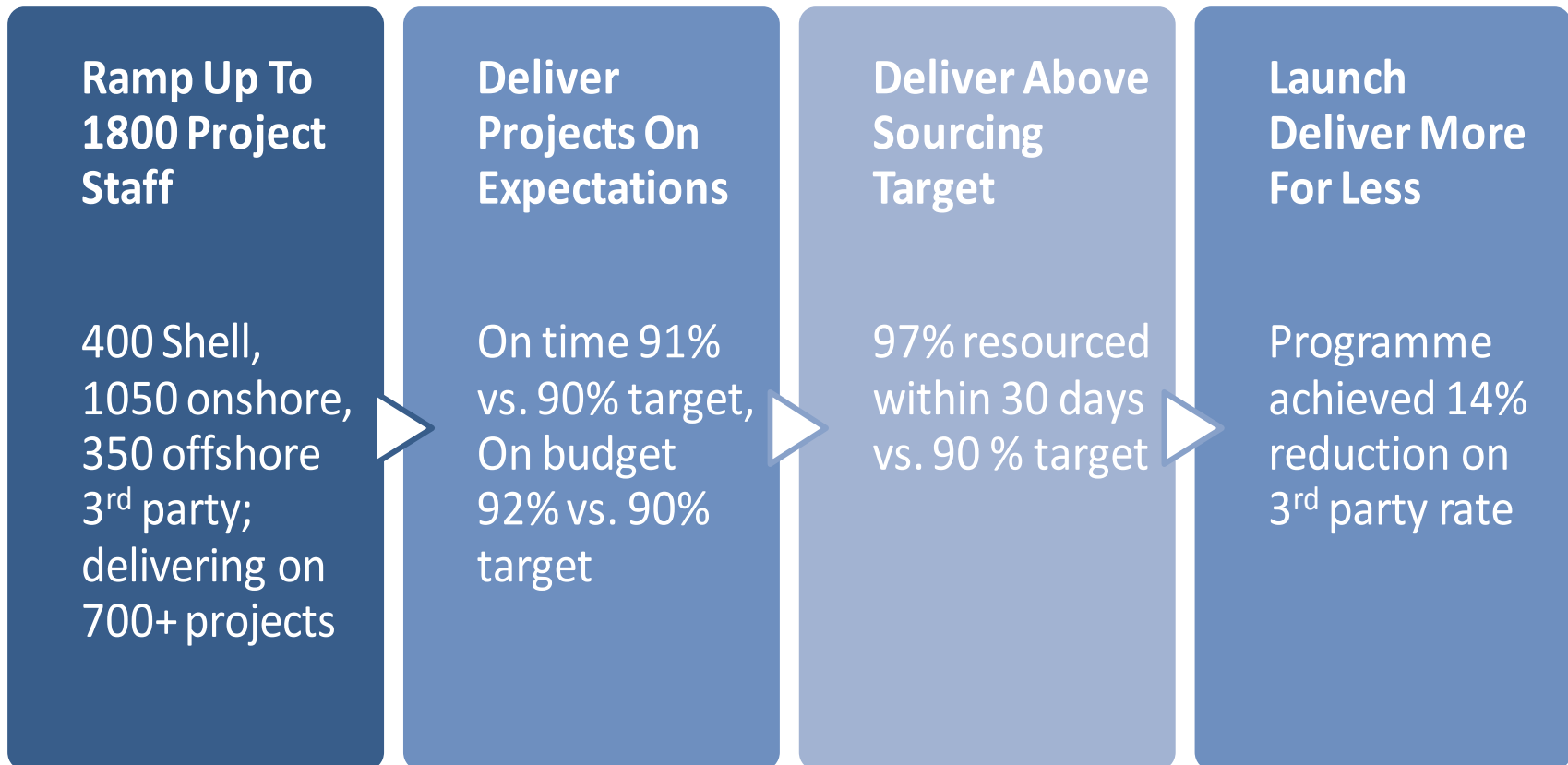
- Agile provisioning
- Fluid cost model

Downstream IT Application Projects

Downstream IT Application Projects Journey to Top Quartile



Downstream IT Application Projects (excluding global ERP rollout) 2009 Delivery

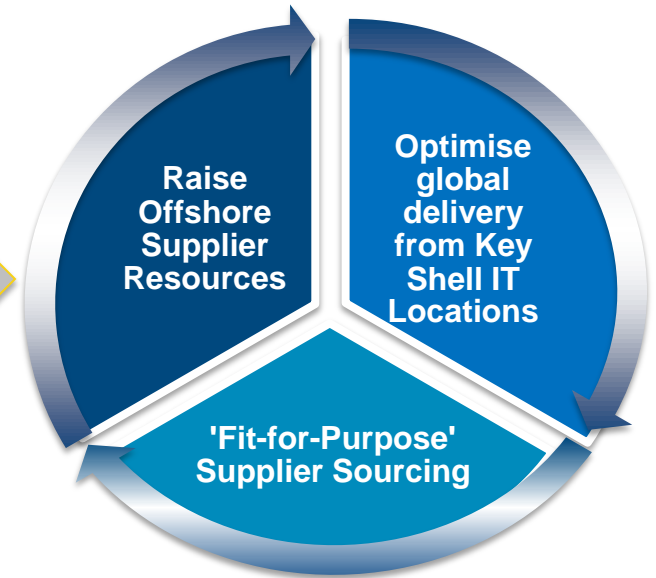


Downstream IT Application Projects Deliver More for Less

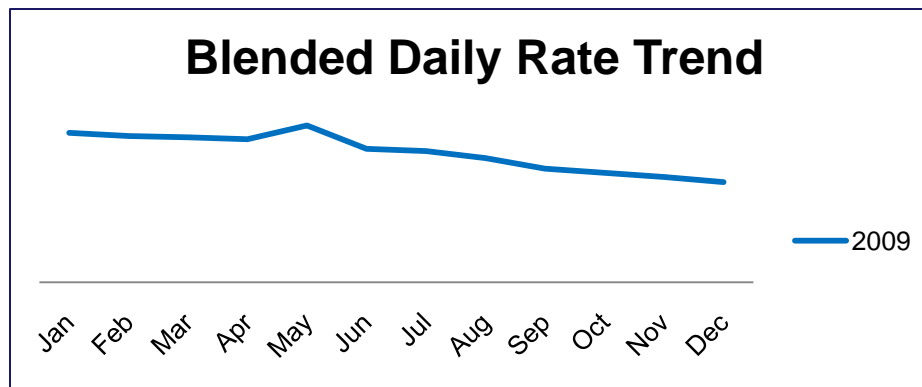
Project delivery on budget, on time, on scope becoming norm

Focus on project delivery efficiency, while delivering to standards

Deliver More for Less to reduce project resourcing cost, joint action between Shell and suppliers



Blended Daily Rate Trend



Downstream IT Application Projects

Sourcing Value Levers

■ Partnership

- Being successful together
- Intimacy – knowing each other
- Building relationships
- From a commercial mindset

■ Focus on delivery with speed (capacity ‘on tap’) from a well-arranged commercial framework

■ Innovation

■ Shell scale

Downstream IT Application Projects

Sourcing Value Realisation

- Demand management with business at the centre
- Mindset change from all parties to optimize the value
- Global delivery through virtual project teams, leveraging time zones and cultural differences, building relationships
- Joint accountability, with an external focus and from a commercial mindset, for:
 - Sourcing
 - Delivery
 - Cost reductions
 - Industrialisation
 - Innovation opportunities

