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Total Capital

Period from January 1 to September 30, 2018

Statutory auditors' review report on the condensed interim financial statements

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Membre de la compagnie
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Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

Total Capital

Period from January 1 to September 30, 2018

Statutory auditors' review report on the condensed interim financial statements

To the Chairman and Chief Executive Officer,

In our capacity as statutory auditors of Total Capital and in accordance with your request, we have performed a review of the accompanying condensed interim financial statements of Total Capital for the period from January 1 to September 30, 2018.

Management is responsible for the preparation and presentation of these condensed interim financial statements. As they are not intended to be presented to the shareholders, they have not been approved by the Board of Directors. Our role is to express a conclusion on these condensed interim financial statements based on our review.

We conducted our audit in accordance with professional standards applicable in France and the professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the evaluation and accounting principles set out in the notes.

Paris-La Défense, October 24, 2018

The Statutory Auditors
French original signed by

KPMG AUDIT
Département de KPMG S.A.

ERNST & YOUNG Audit

Jacques-François Lethu

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**CONDENSED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2018**

TOTAL CAPITAL

- BALANCE SHEET AS OF 30 SEPTEMBER 2018
- INCOME STATEMENT AS OF 30 SEPTEMBER 2018
- CASH FLOW STATEMENT AS OF 30 SEPTEMBER 2018
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TOTAL CAPITAL

**BALANCE SHEET
AS OF 30 SEPTEMBER 2018**

TOTAL CAPITAL

(in euros)

BALANCE SHEET AS OF SEPTEMBER 30, 2018

ASSETS	30-Sep-18			31-Dec-17	LIABILITIES	30-Sep-18	31-Dec-17
	Gross	Amortizations depreciations and provisions	Net				
FIXED ASSETS					SHAREHOLDERS' EQUITY (note 3)		
FINANCIAL ASSETS (note 2)	5,629,432,439		5,629,432,439	6,762,414,128	Capital	300,000	300,000
Long-term loans after swaps	5,079,258,421		5,079,258,421	5,872,932,381	Reserves	2,403,377	1,158,946
Drawdowns on credit facilities	519,289,185		519,289,185	845,684,825	Legal Reserves	30,000	30,000
Accrued interests on long-term loans after swaps	30,146,162		30,146,162	42,345,099	Retained Earnings	2,373,377	1,128,946
Accrued interests on credit facilities	738,671		738,671	1,451,823			
					Income for fiscal year	6,810,866	1,244,431
SUB TOTAL I	5,629,432,439		5,629,432,439	6,762,414,128	SUB TOTAL I	9,514,243	2,703,377
CURRENT ASSETS					PROVISIONS		
ACCOUNTS RECEIVABLE	1,900,928,642		1,900,928,642	838,367,714	SUB TOTAL II		
Current accounts and inter-company loans	563,543,668		563,543,668	110,999	LIABILITIES		
Deposits and guarantees	990,070,013		990,070,013	522,750,000	Debenture loans and similar debt debentures (note 4)	5,629,257,098	6,762,312,933
Related account receivables					Debenture loans after hedge swaps	5,598,547,606	6,718,617,207
Other receivables	31,047		31,047	31,059	Accrued interests on debenture loans after swaps	30,709,492	43,695,726
Accrued income / dedicated swaps	347,107,659		347,107,659	315,317,775	Miscellaneous borrowings and financial debts	1,888,051,511	834,853,018
Cash available	176,255		176,255	157,881	Commercial Papers	561,506,565	
					Bank and security deposits	315,370,000	248,490,000
					Creditor current accounts	663,997,062	271,049,144
					Related accounts payables / miscellaneous financial liabilities	105,857	28,130
					Accrued liabilities / dedicated swaps	347,072,026	315,285,744
					Miscellaneous liabilities		
					Operating liabilities	3,538,229	912,514
					Trade notes and account payables	475,676	504,513
					Tax and social liabilities	3,062,553	408,001
SUB TOTAL II	1,900,928,642		1,900,928,642	838,367,714	SUB TOTAL III	7,520,846,838	7,598,078,465
PREPAID EXPENSES III					PREPAID INCOME IV		
TOTAL (I+II+III)	EUR 7,530,361,081		7,530,361,081	7,600,781,842	TOTAL (I+II+III+IV)	EUR 7,530,361,081	7,600,781,842

TOTAL CAPITAL

**INCOME STATEMENT
AS OF 30 SEPTEMBER 2018**

TOTAL CAPITAL

(in euros)

INCOME STATEMENT AS OF SEPTEMBER 30, 2018

EXPENSES	30-Sep-18	31-Dec-17	30-Sep-17	INCOME	30-Sep-18	31-Dec-17	30-Sep-17
OPERATING EXPENSES				OPERATING INCOME			
External expenses	1,086,066	1,312,428	601,418	Miscellaneous income			
Taxes		125					
SUB TOTAL I	1,086,066	1,312,553	601,418	SUB TOTAL I	0	0	0
FINANCIAL EXPENSES				FINANCIAL INCOME			
Interests on debenture loans after swaps	171,718,296	223,818,246	168,071,306	Interests on loans after swaps	66,189,142	90,397,368	68,135,316
Interests on commercial papers	11,118,743			Interests on long-term loans	104,852,897	130,379,322	97,470,034
Interests on Billets de Trésorerie				Interests on credit facilities	2,485,877	5,317,081	4,003,275
Interests on loans				Interests on inter-company loans			
Interests on current accounts	19,585	67,234	19,212	Interests on current accounts	10,545,214	6,085	2,935
Interests on bank and security deposits	1,483,623	4,190,610	3,641,518	Interests on bank and security deposits	623,498	559,936	318,812
Interests on dedicated swaps	1,241,488,282	1,140,275,614	792,898,871	Income from dedicated swaps	1,241,629,252	1,140,513,944	792,998,346
Other financial expenses and swap points	145,617	234,580	156,846	Other interests, similar income and swap points	145,617	234,580	156,846
Foreign exchange loss	578,566			Foreign exchange income		617,218	637,951
Miscellaneous financial expenses				Miscellaneous financial interests	11,487,362	3,739,949	3,739,949
SUB TOTAL II	1,426,552,712	1,368,586,284	964,787,753	SUB TOTAL II	1,437,958,859	1,371,765,483	967,463,464
EXTRAORDINARY EXPENSES				EXTRAORDINARY INCOME			
SUB TOTAL III	0	0	0	SUB TOTAL III	0	0	0
INCOME TAX IV	3,509,215	622,215	691,431				
NET INCOME FOR THE PERIOD	6,810,866	1,244,431	1,382,862	NET LOSS FOR THE PERIOD			
TOTAL	EUR 1,437,958,859	1,371,765,483	967,463,464	TOTAL	EUR 1,437,958,859	1,371,765,483	967,463,464

TOTAL CAPITAL

**CASH FLOW STATEMENT
AS OF 30 SEPTEMBER 2018**

TOTAL CAPITAL

CASH FLOW STATEMENT

(in thousand of euros)

	30-Sep-18	31-Dec-17
<u>OPERATING CASH FLOW</u>		
Fiscal period income as of 31.12.2017		1,244
Fiscal period income as of 30.09.2018	6,811	
Decrease (increase) of working capital requirement	2,655	926
Net Operating Cash Flow	9,466	2,170
<u>INVESTMENT CASH FLOW</u>		
Increase in long-term loans	(96,872)	210,483
Repayment of long-term loans	1,344,537	688,765
Net Investment Cash Flow	1,247,665	899,248
<u>FINANCING CASH FLOW</u>		
Dividends paid		
Net loans issued	(1,310,758)	(639,979)
Changes in short-term financial liabilities	1,035,762	(1,782,887)
Changes in short-term receivables	(1,045,121)	1,780,638
Net Financing Cash Flow	(1,320,117)	(642,228)
Cash increase (decrease)	(62,986)	259,190
Impact of foreign exchange fluctuations	62,986	(259,190)
Cash at the beginning of the period	0	0
Cash at the end of the period	0	0

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TOTAL CAPITAL

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TOTAL CAPITAL

Those interim financial statements were prepared with respect to the French National Accounting Board (Conseil National de Comptabilité) “recommendation n°99.R.01” dated 18 March 1999 and related to the interim financial statements. They do not include all the information usually required in the financial statements according to the French GAAP. However, they present a selection of notes describing significant facts and operations in order to understand the evolution in the financial statements and performance of the company that could have occurred since the last financial statements as of 31st December 2017.

SIGNIFICANT EVENTS

In the third quarter of 2018, Total Capital continued its activity on debt capital markets through various debt issuance programmes, in particular commercial paper, together with a management of interest rate risk.

For short-term borrowings, Total Capital can issue under Commercial Paper programmes (US CP, EURO CP) and under a Billets de Trésorerie programme.

For long-term borrowings, Total Capital can issue along with TOTAL S.A., Total Capital Canada and Total Capital International, as principal issuer under the EMTN programme (guaranteed by TOTAL S.A.), under a US SEC Registered Shelf programme (guaranteed by TOTAL S.A.) and under an AMTN programme in Australia (guaranteed by TOTAL S.A.). Total Capital can also issue on a stand-alone basis (guaranteed by TOTAL S.A.).

During the third quarter of 2018, Total Capital did not issue any debenture loan.

Total Capital’s issuance programmes have long-term and short-term ratings by Standard and Poor’s: A+/A-1, and by Moody’s: Aa3/P-1. These ratings were made possible thanks to TOTAL S.A.’s guarantee granted to these programmes. TOTAL S.A. has a long-term and a short-term rating by Standard and Poor’s: A+/A-1 with a Stable outlook, and by Moody’s: Aa3/P-1 with a Positive outlook.

Interest rates and currency transactions were concluded by empowered entities of Total S.A. in association with the development of the financial activities of Total Capital, towards the Group as well as the market.

Note 1: ACCOUNTING RULES

Accounting rules and methods used for interim accounts are the same as the ones used for Year End 2017 accounts.

TOTAL CAPITAL

Note 2: FINANCIAL ASSETS

Financial fixed assets consist exclusively of loans and drawdowns on credit facilities for the Group companies. No grant was made during the period.

Note 3: CHANGE IN SHAREHOLDER'S EQUITY

(in thousand euros)

2017	POSITION AT THE OPENING OF FISCAL YEAR	NET INCOME APPROPRIATION 2016	POSITION AS OF 31/12/2017
Share capital	300		300
Legal reserve	30		30
Retained earnings	987	142	1,129
Income for fiscal year 2016	142	(142)	
Dividend distribution		0	
Income as of 31/12/2017			1,244
TOTAL SHAREHOLDERS' EQUITY	1,459	0	2,703

(in thousand euros)

2018	POSITION AT THE OPENING OF FISCAL YEAR	NET INCOME APPROPRIATION 2017	POSITION AS OF 30/09/2018
Share capital	300		300
Legal reserve	30		30
Retained earnings	1,129	1,244	2,373
Income for fiscal year 2017	1,244	(1,244)	
Dividend distribution		0	
Income as of 30/09/2018			6,811
TOTAL SHAREHOLDERS' EQUITY	2,703	0	9,514

NOTE 4: DEBENTURE LOANS AND SIMILAR DEBT DEBENTURES

No debenture loans were issued during the period.

Reimbursement of debenture loans at maturity during the period were in nominal value 525 M CHF, 1,000 M USD and 1,065 M CNY.

Note 5: OFF-BALANCE SHEET COMMITMENTS

Derivative financial instruments - interest rate risk management

No swap were issued during the period.

Swaps with exchange of notional amounts in currency have matured during the period for a notional currency amount of 525 M CHF against a notional amount of 326 M EUR.

Interest rate swaps match to bonds reimbursed during the period have matured for a notional currency amount of 1,000 M USD.