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France  
S.A.S. à capital variable

# TOTAL S.A.

## **Statutory Auditor's Review Report on the interim condensed consolidated financial statements**

Period from January 1<sup>st</sup> to September 30<sup>th</sup>, 2017  
TOTAL S.A.  
2, place Jean Millier – La Défense 6 – 92400 Courbevoie  
*Ce rapport contient 31 pages*



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*This is a free translation into English of the statutory auditors' review report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.*

**TOTAL S.A.**

## **Statutory Auditor's Review Report on the interim condensed consolidated financial statements**

Period from January 1<sup>st</sup> to September 30<sup>th</sup>, 2017

To the Chairman and Chief Executive Officer,

In our capacity as statutory auditors of TOTAL S.A., and in accordance with your request, we have performed a review of the accompanying condensed interim consolidated financial statements of TOTAL S.A. for the period from January 1<sup>st</sup> to September 30<sup>th</sup>, 2017.

The preparation of these condensed interim consolidated financial statements is the responsibility of your Board of Directors. Our responsibility is to express a conclusion on these financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France and the professional doctrine of the French national auditing body (Compagnie nationale des commissaires aux comptes) related to this engagement. A review consists of primarily making inquiries 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 the condensed interim consolidated financial statements, taken as a whole, are free from material misstatement as we would not become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**TOTAL S.A.**  
*Statutory Auditor's Review Report on the interim condensed consolidated  
financial statements*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRS as adopted by the European Union related to interim financial information.

Paris La Défense, October 26, 2017

The statutory auditors  
*French original signed by*

KPMG Audit  
*A division of KPMG S.A.*

ERNST & YOUNG Audit

Jacques-François Lethu  
*Partner*

Eric Jacquet  
*Partner*

Yvon Salaün  
*Partner*

Laurent Miannay  
*Partner*

# CONSOLIDATED STATEMENT OF INCOME

## TOTAL

(unaudited)

(M\$) <sup>(a)</sup>	3 <sup>rd</sup> quarter 2017	2 <sup>nd</sup> quarter 2017	3 <sup>rd</sup> quarter 2016
<b>Sales</b>	<b>43,044</b>	<b>39,915</b>	<b>37,412</b>
Excise taxes	(5,962)	(5,433)	(5,587)
Revenues from sales	37,082	34,482	31,825
Purchases, net of inventory variation	(24,367)	(23,398)	(21,223)
Other operating expenses	(6,108)	(6,106)	(5,469)
Exploration costs	(181)	(199)	(274)
Depreciation, depletion and impairment of tangible assets and mineral interests	(3,035)	(2,798)	(2,936)
Other income	404	570	290
Other expense	(67)	(106)	(351)
Financial interest on debt	(368)	(345)	(268)
Financial income and expense from cash & cash equivalents	(45)	(37)	(5)
Cost of net debt	(413)	(382)	(273)
Other financial income	204	285	265
Other financial expense	(164)	(159)	(154)
Equity in net income (loss) of affiliates	500	310	531
Income taxes	(1,092)	(472)	(251)
<b>Consolidated net income</b>	<b>2,763</b>	<b>2,027</b>	<b>1,980</b>
Group share	2,724	2,037	1,954
Non-controlling interests	39	(10)	26
Earnings per share (\$)	1.06	0.79	0.79
Fully-diluted earnings per share (\$)	1.06	0.79	0.79

<sup>(a)</sup> Except for per share amounts.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### TOTAL

(unaudited)

(M\$)	3 <sup>rd</sup> quarter 2017	2 <sup>nd</sup> quarter 2017	3 <sup>rd</sup> quarter 2016
Consolidated net income	2,763	2,027	1,980
Other comprehensive income			
Actuarial gains and losses	(129)	32	(363)
Tax effect	36	(12)	47
Currency translation adjustment generated by the parent company	2,420	4,524	439
Items not potentially reclassifiable to profit and loss	2,327	4,544	123
Currency translation adjustment	(575)	(1,218)	(362)
Available for sale financial assets	4	1	15
Cash flow hedge	116	(79)	113
Share of other comprehensive income of equity affiliates, net amount	(209)	(794)	123
Other	-	(3)	(3)
Tax effect	(42)	30	(41)
Items potentially reclassifiable to profit and loss	(706)	(2,063)	(155)
Total other comprehensive income (net amount)	1,621	2,481	(32)
Comprehensive income	4,384	4,508	1,948
Group share	4,346	4,507	1,909
Non-controlling interests	38	1	39

# CONSOLIDATED STATEMENT OF INCOME

## TOTAL

(unaudited)

(M\$) <sup>(a)</sup>	9 months 2017	9 months 2016
<b>Sales</b>	<b>124,142</b>	<b>107,468</b>
Excise taxes	(16,485)	(16,410)
Revenues from sales	107,657	91,058
Purchases, net of inventory variation	(71,752)	(59,410)
Other operating expenses	(18,380)	(17,511)
Exploration costs	(577)	(1,004)
Depreciation, depletion and impairment of tangible assets and mineral interests	(10,412)	(8,584)
Other income	3,299	962
Other expense	(464)	(554)
Financial interest on debt	(1,044)	(809)
Financial income and expense from cash & cash equivalents	(93)	6
Cost of net debt	(1,137)	(803)
Other financial income	717	768
Other financial expense	(483)	(475)
Equity in net income (loss) of affiliates	1,358	1,805
Income taxes	(2,257)	(533)
<b>Consolidated net income</b>	<b>7,569</b>	<b>5,719</b>
Group share	7,610	5,648
Non-controlling interests	(41)	71
Earnings per share (\$)	2.99	2.33
Fully-diluted earnings per share (\$)	2.98	2.32

<sup>(a)</sup> Except for per share amounts.



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### TOTAL

(unaudited)

	9 months 2017	9 months 2016
(M\$)		
<b>Consolidated net income</b>	<b>7,569</b>	<b>5,719</b>
<b>Other comprehensive income</b>		
Actuarial gains and losses	29	(576)
Tax effect	(17)	119
Currency translation adjustment generated by the parent company	7,884	1,967
Items not potentially reclassifiable to profit and loss	7,896	1,510
Currency translation adjustment	(1,993)	(1,717)
Available for sale financial assets	4	1
Cash flow hedge	150	145
Share of other comprehensive income of equity affiliates, net amount	(672)	477
Other	-	-
Tax effect	(51)	(44)
Items potentially reclassifiable to profit and loss	(2,562)	(1,138)
<b>Total other comprehensive income (net amount)</b>	<b>5,334</b>	<b>372</b>
<b>Comprehensive income</b>	<b>12,903</b>	<b>6,091</b>
Group share	12,927	6,012
Non-controlling interests	(24)	79

# CONSOLIDATED BALANCE SHEET

## TOTAL

(M\$)	September 30, 2017 (unaudited)	June 30, 2017 (unaudited)	December 31, 2016	September 30, 2016 (unaudited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets, net	14,891	14,119	15,362	14,916
Property, plant and equipment, net	113,491	112,659	111,971	113,433
Equity affiliates : investments and loans	22,130	21,705	20,576	20,870
Other investments	1,124	1,483	1,133	1,565
Non-current financial assets	626	558	908	1,089
Deferred income taxes	5,345	4,981	4,368	4,434
Other non-current assets	4,291	4,411	4,143	4,534
<b>Total non-current assets</b>	<b>161,898</b>	<b>159,916</b>	<b>158,461</b>	<b>160,841</b>
<b>Current assets</b>				
Inventories, net	14,769	14,273	15,247	14,635
Accounts receivable, net	13,738	12,923	12,213	11,501
Other current assets	13,944	14,034	14,835	14,927
Current financial assets	2,579	3,618	4,548	1,755
Cash and cash equivalents	28,583	28,720	24,597	24,801
Assets classified as held for sale	997	421	1,077	1,045
<b>Total current assets</b>	<b>74,610</b>	<b>73,989</b>	<b>72,517</b>	<b>68,664</b>
<b>Total assets</b>	<b>236,508</b>	<b>233,905</b>	<b>230,978</b>	<b>229,505</b>
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>				
<b>Shareholders' equity</b>				
Common shares	7,806	7,797	7,604	7,849
Paid-in surplus and retained earnings	111,128	110,305	105,547	106,189
Currency translation adjustment	(8,675)	(10,314)	(13,871)	(11,448)
Treasury shares	(458)	(600)	(600)	(4,422)
<b>Total shareholders' equity - Group share</b>	<b>109,801</b>	<b>107,188</b>	<b>98,680</b>	<b>98,168</b>
<b>Non-controlling interests</b>	<b>2,799</b>	<b>2,772</b>	<b>2,894</b>	<b>2,948</b>
<b>Total shareholders' equity</b>	<b>112,600</b>	<b>109,960</b>	<b>101,574</b>	<b>101,116</b>
<b>Non-current liabilities</b>				
Deferred income taxes	11,326	10,920	11,060	11,390
Employee benefits	4,384	4,127	3,746	4,247
Provisions and other non-current liabilities	17,140	16,924	16,846	17,320
Non-current financial debt	40,226	41,548	43,067	44,450
<b>Total non-current liabilities</b>	<b>73,076</b>	<b>73,519</b>	<b>74,719</b>	<b>77,407</b>
<b>Current liabilities</b>				
Accounts payable	21,092	21,914	23,227	19,799
Other creditors and accrued liabilities	17,740	14,862	16,720	16,895
Current borrowings	11,206	13,070	13,920	13,383
Other current financial liabilities	273	241	327	380
Liabilities directly associated with the assets classified as held for sale	521	339	491	525
<b>Total current liabilities</b>	<b>50,832</b>	<b>50,426</b>	<b>54,685</b>	<b>50,982</b>
<b>Total liabilities &amp; shareholders' equity</b>	<b>236,508</b>	<b>233,905</b>	<b>230,978</b>	<b>229,505</b>



# CONSOLIDATED STATEMENT OF CASH FLOW

## TOTAL

(unaudited)

(M\$)	3 <sup>rd</sup> quarter 2017	2 <sup>nd</sup> quarter 2017	3 <sup>rd</sup> quarter 2016
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Consolidated net income	2,763	2,027	1,980
Depreciation, depletion, amortization and impairment	3,164	2,930	3,297
Non-current liabilities, valuation allowances and deferred taxes	(93)	(50)	(539)
(Gains) losses on disposals of assets	(144)	(151)	94
Undistributed affiliates' equity earnings	(110)	501	(192)
(Increase) decrease in working capital	(1,057)	(268)	265
Other changes, net	(160)	(349)	(165)
<b>Cash flow from operating activities</b>	<b>4,363</b>	<b>4,640</b>	<b>4,740</b>
<b>CASH FLOW USED IN INVESTING ACTIVITIES</b>			
Intangible assets and property, plant and equipment additions	(3,104)	(3,323)	(4,124)
Acquisitions of subsidiaries, net of cash acquired	(472)	(6)	(1,119)
Investments in equity affiliates and other securities	(181)	(433)	177
Increase in non-current loans	(153)	(443)	(135)
<b>Total expenditures</b>	<b>(3,910)</b>	<b>(4,205)</b>	<b>(5,201)</b>
Proceeds from disposals of intangible assets and property, plant and equipment	55	74	57
Proceeds from disposals of subsidiaries, net of cash sold	-	-	-
Proceeds from disposals of non-current investments	147	133	34
Repayment of non-current loans	337	153	101
<b>Total divestments</b>	<b>539</b>	<b>360</b>	<b>192</b>
<b>Cash flow used in investing activities</b>	<b>(3,371)</b>	<b>(3,845)</b>	<b>(5,009)</b>
<b>CASH FLOW USED IN FINANCING ACTIVITIES</b>			
Issuance (repayment) of shares:			
- Parent company shareholders	65	406	36
- Treasury shares	-	-	-
Dividends paid:			
- Parent company shareholders	-	(1,462)	-
- Non-controlling interests	(11)	(61)	(2)
Issuance of perpetual subordinated notes	-	-	-
Payments on perpetual subordinated notes	-	(90)	-
Other transactions with non-controlling interests	(2)	-	(107)
Net issuance (repayment) of non-current debt	400	290	3,127
Increase (decrease) in current borrowings	(3,717)	(1,167)	(909)
Increase (decrease) in current financial assets and liabilities	1,182	979	257
<b>Cash flow used in financing activities</b>	<b>(2,083)</b>	<b>(1,105)</b>	<b>2,402</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,091)</b>	<b>(310)</b>	<b>2,133</b>
Effect of exchange rates	954	1,504	15
Cash and cash equivalents at the beginning of the period	28,720	27,526	22,653
<b>Cash and cash equivalents at the end of the period</b>	<b>28,583</b>	<b>28,720</b>	<b>24,801</b>

# CONSOLIDATED STATEMENT OF CASH FLOW

## TOTAL

(unaudited)

	9 months 2017	9 months 2016
(M\$)		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Consolidated net income	7,569	5,719
Depreciation, depletion, amortization and impairment	10,754	9,393
Non-current liabilities, valuation allowances and deferred taxes	(340)	(1,284)
(Gains) losses on disposals of assets	(2,527)	(321)
Undistributed affiliates' equity earnings	96	(708)
(Increase) decrease in working capital	(1,379)	(3,032)
Other changes, net	(469)	(264)
<b>Cash flow from operating activities</b>	<b>13,704</b>	<b>9,503</b>
<b>CASH FLOW USED IN INVESTING ACTIVITIES</b>		
Intangible assets and property, plant and equipment additions	(9,105)	(12,364)
Acquisitions of subsidiaries, net of cash acquired	(797)	(1,241)
Investments in equity affiliates and other securities	(1,137)	(106)
Increase in non-current loans	(754)	(964)
<b>Total expenditures</b>	<b>(11,793)</b>	<b>(14,675)</b>
Proceeds from disposals of intangible assets and property, plant and equipment	135	1,049
Proceeds from disposals of subsidiaries, net of cash sold	2,696	270
Proceeds from disposals of non-current investments	289	129
Repayment of non-current loans	677	502
<b>Total divestments</b>	<b>3,797</b>	<b>1,950</b>
<b>Cash flow used in investing activities</b>	<b>(7,996)</b>	<b>(12,725)</b>
<b>CASH FLOW USED IN FINANCING ACTIVITIES</b>		
Issuance (repayment) of shares:		
- Parent company shareholders	486	40
- Treasury shares	-	-
Dividends paid:		
- Parent company shareholders	(2,000)	(2,127)
- Non-controlling interests	(87)	(77)
Issuance of perpetual subordinated notes	-	1,950
Payments on perpetual subordinated notes	(219)	(133)
Other transactions with non-controlling interests	(2)	(104)
Net issuance (repayment) of non-current debt	746	3,681
Increase (decrease) in current borrowings	(6,297)	(2,925)
Increase (decrease) in current financial assets and liabilities	2,819	4,402
<b>Cash flow used in financing activities</b>	<b>(4,554)</b>	<b>4,707</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,154</b>	<b>1,485</b>
Effect of exchange rates	2,832	47
Cash and cash equivalents at the beginning of the period	24,597	23,269
<b>Cash and cash equivalents at the end of the period</b>	<b>28,583</b>	<b>24,801</b>

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

## TOTAL

(unaudited)

(M\$)	Common shares issued		Paid-in surplus and retained earnings	Currency translation adjustment	Treasury shares		Shareholders' equity - Group share	Non-controlling interests	Total shareholders' equity
	Number	Amount			Number	Amount			
As of January 1, 2016	2,440,057,883	7,670	101,528	(12,119)	(113,967,758)	(4,585)	92,494	2,915	95,409
Net income of the first 9 months 2016	-	-	5,648	-	-	-	5,648	71	5,719
Other comprehensive Income	-	-	(307)	671	-	-	364	8	372
Comprehensive Income	-	-	5,341	671	-	-	6,012	79	6,091
Dividend	-	-	(4,872)	-	-	-	(4,872)	(77)	(4,949)
Issuance of common shares	63,971,645	179	2,524	-	-	-	2,703	-	2,703
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Sale of treasury shares <sup>(1)</sup>	-	-	(163)	-	3,047,118	163	-	-	-
Share-based payments	-	-	81	-	-	-	81	-	81
Share cancellation	-	-	-	-	-	-	-	-	-
Issuance of perpetual subordinated notes	-	-	1,950	-	-	-	1,950	-	1,950
Payments on perpetual subordinated notes	-	-	(131)	-	-	-	(131)	-	(131)
Other operations with non-controlling interests	-	-	(100)	-	-	-	(100)	(41)	(141)
Other items	-	-	31	-	-	-	31	72	103
As of September 30, 2016	2,504,029,528	7,849	106,189	(11,448)	(110,920,640)	(4,422)	98,168	2,948	101,116
Net income from October 1 to December 31, 2016	-	-	548	-	-	-	548	(61)	487
Other comprehensive Income	-	-	199	(2,423)	-	-	(2,224)	(7)	(2,231)
Comprehensive Income	-	-	747	(2,423)	-	-	(1,676)	(68)	(1,744)
Dividend	-	-	(1,640)	-	-	-	(1,640)	(16)	(1,656)
Issuance of common shares	26,667,602	72	1,029	-	-	-	1,101	-	1,101
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Sale of treasury shares <sup>(1)</sup>	-	-	-	-	1,550	-	-	-	-
Share-based payments	-	-	31	-	-	-	31	-	31
Share cancellation	(100,331,268)	(317)	(3,505)	-	100,331,268	3,822	-	-	-
Issuance of perpetual subordinated notes	-	-	2,761	-	-	-	2,761	-	2,761
Payments on perpetual subordinated notes	-	-	(72)	-	-	-	(72)	-	(72)
Other operations with non-controlling interests	-	-	2	-	-	-	2	(2)	-
Other items	-	-	5	-	-	-	5	32	37
As of December 31, 2016	2,430,365,862	7,604	105,547	(13,871)	(10,587,822)	(600)	98,680	2,894	101,574
Net income of the first 9 months 2017	-	-	7,610	-	-	-	7,610	(41)	7,569
Other comprehensive Income	-	-	121	5,196	-	-	5,317	17	5,334
Comprehensive Income	-	-	7,731	5,196	-	-	12,927	(24)	12,903
Dividend	-	-	(5,137)	-	-	-	(5,137)	(87)	(5,224)
Issuance of common shares	72,388,372	202	3,242	-	-	-	3,444	-	3,444
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Sale of treasury shares <sup>(1)</sup>	-	-	(142)	-	2,209,716	142	-	-	-
Share-based payments	-	-	113	-	-	-	113	-	113
Share cancellation	-	-	-	-	-	-	-	-	-
Issuance of perpetual subordinated notes	-	-	-	-	-	-	-	-	-
Payments on perpetual subordinated notes	-	-	(223)	-	-	-	(223)	-	(223)
Other operations with non-controlling interests	-	-	(7)	-	-	-	(7)	5	(2)
Other items	-	-	4	-	-	-	4	11	15
As of September 30, 2017	2,502,754,234	7,806	111,128	(8,675)	(8,378,106)	(458)	109,801	2,799	112,600

<sup>(1)</sup> Treasury shares related to the restricted stock grants.



**TOTAL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE FIRST NINE MONTHS OF 2017**

*(unaudited)*

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**1) Accounting policies**

The interim consolidated financial statements of TOTAL S.A. and its subsidiaries (the Group) as of September 30, 2017 are presented in U.S. dollars and have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting".

The accounting policies applied for the consolidated financial statements as of September 30, 2017 do not differ significantly from those applied for the consolidated financial statements as of December 31, 2016 which have been prepared on the basis of IFRS (International Financial Reporting Standards) as adopted by the European Union and IFRS as issued by the IASB (International Accounting Standards Board). New texts or amendments which were mandatory for the periods beginning on or after January 1, 2017 did not have a material impact on the Group's consolidated financial statements as of September 30, 2017.

As for accounting standards applicable for annual periods starting from January 1, 2018:

- As indicated in the December 31, 2016 Notes to the Consolidated Financial Statements, the expected impacts of the application of standard IFRS 15 "Revenue from Contracts with Customers" are not significant for the Group.
- The impacts of the application of standard IFRS 9 "Financial Instruments" are currently under review, especially for the impairment of financial assets.

The preparation of financial statements in accordance with IFRS for the closing as of September 30, 2017 requires the executive management to make estimates, assumptions and judgments that affect the information reported in the Consolidated Financial Statements and the Notes thereto.

These estimates, assumptions and judgments are based on historical experience and other factors believed to be reasonable at the date of preparation of the financial statements. They are reviewed on an on-going basis by management and therefore could be revised as circumstances change or as a result of new information.

Different estimates, assumptions and judgments could significantly affect the information reported, and actual results may differ from the amounts included in the Consolidated Financial Statements and the Notes thereto.

The main estimates, judgments and assumptions relate to the estimation of hydrocarbon reserves in application of the successful efforts method for the oil and gas activities, the impairment of assets, the employee benefits, the asset retirement obligations and the income taxes. These estimates and assumptions are described in the Notes to the Consolidated Financial Statements as of December 31, 2016.

Furthermore, when the accounting treatment of a specific transaction is not addressed by any accounting standard or interpretation, the management applies its judgment to define and apply accounting policies that provide information consistent with the general IFRS concepts: faithful representation, relevance and materiality.

## **2) Changes in the Group structure**

### **2.1) *Main acquisitions and divestments***

#### **➤ Gas, Renewables & Power**

- In January 2017, TOTAL acquired a 23% interest in the company Tellurian to develop an integrated gas project in the United States for an amount of \$207 million.

#### **➤ Refining & Chemicals**

- On January 31, 2017, TOTAL closed the sale of Atotech to the Carlyle Group for an amount of \$3.2 billion.

#### **➤ Marketing & Services**

- On March 28, 2017, TOTAL announced the closing of the acquisition of the assets of Gulf Africa Petroleum Corporation in Kenya, Uganda and Tanzania.

### **2.2) *Divestment projects***

#### **➤ Exploration & Production**

- In February 2017, TOTAL has signed an agreement with Perenco for the sale of interests and the transfer of operatorship in various mature assets in Gabon. The transaction is subject to the publication in the Official Journal of the decrees signed by the President of the Republic of Gabon. The assets and liabilities have been classified in the consolidated balance sheet as at September 30<sup>th</sup>, 2017 respectively in "assets classified as held for sale" for an amount of \$431 million (mainly tangible assets for an amount of \$356 million) and "liabilities directly associated with the assets classified as held for sale" for an amount of \$352 million.
- On September 4, 2017 TOTAL announced the sale to Kuwait Foreign Petroleum Exploration Company (KUFPEC) of its remaining 15% interest in the Gina Krog field in Norway. The assets and liabilities have been classified in the consolidated balance sheet as at September 30<sup>th</sup>, 2017 respectively in "assets classified as held for sale" for an amount of \$564 million (mainly tangible assets for an amount of \$525 million) and "liabilities directly associated with the assets classified as held for sale" for an amount of \$169 million.



### 3) Adjustment items

#### Description of the business segments

Financial information by business segment is reported in accordance with the internal reporting system and shows internal segment information that is used to manage and measure the performance of TOTAL and which is reviewed by the main operational decision-making body of the Group, namely the Executive Committee.

Total has put in place a new organization fully effective since January 1, 2017, structured around four business segments following the creation of the Gas, Renewables & Power segment, alongside the Exploration & Production, Refining & Chemicals and Marketing & Services segments.

Certain figures for the year 2016 have been restated in order to reflect the new organization with four business segments.

#### Adjustment items

Performance indicators excluding the adjustment items, such as adjusted operating income, adjusted net operating income, and adjusted net income are meant to facilitate the analysis of the financial performance and the comparison of income between periods.

Adjustment items include:

##### (i) Special items

Due to their unusual nature or particular significance, certain transactions qualified as "special items" are excluded from the business segment figures. In general, special items relate to transactions that are significant, infrequent or unusual. However, in certain instances, transactions such as restructuring costs or assets disposals, which are not considered to be representative of the normal course of business, may be qualified as special items although they may have occurred within prior years or are likely to occur again within the coming years.

##### (ii) The inventory valuation effect

The adjusted results of the Refining & Chemicals and Marketing & Services segments are presented according to the replacement cost method. This method is used to assess the segments' performance and facilitate the comparability of the segments' performance with those of its competitors.

In the replacement cost method, which approximates the LIFO (Last-In, First-Out) method, the variation of inventory values in the statement of income is, depending on the nature of the inventory, determined using either the month-end prices differential between one period and another or the average prices of the period rather than the historical value. The inventory valuation effect is the difference between the results according to the FIFO (First-In, First-Out) and the replacement cost.

##### (iii) Effect of changes in fair value

The effect of changes in fair value presented as adjustment items reflects for some transactions differences between internal measure of performance used by TOTAL's management and the accounting for these transactions under IFRS.

IFRS requires that trading inventories be recorded at their fair value using period end spot prices. In order to best reflect the management of economic exposure through derivative transactions, internal indicators used to measure performance include valuations of trading inventories based on forward prices.

Furthermore, TOTAL, in its trading activities, enters into storage contracts, which future effects are recorded at fair value in Group's internal economic performance. IFRS precludes recognition of this fair value effect.

The adjusted results (adjusted operating income, adjusted net operating income, adjusted net income) are defined as replacement cost results, adjusted for special items and the effect of changes in fair value.

The detail of the adjustment items is presented in the table below.



## ADJUSTMENTS TO OPERATING INCOME

(M\$)		Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Total
<b>3<sup>rd</sup> quarter 2017</b>							
	Inventory valuation effect	-	-	210	51	-	261
	Effect of changes in fair value	-	(14)	-	-	-	(14)
	Restructuring charges	(2)	-	-	-	-	(2)
	Asset impairment charges	(57)	-	-	-	-	(57)
	Other items	-	(32)	(44)	-	-	(76)
<b>Total</b>		<b>(59)</b>	<b>(46)</b>	<b>166</b>	<b>51</b>	<b>-</b>	<b>112</b>
<b>3<sup>rd</sup> quarter 2016</b>							
	Inventory valuation effect	-	-	4	(51)	-	(47)
	Effect of changes in fair value	-	(18)	-	-	-	(18)
	Restructuring charges	-	(15)	-	-	-	(15)
	Asset impairment charges	-	-	-	-	-	-
	Other items	-	(98)	-	(2)	-	(100)
<b>Total</b>		<b>-</b>	<b>(131)</b>	<b>4</b>	<b>(53)</b>	<b>-</b>	<b>(180)</b>
<b>9 months 2017</b>							
	Inventory valuation effect	-	-	(79)	(18)	-	(97)
	Effect of changes in fair value	-	(41)	-	-	-	(41)
	Restructuring charges	(42)	-	-	-	-	(42)
	Asset impairment charges	(1,926)	(25)	(50)	-	-	(2,001)
	Other items	(77)	(146)	(109)	(26)	(64)	(422)
<b>Total</b>		<b>(2,045)</b>	<b>(212)</b>	<b>(238)</b>	<b>(44)</b>	<b>(64)</b>	<b>(2,603)</b>
<b>9 months 2016</b>							
	Inventory valuation effect	-	-	315	(10)	-	305
	Effect of changes in fair value	-	(21)	-	-	-	(21)
	Restructuring charges	(19)	(15)	-	-	-	(34)
	Asset impairment charges	(200)	-	-	-	-	(200)
	Other items	(672)	(227)	(69)	(10)	-	(978)
<b>Total</b>		<b>(891)</b>	<b>(263)</b>	<b>246</b>	<b>(20)</b>	<b>-</b>	<b>(928)</b>

## ADJUSTMENTS TO NET INCOME, GROUP SHARE

(M\$)		Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Total
<b>3<sup>rd</sup> quarter 2017</b>	Inventory valuation effect	-	-	154	29	-	183
	Effect of changes in fair value	-	(10)	-	-	-	(10)
	Restructuring charges	-	(2)	-	-	-	(2)
	Asset impairment charges	(56)	(18)	-	-	-	(74)
	Gains (losses) on disposals of assets	-	-	-	-	-	-
	Other items	-	(11)	(28)	(8)	-	(47)
<b>Total</b>		<b>(56)</b>	<b>(41)</b>	<b>126</b>	<b>21</b>	<b>-</b>	<b>50</b>
<b>3<sup>rd</sup> quarter 2016</b>	Inventory valuation effect	-	-	22	(27)	-	(5)
	Effect of changes in fair value	-	(13)	-	-	-	(13)
	Restructuring charges	-	(18)	-	-	-	(18)
	Asset impairment charges	-	(33)	-	-	-	(33)
	Gains (losses) on disposals of assets	(32)	-	-	-	-	(32)
	Other items	84	(75)	(12)	(12)	-	(15)
<b>Total</b>		<b>52</b>	<b>(139)</b>	<b>10</b>	<b>(39)</b>	<b>-</b>	<b>(116)</b>
<b>9 months 2017</b>	Inventory valuation effect	-	-	(56)	(16)	-	(72)
	Effect of changes in fair value	-	(29)	-	-	-	(29)
	Restructuring charges	(12)	(10)	(39)	-	-	(61)
	Asset impairment charges	(1,697)	(77)	(50)	-	-	(1,824)
	Gains (losses) on disposals of assets	-	-	2,139	125	-	2,264
	Other items	(144)	(89)	(73)	(26)	(42)	(374)
<b>Total</b>		<b>(1,853)</b>	<b>(205)</b>	<b>1,921</b>	<b>83</b>	<b>(42)</b>	<b>(96)</b>
<b>9 months 2016</b>	Inventory valuation effect	-	-	219	(2)	-	217
	Effect of changes in fair value	-	(15)	-	-	-	(15)
	Restructuring charges	(4)	(18)	-	-	-	(22)
	Asset impairment charges	(129)	(33)	(49)	-	-	(211)
	Gains (losses) on disposals of assets	326	-	-	(14)	-	312
	Other items	(230)	(184)	(71)	(28)	-	(513)
<b>Total</b>		<b>(37)</b>	<b>(250)</b>	<b>99</b>	<b>(44)</b>	<b>-</b>	<b>(232)</b>

#### **4) Shareholders' equity**

##### **Treasury shares (TOTAL shares held by TOTAL S.A.)**

As of September 30, 2017, TOTAL S.A. holds 8,378,106 of its own shares, representing 0.33% of its share capital, detailed as follows:

- 8,346,397 shares allocated to TOTAL share grant plans for Group employees; and
- 31,709 shares intended to be allocated to new TOTAL share purchase option plans or to new share grant plans.

These shares are deducted from the consolidated shareholders' equity.

##### **Dividend**

A 2017 first interim dividend of €0.62 per share, decided by the Board of Directors on April 26, 2017 has been paid in cash or in new shares on October 12, 2017 (the ex-dividend date was September 25, 2017). The share price of new shares has been set at 41.12€ per share by the Board of Directors on September 20, 2017. This price is equal to the average opening price on Euronext Paris for the 20 trading days preceding this Board of Directors meeting, reduced by the amount of the first interim dividend, with a 5% discount, rounded up to the nearest cent. On October 12, 2017, 25,633,559 shares have been issued at a price of €41.12 per share.

A 2017 second interim dividend of €0.62 per share, decided by the Board of Directors on July 26, 2017, would be paid on January 11, 2018 (the ex-dividend date will be December 19, 2017).

A 2017 third interim dividend of €0.62 per share, decided by the Board of Directors on October 26, 2017, would be paid on April 9, 2018 (the ex-dividend date will be March 19, 2018).

##### **Earnings per share in Euro**

Earnings per share in Euro, calculated from the earnings per share in U.S. dollars converted at the average Euro/USD exchange rate for the period, amounted to €0.90 per share for the 3<sup>rd</sup> quarter 2017 (€0.71 per share for the 2<sup>nd</sup> quarter 2017 and €0.71 per share for the 3<sup>rd</sup> quarter 2016). Diluted earnings per share calculated using the same method amounted to €0.90 per share for the 3<sup>rd</sup> quarter 2017 (€0.71 per share for the 2<sup>nd</sup> quarter 2017 and €0.71 per share for the 3<sup>rd</sup> quarter 2016).

Earnings per share are calculated after remuneration of perpetual subordinated notes.

## Other comprehensive income

Detail of other comprehensive income showing items reclassified from equity to net income is presented in the table below:

(M\$)	9 months 2017	9 months 2016
Actuarial gains and losses	29	(576)
Tax effect	(17)	119
Currency translation adjustment generated by the parent company	7,884	1,967
<b>Items not potentially reclassifiable to profit and loss</b>	<b>7,896</b>	<b>1,510</b>
<b>Currency translation adjustment</b>	<b>(1,993)</b>	<b>(1,717)</b>
- unrealized gain/(loss) of the period	(1,910)	(1,488)
- less gain/(loss) included in net income	83	229
<b>Available for sale financial assets</b>	<b>4</b>	<b>1</b>
- unrealized gain/(loss) of the period	4	1
- less gain/(loss) included in net income	-	-
<b>Cash flow hedge</b>	<b>150</b>	<b>145</b>
- unrealized gain/(loss) of the period	400	248
- less gain/(loss) included in net income	250	103
<b>Share of other comprehensive income of equity affiliates, net amount</b>	<b>(672)</b>	<b>477</b>
- unrealized gain/(loss) of the period	(680)	494
- less gain/(loss) included in net income	(8)	17
<b>Other</b>	<b>-</b>	<b>-</b>
<b>Tax effect</b>	<b>(51)</b>	<b>(44)</b>
<b>Items potentially reclassifiable to profit and loss</b>	<b>(2,562)</b>	<b>(1,138)</b>
<b>Total other comprehensive income, net amount</b>	<b>5,334</b>	<b>372</b>



Tax effects relating to each component of other comprehensive income are as follows:

(M\$)	9 months 2017			9 months 2016		
	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Actuarial gains and losses	29	(17)	12	(576)	119	(457)
Currency translation adjustment generated by the parent company	7,884	-	7,884	1,967	-	1,967
<b>Items not potentially reclassifiable to profit and loss</b>	<b>7,913</b>	<b>(17)</b>	<b>7,896</b>	<b>1,391</b>	<b>119</b>	<b>1,510</b>
Currency translation adjustment	(1,993)	-	(1,993)	(1,717)	-	(1,717)
Available for sale financial assets	4	(1)	3	1	-	1
Cash flow hedge	150	(50)	100	145	(44)	101
Share of other comprehensive income of equity affiliates, net amount	(672)	-	(672)	477	-	477
Other	-	-	-	-	-	-
<b>Items potentially reclassifiable to profit and loss</b>	<b>(2,511)</b>	<b>(51)</b>	<b>(2,562)</b>	<b>(1,094)</b>	<b>(44)</b>	<b>(1,138)</b>
<b>Total other comprehensive income</b>	<b>5,402</b>	<b>(68)</b>	<b>5,334</b>	<b>297</b>	<b>75</b>	<b>372</b>

## 5) Financial debt

The Group issued bonds during the first nine months of 2017:

- Bond 1.250% 2017-2024 (GBP 250 million)

The Group reimbursed bonds during the first nine months of 2017:

- Bond 4.875% 2012-2017 (AUD 100 million)
- Bond 1.500% 2012-2017 (USD 1,000 million)
- Bond 1.000% 2014-2017 (USD 500 million)
- Bond 4.700% 2007-2017 (EUR 300 million)
- Bond 4.125% 2012-2017 (AUD 150 million)
- Bond 1.550% 2012-2017 (USD 1,500 million)
- Bond 2.250% 2012-2017 (NOK 1,450 million)

In the context of its active cash management, the Group may temporarily increase its current borrowings, particularly in the form of commercial paper. The changes in current borrowings, cash and cash equivalents and current financial assets resulting from this cash management in the quarterly financial statements are not necessarily representative of a longer-term position.

## 6) Related parties

The related parties are principally equity affiliates and non-consolidated investments. There were no major changes concerning transactions with related parties during the first nine months of 2017.

## **7) Other risks and contingent liabilities**

TOTAL is not currently aware of any exceptional event, dispute, risks or contingent liabilities that could have a material impact on the assets and liabilities, results, financial position or operations of the Group.

### **Alitalia**

In the Marketing & Services segment, a civil proceeding was initiated in Italy, in 2013, against TOTAL S.A. and its subsidiary Total Aviazione Italia Srl before the competent Italian civil court. The plaintiff claims against TOTAL S.A., its subsidiary and other third parties, damages that it estimates to be nearly €908 million. This proceeding follows practices that had been condemned by the Italian competition authority in 2006. The parties have exchanged preliminary findings. The existence and the assessment of the alleged damages in this procedure involving multiple defendants remain contested.

### **Blue Rapid and the Russian Olympic Committee – Russian regions and Interneft**

Blue Rapid, a Panamanian company, and the Russian Olympic Committee filed a claim for damages with the Paris Commercial Court against Elf Aquitaine, alleging a so-called non-completion by a former subsidiary of Elf Aquitaine of a contract related to an exploration and production project in Russia negotiated in the early 1990s. Elf Aquitaine believed this claim to be unfounded and opposed it. On January 12, 2009, the Commercial Court of Paris rejected Blue Rapid's claim against Elf Aquitaine and found that the Russian Olympic Committee did not have standing in the matter. On June 30, 2011, the Court of Appeal of Paris dismissed as inadmissible the claim of Blue Rapid and the Russian Olympic Committee against Elf Aquitaine, notably on the grounds of the contract having lapsed. The judgment of the Court of Appeal of Paris is now final and binding following two decisions issued on February 18, 2016 by the French Supreme Court to put an end to this proceeding.

In connection with the same facts, and fifteen years after the aforementioned exploration and production contract was rendered null and void ("caduc"), a Russian company, which was held not to be the contracting party to the contract, and two regions of the Russian Federation that were not even parties to the contract, launched an arbitration procedure against the aforementioned former subsidiary of Elf Aquitaine that was liquidated in 2005, claiming alleged damages of \$22.4 billion. The arbitral tribunal issued its decision on June 19, 2017 and entirely dismissed this claim.

The Group has lodged a criminal complaint to denounce the fraudulent claim of which the Group believes it is a victim and, has taken and reserved its rights to take other actions and measures to defend its interests.

### **FERC**

The Office of Enforcement of the U.S. Federal Energy Regulatory Commission (FERC) began in 2015 an investigation in connection with the natural gas trading activities in the United States of Total Gas & Power North America, Inc. (TGPNA), a U.S. subsidiary of the Group. The investigation covered transactions made by TGPNA between June 2009 and June 2012 on the natural gas market. TGPNA received a Notice of Alleged Violations from FERC on September 21, 2015. On April 28, 2016, FERC issued an order to show cause to TGPNA and two of its former employees, and to TOTAL S.A. and Total Gas & Power Ltd., regarding the same facts. TGPNA contests the claims brought against it.

A class action has been launched to seek damages from these three companies and was dismissed by a judgment of the U.S. District court of New York issued on March 15, 2017. The claimants appealed this judgment.

### **Yemen**

Due to the security conditions in the vicinity of Balhaf, Yemen LNG, in which the Group holds a stake of 39.62%, stopped its commercial production and export of LNG in April 2015, when it declared Force Majeure to its various stakeholders. The plant is in a preservation mode.



## 8) Information by business segment

9 months 2017 (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	6,292	8,771	54,844	54,215	20	-	124,142
Intersegment sales	16,331	869	18,954	650	284	(37,088)	-
Excise taxes	-	-	(2,180)	(14,305)	-	-	(16,485)
<b>Revenues from sales</b>	<b>22,623</b>	<b>9,640</b>	<b>71,618</b>	<b>40,560</b>	<b>304</b>	<b>(37,088)</b>	<b>107,657</b>
Operating expenses	(10,866)	(9,443)	(67,906)	(38,780)	(802)	37,088	(90,709)
Depreciation, depletion and impairment of tangible assets and mineral interests	(8,960)	(163)	(790)	(472)	(27)	-	(10,412)
<b>Operating income</b>	<b>2,797</b>	<b>34</b>	<b>2,922</b>	<b>1,308</b>	<b>(525)</b>	<b>-</b>	<b>6,536</b>
Equity in net income (loss) of affiliates and other items	1,198	(20)	2,780	421	48	-	4,427
Tax on net operating income	(1,696)	(54)	(877)	(404)	485	-	(2,546)
<b>Net operating income</b>	<b>2,299</b>	<b>(40)</b>	<b>4,825</b>	<b>1,325</b>	<b>8</b>	<b>-</b>	<b>8,417</b>
Net cost of net debt							(848)
Non-controlling interests							41
<b>Net income - group share</b>							<b>7,610</b>

9 months 2017 (adjustments) <sup>(a)</sup> (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	-	(41)	-	-	-	-	(41)
Intersegment sales	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	-
<b>Revenues from sales</b>	<b>-</b>	<b>(41)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(41)</b>
Operating expenses	(119)	(146)	(188)	(44)	(64)	-	(561)
Depreciation, depletion and impairment of tangible assets and mineral interests	(1,926)	(25)	(50)	-	-	-	(2,001)
<b>Operating income <sup>(b)</sup></b>	<b>(2,045)</b>	<b>(212)</b>	<b>(238)</b>	<b>(44)</b>	<b>(64)</b>	<b>-</b>	<b>(2,603)</b>
Equity in net income (loss) of affiliates and other items	(216)	(94)	2,168	121	-	-	1,979
Tax on net operating income	380	13	(9)	8	22	-	414
<b>Net operating income <sup>(b)</sup></b>	<b>(1,881)</b>	<b>(293)</b>	<b>1,921</b>	<b>85</b>	<b>(42)</b>	<b>-</b>	<b>(210)</b>
Net cost of net debt							(21)
Non-controlling interests							135
<b>Net income - group share</b>							<b>(96)</b>

<sup>(a)</sup> Adjustments include special items, inventory valuation effect and the effect of changes in fair value.

<sup>(b)</sup> Of which inventory valuation effect

- On operating income	-	-	(79)	(18)	-	
- On net operating income	-	-	(56)	(14)	-	

9 months 2017 (adjusted) (M\$) <sup>(a)</sup>	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	6,292	8,812	54,844	54,215	20	-	124,183
Intersegment sales	16,331	869	18,954	650	284	(37,088)	-
Excise taxes	-	-	(2,180)	(14,305)	-	-	(16,485)
<b>Revenues from sales</b>	<b>22,623</b>	<b>9,681</b>	<b>71,618</b>	<b>40,560</b>	<b>304</b>	<b>(37,088)</b>	<b>107,698</b>
Operating expenses	(10,747)	(9,297)	(67,718)	(38,736)	(738)	37,088	(90,148)
Depreciation, depletion and impairment of tangible assets and mineral interests	(7,034)	(138)	(740)	(472)	(27)	-	(8,411)
<b>Adjusted operating income</b>	<b>4,842</b>	<b>246</b>	<b>3,160</b>	<b>1,352</b>	<b>(461)</b>	<b>-</b>	<b>9,139</b>
Equity in net income (loss) of affiliates and other items	1,414	74	612	300	48	-	2,448
Tax on net operating income	(2,076)	(67)	(868)	(412)	463	-	(2,960)
<b>Adjusted net operating income</b>	<b>4,180</b>	<b>253</b>	<b>2,904</b>	<b>1,240</b>	<b>50</b>	<b>-</b>	<b>8,627</b>
Net cost of net debt							(827)
Non-controlling interests							(94)
<b>Adjusted net income - group share</b>							<b>7,706</b>
<b>Adjusted fully-diluted earnings per share (\$)</b>							<b>3.02</b>

<sup>(a)</sup> Except for earnings per share.

9 months 2017 (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	9,312	491	1,024	887	79	-	11,793
Total divestments	584	27	2,784	368	34	-	3,797
Cash flow from operating activities	7,633	336	4,399	1,138	198	-	13,704

9 months 2016 (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	5,563	6,449	46,555	48,897	4	-	107,468
Intersegment sales	12,572	703	14,760	487	225	(28,747)	-
Excise taxes	-	-	(2,760)	(13,650)	-	-	(16,410)
<b>Revenues from sales</b>	<b>18,135</b>	<b>7,152</b>	<b>58,555</b>	<b>35,734</b>	<b>229</b>	<b>(28,747)</b>	<b>91,058</b>
Operating expenses	(10,512)	(7,146)	(54,407)	(33,897)	(710)	28,747	(77,925)
Depreciation, depletion and impairment of tangible assets and mineral interests	(7,254)	(108)	(750)	(446)	(26)	-	(8,584)
<b>Operating income</b>	<b>369</b>	<b>(102)</b>	<b>3,398</b>	<b>1,391</b>	<b>(507)</b>	<b>-</b>	<b>4,549</b>
Equity in net income (loss) of affiliates and other items	1,350	121	617	129	289	-	2,506
Tax on net operating income	454	1	(852)	(409)	87	-	(719)
<b>Net operating income</b>	<b>2,173</b>	<b>20</b>	<b>3,163</b>	<b>1,111</b>	<b>(131)</b>	<b>-</b>	<b>6,336</b>
Net cost of net debt							(617)
Non-controlling interests							(71)
<b>Net income - group share</b>							<b>5,648</b>

9 months 2016 (adjustments) <sup>(a)</sup> (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	-	(248)	-	-	-	-	(248)
Intersegment sales	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	-
<b>Revenues from sales</b>	<b>-</b>	<b>(248)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(248)</b>
Operating expenses	(691)	(15)	246	(20)	-	-	(480)
Depreciation, depletion and impairment of tangible assets and mineral interests	(200)	-	-	-	-	-	(200)
<b>Operating income<sup>(b)</sup></b>	<b>(891)</b>	<b>(263)</b>	<b>246</b>	<b>(20)</b>	<b>-</b>	<b>-</b>	<b>(928)</b>
Equity in net income (loss) of affiliates and other items	206	(76)	(61)	(20)	-	-	49
Tax on net operating income	648	52	(86)	(2)	-	-	612
<b>Net operating income<sup>(b)</sup></b>	<b>(37)</b>	<b>(287)</b>	<b>99</b>	<b>(42)</b>	<b>-</b>	<b>-</b>	<b>(267)</b>
Net cost of net debt							(17)
Non-controlling interests							52
<b>Net income - group share</b>							<b>(232)</b>

<sup>(a)</sup> Adjustments include special items, inventory valuation effect and the effect of changes in fair value.

<sup>(b)</sup> Of which inventory valuation effect

- On operating income	-	-	315	(10)	-	
- On net operating income	-	-	219	1	-	

9 months 2016 (adjusted) (M\$) <sup>(a)</sup>	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	5,563	6,697	46,555	48,897	4	-	107,716
Intersegment sales	12,572	703	14,760	487	225	(28,747)	-
Excise taxes	-	-	(2,760)	(13,650)	-	-	(16,410)
<b>Revenues from sales</b>	<b>18,135</b>	<b>7,400</b>	<b>58,555</b>	<b>35,734</b>	<b>229</b>	<b>(28,747)</b>	<b>91,306</b>
Operating expenses	(9,821)	(7,131)	(54,653)	(33,877)	(710)	28,747	(77,445)
Depreciation, depletion and impairment of tangible assets and mineral interests	(7,054)	(108)	(750)	(446)	(26)	-	(8,384)
<b>Adjusted operating income</b>	<b>1,260</b>	<b>161</b>	<b>3,152</b>	<b>1,411</b>	<b>(507)</b>	<b>-</b>	<b>5,477</b>
Equity in net income (loss) of affiliates and other items	1,144	197	678	149	289	-	2,457
Tax on net operating income	(194)	(51)	(766)	(407)	87	-	(1,331)
<b>Adjusted net operating income</b>	<b>2,210</b>	<b>307</b>	<b>3,064</b>	<b>1,153</b>	<b>(131)</b>	<b>-</b>	<b>6,603</b>
Net cost of net debt							(600)
Non-controlling interests							(123)
<b>Adjusted net income - group share</b>							<b>5,880</b>
<b>Adjusted fully-diluted earnings per share (\$)</b>							<b>2.42</b>

<sup>(a)</sup> Except for earnings per share.

9 months 2016 (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	11,252	1,339	1,295	745	44	-	14,675
Total divestments	1,369	137	73	359	12	-	1,950
Cash flow from operating activities	4,971	(194)	2,839	1,414	473	-	9,503



3 <sup>rd</sup> quarter 2017 (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	2,121	2,903	18,923	19,086	11	-	43,044
Intersegment sales	5,665	286	6,592	207	89	(12,839)	-
Excise taxes	-	-	(799)	(5,163)	-	-	(5,962)
<b>Revenues from sales</b>	<b>7,786</b>	<b>3,189</b>	<b>24,716</b>	<b>14,130</b>	<b>100</b>	<b>(12,839)</b>	<b>37,082</b>
Operating expenses	(3,632)	(3,117)	(23,110)	(13,386)	(250)	12,839	(30,656)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,548)	(51)	(258)	(170)	(8)	-	(3,035)
<b>Operating income</b>	<b>1,606</b>	<b>21</b>	<b>1,348</b>	<b>574</b>	<b>(158)</b>	<b>-</b>	<b>3,391</b>
Equity in net income (loss) of affiliates and other items	521	12	179	133	32	-	877
Tax on net operating income	(745)	7	(379)	(173)	100	-	(1,190)
<b>Net operating income</b>	<b>1,382</b>	<b>40</b>	<b>1,148</b>	<b>534</b>	<b>(26)</b>	<b>-</b>	<b>3,078</b>
Net cost of net debt							(315)
Non-controlling interests							(39)
<b>Net income - group share</b>							<b>2,724</b>

3 <sup>rd</sup> quarter 2017 (adjustments) <sup>(a)</sup> (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	-	(14)	-	-	-	-	(14)
Intersegment sales	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	-
<b>Revenues from sales</b>	<b>-</b>	<b>(14)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14)</b>
Operating expenses	(2)	(32)	166	51	-	-	183
Depreciation, depletion and impairment of tangible assets and mineral interests	(57)	-	-	-	-	-	(57)
<b>Operating income<sup>(b)</sup></b>	<b>(59)</b>	<b>(46)</b>	<b>166</b>	<b>51</b>	<b>-</b>	<b>-</b>	<b>112</b>
Equity in net income (loss) of affiliates and other items	(2)	(15)	12	(5)	-	-	(10)
Tax on net operating income	4	4	(50)	(18)	-	-	(60)
<b>Net operating income<sup>(b)</sup></b>	<b>(57)</b>	<b>(57)</b>	<b>128</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>42</b>
Net cost of net debt							(7)
Non-controlling interests							15
<b>Net income - group share</b>							<b>50</b>

<sup>(a)</sup> Adjustments include special items, inventory valuation effect and the effect of changes in fair value.

<sup>(b)</sup> Of which inventory valuation effect

- On operating income	-	-	210	51	-	
- On net operating income	-	-	156	36	-	

3 <sup>rd</sup> quarter 2017 (adjusted) (M\$) <sup>(a)</sup>	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	2,121	2,917	18,923	19,086	11	-	43,058
Intersegment sales	5,665	286	6,592	207	89	(12,839)	-
Excise taxes	-	-	(799)	(5,163)	-	-	(5,962)
<b>Revenues from sales</b>	<b>7,786</b>	<b>3,203</b>	<b>24,716</b>	<b>14,130</b>	<b>100</b>	<b>(12,839)</b>	<b>37,096</b>
Operating expenses	(3,630)	(3,085)	(23,276)	(13,437)	(250)	12,839	(30,839)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,491)	(51)	(258)	(170)	(8)	-	(2,978)
<b>Adjusted operating income</b>	<b>1,665</b>	<b>67</b>	<b>1,182</b>	<b>523</b>	<b>(158)</b>	<b>-</b>	<b>3,279</b>
Equity in net income (loss) of affiliates and other items	523	27	167	138	32	-	887
Tax on net operating income	(749)	3	(329)	(155)	100	-	(1,130)
<b>Adjusted net operating income</b>	<b>1,439</b>	<b>97</b>	<b>1,020</b>	<b>506</b>	<b>(26)</b>	<b>-</b>	<b>3,036</b>
Net cost of net debt							(308)
Non-controlling interests							(54)
<b>Adjusted net income - group share</b>							<b>2,674</b>
<b>Adjusted fully-diluted earnings per share (\$)</b>							<b>1.04</b>

<sup>(a)</sup> Except for earnings per share.

3 <sup>rd</sup> quarter 2017 (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	3,228	99	357	190	36	-	3,910
Total divestments	339	-	24	150	26	-	539
Cash flow from operating activities	2,633	325	662	596	147	-	4,363



3 <sup>rd</sup> quarter 2016 (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	1,852	2,510	16,050	16,998	2	-	37,412
Intersegment sales	4,854	283	5,072	147	74	(10,430)	-
Excise taxes	-	-	(875)	(4,712)	-	-	(5,587)
<b>Revenues from sales</b>	<b>6,706</b>	<b>2,793</b>	<b>20,247</b>	<b>12,433</b>	<b>76</b>	<b>(10,430)</b>	<b>31,825</b>
Operating expenses	(3,513)	(2,754)	(19,102)	(11,829)	(198)	10,430	(26,966)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,479)	(46)	(251)	(150)	(10)	-	(2,936)
<b>Operating income</b>	<b>714</b>	<b>(7)</b>	<b>894</b>	<b>454</b>	<b>(132)</b>	<b>-</b>	<b>1,923</b>
Equity in net income (loss) of affiliates and other items	180	7	228	78	88	-	581
Tax on net operating income	(61)	17	(197)	(134)	59	-	(316)
<b>Net operating income</b>	<b>833</b>	<b>17</b>	<b>925</b>	<b>398</b>	<b>15</b>	<b>-</b>	<b>2,188</b>
Net cost of net debt							(208)
Non-controlling interests							(26)
<b>Net income - group share</b>							<b>1,954</b>

3 <sup>rd</sup> quarter 2016 (adjustments) <sup>(a)</sup> (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	-	(116)	-	-	-	-	(116)
Intersegment sales	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	-
<b>Revenues from sales</b>	<b>-</b>	<b>(116)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(116)</b>
Operating expenses	-	(15)	4	(53)	-	-	(64)
Depreciation, depletion and impairment of tangible assets and mineral interests	-	-	-	-	-	-	-
<b>Operating income<sup>(b)</sup></b>	<b>-</b>	<b>(131)</b>	<b>4</b>	<b>(53)</b>	<b>-</b>	<b>-</b>	<b>(180)</b>
Equity in net income (loss) of affiliates and other items	(123)	(68)	16	1	-	-	(174)
Tax on net operating income	175	25	(11)	6	-	-	195
<b>Net operating income<sup>(b)</sup></b>	<b>52</b>	<b>(174)</b>	<b>9</b>	<b>(46)</b>	<b>-</b>	<b>-</b>	<b>(159)</b>
Net cost of net debt							(6)
Non-controlling interests							49
<b>Net income - group share</b>							<b>(116)</b>

<sup>(a)</sup> Adjustments include special items, inventory valuation effect and the effect of changes in fair value.

<sup>(b)</sup> Of which inventory valuation effect

- On operating income	-	-	4	(51)	-	
- On net operating income	-	-	21	(33)	-	

3 <sup>rd</sup> quarter 2016 (adjusted) (M\$) <sup>(a)</sup>	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	1,852	2,626	16,050	16,998	2	-	37,528
Intersegment sales	4,854	283	5,072	147	74	(10,430)	-
Excise taxes	-	-	(875)	(4,712)	-	-	(5,587)
<b>Revenues from sales</b>	<b>6,706</b>	<b>2,909</b>	<b>20,247</b>	<b>12,433</b>	<b>76</b>	<b>(10,430)</b>	<b>31,941</b>
Operating expenses	(3,513)	(2,739)	(19,106)	(11,776)	(198)	10,430	(26,902)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,479)	(46)	(251)	(150)	(10)	-	(2,936)
<b>Adjusted operating income</b>	<b>714</b>	<b>124</b>	<b>890</b>	<b>507</b>	<b>(132)</b>	<b>-</b>	<b>2,103</b>
Equity in net income (loss) of affiliates and other items	303	75	212	77	88	-	755
Tax on net operating income	(236)	(8)	(186)	(140)	59	-	(511)
<b>Adjusted net operating income</b>	<b>781</b>	<b>191</b>	<b>916</b>	<b>444</b>	<b>15</b>	<b>-</b>	<b>2,347</b>
Net cost of net debt							(202)
Non-controlling interests							(75)
<b>Adjusted net income - group share</b>							<b>2,070</b>
<b>Adjusted fully-diluted earnings per share (\$)</b>							<b>0.84</b>

<sup>(a)</sup>Except for earnings per share.

3 <sup>rd</sup> quarter 2016 (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	3,484	1,097	554	243	(177)	-	5,201
Total divestments	105	33	21	29	4	-	192
Cash flow from operating activities	2,275	24	1,697	573	171	-	4,740

## 9) Reconciliation of the information by business segment with consolidated financial statements

9 months 2017 (M\$)	Adjusted	Adjustments <sup>(a)</sup>	Consolidated statement of income
<b>Sales</b>	<b>124,183</b>	<b>(41)</b>	<b>124,142</b>
Excise taxes	(16,485)	-	(16,485)
Revenues from sales	107,698	(41)	107,657
Purchases net of inventory variation	(71,514)	(238)	(71,752)
Other operating expenses	(18,057)	(323)	(18,380)
Exploration costs	(577)	-	(577)
Depreciation, depletion and impairment of tangible assets and mineral interests	(8,411)	(2,001)	(10,412)
Other income	552	2,747	3,299
Other expense	(181)	(283)	(464)
Financial interest on debt	(1,023)	(21)	(1,044)
Financial income and expense from cash & cash equivalents	(93)	-	(93)
Cost of net debt	(1,116)	(21)	(1,137)
Other financial income	717	-	717
Other financial expense	(483)	-	(483)
Equity in net income (loss) of affiliates	1,843	(485)	1,358
Income taxes	(2,671)	414	(2,257)
<b>Consolidated net income</b>	<b>7,800</b>	<b>(231)</b>	<b>7,569</b>
Group share	7,706	(96)	7,610
Non-controlling interests	94	(135)	(41)

(a) Adjustments include special items, inventory valuation effect and the effect of changes in fair value.

9 months 2016 (M\$)	Adjusted	Adjustments <sup>(a)</sup>	Consolidated statement of income
<b>Sales</b>	<b>107,716</b>	<b>(248)</b>	<b>107,468</b>
Excise taxes	(16,410)	-	(16,410)
Revenues from sales	91,306	(248)	91,058
Purchases net of inventory variation	(59,663)	253	(59,410)
Other operating expenses	(17,128)	(383)	(17,511)
Exploration costs	(654)	(350)	(1,004)
Depreciation, depletion and impairment of tangible assets and mineral interests	(8,384)	(200)	(8,584)
Other income	627	335	962
Other expense	(274)	(280)	(554)
Financial interest on debt	(792)	(17)	(809)
Financial income and expense from cash & cash equivalents	6	-	6
Cost of net debt	(786)	(17)	(803)
Other financial income	768	-	768
Other financial expense	(475)	-	(475)
Equity in net income (loss) of affiliates	1,811	(6)	1,805
Income taxes	(1,145)	612	(533)
<b>Consolidated net income</b>	<b>6,003</b>	<b>(284)</b>	<b>5,719</b>
Group share	5,880	(232)	5,648
Non-controlling interests	123	(52)	71

(a) Adjustments include special items, inventory valuation effect and the effect of changes in fair value.

3 <sup>rd</sup> quarter 2017 (M\$)	Adjusted	Adjustments <sup>(a)</sup>	Consolidated statement of income
<b>Sales</b>	<b>43,058</b>	<b>(14)</b>	<b>43,044</b>
Excise taxes	(5,962)	-	(5,962)
Revenues from sales	37,096	(14)	37,082
Purchases net of inventory variation	(24,585)	218	(24,367)
Other operating expenses	(6,073)	(35)	(6,108)
Exploration costs	(181)	-	(181)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,978)	(57)	(3,035)
Other income	238	166	404
Other expense	(65)	(2)	(67)
Financial interest on debt	(361)	(7)	(368)
Financial income and expense from cash & cash equivalents	(45)	-	(45)
Cost of net debt	(406)	(7)	(413)
Other financial income	204	-	204
Other financial expense	(164)	-	(164)
Equity in net income (loss) of affiliates	674	(174)	500
Income taxes	(1,032)	(60)	(1,092)
<b>Consolidated net income</b>	<b>2,728</b>	<b>35</b>	<b>2,763</b>
Group share	2,674	50	2,724
Non-controlling interests	54	(15)	39

(a) Adjustments include special items, inventory valuation effect and the effect of changes in fair value.

3 <sup>rd</sup> quarter 2016 (M\$)	Adjusted	Adjustments <sup>(a)</sup>	Consolidated statement of income
<b>Sales</b>	<b>37,528</b>	<b>(116)</b>	<b>37,412</b>
Excise taxes	(5,587)	-	(5,587)
Revenues from sales	31,941	(116)	31,825
Purchases net of inventory variation	(21,176)	(47)	(21,223)
Other operating expenses	(5,452)	(17)	(5,469)
Exploration costs	(274)	-	(274)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,936)	-	(2,936)
Other income	284	6	290
Other expense	(155)	(196)	(351)
Financial interest on debt	(262)	(6)	(268)
Financial income and expense from cash & cash equivalents	(5)	-	(5)
Cost of net debt	(267)	(6)	(273)
Other financial income	265	-	265
Other financial expense	(154)	-	(154)
Equity in net income (loss) of affiliates	515	16	531
Income taxes	(446)	195	(251)
<b>Consolidated net income</b>	<b>2,145</b>	<b>(165)</b>	<b>1,980</b>
Group share	2,070	(116)	1,954
Non-controlling interests	75	(49)	26

(a) Adjustments include special items, inventory valuation effect and the effect of changes in fair value.



## **10) Post-closing and other events**

On October 6, 2017 the French Constitutional Council declared unconstitutional the 3% additional contribution to income tax in France on distributed amounts.

The Group will draw the accounting consequences of this decision in the fourth quarter of 2017.