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S.A.S. à capital variable

TOTAL S.A.

***Statutory Auditors' Review Report on the interim
condensed consolidated financial statements***

Period from January 1st to September 30th, 2018

TOTAL S.A.

2, Place Jean Millier - 92400 Courbevoie

This report contains 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 users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

TOTAL S.A.

Registered office: 2, Place Jean Millier - 92400 Courbevoie

Statutory Auditors' Review Report on the interim condensed consolidated financial statements

Period from January 1st to September 30th, 2018

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 1st to September 30th, 2018.

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. A review of interim financial information 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.



TOTAL S.A.
Statutory Auditors' 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 25, 2018

The statutory auditors
French original signed by,

KPMG Audit
A division of KPMG S.A.

ERNST & YOUNG Audit

Jacques-François Lethu
Associé

Eric Jacquet
Associé

Yvon Salaün
Associé

Céline Eydieu-Boulté
Associée

CONSOLIDATED STATEMENT OF INCOME

TOTAL

(unaudited)

(M\$) ^(a)	3 rd quarter 2018	2 nd quarter 2018	3 rd quarter 2017
Sales	54,717	52,540	43,044
Excise taxes	(6,317)	(6,438)	(5,962)
Revenues from sales	48,400	46,102	37,082
Purchases, net of inventory variation	(32,351)	(30,599)	(24,367)
Other operating expenses	(6,873)	(6,761)	(6,108)
Exploration costs	(234)	(158)	(181)
Depreciation, depletion and impairment of tangible assets and mineral interests	(3,279)	(3,435)	(3,035)
Other income	581	252	404
Other expense	(355)	(413)	(67)
Financial interest on debt	(536)	(478)	(368)
Financial income and expense from cash & cash equivalents	(63)	(54)	(45)
Cost of net debt	(599)	(532)	(413)
Other financial income	290	321	204
Other financial expense	(171)	(159)	(164)
Net income (loss) from equity affiliates	918	1,103	500
Income taxes	(2,240)	(2,087)	(1,092)
Consolidated net income	4,087	3,634	2,763
Group share	3,957	3,721	2,724
Non-controlling interests	130	(87)	39
Earnings per share (\$)	1.48	1.38	1.06
Fully-diluted earnings per share (\$)	1.47	1.38	1.06

(a) Except for per share amounts.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TOTAL

(unaudited)

(M\$)	3 rd quarter 2018	2 nd quarter 2018	3 rd quarter 2017
Consolidated net income	4,087	3,634	2,763
Other comprehensive income			
Actuarial gains and losses	33	42	(129)
Change in fair value of investments in equity instruments	(2)	(2)	-
Tax effect	(13)	(20)	36
Currency translation adjustment generated by the parent company	(511)	(4,761)	2,420
Items not potentially reclassifiable to profit and loss	(493)	(4,741)	2,327
Currency translation adjustment	93	1,330	(575)
Available for sale financial assets	-	-	4
Cash flow hedge	55	77	116
Variation of foreign currency basis spread	(39)	2	-
Share of other comprehensive income of equity affiliates, net amount	(142)	36	(209)
Other	(2)	(2)	-
Tax effect	(9)	(27)	(42)
Items potentially reclassifiable to profit and loss	(44)	1,416	(706)
Total other comprehensive income (net amount)	(537)	(3,325)	1,621
Comprehensive income	3,550	309	4,384
Group share	3,436	450	4,346
Non-controlling interests	114	(141)	38

CONSOLIDATED STATEMENT OF INCOME

TOTAL

(unaudited)

(M\$) ^(a)	9 months 2018	9 months 2017
Sales	156,868	124,142
Excise taxes	(19,074)	(16,485)
Revenues from sales	137,794	107,657
Purchases, net of inventory variation	(92,396)	(71,752)
Other operating expenses	(20,571)	(18,380)
Exploration costs	(596)	(577)
Depreciation, depletion and impairment of tangible assets and mineral interests	(9,630)	(10,412)
Other income	1,356	3,299
Other expense	(958)	(464)
Financial interest on debt	(1,404)	(1,044)
Financial income and expense from cash & cash equivalents	(158)	(93)
Cost of net debt	(1,562)	(1,137)
Other financial income	851	717
Other financial expense	(500)	(483)
Net income (loss) from equity affiliates	2,505	1,358
Income taxes	(5,923)	(2,257)
Consolidated net income	10,370	7,569
Group share	10,314	7,610
Non-controlling interests	56	(41)
Earnings per share (\$)	3.87	2.99
Fully-diluted earnings per share (\$)	3.85	2.98

(a) Except for per share amounts.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TOTAL

(unaudited)

(M\$)	9 months 2018	9 months 2017
Consolidated net income	10,370	7,569
Other comprehensive income		
Actuarial gains and losses	100	29
Change in fair value of investments in equity instruments	3	-
Tax effect	(31)	(17)
Currency translation adjustment generated by the parent company	(3,141)	7,884
Items not potentially reclassifiable to profit and loss	(3,069)	7,896
Currency translation adjustment	1,061	(1,993)
Available for sale financial assets	-	4
Cash flow hedge	310	150
Variation of foreign currency basis spread	(66)	-
Share of other comprehensive income of equity affiliates, net amount	(274)	(672)
Other	(4)	-
Tax effect	(84)	(51)
Items potentially reclassifiable to profit and loss	943	(2,562)
Total other comprehensive income (net amount)	(2,126)	5,334
Comprehensive income	8,244	12,903
<i>Group share</i>	8,242	12,927
<i>Non-controlling interests</i>	2	(24)

CONSOLIDATED BALANCE SHEET

TOTAL

	September 30, 2018	June 30, 2018	December 31, 2017	September 30, 2017
(M\$)	(unaudited)	(unaudited)		(unaudited)
ASSETS				
Non-current assets				
Intangible assets, net	27,356	24,562	14,587	14,891
Property, plant and equipment, net	115,136	114,047	109,397	113,491
Equity affiliates : investments and loans	23,402	22,443	22,103	22,130
Other investments	1,602	1,396	1,727	1,124
Non-current financial assets	1,129	967	679	626
Deferred income taxes	5,186	5,348	5,206	5,345
Other non-current assets	3,167	3,384	3,984	4,291
Total non-current assets	176,978	172,147	157,683	161,898
Current assets				
Inventories, net	19,689	18,392	16,520	14,769
Accounts receivable, net	20,010	16,974	14,893	13,738
Other current assets	18,613	14,408	14,210	13,944
Current financial assets	3,553	3,609	3,393	2,579
Cash and cash equivalents	25,252	26,475	33,185	28,583
Assets classified as held for sale	207	-	2,747	997
Total current assets	87,324	79,858	84,948	74,610
Total assets	264,302	252,005	242,631	236,508
LIABILITIES & SHAREHOLDERS' EQUITY				
Shareholders' equity				
Common shares	8,304	8,305	7,882	7,806
Paid-in surplus and retained earnings	123,167	121,896	112,040	111,128
Currency translation adjustment	(10,321)	(9,764)	(7,908)	(8,675)
Treasury shares	(2,957)	(2,462)	(458)	(458)
Total shareholders' equity - Group share	118,193	117,975	111,556	109,801
Non-controlling interests	2,430	2,288	2,481	2,799
Total shareholders' equity	120,623	120,263	114,037	112,600
Non-current liabilities				
Deferred income taxes	12,138	11,969	10,828	11,326
Employee benefits	3,308	3,329	3,735	4,384
Provisions and other non-current liabilities	18,740	18,807	15,986	17,140
Non-current financial debt	41,088	38,362	41,340	40,226
Total non-current liabilities	75,274	72,467	71,889	73,076
Current liabilities				
Accounts payable	28,100	25,021	26,479	21,092
Other creditors and accrued liabilities	24,429	17,792	17,779	17,740
Current borrowings	15,180	15,659	11,096	11,206
Other current financial liabilities	669	803	245	273
Liabilities directly associated with the assets classified as held for sale	27	-	1,106	521
Total current liabilities	68,405	59,275	56,705	50,832
Total liabilities & shareholders' equity	264,302	252,005	242,631	236,508

CONSOLIDATED STATEMENT OF CASH FLOW

TOTAL

(unaudited)

(M\$)	3 rd quarter 2018	2 nd quarter 2018	3 rd quarter 2017
CASH FLOW FROM OPERATING ACTIVITIES			
Consolidated net income	4,087	3,634	2,763
Depreciation, depletion, amortization and impairment	3,477	3,508	3,164
Non-current liabilities, valuation allowances and deferred taxes	320	35	(93)
(Gains) losses on disposals of assets	(267)	(148)	(144)
Undistributed affiliates' equity earnings	(416)	(298)	(110)
(Increase) decrease in working capital	(1,578)	(856)	(1,057)
Other changes, net	113	371	(160)
Cash flow from operating activities	5,736	6,246	4,363
CASH FLOW USED IN INVESTING ACTIVITIES			
Intangible assets and property, plant and equipment additions	(3,352)	(3,513)	(3,104)
Acquisitions of subsidiaries, net of cash acquired	(2,714)	12	(472)
Investments in equity affiliates and other securities	(271)	(146)	(181)
Increase in non-current loans	(147)	(140)	(153)
Total expenditures	(6,484)	(3,787)	(3,910)
Proceeds from disposals of intangible assets and property, plant and equipment	113	304	55
Proceeds from disposals of subsidiaries, net of cash sold	(11)	(7)	-
Proceeds from disposals of non-current investments	107	396	147
Repayment of non-current loans	688	581	337
Total divestments	897	1,274	539
Cash flow used in investing activities	(5,587)	(2,513)	(3,371)
CASH FLOW USED IN FINANCING ACTIVITIES			
Issuance (repayment) of shares:			
- Parent company shareholders	16	473	65
- Treasury shares	(844)	(1,182)	-
Dividends paid:			
- Parent company shareholders	-	(2,692)	-
- Non-controlling interests	(9)	(72)	(11)
Issuance of perpetual subordinated notes	-	-	-
Payments on perpetual subordinated notes	-	(116)	-
Other transactions with non-controlling interests	(621)	-	(2)
Net issuance (repayment) of non-current debt	2,146	52	400
Increase (decrease) in current borrowings	(1,965)	(738)	(3,717)
Increase (decrease) in current financial assets and liabilities	69	(1,779)	1,182
Cash flow used in financing activities	(1,208)	(6,054)	(2,083)
Net increase (decrease) in cash and cash equivalents	(1,059)	(2,321)	(1,091)
Effect of exchange rates	(164)	(1,296)	954
Cash and cash equivalents at the beginning of the period	26,475	30,092	28,720
Cash and cash equivalents at the end of the period	25,252	26,475	28,583

CONSOLIDATED STATEMENT OF CASH FLOW

TOTAL

(unaudited)

(M\$)	9 months 2018	9 months 2017
CASH FLOW FROM OPERATING ACTIVITIES		
Consolidated net income	10,370	7,569
Depreciation, depletion, amortization and impairment	10,031	10,754
Non-current liabilities, valuation allowances and deferred taxes	469	(340)
(Gains) losses on disposals of assets	(540)	(2,527)
Undistributed affiliates' equity earnings	(973)	96
(Increase) decrease in working capital	(5,656)	(1,379)
Other changes, net	362	(469)
Cash flow from operating activities	14,063	13,704
CASH FLOW USED IN INVESTING ACTIVITIES		
Intangible assets and property, plant and equipment additions	(12,530)	(9,105)
Acquisitions of subsidiaries, net of cash acquired	(3,428)	(797)
Investments in equity affiliates and other securities	(579)	(1,137)
Increase in non-current loans	(458)	(754)
Total expenditures	(16,995)	(11,793)
Proceeds from disposals of intangible assets and property, plant and equipment	2,395	135
Proceeds from disposals of subsidiaries, net of cash sold	(15)	2,696
Proceeds from disposals of non-current investments	691	289
Repayment of non-current loans	1,685	677
Total divestments	4,756	3,797
Cash flow used in investing activities	(12,239)	(7,996)
CASH FLOW USED IN FINANCING ACTIVITIES		
Issuance (repayment) of shares:		
- Parent company shareholders	498	486
- Treasury shares	(2,584)	-
Dividends paid:		
- Parent company shareholders	(4,208)	(2,000)
- Non-controlling interests	(93)	(87)
Issuance of perpetual subordinated notes	-	-
Payments on perpetual subordinated notes	(266)	(219)
Other transactions with non-controlling interests	(621)	(2)
Net issuance (repayment) of non-current debt	(282)	746
Increase (decrease) in current borrowings	(996)	(6,297)
Increase (decrease) in current financial assets and liabilities	(555)	2,819
Cash flow used in financing activities	(9,107)	(4,554)
Net increase (decrease) in cash and cash equivalents	(7,283)	1,154
Effect of exchange rates	(650)	2,832
Cash and cash equivalents at the beginning of the period	33,185	24,597
Cash and cash equivalents at the end of the period	25,252	28,583

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, 2017	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 nine 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 ^(a)	-	-	(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
Net income of the fourth quarter 2017	-	-	1,021	-	-	-	1,021	(291)	730
Other comprehensive Income	-	-	597	767	-	-	1,364	27	1,391
Comprehensive Income	-	-	1,618	767	-	-	2,385	(264)	2,121
Dividend	-	-	(1,855)	-	-	-	(1,855)	(54)	(1,909)
Issuance of common shares	26,235,382	76	1,189	-	-	-	1,265	-	1,265
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Sale of treasury shares ^(a)	-	-	-	-	1,350	-	-	-	-
Share-based payments	-	-	38	-	-	-	38	-	38
Share cancellation	-	-	-	-	-	-	-	-	-
Issuance of perpetual subordinated notes	-	-	-	-	-	-	-	-	-
Payments on perpetual subordinated notes	-	-	(79)	-	-	-	(79)	-	(79)
Other operations with non-controlling interests	-	-	(1)	-	-	-	(1)	(1)	(2)
Other items	-	-	2	-	-	-	2	1	3
As of December 31, 2017	2,528,989,616	7,882	112,040	(7,908)	(8,376,756)	(458)	111,556	2,481	114,037
Net income of the first nine months 2018	-	-	10,314	-	-	-	10,314	56	10,370
Other comprehensive Income	-	-	341	(2,413)	-	-	(2,072)	(54)	(2,126)
Comprehensive Income	-	-	10,655	(2,413)	-	-	8,242	2	8,244
Dividend	-	-	(6,078)	-	-	-	(6,078)	(93)	(6,171)
Issuance of common shares	137,393,893	422	7,265	-	-	-	7,687	-	7,687
Purchase of treasury shares	-	-	-	-	(45,047,172)	(2,740)	(2,740)	-	(2,740)
Sale of treasury shares ^(a)	-	-	(241)	-	4,079,257	241	-	-	-
Share-based payments	-	-	246	-	-	-	246	-	246
Share cancellation	-	-	-	-	-	-	-	-	-
Issuance of perpetual subordinated notes	-	-	-	-	-	-	-	-	-
Payments on perpetual subordinated notes	-	-	(239)	-	-	-	(239)	-	(239)
Other operations with non-controlling interests	-	-	(455)	-	-	-	(455)	(57)	(512)
Other items	-	-	(26)	-	-	-	(26)	97	71
As of September 30, 2018	2,666,383,509	8,304	123,167	(10,321)	(49,344,671)	(2,957)	118,193	2,430	120,623

^(a) Treasury shares related to the restricted stock grants.

TOTAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FIRST NINE MONTHS OF 2018

(unaudited)

1) Accounting policies

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and IFRS as published by the International Accounting Standards Board (IASB).

The interim consolidated financial statements of TOTAL S.A. and its subsidiaries (the Group) as of September 30, 2018, are presented in U.S. dollars and have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting".

The accounting principles applied for the consolidated financial statements at September 30, 2018, are consistent with those used for the financial statements at December 31, 2017, with the exception of those texts or amendments that must be applied for periods beginning January 1, 2018.

- First-time application of IFRS 15 "Revenue from Contracts with Customers"

The Group applied IFRS 15 as of January 1, 2018, without restating comparative information from past periods. The cumulative effect of the first application of the standard, recognized in equity as at January 1, 2018, is non-material. The new standard does not lead to any material change in the accounting principles applied by the Group.

- First time application of IFRS 9 "Financial Instruments"

The Group applied IFRS 9 as of January 1, 2018 without restating comparative information from past periods. The impacts related to the first application of the standard, recognized in opening equity at January 1, 2018, are not material.

This standard has three components: classification and measurement of financial instruments, impairment of financial assets, and hedging transactions except macro hedging.

The main changes induced by each component are the following:

1. The application of the "Classification and valuation of financial instruments" component led the Group to create a new non-recyclable component in its comprehensive income to record, from January 1, 2018, changes in the fair value of "Investments in equity instruments at the fair value through equity" previously classified as "Available-for-sale financial assets "under IAS 39.
2. The application of the "Impairment of financial assets" component has no significant impact for the Group on January 1, 2018.
3. The application of the "Hedging transactions" component led the Group to recognize in a separate component of the comprehensive income the changes in the Foreign Currency Basis Spread identified in the hedging relationships qualifying as a fair value hedge.

The application of the provisions of IFRS 9 "Financial Instruments" has no significant effect on the Group's balance sheet, income statement and consolidated equity as of September 30, 2018.

The preparation of financial statements in accordance with IFRS for the closing as of September 30, 2018, 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 the executive 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, 2017.

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

As regards the application of IFRS 16 "Leases" on January 1, 2019, the Group intends to:

- apply the simplified retrospective transition method, by accounting for the cumulative effect of the initial application of the standard at the date of first application, without restating the comparative periods
- use the following simplification measures provided by the standard in the transitional provisions:
 - o not apply the standard to contracts that the Group had not previously identified as containing a lease under IAS 17 and IFRIC 4,
 - o not take into account leases whose term ends within 12 months of the date of first application;
- recognize each lease component of the lease as a separate lease, apart from non-lease components (services) of the lease.

2) Changes in the Group structure

2.1) Main acquisitions and divestments

➤ Exploration & Production

- On January 15, 2018, as part of the Strategic Alliance signed in March 2017, TOTAL announced the conclusion of transfer agreements from Petrobras to TOTAL:
 - 35% of the rights, as well as the role of operator in the Lapa field,
 - 22.5% of the rights of the lara area.The details of the acquisition are presented in Note 2.2 to the consolidated financial statements.
- On March 1, 2018, TOTAL finalized the acquisition of Marathon Oil Libya Limited which holds a 16.33% stake in the Waha Concessions in Libya.
The details of the acquisition are presented in Note 2.2 to the consolidated financial statements.
- On March 8, 2018, TOTAL announced the closing of the Maersk Oil acquisition signed on August 21, 2017. The integration of Maersk Oil, which holds a portfolio of high quality assets, largely complementary to those held by TOTAL, and mainly located in OECD countries, allows the Group to become the second largest operator in the North Sea.
The details of the acquisition are presented in Note 2.2 to the consolidated financial statements.
- On March 15, 2018, TOTAL finalized the sale to Statoil of all of its interests in the Martin Linge field (51%) and the discovery of Garantiana (40%) on the Norwegian Continental Shelf.
- On March 18, 2018, TOTAL was awarded participating interests in two Offshore Concessions on Umm Shaif & Nasr (20%) and Lower Zakum (5%) in Abu Dhabi in return for the payment of a global bonus of \$ 1.45 billion.
- On April 11, 2018, TOTAL acquired several assets located in the Gulf of Mexico as part of the Cobalt International Energy company's bankruptcy auction sale.

➤ Marketing & Services

- In January, 2018, the sale of the joint venture TotalErg (Erg 51%, TOTAL 49%) to the Italian company API was finalized.

➤ Gas, Renewables & Power

- On July 6, 2018, TOTAL acquired 73.04% of the share capital of Direct Energie. Subsequent to a public tender offer launched in July 2018 and closed in September 2018, TOTAL owns 95.37% of Direct Energie shares.
The details of the acquisition are presented in Note 2.2 to the consolidated financial statements.
- On July 13, 2018, TOTAL acquired Engie's portfolio of upstream liquefied natural gas (LNG) assets.
The details of the acquisition are presented in Note 2.2 to the consolidated financial statements.
- On September 26, 2018, TOTAL finalized the acquisition of two gas-fired combined cycle power plants (CCGT) in the North and East of France to KKR-Energas.

2.2) Major business combinations

In accordance with IFRS 3, TOTAL is assessing the fair value of identifiable acquired assets, liabilities and contingent liabilities on the basis of available information. This assessment will be finalised within 12 months following the acquisition date.

➤ Exploration & Production

• Transfer of rights in the Lapa and lara concessions in Brazil

On January 15, 2018 Petrobras transferred to TOTAL 35% of the rights of the Lapa field which was put in production in December 2016, with a 100,000 barrel per day capacity FPSO.

Petrobras also transferred to TOTAL 22.5% of the rights of the lara area. Production in lara is expected to start in 2018 and 2019 depending on the fields.

The acquisition cost amounts to \$1,950 million.

In the balance sheet as of September 30, 2018, the provisional fair value of identifiable acquired assets, liabilities and contingent liabilities amounts to \$1,950 million.

The provisional purchase price allocation is shown below :

(M\$)	At the acquisition date
Intangible assets	1,054
Tangible assets	1,509
Other assets and liabilities	(126)
Net debt	(487)
Fair value of consideration transferred	1,950

• Marathon Oil Lybia Limited

On March 1, 2018, TOTAL finalized the acquisition of Marathon Oil Libya Limited which holds a 16.33% stake in the Waha Concessions in Libya. The acquisition cost amounts to \$451 million.

In the balance sheet as of September 30, 2018, the provisional fair value of identifiable acquired assets, liabilities and contingent liabilities amounts to \$451 million.

The provisional purchase price allocation is shown below :

(M\$)	At the acquisition date
Intangible assets	326
Tangible assets	192
Other assets and liabilities	(91)
Net debt	24
Fair value of consideration transferred	451

- **Maersk Oil**

On March 8, 2018, TOTAL finalized the acquisition of Maersk Oil, following the signature of the « *Share Transfer Agreement* » on August 21, 2017.

The Group acquired all the voting rights of Maersk Olie og Gas A/S (Maersk Oil), a wholly owned subsidiary of A.P. Møller – Mærsk A/S (Maersk), for a purchase consideration of \$5,741 million. This includes the fair value (\$5,585 million) of 97,522,593 shares issued in exchange for all Maersk Oil shares, calculated using the market price of the company's shares of 46.11 euros on the Euronext Paris Stock Exchange at its opening of business on March 8, 2018, and the amount of price adjustments (\$156 million) paid on closing.

In the balance sheet as of September 30, 2018, the provisional fair value of identifiable acquired assets, liabilities and contingent liabilities amounts to \$3,099 million.

The Group recognized a \$2,642 million goodwill.

The provisional purchase price allocation is shown below:

(M\$)	At the acquisition date
<i>Goodwill</i>	2,642
Intangible assets	4,166
Tangible assets	3,983
Other assets and liabilities	(3,126)
<i>Including provision for site restitution</i>	<i>(2,003)</i>
<i>Including deferred tax</i>	<i>(657)</i>
Net debt	(1,924)
Fair value of consideration transferred	5,741

➤ **Gas, Renewables & Power**

• **Direct Energie**

On July 6, 2018, TOTAL acquired a 73.04% majority stake of the share capital of Direct Energie.

Upon completion of the public tender offer launched in July 2018, the Group holds 95.37% of its share capital. The acquisition cost of this interest totals €1,834 million (\$2,159 million) for a net book value of the acquired assets and liabilities of \$268 million at 100%.

The acquisition was carried out in two steps:

- In the first step TOTAL obtained control over Direct Energie by the acquisition of 73.04% of its shares for an amount of €1,399 million (\$2,159 million) and recorded a preliminary partial goodwill for an amount of €1,232 million (\$1,444 million).
- In the second step TOTAL completed a transaction with the minority shareholders (holding 22.33% of the share capital) for an amount of €435 million.

The net book value (before fair value re-evaluation) by major asset class is as follows:

(M\$)	At the acquisition date
Intangible assets	121
Tangible assets	1,069
Other assets and liabilities	174
Net debt	(1,096)
Net book value at 100%	268

• **Engie's Upstream LNG Business**

- On July 13, 2018, the Group acquired 100% shares of Global LNG, a company which holds Engie's portfolio of upstream liquefied natural gas (LNG) assets for a purchase price of \$1,269 million. TOTAL recorded a preliminary goodwill for an amount of \$1,423 million.

The net book value (before fair value re-evaluation) by major asset class is as follows:

(M\$)	At the acquisition date
Intangible assets	7
Tangible assets	124
Other assets and liabilities	(9)
Net debt	(276)
Net book value	(154)

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.

The operational profit and assets are broken down by business segment prior to the consolidation and inter-segment adjustments.

Sales prices between business segments approximate market prices.

The organization of the Group's activities is structured around the four followings segments:

- An Exploration & Production segment;
- A Gas, Renewables & Power segment including downstream Gas activities, New Energies activities (excluding biotechnologies) and Energy Efficiency division;
- A Refining & Chemicals segment constituting a major industrial hub comprising the activities of refining, petrochemicals and specialty chemicals. This segment also includes the activities of oil Supply, Trading and marine Shipping;
- A Marketing & Services segment including the global activities of supply and marketing in the field of petroleum products;

In addition the Corporate segment includes holdings operating and financial activities.

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 methods.

(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 the 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
3rd quarter 2018	Inventory valuation effect	-	-	179	47	-	226
	Effect of changes in fair value	-	-	-	-	-	-
	Restructuring charges	(14)	-	(3)	-	-	(17)
	Asset impairment charges	(65)	(39)	-	-	-	(104)
	Other items	(36)	(64)	-	-	-	(100)
Total		(115)	(103)	176	47	-	5
3rd quarter 2017	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)
Total		(59)	(46)	166	51	-	112
9 months 2018	Inventory valuation effect	-	-	710	152	-	862
	Effect of changes in fair value	-	5	-	-	-	5
	Restructuring charges	(67)	-	(3)	-	-	(70)
	Asset impairment charges	(65)	(485)	-	-	-	(550)
	Other items	(133)	(157)	-	-	(9)	(299)
Total		(265)	(637)	707	152	(9)	(52)
9 months 2017	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)
Total		(2,045)	(212)	(238)	(44)	(64)	(2,603)

ADJUSTMENTS TO NET INCOME, GROUP SHARE

(M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Total
3rd quarter 2018						
Inventory valuation effect	-	-	131	29	-	160
Effect of changes in fair value	-	(9)	-	-	-	(9)
Restructuring charges	(35)	(2)	(2)	-	-	(39)
Asset impairment charges	(65)	(23)	-	-	-	(88)
Gains (losses) on disposals of assets	89	-	-	-	-	89
Other items	(22)	(43)	-	(17)	(32)	(114)
Total	(33)	(77)	129	12	(32)	(1)
3rd quarter 2017						
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)
Total	(56)	(41)	126	21	-	50
9 months 2018						
Inventory valuation effect	-	-	543	89	-	632
Effect of changes in fair value	-	(8)	-	-	-	(8)
Restructuring charges	(94)	(10)	(2)	-	-	(106)
Asset impairment charges	(65)	(271)	-	-	-	(336)
Gains (losses) on disposals of assets	(14)	-	-	-	-	(14)
Other items	(73)	(101)	(17)	(17)	(41)	(249)
Total	(246)	(390)	524	72	(41)	(81)
9 months 2017						
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)
Total	(1,853)	(205)	1,921	83	(42)	(96)

4) Shareholders' equity

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

In accordance with the February 2018 announcements regarding the shareholder return policy over 2018-2020, TOTAL S.A. started share buybacks.

At September 30, 2018, TOTAL S.A. holds 49,344,671 of its own shares, representing 1.85% of its share capital, detailed as follows:

- 4,685,786 shares allocated to TOTAL share grant plans for Group employees;
- 68,186 shares intended to be allocated to new TOTAL share purchase option plans or to new share grant plans;
- 44,590,699 shares acquired and intended to be canceled out of which:
 - 9,820,488 shares definitively acquired during the first quarter and intended to be canceled,
 - 18,576,360 shares definitively acquired during the second quarter and intended to be canceled,
 - 13,375,540 shares definitively acquired during the third quarter and intended to be canceled,
 - 2,818,311 shares corresponding to the portion not yet executed on September 30, 2018, of the share buyback for which the group is contractually bound.

These shares are deducted from the consolidated shareholders' equity.

Dividend

The Annual Shareholders' Meeting on June 1, 2018 approved the payment of a dividend of €2.48 per share for the 2017 fiscal year. Taking into account the three interim dividends of €0.62 per share that have been paid on October 12, 2017, January 11 and April 9, 2018, the remaining balance of €0.62 per share was paid on June 28, 2018.

The Annual Shareholders' Meeting on June 1, 2018 approved that, if one or more interim dividends are decided by the Board of Directors for the fiscal year 2018, then shareholders will be given the option to receive this or these interim dividends in new shares of the Company or in cash.

The Board of Directors, during its April 25, 2018, meeting, decided to set the first interim dividend for the fiscal year 2018 at €0.64 per share. The Board of Directors, during its September 19, 2018, meeting, decided to pay the first interim dividend and to offer, under the conditions set by the fourth resolution at the Combined Shareholders' Meeting of June 1st, 2018, the option for shareholders to receive this interim dividend in new shares of the Company. This interim dividend will be paid in cash or in shares on October 12, 2018 (the ex-dividend date will be September 25, 2018). The share price for the new shares to be issued as payment of the 2018 first interim dividend was set at €52.95. The price is equal to the average opening price on Euronext Paris for the twenty trading days preceding the Board of Directors of September 19, 2018, reduced by the amount of the 2018 first interim dividend, without any discount. 18 783 197 new shares were issued on October 12, 2018.

The Board of Directors, during its July 25, 2018, meeting, decided to set the second interim dividend for the fiscal year 2018 at €0.64 per share. This interim dividend will be paid in cash or in shares on December 18, 2018 (the ex-dividend date will be January 10, 2019).

The Board of Directors, during its October 25, 2018, meeting, decided to set the third interim dividend for the fiscal year 2018 at €0.64 per share. This interim dividend will be paid in cash or in shares on April 5, 2019 (the ex-dividend date will be March 19, 2019).

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 €1.27 per share for the 3rd quarter 2018 (€1.16 per share for the 2nd quarter 2018 and €0.90 per share for the 3rd quarter 2017). Diluted earnings per share calculated using the same method amounted to €1.26 per share for the 3rd quarter 2018 (€1.16 per share for the 2nd quarter 2018 and €0.90 per share for the 3rd quarter 2017).

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 2018	9 months 2017
Actuarial gains and losses	100	29
Change in fair value of investments in equity instruments	3	-
Tax effect	(31)	(17)
Currency translation adjustment generated by the parent company	(3,141)	7,884
Sub-total items not potentially reclassifiable to profit and loss	(3,069)	7,896
Currency translation adjustment	1,061	(1,993)
- unrealized gain/(loss) of the period	1,186	(1,910)
- less gain/(loss) included in net income	125	83
Available for sale financial assets	-	4
- unrealized gain/(loss) of the period	-	4
- less gain/(loss) included in net income	-	-
Cash flow hedge	310	150
- unrealized gain/(loss) of the period	241	400
- less gain/(loss) included in net income	(69)	250
Variation of foreign currency basis spread	(66)	-
- unrealized gain/(loss) of the period	(66)	-
- less gain/(loss) included in net income	-	-
Share of other comprehensive income of equity affiliates, net amount	(274)	(672)
- unrealized gain/(loss) of the period	(234)	(680)
- less gain/(loss) included in net income	40	(8)
Other	(4)	-
Tax effect	(84)	(51)
Sub-total items potentially reclassifiable to profit and loss	943	(2,562)
Total other comprehensive income, net amount	(2,126)	5,334

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

(M\$)	9 months 2018			9 months 2017		
	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Actuarial gains and losses	100	(31)	69	29	(17)	12
Change in fair value of investments in equity instruments	3	-	3	-	-	-
Currency translation adjustment generated by the parent company	(3,141)	-	(3,141)	7,884	-	7,884
Sub-total items not potentially reclassifiable to profit and loss	(3,038)	(31)	(3,069)	7,913	(17)	7,896
Currency translation adjustment	1,061	-	1,061	(1,993)	-	(1,993)
Available for sale financial assets	-	-	-	4	(1)	3
Cash flow hedge	310	(101)	209	150	(50)	100
Variation of foreign currency basis spread	(66)	17	(49)	-	-	-
Share of other comprehensive income of equity affiliates, net amount	(274)	-	(274)	(672)	-	(672)
Other	(4)	-	(4)	-	-	-
Sub-total items potentially reclassifiable to profit and loss	1,027	(84)	943	(2,511)	(51)	(2,562)
Total other comprehensive income	(2,011)	(115)	(2,126)	5,402	(68)	5,334

5) Financial debt

The Group has issued bonds during the first nine months of 2018:

- Bond 1.750% 2018-2025 (GBP 325 million)
- Bond 0.288% 2018-2026 (CHF 200 million)
- Bond 1.619% 2018-2033 (EUR 121 million)
- Bond 1.023% 2018-2027 (EUR 700 million)
- Bond 1.491% 2018-2030 (EUR 550 million)

The Group reimbursed bonds during the first nine months of 2018:

- Bond 1.450% issued in 2013 and maturing in January 2018 (USD 1,000 million)
- Bond 2.500% issued in 2013 and maturing in June 2018 (NOK 600 million)
- Bond with floating rate coupon issued in 2014 and maturing in June 2018 (USD 135 million)
- Bond 3.125% issued in several tranches between 2006 / 2008 and maturing in June 2018 (CHF 525 million)
- Bond with floating rate coupon issued in 2013 and maturing in August 2018 (USD 500 million)
- Bond 2.125% issued in 2013 and maturing in August 2018 (USD 1,000 million)
- Bond 4.000% issued in 2013 and maturing in September 2018 (AUD 150 million)
- Bond 3.750% issued in 2013 and maturing in September 2018 (CNY 1,065 million)

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 2018.

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 and a request for an expert opinion has been approved by the court. The existence and the assessment of the alleged damages in this procedure involving multiple defendants remain contested.

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 court of Appeal upheld 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 2018 (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	8,599	12,626	68,660	66,980	3	-	156,868
Intersegment sales	23,255	1,353	26,676	733	46	(52,063)	-
Excise taxes	-	-	(2,537)	(16,537)	-	-	(19,074)
Revenues from sales	31,854	13,979	92,799	51,176	49	(52,063)	137,794
Operating expenses	(13,538)	(13,631)	(88,841)	(49,066)	(550)	52,063	(113,563)
Depreciation, depletion and impairment of tangible assets and mineral interests	(7,548)	(618)	(911)	(522)	(31)	-	(9,630)
Operating income	10,768	(270)	3,047	1,588	(532)	-	14,601
Net income (loss) from equity affiliates and other items	2,039	227	638	302	48	-	3,254
Tax on net operating income	(5,297)	(67)	(675)	(463)	327	-	(6,175)
Net operating income	7,510	(110)	3,010	1,427	(157)	-	11,680
Net cost of net debt							(1,310)
Non-controlling interests							(56)
Net income - group share							10,314

9 months 2018 (adjustments) ^(a) (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	-	13	-	-	-	-	13
Intersegment sales	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	-
Revenues from sales	-	13	-	-	-	-	13
Operating expenses	(200)	(165)	707	152	(9)	-	485
Depreciation, depletion and impairment of tangible assets and mineral interests	(65)	(485)	-	-	-	-	(550)
Operating income ^(b)	(265)	(637)	707	152	(9)	-	(52)
Net income (loss) from equity affiliates and other items	(128)	(40)	34	-	-	-	(134)
Tax on net operating income	169	(13)	(210)	(44)	-	-	(98)
Net operating income ^(b)	(224)	(690)	531	108	(9)	-	(284)
Net cost of net debt							(63)
Non-controlling interests							266
Net income - group share							(81)

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

^(b) Of which inventory valuation effect

- On operating income	-	-	710	152	-		
- On net operating income	-	-	550	108	-		

9 months 2018 (adjusted) (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	8,599	12,613	68,660	66,980	3	-	156,855
Intersegment sales	23,255	1,353	26,676	733	46	(52,063)	-
Excise taxes	-	-	(2,537)	(16,537)	-	-	(19,074)
Revenues from sales	31,854	13,966	92,799	51,176	49	(52,063)	137,781
Operating expenses	(13,338)	(13,466)	(89,548)	(49,218)	(541)	52,063	(114,048)
Depreciation, depletion and impairment of tangible assets and mineral interests	(7,483)	(133)	(911)	(522)	(31)	-	(9,080)
Adjusted operating income	11,033	367	2,340	1,436	(523)	-	14,653
Net income (loss) from equity affiliates and other items	2,167	267	604	302	48	-	3,388
Tax on net operating income	(5,466)	(54)	(465)	(419)	327	-	(6,077)
Adjusted net operating income	7,734	580	2,479	1,319	(148)	-	11,964
Net cost of net debt							(1,247)
Non-controlling interests							(322)
Adjusted net income - group share							10,395

9 months 2018 (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	11,647	3,329	1,113	831	75	-	16,995
Total divestments	3,314	612	437	390	3	-	4,756
Cash flow from operating activities ^(*)	13,018	(629)	1,228	1,533	(1,087)	-	14,063

^(*) As of January 1st, 2018, for a better reflection of the operating performance of the segments, financial expenses were all transferred to the Corporate segment. 2017 comparative information has been restated.

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)
Revenues from sales	22,623	9,640	71,618	40,560	304	(37,088)	107,657
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)
Operating income	2,797	34	2,922	1,308	(525)	-	6,536
Net income (loss) from equity 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)
Net operating income	2,299	(40)	4,825	1,325	8	-	8,417
Net cost of net debt	-	-	-	-	-	-	(848)
Non-controlling interests	-	-	-	-	-	-	41
Net income - group share	-	-	-	-	-	-	7,610

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

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

^(b) Of which inventory valuation effect

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

9 months 2017 (adjusted) (M\$)	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)
Revenues from sales	22,623	9,681	71,618	40,560	304	(37,088)	107,698
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)
Adjusted operating income	4,842	246	3,160	1,352	(461)	-	9,139
Net income (loss) from equity 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)
Adjusted net operating income	4,180	253	2,904	1,240	50	-	8,627
Net cost of net debt	-	-	-	-	-	-	(827)
Non-controlling interests	-	-	-	-	-	-	(94)
Adjusted net income - group share	-	-	-	-	-	-	7,706

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 ^(*)	8,647	388	4,381	1,206	(918)	-	13,704

^(*) As of January 1st, 2018, for a better reflection of the operating performance of the segments, financial expenses were all transferred to the Corporate segment. 2017 comparative information has been restated.

3 rd quarter 2018 (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	2,734	5,267	23,572	23,144	-	-	54,717
Intersegment sales	8,538	455	9,280	242	12	(18,527)	-
Excise taxes	-	-	(823)	(5,494)	-	-	(6,317)
Revenues from sales	11,272	5,722	32,029	17,892	12	(18,527)	48,400
Operating expenses	(4,559)	(5,535)	(30,593)	(17,147)	(151)	18,527	(39,458)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,714)	(84)	(294)	(176)	(11)	-	(3,279)
Operating income	3,999	103	1,142	569	(150)	-	5,663
Net income (loss) from equity affiliates and other items	829	65	221	109	39	-	1,263
Tax on net operating income	(1,975)	(33)	(292)	(166)	146	-	(2,320)
Net operating income	2,853	135	1,071	512	35	-	4,606
Net cost of net debt	-	-	-	-	-	-	(519)
Non-controlling interests	-	-	-	-	-	-	(130)
Net income - group share							3,957

3 rd quarter 2018 (adjustments) ^(a) (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	-	-	-	-	-	-	-
Intersegment sales	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	-
Revenues from sales	-	-	-	-	-	-	-
Operating expenses	(50)	(64)	176	47	-	-	109
Depreciation, depletion and impairment of tangible assets and mineral interests	(65)	(39)	-	-	-	-	(104)
Operating income^(b)	(115)	(103)	176	47	-	-	5
Net income (loss) from equity affiliates and other items	39	(25)	9	-	-	-	23
Tax on net operating income	65	(9)	(52)	(9)	-	-	(5)
Net operating income^(b)	(11)	(137)	133	38	-	-	23
Net cost of net debt	-	-	-	-	-	-	(44)
Non-controlling interests	-	-	-	-	-	-	20
Net income - group share							(1)

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

^(b) Of which inventory valuation effect

- On operating income	-	-	179	47	-	-	-
- On net operating income	-	-	135	38	-	-	-

3 rd quarter 2018 (adjusted) (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	2,734	5,267	23,572	23,144	-	-	54,717
Intersegment sales	8,538	455	9,280	242	12	(18,527)	-
Excise taxes	-	-	(823)	(5,494)	-	-	(6,317)
Revenues from sales	11,272	5,722	32,029	17,892	12	(18,527)	48,400
Operating expenses	(4,509)	(5,471)	(30,769)	(17,194)	(151)	18,527	(39,567)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,649)	(45)	(294)	(176)	(11)	-	(3,175)
Adjusted operating income	4,114	206	966	522	(150)	-	5,658
Net income (loss) from equity affiliates and other items	790	90	212	109	39	-	1,240
Tax on net operating income	(2,040)	(24)	(240)	(157)	146	-	(2,315)
Adjusted net operating income	2,864	272	938	474	35	-	4,583
Net cost of net debt	-	-	-	-	-	-	(475)
Non-controlling interests	-	-	-	-	-	-	(150)
Adjusted net income - group share							3,958

3 rd quarter 2018 (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	2,796	3,001	377	293	17	-	6,484
Total divestments	563	129	88	117	-	-	897
Cash flow from operating activities ^(*)	4,821	(554)	1,338	752	(621)	-	5,736

^(*) As of January 1st, 2018, for a better reflection of the operating performance of the segments, financial expenses were all transferred to the Corporate segment. 2017 comparative information has been restated.

2 nd quarter 2018 (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	3,398	3,268	23,349	22,528	(3)	-	52,540
Intersegment sales	7,793	430	9,440	293	(63)	(17,893)	-
Excise taxes	-	-	(867)	(5,571)	-	-	(6,438)
Revenues from sales	11,191	3,698	31,922	17,250	(66)	(17,893)	46,102
Operating expenses	(4,934)	(3,570)	(30,369)	(16,416)	(122)	17,893	(37,518)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,484)	(464)	(304)	(172)	(11)	-	(3,435)
Operating income	3,773	(336)	1,249	662	(199)	-	5,149
Net income (loss) from equity affiliates and other items	569	128	289	107	11	-	1,104
Tax on net operating income	(1,772)	(19)	(279)	(194)	85	-	(2,179)
Net operating income	2,570	(227)	1,259	575	(103)	-	4,074
Net cost of net debt							(440)
Non-controlling interests							87
Net income - group share							3,721

2 nd quarter 2018 (adjustments) ^(a) (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	-	24	-	-	-	-	24
Intersegment sales	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	-
Revenues from sales	-	24	-	-	-	-	24
Operating expenses	(97)	(9)	569	134	-	-	597
Depreciation, depletion and impairment of tangible assets and mineral interests	-	(424)	-	-	-	-	(424)
Operating income ^(b)	(97)	(409)	569	134	-	-	197
Net income (loss) from equity affiliates and other items	(66)	(4)	46	1	-	-	(23)
Tax on net operating income	46	(7)	(177)	(38)	-	-	(176)
Net operating income ^(b)	(117)	(420)	438	97	-	-	(2)
Net cost of net debt							(9)
Non-controlling interests							179
Net income - group share							168

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

^(b) Of which inventory valuation effect

- On operating income	-	-	569	134	-	-	
- On net operating income	-	-	438	97	-	-	

2 nd quarter 2018 (adjusted) (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	3,398	3,244	23,349	22,528	(3)	-	52,516
Intersegment sales	7,793	430	9,440	293	(63)	(17,893)	-
Excise taxes	-	-	(867)	(5,571)	-	-	(6,438)
Revenues from sales	11,191	3,674	31,922	17,250	(66)	(17,893)	46,078
Operating expenses	(4,837)	(3,561)	(30,938)	(16,550)	(122)	17,893	(38,115)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,484)	(40)	(304)	(172)	(11)	-	(3,011)
Adjusted operating income	3,870	73	680	528	(199)	-	4,952
Net income (loss) from equity affiliates and other items	635	132	243	106	11	-	1,127
Tax on net operating income	(1,818)	(12)	(102)	(156)	85	-	(2,003)
Adjusted net operating income	2,687	193	821	478	(103)	-	4,076
Net cost of net debt							(431)
Non-controlling interests							(92)
Adjusted net income - group share							3,553

2 nd quarter 2018 (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	2,980	79	404	310	14	-	3,787
Total divestments	500	405	324	45	-	-	1,274
Cash flow from operating activities ^(*)	4,628	104	999	841	(326)	-	6,246

^(*) As of January 1st, 2018, for a better reflection of the operating performance of the segments, financial expenses were all transferred to the Corporate segment. 2017 comparative information has been restated.

3 rd 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)
Revenues from sales	7,786	3,189	24,716	14,130	100	(12,839)	37,082
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)
Operating income	1,606	21	1,348	574	(158)	-	3,391
Net income (loss) from equity affiliates and other items	521	12	179	133	32	-	877
Tax on net operating income	(745)	7	(379)	(173)	100	-	(1,190)
Net operating income	1,382	40	1,148	534	(26)	-	3,078
Net cost of net debt	-	-	-	-	-	-	(315)
Non-controlling interests	-	-	-	-	-	-	(39)
Net income - group share							2,724

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

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

^(b) Of which inventory valuation effect

- On operating income -
- On net operating income -

3 rd quarter 2017 (adjusted) (M\$)	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)
Revenues from sales	7,786	3,203	24,716	14,130	100	(12,839)	37,096
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)
Adjusted operating income	1,665	67	1,182	523	(158)	-	3,279
Net income (loss) from equity affiliates and other items	523	27	167	138	32	-	887
Tax on net operating income	(749)	3	(329)	(155)	100	-	(1,130)
Adjusted net operating income	1,439	97	1,020	506	(26)	-	3,036
Net cost of net debt	-	-	-	-	-	-	(308)
Non-controlling interests	-	-	-	-	-	-	(54)
Adjusted net income - group share							2,674

3 rd 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 ^(*)	3,010	348	652	624	(271)	-	4,363

^(*) As of January 1st, 2018, for a better reflection of the operating performance of the segments, financial expenses were all transferred to the Corporate segment. 2017 comparative information has been restated.

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

9 months 2018 (M\$)	Adjusted	Adjustments ^(a)	Consolidated statement of income
Sales	156,855	13	156,868
Excise taxes	(19,074)	-	(19,074)
Revenues from sales	137,781	13	137,794
Purchases net of inventory variation	(93,190)	794	(92,396)
Other operating expenses	(20,262)	(309)	(20,571)
Exploration costs	(596)	-	(596)
Depreciation, depletion and impairment of tangible assets and mineral interests	(9,080)	(550)	(9,630)
Other income	1,093	263	1,356
Other expense	(324)	(634)	(958)
Financial interest on debt	(1,341)	(63)	(1,404)
Financial income and expense from cash & cash equivalents	(158)	-	(158)
Cost of net debt	(1,499)	(63)	(1,562)
Other financial income	851	-	851
Other financial expense	(500)	-	(500)
Net income (loss) from equity affiliates	2,268	237	2,505
Income taxes	(5,825)	(98)	(5,923)
Consolidated net income	10,717	(347)	10,370
Group share	10,395	(81)	10,314
Non-controlling interests	322	(266)	56

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

9 months 2017 (M\$)	Adjusted	Adjustments ^(a)	Consolidated statement of income
Sales	124,183	(41)	124,142
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)
Net income (loss) from equity affiliates	1,843	(485)	1,358
Income taxes	(2,671)	414	(2,257)
Consolidated net income	7,800	(231)	7,569
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.

3rd quarter 2018	Consolidated		
(M\$)	Adjusted	Adjustments^(a)	statement of income
Sales	54,717	-	54,717
Excise taxes	(6,317)	-	(6,317)
Revenues from sales	48,400	-	48,400
Purchases net of inventory variation	(32,567)	216	(32,351)
Other operating expenses	(6,766)	(107)	(6,873)
Exploration costs	(234)	-	(234)
Depreciation, depletion and impairment of tangible assets and mineral interests	(3,175)	(104)	(3,279)
Other income	465	116	581
Other expense	(209)	(146)	(355)
Financial interest on debt	(492)	(44)	(536)
Financial income and expense from cash & cash equivalents	(63)	-	(63)
Cost of net debt	(555)	(44)	(599)
Other financial income	290	-	290
Other financial expense	(171)	-	(171)
Net income (loss) from equity affiliates	865	53	918
Income taxes	(2,235)	(5)	(2,240)
Consolidated net income	4,108	(21)	4,087
Group share	3,958	(1)	3,957
Non-controlling interests	150	(20)	130

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

3rd quarter 2017	Consolidated		
(M\$)	Adjusted	Adjustments^(a)	statement of income
Sales	43,058	(14)	43,044
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)
Net income (loss) from equity affiliates	674	(174)	500
Income taxes	(1,032)	(60)	(1,092)
Consolidated net income	2,728	35	2,763
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.