



# FINANCIAL REPORT

1<sup>st</sup> half 2009



**TOTAL**



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# FINANCIAL REPORT – 1<sup>ST</sup> HALF 2009

*This is a free translation into English of the Chief Executive Officer's certification issued in French, and is provided solely for the convenience of English-speaking readers.*

"I certify, to the best of my knowledge, that the condensed consolidated financial statements for the first half 2009 have been prepared in accordance with the applicable set of accounting standards and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation as a whole, and that the interim management report on pages 3 to 14 herein includes a fair review of the important events that have occurred during the first six months of the financial year, their impact condensed set of financial statements, major related parties transactions and the principal risks and uncertainties for the remaining six months of the financial year.

The independent auditor's report on their review of the above mentioned condensed consolidated financial statements is included on page 15 of this half-year financial report."

**Christophe de Margerie**  
Chief Executive Officer



The French language version of this *Rapport financier semestriel* (half-year financial report) was filed with the French Financial Markets Authority (*Autorité des marchés financiers*) on July 31, 2009 pursuant to paragraph III of Article L. 451-1-2 of the French Monetary and Financial Code.

## Abbreviations

b:	barrel
cf:	cubic feet
/d:	per day
/y:	per year
€:	euro
\$ and/or dollar:	US dollar
t:	metric ton
boe:	barrel oil equivalent
kboe/d:	thousand boe/d
kb/d:	thousand b/d
Btu:	British thermal unit
LNG:	liquefied natural gas
M:	million
B:	billion
TRCV:	an aggregate margin for topping, reforming, cracking, visbreaking in Western Europe developed and used internally by TOTAL's management as an indicator of refining margins.
IFRS:	International Financial Reporting Standards
ROACE:	Return on Capital Employed

## Definitions

The terms "TOTAL" and "Group" as used in this half-year financial report refer to TOTAL S.A. collectively with all of its direct and indirect consolidated subsidiaries located in, or outside of France.

The terms "Company" and "issuer" as used in this half-year financial report refer only to TOTAL S.A., the parent company of the Group.

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## Financial report – 1<sup>st</sup> half 2009

### Key figures<sup>1</sup>

in millions of euros except earnings per share and number of shares	1H09	1H08	1H09 vs 1H08
Sales	61,471	92,413	-33%
Adjusted operating income from business segments	6,659	14,905	-55%
Adjusted net operating income from business segments	3,728	6,956	-46%
Upstream	2,933	5,830	-50%
Downstream	756	898	-16%
Chemicals	39	228	-83%
Adjusted net income	3,834	6,977	-45%
Adjusted fully-diluted earnings per share (euros)	1.72	3.10	-45%
Fully-diluted weighted-average shares (millions)	2,235.5	2,253.4	-1%
Net income (Group share)	4,459	8,334	-46%
Investments <sup>2</sup>	6,569	5,511	+19%
Investments <sup>2</sup> including net investments in equity affiliates and non-consolidated companies	6,415	4,684	+37%
Divestments	1,330	924	+44%
Cash flow from operations	5,933	7,238	-18%
Adjusted cash flow from operations	6,609	9,129	-28%

in millions of dollars <sup>3</sup> except earnings per share and number of shares	1H09	1H08	1H09 vs 1H08
Sales	81,929	141,429	-42%
Adjusted operating income from business segments	8,875	22,811	-61%
Adjusted net operating income from business segments	4,969	10,645	-53%
Upstream	3,909	8,922	-56%
Downstream	1,008	1,374	-27%
Chemicals	52	349	-85%
Adjusted net income	5,110	10,678	-52%
Adjusted fully-diluted earnings per share (dollars)	2.29	4.74	-52%
Fully-diluted weighted-average shares (millions)	2,235.5	2,253.4	-1%
Net income (Group share)	5,943	12,754	-53%
Investments <sup>2</sup>	8,755	8,434	+4%
Investments <sup>2</sup> including net investments in equity affiliates and non-consolidated companies	8,550	7,168	+19%
Divestments	1,773	1,414	+25%
Cash flow from operations	7,908	11,077	-29%
Adjusted cash flow from operations	8,808	13,971	-37%

<sup>1</sup> adjusted income (adjusted operating income, adjusted net operating income and adjusted net income) is defined as income using replacement cost, adjusted for special items affecting operating income and excluding Total's equity share of adjustments and, from 2009, selected items related to Sanofi-Aventis; adjusted cash flow from operations is defined as cash flow from operations before changes in working capital at replacement cost; adjustment items are on page 12.

<sup>2</sup> including acquisitions.

<sup>3</sup> dollar amounts represent euro amounts converted at the average €-/\$ exchange rate for the period.



## Group results

### Operating income

Compared to the first half 2008, the first half 2009 oil environment was marked by a 53% fall in the price of Brent to 51.7 \$/b. The TRCV European refining margin indicator decreased by 27% to 23.5 \$/t. The environment for Total's petrochemicals was unfavorable, mainly as a result of weak demand in the Atlantic basin.

The euro-dollar exchange rate was 1.33 \$/€ compared to 1.53 \$/€ in the first half 2008.

In this context, the adjusted operating income from the business segments was 6,659 M€, a decrease of 55% compared to the first half 2008<sup>1</sup>.

The effective tax rate for the business segments was 54% in the first half 2009 compared to 59% in the first half 2008, reflecting mainly the lower tax rate in the Upstream.

Adjusted net operating income from the business segments was 3,728 M€ compared to 6,956 M€ in the first half 2008, a decrease of 46%. The smaller decrease, relative to the one in adjusted operating income, is essentially due to the lower effective tax rate between the two periods and a more limited decrease in the contribution from equity affiliates.

Expressed in dollars, adjusted net operating income from the business segments fell by 53%.

### Net income

Adjusted net income decreased by 45% to 3,834 M€ in the first half 2009 from 6,977 M€ in the first half 2008.

It excludes the after-tax inventory effect, special items, and the Group's equity share of adjustments and selected items related to Sanofi-Aventis.

- The after-tax inventory effect had a positive impact on net income of 1,115 M€ in the first half 2009 compared to 1,428 M€ in the first half 2008.
- Special items had a negative impact on net income of 308 M€ in the first half 2009 compared to a positive impact of 78 M€ in the first half 2008<sup>2</sup>.
- The Group's share of adjustments and selected items related to Sanofi-Aventis had a negative impact on net income of 182 M€ in the first half 2009. The adjustments related to Sanofi-Aventis were 149 M€ in the first half 2008.

<sup>1</sup> special items affecting operating income from the business segments had a negative impact of 291 M€ in the 1<sup>st</sup> half 2009 and no impact in the 1<sup>st</sup> half 2008

<sup>2</sup> detail shown on page 12.

<sup>3</sup> detail shown on page 12.

<sup>4</sup> net investments = investments including acquisitions and net investments in equity affiliates and non-consolidated companies – asset sales + repayments by employees for loans related to stock purchase plans.

<sup>5</sup> cash flow from operations at replacement cost before changes in working capital.

<sup>6</sup> net cash flow = cash flow from operations + divestments – gross investments.

<sup>7</sup> detail shown on page 12.

Reported net income (Group share) was 4,459 M€ compared to 8,334 M€ in the first half 2008.

The Group did not buy back shares in the first half 2009. On June 30, 2009, there were 2,235.5 million fully-diluted shares compared to 2,252.5 million on June 30, 2008.

Adjusted fully-diluted earnings per share, based on 2,235.5 million weighted-average shares was 1.72 euros compared to 3.10 euros in the first half 2008, a decrease of 45%.

Expressed in dollars, adjusted fully-diluted earnings per share was 2.29 compared to 4.74 in the first half 2008, a decrease of 52%.

### Investments – divestments<sup>3</sup>

Investments excluding acquisitions and including net investments in equity affiliates and non-consolidated companies, were 5.8 B€ (7.8 B\$) in the first half 2009 compared to 4.6 B€ (7.0 B\$) in the first half 2008.

Acquisitions were 573 M€ in the first half 2009.

Asset sales in the first half 2009 were 1,140 M€, consisting essentially of Sanofi-Aventis shares.

Net investments<sup>4</sup> were 7.0 B\$ in the first half 2009, equal to the first half 2008.

### Cash flow

Cash flow from operating activities was 5,933 M€, a decrease of 18% compared to the first half 2008.

Adjusted cash flow<sup>5</sup> was 6,609 M€, a decrease of 28%. Expressed in dollars, adjusted cash flow was 8.8 B\$, a decrease of 37%.

Net cash flow<sup>6</sup> for the Group was 694 M€ compared to 2,651 M€ in the first half 2008. Expressed in dollars, net cash flow for the Group was 0.9 B\$ in the first half 2009.

The net-debt-to-equity ratio was 24.7% on June 30, 2009 compared to 19.1% on March 31, 2009 and 25.1% on June 30, 2008<sup>7</sup>, in line with the objectives of the Group.



## Analysis of business segment results

### Upstream

#### Environment – liquids and gas price realizations\*

	1H09	1H08	1H09 vs 1H08
Brent (\$/b)	51.7	109.0	-53%
Average liquids price (\$/b)	48.2	102.8	-53%
Average gas price (\$/Mbtu)	5.36	6.97	-23%
Average hydrocarbons price (\$/boe)	41.5	78.8	-47%

\* consolidated subsidiaries, excluding fixed margin and buy-back contracts.

Total's average realized liquids price decreased 53% in the first half 2009 compared to the same period in 2008, in line with the changes in the price of Brent.

The average realized price for Total's natural gas decreased by 23% in the first half 2009 compared to the first half 2008.

### Production

Hydrocarbon production	1H09	1H08	1H09 vs 1H08
Combined production (kboe/d)	2,252	2,389	-6%
Liquids (kb/d)	1,370	1,491	-8%
Gas (Mcf/d)	4,821	4,880	-1%

In the first half 2009, hydrocarbon production was 2,252 kboe/d, a decrease of 5.7% compared to the first half 2008, mainly as a result of:

- -4% for OPEC reductions and lower gas demand,
- -2.5% for changes in the portfolio, mainly Venezuela and Libya,

- +2.5% for the price effect<sup>1</sup>,
- -1.5% for disruptions in Nigeria related to security issues.

The contribution from ramp-ups and start-ups of new fields was offset by the natural decline on existing fields.

<sup>1</sup> impact of changing hydrocarbons prices on entitlement volumes

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### Analysis of business segment results

#### Results

in millions of euros	1H09	1H08	1H09 vs 1H08
Adjusted operating income*	5,735	13,387	-57%
Adjusted net operating income*	2,933	5,830	-50%
includes income from equity affiliates	403	599	-33%
Investments	4,914	4,254	+16%
Divestments	234	672	-65%
Cash flow from operating activities	4,521	7,894	-43%
Adjusted cash flow	5,229	7,749	-33%

\* detail of adjustment items shown in business segment information.

Adjusted net operating income for the Upstream segment in the first half 2009 was 2,933 M€ compared to 5,830 M€ in the first half 2008, a decrease of 50%.

Expressed in dollars, adjusted net operating income for the Upstream segment fell to 3.9 B\$, a decrease of 56%, essentially due to lower hydrocarbon prices.

The return on average capital employed (ROACE<sup>1</sup>) for the Upstream segment for the twelve months ended June 30, 2009 was 25% compared to 31% for the twelve months ended March 31, 2009 and 36% for the full year 2008.

<sup>1</sup> calculated based on adjusted net operating income and average capital employed, using replacement cost, as shown on page 13.

## Downstream

### Refinery throughput and utilization rates\*

	1H09	1H08	1H09 vs 1H08
Total refinery throughput (kb/d)	2,205	2,341	-6%
France	910	931	-2%
Rest of Europe	1,055	1,111	-5%
Rest of world	240	299	-20%
Utilization rates			
Based on crude only	80%	86%	
Based on crude and other feedstock	85%	90%	

\* includes share of equity affiliate CEPSA.

In the first half 2009, refinery throughput decreased by 6% compared to the first half 2008.

The first half 2009 was affected by scheduled refinery turnarounds at Donges, Antwerp, Lindsey and Vlissingen. Also, due to the economic conditions, certain refineries elected to reduce throughput.

In the first half 2008, there were scheduled turnaround at Leuna, Normandy and Grandpuits refineries.

Increased turnarounds and voluntary throughput reductions in the first half 2009 reduced the utilization rate based on crude and other feedstocks to 85% from 90% in the first half 2008.

## Results

in millions of euros except TRCV refining margins	1H09	1H08	1H09 vs 1H08
European refining margin indicator - TRCV (\$/t)	23.5	32.4	-27%
Adjusted operating income*	932	1,242	-25%
Adjusted net operating income*	756	898	-16%
includes income from equity affiliates	61	17	x4
Investments	1,320	808	+63%
Divestments	62	152	-59%
Cash flow from operating activities	1,620	(223)	na
Adjusted cash flow	1,173	1,143	+3%

\* detail of adjustment items shown in business segment information.

Adjusted net operating income for the Downstream segment in the first half 2009 was 756 M€, a decrease of 16% compared to the first half 2008.

Expressed in dollars, adjusted net operating income for the Downstream segment was 1 B\$ in the first half 2009, a decrease of

27% compared to the first half 2008, reflecting essentially the less favorable refining environment.

The ROACE<sup>1</sup> for the Downstream segment for the twelve months ended June 30, 2009 was 18% compared to 23% for the twelve months ended March 31, 2009 and 20% for the full year 2008.

<sup>1</sup> calculated based on adjusted net operating income and average capital employed, using replacement cost, as shown on page 13.

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### Analysis of business segment results

## Chemicals

in millions of euros	1H09	1H08	1H09 vs 1H08
Sales	6,902	10,707	-36%
Base chemicals	3,940	7,052	-44%
Specialties	2,962	3,655	-19%
Adjusted operating income*	(8)	276	na
Adjusted net operating income*	39	228	-83%
Base chemicals	(20)	38	na
Specialties	74	195	-62%
Investments	294	385	-24%
Divestments	14	19	-26%
Cash flow from operating activities	458	(33)	na
Adjusted cash flow	(20)	418	na

\* detail of adjustment items shown in business segment information.

In the first half 2009, adjusted net operating income for the Chemicals segment was 39 M€ compared to 228 M€ in the first half 2008, a decrease of 83% that resulted from the economic recession, particularly as it affected Europe and North America.

The ROACE<sup>1</sup> for the Chemicals segment for the twelve months ended June 30, 2009 was 7% compared to 7% for the twelve months ended March 31, 2009 and 9% for the full year 2008.

<sup>1</sup> calculated based on adjusted net operating income and average capital employed, using replacement cost, as shown on page 13.

## Cancellation of shares

At the July 30, 2009 meeting, the Board of Directors approved the cancellation of 24,800,000 shares bought in 2008, adjusting the share capital to 5,867,520,185 € based on 2,347,008,074 shares with a par value of 2.5 € per share.

## TOTAL S.A. – parent company accounts

Net income for TOTAL S.A., the parent company, was 3,240 M€ in the first half of 2009 compared to 3,083 M€ in the first half of 2008.

## Summary and outlook

The ROACE for the twelve months ended June 30, 2009 was 19% for the Group and 21% for the business segments compared respectively to 24% and 26% for the twelve months ended March 31, 2009 and 26% and 28% for the full year 2008.

Return on equity for the twelve months ended June 30, 2009 was 23%.

Total will pay the 2009 interim dividend of 1.14 € per share on November 18, 2009<sup>1</sup>.

The Group maintains its net-debt-to-equity ratio objective of 25-30% for year-end 2009.

Since the start of the third quarter 2009, oil prices have remained above the average of the first six months. European refining margins are currently at very weak levels. Chemicals are continuing to suffer the effects of reduced demand in the Atlantic basin, but there are positive signs for demand in Asia.

The coming months should be marked by production ramp-ups at the Akpo field in Nigeria, Tahiti in the Gulf of Mexico, Tyrihans in Norway as well as the start-up of Yemen LNG in the third quarter then Qatargas II train B and Tombua Landana in Angola by the end of the year.

<sup>1</sup> the ex-dividend date for the 2009 interim dividend is November 13 and the payment date is November 18, 2009; for the ADR (NYSE :TOT) the ex-dividend date is November 9.

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### Other information

#### Main operating information by segment

##### Upstream

COMBINED LIQUIDS AND GAS PRODUCTION BY REGION (KBOE/D)	1H09	1H08	1H09 vs 1H08
Europe	629	614	+2%
Africa	728	819*	-11%
North America	12	15	-20%
Far East	251	249	+1%
Middle East	419	435	-4%
South America	189	230*	-18%
Rest of world	24	27*	-11%
<b>Total production</b>	<b>2,252</b>	<b>2,389</b>	<b>-6%</b>
Includes equity and non-consolidated affiliates	346	407	-15%

\* restated to reclassify Total's 48.83% share of CEPSA's production in Colombia

LIQUIDS PRODUCTION BY REGION (KB/D)	1H09	1H08	1H09 vs 1H08
Europe	297	299	-1%
Africa	618	687*	-10%
North America	10	11	-9%
Far East	34	27	+26%
Middle East	312	333	-6%
South America	86	122*	-30%
Rest of world	13	12*	+8%
<b>Total production</b>	<b>1,370</b>	<b>1,491</b>	<b>-8%</b>
Includes equity and non-consolidated affiliates	291	353	-18%

\* restated to reclassify Total's 48.83% share of CEPSA's production in Colombia

GAS PRODUCTION BY REGION (MCF/D)	1H09	1H08	1H09 vs 1H08
Europe	1,811	1,707	+6%
Africa	566	678	-17%
North America	9	21	-57%
Far East	1,219	1,228	-1%
Middle East	591	564	+5%
South America	567	600	-5%
Rest of world	58	82	-29%
<b>Total production</b>	<b>4,821</b>	<b>4,880</b>	<b>-1%</b>
Includes equity and non-consolidated affiliates	293	294	-

LIQUEFIED NATURAL GAS	1H09	1H08	1H09 vs 1H08
LNG sales* (Mt)	4.22	4.48	-6%

\* sales, Group share, excluding trading; 1 Mt/y = approx. 133 Mcf/d; first half 2008 has been restated to reflect volume estimation for Bontang LNG in Indonesia based on the 2008 SEC coefficient



**Downstream**

REFINED PRODUCTS SALES BY REGION (KB/D)*	1H09	1H08	1H09 vs 1H08
Europe	2,076	2,071	-
Africa	275	280	-2%
Americas	175	188	-7%
Rest of world	138	144	-4%
<b>Total consolidated sales</b>	<b>2,664</b>	<b>2,683</b>	<b>-1%</b>
Trading	1,046	950	+10%
<b>Total refined product sales</b>	<b>3,710</b>	<b>3,633</b>	<b>+2%</b>

\* includes share of CEPSA

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## FINANCIAL REPORT 1<sup>st</sup> half 2009 Other information

### Adjustment items

#### Adjustments to operating income from business segments

in millions of euros	1H09	1H08
Special items affecting operating income from the business segments	(291)	-
Restructuring charges	-	-
Impairments	(105)	-
Other	(186)	-
Pre-tax inventory effect : FIFO vs. replacement cost	1,542	2,062
<b>Total adjustments affecting operating income from the business segments</b>	<b>1,251</b>	<b>2,062</b>

#### Adjustments to net income (Group share)

in millions of euros	1H09	1H08
Special items affecting net income (Group share)	(308)	78
Gain on asset sales	41	147
Restructuring charges	(105)	(44)
Impairments	(71)	-
Other	(173)	(25)
Equity shares of adjustments and, from 2009, selected items related to Sanofi-Aventis*	(182)	(149)
After-tax inventory effect : FIFO vs. replacement cost	1,115	1,428
<b>Total adjustments to net income</b>	<b>625</b>	<b>1,357</b>

\* based on Total's share in Sanofi-Aventis of 9.7% at 6/30/2009, 10.9% at 3/31/2009 and 13% at 6/30/2008

### Investments – Divestments

in millions of euros	1H09	1H08	1H09 vs 1H08
Investments* excluding acquisitions	5,842	4,589	+27%
Capitalized exploration	382	377	+1%
Net investments in equity affiliates and non-consolidated companies	248	(410)	na
Acquisitions	573	95	x6
Investments* including acquisitions	6,415	4,684	+37%
Asset sales	1,140	195	x6
Net investments**	5,239	4,587	+14%

\* includes net investments in equity affiliates and non-consolidated companies.

\*\* net investments = investments including acquisitions and net investments in equity affiliates and non-consolidated companies – asset sales + net financing for employees related to stock purchase plans.

### Net-debt-to-equity ratio

in millions of euros	6/30/2009	3/31/2009	6/30/2008
Current borrowings	7,916	4,771	4,795
Net current financial assets	(123)	(80)	(49)
Non-current financial debt	19,640	19,078	14,777
Hedging instruments of non-current debt	(875)	(934)	(540)
Cash and cash equivalents	(14,299)	(13,319)	(7,245)
<b>Net debt</b>	<b>12,259</b>	<b>9,516</b>	<b>11,738</b>
Shareholders equity	51,299	52,597	48,273
Estimated dividend payable*	(2,541)	(3,812)	(2,315)
Minority interests	963	1,004	855
<b>Equity</b>	<b>49,721</b>	<b>49,789</b>	<b>46,813</b>
<b>Net-debt-to-equity ratio</b>	<b>24.7%</b>	<b>19.1%</b>	<b>25.1%</b>

\* June 30, 2009 based on the hypothesis of an annual dividend of 2.28 €/share

## Effective tax rates

Effective tax rate*	1H09	1H08
Upstream	58.2%	61.8%
Group	53.9%	58.6%

\* tax on adjusted net operating income / (adjusted net operating income – income from equity affiliates, dividends received from investments, and impairments of acquisition goodwill + tax on adjusted net operating income).

## Return on average capital employed

### For the twelve months ended June 30, 2009

in millions of euros	Upstream	Downstream	Chemicals**	Segments	Group
Adjusted net operating income	7,827	2,427	479	10,733	11,388
Capital employed at 6/30/2008*	26,676	13,491	7,394	47,561	56,107
Capital employed at 6/30/2009*	35,385	13,939	6,915	56,239	62,294
ROACE	25.2%	17.7%	6.7%	20.7%	19.2%

\* at replacement cost (excluding after-tax inventory effect).

\*\* capital employed for Chemicals reduced for the Toulouse-AZF provision of 126 M€ pre-tax at 6/30/2008

### For the twelve months ended March 31, 2009

in millions of euros	Upstream	Downstream	Chemicals**	Segments	Group
Adjusted net operating income	9,475	2,858	478	12,811	13,462
Capital employed at 3/31/2008*	25,731	11,415	7,266	44,412	52,015
Capital employed at 3/31/2009*	35,027	13,095	7,175	55,297	61,688
ROACE	31.2%	23.3%	6.6%	25.7%	23.7%

\* at replacement cost (excluding after-tax inventory effect).

\*\* capital employed for Chemicals reduced for the Toulouse-AZF provision of 129 M€ pre-tax at 3/31/2008

### For the twelve months ended December 31, 2008

in millions of euros	Upstream	Downstream	Chemicals**	Segments	Group
Adjusted net operating income	10,724	2,569	668	13,961	14,664
Capital employed at 12/31/2007*	27,062	12,190	7,033	46,285	54,158
Capital employed at 12/31/2008*	32,681	13,623	7,417	53,721	59,764
ROACE	35.9%	19.9%	9.2%	27.9%	25.7%

\* at replacement cost (excluding after-tax inventory effect).

\*\* capital employed for Chemicals reduced for the Toulouse-AZF provision of 134 M€ pre-tax at 12/31/2007 and 256 M€ pre-tax at 12/31/2008

## Principal risks and uncertainties for the remaining six months of 2009

The Group and its businesses are subject to various risks relating to changing political, economic, monetary, legal, environmental, social, industry, competitive, operating and financial conditions. A description of such risk factors is provided in TOTAL's Registration Document filed with the *Autorité des marchés financiers* (French Financial markets authority) on April 3, 2009 under the reference D. 09-0195. These conditions are subject to change not only in the six months remaining in the financial year but also in the years to come.

Additionally, a description of certain risks is included in the notes to the consolidated accounts for the first half of 2009 on page 27 of this first half 2009 financial report.

## Disclaimer

*This document may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, business, strategy and plans of Total. Such statements are based on a number of assumptions that could ultimately prove inaccurate, and are subject to a number of risk factors, including currency fluctuations, the price of petroleum products, the ability to realize cost reductions and operating efficiencies without unduly disrupting business operations, environmental regulatory considerations and general economic and business conditions. Total does not assume any obligation to update publicly any forward-looking statement, whether as a result of new information, future events or otherwise. Further information on factors which could affect the company's financial results is provided in documents filed by the Group and its affiliates with the French *Autorité des Marchés Financiers* and the US Securities and Exchange Commission.*

*Business segment information is presented in accordance with the Group internal reporting system used by the Chief operating decision maker to measure performance and allocate resources internally. Due to their particular nature or 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, certain transactions such as restructuring costs or assets disposals, which are not considered to be representative of normal course of business, may be qualified as special items although they may have occurred within prior years or are likely to recur within following years.*

*The adjusted results of the Downstream and Chemical segments are also presented according to the replacement cost method. This method is used to assess the segments' performance and ensure the comparability of the segments' results with those of its competitors, mainly North American.*

*In the replacement cost method, which approximates the LIFO (Last-In, First-Out) method, the variation of inventory values in the income statement is determined by the average price of the period rather than the historical value. The inventory valuation effect is the difference between the results according to FIFO (First-In, First-Out) and replacement cost.*

*In this framework, performance measures such as adjusted operating income, adjusted net operating income and adjusted net income are defined as incomes using replacement cost, adjusted for special items and excluding Total's equity share of the adjustments and, from 2009, selected items related to Sanofi-Aventis. They are meant to facilitate the analysis of the financial performance and the comparison of income between periods.*

*Dollar amounts presented herein represent euro amounts converted at the average euro-dollar exchange rate for the applicable period and are not the result of financial statements prepared in dollars.*

## Statutory auditor's report (review of the consolidated financial statements)

*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 constructed in accordance with, French law and professional auditing standards applicable in France.*

For the six-month period ended June 30, 2009

Statutory auditors' review report on the half-year consolidated financial statements

To the Shareholders,

In our capacity as statutory auditors and in accordance with the requirements of article L.451-1-2 III of French Monetary and Financial Law ("Code Monétaire et Financier"), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of TOTAL S.A., for the six-month period ended June 30, 2009,
- the verification of information contained in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of your Chief Executive Officer and are reviewed by your Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

### 1. Conclusion on the financial statements

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.

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

### 2. Specific verification

We have also verified the information given in the half-year management report on the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Paris-La Défense, July 30, 2009

The statutory auditors

French original report signed by

KPMG audit  
A department of KPMG S.A.

Jay Nirsimloo  
Partner

Ernst & Young Audit

Pascal Macioce  
Partner

## Consolidated statement of income

### TOTAL

(unaudited)

(M€) <sup>(a)</sup>	1 <sup>st</sup> half 2009	1 <sup>st</sup> half 2008
<b>Sales</b>	<b>61,471</b>	<b>92,413</b>
Excise taxes	(9,429)	(9,826)
Revenues from sales	52,042	82,587
Purchases, net of inventory variation	(31,528)	(53,577)
Other operating expenses	(9,399)	(9,271)
Exploration costs	(331)	(393)
Depreciation, depletion and amortization of tangible assets and mineral interests	(3,156)	(2,678)
Other income	121	168
Other expense	(303)	(169)
Financial interest on debt	(311)	(461)
Financial income from marketable securities & cash equivalents	95	242
Cost of net debt	(216)	(219)
Other financial income	399	345
Other financial expense	(163)	(151)
Equity in income (loss) of affiliates	860	1,084
Income taxes	(3,779)	(9,148)
<b>Consolidated net income</b>	<b>4,547</b>	<b>8,578</b>
Group share*	4,459	8,334
Minority interests	88	244
Earnings per share (€)	2.00	3.72
Fully-diluted earnings per share (€)**	1.99	3.70
* Adjusted net income	3,834	6,977
** Adjusted fully-diluted earnings per share (€)	1.72	3.10

(a) except for per share amounts.



## Consolidated statement of income

### TOTAL

(unaudited)

(M€) <sup>(a)</sup>	2 <sup>nd</sup> quarter 2009	1 <sup>st</sup> quarter 2009	2 <sup>nd</sup> quarter 2008
<b>Sales</b>	31,430	30,041	48,200
Excise taxes	(4,856)	(4,573)	(4,900)
Revenues from sales	26,574	25,468	43,300
Purchases, net of inventory variation	(16,300)	(15,228)	(27,958)
Other operating expenses	(4,724)	(4,675)	(4,439)
Exploration costs	(155)	(176)	(203)
Depreciation, depletion and amortization of tangible assets and mineral interests	(1,636)	(1,520)	(1,384)
Other income	106	15	15
Other expense	(216)	(87)	(121)
Financial interest on debt	(140)	(171)	(204)
Financial income from marketable securities & cash equivalents	40	55	113
Cost of net debt	(100)	(116)	(91)
Other financial income	240	159	229
Other financial expense	(82)	(81)	(80)
Equity in income (loss) of affiliates	393	467	538
Income taxes	(1,877)	(1,902)	(4,931)
<b>Consolidated net income</b>	<b>2,223</b>	<b>2,324</b>	<b>4,875</b>
Group share*	2,169	2,290	4,732
Minority interests	54	34	143
Earnings per share (€)	0.97	1.03	2.12
Fully-diluted earnings per share (€)**	0.97	1.02	2.10
* Adjusted net income	1,721	2,113	3,723
** Adjusted fully-diluted earnings per share (€)	0.77	0.95	1.65

(a) except for per share amounts.

## 2

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
1<sup>st</sup> half 2009  
Consolidated balance sheet

## Consolidated balance sheet

### TOTAL

(M€)	June 30, 2009 (unaudited)	March 31, 2009 (unaudited)	December 31, 2008	June 30, 2008 (unaudited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets, net	5,955	5,904	5,341	4,381
Property, plant and equipment, net	48,762	48,773	46,142	41,756
Equity affiliates : investments and loans	14,075	15,093	14,668	14,524
Other investments	1,211	1,192	1,165	1,246
Hedging instruments of non-current financial debt	875	934	892	540
Other non-current assets	3,095	3,244	3,044	2,179
<b>Total non-current assets</b>	<b>73,973</b>	<b>75,140</b>	<b>71,252</b>	<b>64,626</b>
<b>Current assets</b>				
Inventories, net	11,749	10,097	9,621	17,185
Accounts receivable, net	15,226	14,940	15,287	21,856
Other current assets	9,253	9,047	9,642	9,644
Current financial assets	217	150	187	223
Cash and cash equivalents	14,299	13,319	12,321	7,245
<b>Total current assets</b>	<b>50,744</b>	<b>47,553</b>	<b>47,058</b>	<b>56,153</b>
<b>Total assets</b>	<b>124,717</b>	<b>122,693</b>	<b>118,310</b>	<b>120,779</b>
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>				
<b>Shareholders' equity</b>				
Common shares	5,931	5,931	5,930	6,003
Paid-in surplus and retained earnings	55,031	55,198	52,947	55,024
Currency translation adjustment	(4,656)	(3,523)	(4,876)	(6,483)
Treasury shares	(5,007)	(5,009)	(5,009)	(6,271)
<b>Total shareholders' equity – Group Share</b>	<b>51,299</b>	<b>52,597</b>	<b>48,992</b>	<b>48,273</b>
<b>Minority interests</b>	<b>963</b>	<b>1,004</b>	<b>958</b>	<b>855</b>
<b>Total shareholders' equity</b>	<b>52,262</b>	<b>53,601</b>	<b>49,950</b>	<b>49,128</b>
<b>Non-current liabilities</b>				
Deferred income taxes	8,561	8,478	7,973	7,748
Employee benefits	2,006	2,035	2,011	2,533
Provisions and other non-current liabilities	8,087	8,391	7,858	6,567
<b>Total non-current liabilities</b>	<b>18,654</b>	<b>18,904</b>	<b>17,842</b>	<b>16,848</b>
<b>Non-current financial debt</b>	<b>19,640</b>	<b>19,078</b>	<b>16,191</b>	<b>14,777</b>
<b>Current liabilities</b>				
Accounts payable	14,036	13,894	14,815	19,297
Other creditors and accrued liabilities	12,115	12,375	11,632	15,760
Current borrowings	7,916	4,771	7,722	4,795
Other current financial liabilities	94	70	158	174
<b>Total current liabilities</b>	<b>34,161</b>	<b>31,110</b>	<b>34,327</b>	<b>40,026</b>
<b>Total Liabilities and shareholders' equity</b>	<b>124,717</b>	<b>122,693</b>	<b>118,310</b>	<b>120,779</b>

## Consolidated statement of cash flow

### TOTAL

(unaudited)

(M€)	1 <sup>st</sup> half 2009	1 <sup>st</sup> half 2008
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Consolidated net income	4,547	8,578
Depreciation, depletion and amortization	3,373	2,887
Non-current liabilities, valuation allowances and deferred taxes	213	43
Impact of coverage of pension benefit plans	-	-
(Gains) losses on sales of assets	(46)	(168)
Undistributed affiliates' equity earnings	2	(198)
(Increase) decrease in working capital	(2,218)	(3,953)
Other changes, net	62	49
<b>Cash flow from operating activities</b>	<b>5,933</b>	<b>7,238</b>
<b>CASH FLOW USED IN INVESTING ACTIVITIES</b>		
Intangible assets and property, plant and equipment additions	(5,796)	(4,946)
Acquisitions of subsidiaries, net of cash acquired	(156)	-
Investments in equity affiliates and other securities	(215)	(148)
Increase in non-current loans	(402)	(417)
<b>Total expenditures</b>	<b>(6,569)</b>	<b>(5,511)</b>
Proceeds from disposal of intangible assets and property, plant and equipment	115	22
Proceeds from disposal of subsidiaries, net of cash sold	-	84
Proceeds from disposal of non-current investments	1,025	89
Repayment of non-current loans	190	729
<b>Total divestments</b>	<b>1,330</b>	<b>924</b>
<b>Cash flow used in investing activities</b>	<b>(5,239)</b>	<b>(4,587)</b>
<b>CASH FLOW (FROM)/USED FINANCING ACTIVITIES</b>		
Issuance (repayment) of shares:		
- Parent company shareholders	14	242
- Treasury shares	2	(711)
- Minority shareholders	-	(9)
Cash dividends paid:		
- Parent company shareholders	(2,541)	(2,404)
- Minority shareholders	(145)	(128)
Net issuance (repayment) of non-current debt	4,854	2,065
Increase (decrease) in current borrowings	(1,067)	(832)
Increase (decrease) in current financial assets and liabilities	-	817
<b>Cash flow (from) / used financing activities</b>	<b>1,117</b>	<b>(960)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,811</b>	<b>1,691</b>
Effect of exchange rates	167	(434)
Cash and cash equivalents at the beginning of the period	12,321	5,988
<b>Cash and cash equivalents at the end of the period</b>	<b>14,299</b>	<b>7,245</b>

## Consolidated statement of cash flow

### TOTAL

(unaudited)

(M€)	2 <sup>nd</sup> quarter 2009	1 <sup>st</sup> quarter 2009	2 <sup>nd</sup> quarter 2008
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Consolidated net income	2,223	2,324	4,875
Depreciation, depletion and amortization	1,712	1,661	1,482
Non-current liabilities, valuation allowances and deferred taxes	281	(68)	32
Impact of coverage of pension benefit plans	-	-	-
(Gains) losses on sales of assets	(31)	(15)	(15)
Undistributed affiliates' equity earnings	81	(79)	104
(Increase) decrease in working capital	(2,363)	145	(4,563)
Other changes, net	36	26	7
<b>Cash flow from operating activities</b>	<b>1,939</b>	<b>3,994</b>	<b>1,922</b>
<b>CASH FLOW USED IN INVESTING ACTIVITIES</b>			
Intangible assets and property, plant and equipment additions	(3,312)	(2,484)	(2,619)
Acquisitions of subsidiaries, net of cash acquired	(109)	(47)	-
Investments in equity affiliates and other securities	(131)	(84)	(41)
Increase in non-current loans	(82)	(320)	(208)
<b>Total expenditures</b>	<b>(3,634)</b>	<b>(2,935)</b>	<b>(2,868)</b>
Proceeds from disposal of intangible assets and property, plant and equipment	55	60	16
Proceeds from disposal of subsidiaries, net of cash sold	-	-	84
Proceeds from disposal of non-current investments	726	299	20
Repayment of non-current loans	77	113	606
<b>Total divestments</b>	<b>858</b>	<b>472</b>	<b>726</b>
<b>Cash flow used in investing activities</b>	<b>(2,776)</b>	<b>(2,463)</b>	<b>(2,142)</b>
<b>CASH FLOW (FROM)/USED FINANCING ACTIVITIES</b>			
Issuance (repayment) of shares:			
- Parent company shareholders	5	9	233
- Treasury shares	2	-	(284)
- Minority shareholders	-	-	-
Cash dividends paid:			
- Parent company shareholders	(2,541)	-	(2,404)
- Minority shareholders	(141)	(4)	(127)
Net issuance (repayment) of non-current debt	2,010	2,844	1,562
Increase (decrease) in current borrowings	2,350	(3,417)	55
Increase (decrease) in current financial assets and liabilities	-	-	(18)
<b>Cash flow (from) / used financing activities</b>	<b>1,685</b>	<b>(568)</b>	<b>(983)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>848</b>	<b>963</b>	<b>(1,203)</b>
Effect of exchange rates	132	35	107
Cash and cash equivalents at the beginning of the period	13,319	12,321	8,341
<b>Cash and cash equivalents at the end of the period</b>	<b>14,299</b>	<b>13,319</b>	<b>7,245</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	Minority interests	Total shareholders' equity
	Number	Amount			Number	Amount			
<b>As of January 1, 2008</b>	<b>2,395,532,097</b>	<b>5,989</b>	<b>48,797</b>	<b>(4,396)</b>	<b>(151,421,232)</b>	<b>(5,532)</b>	<b>44,858</b>	<b>842</b>	<b>45,700</b>
Net income for the first half	-	-	8,334	-	-	-	8,334	244	8,578
Other comprehensive Income	-	-	(43)	(2,087)	-	-	(2,130)	(103)	(2,233)
<b>Comprehensive Income</b>	-	-	<b>8,291</b>	<b>(2,087)</b>	-	-	<b>6,204</b>	<b>141</b>	<b>6,345</b>
Dividend	-	-	(2,404)	-	-	-	(2,404)	(128)	(2,532)
Issuance of common shares	5,678,338	14	228	-	-	-	242	-	242
Purchase of treasury shares	-	-	-	-	(16,000,000)	(818)	(818)	-	(818)
Sale of treasury shares <sup>(1)</sup>	-	-	28	-	2,679,805	79	107	-	107
Share-based payments	-	-	84	-	-	-	84	-	84
Others operations with minority interests	-	-	-	-	-	-	-	-	-
Share cancellation	-	-	-	-	-	-	-	-	-
<b>Transactions with shareholders</b>	<b>5,678,338</b>	<b>14</b>	<b>(2,064)</b>	-	<b>(13,320,195)</b>	<b>(739)</b>	<b>(2,789)</b>	<b>(128)</b>	<b>(2,917)</b>
<b>As of June 30, 2008</b>	<b>2,401,210,435</b>	<b>6,003</b>	<b>55,024</b>	<b>(6,483)</b>	<b>(164,741,427)</b>	<b>(6,271)</b>	<b>48,273</b>	<b>855</b>	<b>49,128</b>
Net income for the second half	-	-	2,256	-	-	-	2,256	119	2,375
Other comprehensive Income	-	-	(215)	1,607	-	-	1,392	69	1,461
<b>Comprehensive Income</b>	-	-	<b>2,041</b>	<b>1,607</b>	-	-	<b>3,648</b>	<b>188</b>	<b>3,836</b>
Dividend	-	-	(2,541)	-	-	-	(2,541)	(85)	(2,626)
Issuance of common shares	597,639	2	18	-	-	-	20	-	20
Purchase of treasury shares	-	-	-	-	(11,600,000)	(521)	(521)	-	(521)
Sale of treasury shares <sup>(1)</sup>	-	-	(99)	-	3,259,332	142	43	-	43
Share-based payments	-	-	70	-	-	-	70	-	70
Others operations with minority interests	-	-	-	-	-	-	-	-	-
Share cancellation	(30,000,000)	(75)	(1,566)	-	30,000,000	1,641	-	-	-
<b>Transactions with shareholders</b>	<b>(29,402,361)</b>	<b>(73)</b>	<b>(4,118)</b>	-	<b>21,659,332</b>	<b>1,262</b>	<b>(2,929)</b>	<b>(85)</b>	<b>(3,014)</b>
<b>As of December 31, 2008</b>	<b>2,371,808,074</b>	<b>5,930</b>	<b>52,947</b>	<b>(4,876)</b>	<b>(143,082,095)</b>	<b>(5,009)</b>	<b>48,992</b>	<b>958</b>	<b>49,950</b>
Net income for the first half	-	-	4,459	-	-	-	4,459	88	4,547
Other comprehensive Income	-	-	96	220	-	-	316	86	402
<b>Comprehensive Income</b>	-	-	<b>4,555</b>	<b>220</b>	-	-	<b>4,775</b>	<b>174</b>	<b>4,949</b>
Dividend	-	-	(2,541)	-	-	-	(2,541)	(145)	(2,686)
Issuance of common shares	565,886	1	13	-	-	-	14	-	14
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Sale of treasury shares <sup>(1)</sup>	-	-	-	-	51,995	2	2	-	2
Share-based payments	-	-	80	-	-	-	80	-	80
Others operations with minority interests	-	-	(23)	-	-	-	(23)	(24)	(47)
Share cancellation	-	-	-	-	-	-	-	-	-
<b>Transactions with shareholders</b>	<b>565,886</b>	<b>1</b>	<b>(2,471)</b>	-	<b>51,995</b>	<b>2</b>	<b>(2,468)</b>	<b>(169)</b>	<b>(2,637)</b>
<b>As of June 30, 2009</b>	<b>2,372,373,960</b>	<b>5,931</b>	<b>55,031</b>	<b>(4,656)</b>	<b>(143,030,100)</b>	<b>(5,007)</b>	<b>51,299</b>	<b>963</b>	<b>52,262</b>

(1) Treasury shares related to the stock option purchase plans and restricted stock grants

# 2

## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 1<sup>st</sup> half 2009 Consolidated statement of comprehensive income

### Consolidated statement of comprehensive income<sup>(a)</sup>

#### TOTAL

(unaudited)

(M€)	1 <sup>st</sup> half 2009	1 <sup>st</sup> half 2008
Net income	4,547	8,578
<b>OTHER COMPREHENSIVE INCOME</b>		
Currency translation adjustment	246	(1,927)
Available for sale financial assets	39	(43)
Cash flow hedge	58	-
Share of other comprehensive income of associates, net amount	93	(270)
Other	(11)	(1)
Tax effect	(23)	8
<b>Total other comprehensive income (net amount)</b>	<b>402</b>	<b>(2,233)</b>
<b>Comprehensive income</b>	<b>4,949</b>	<b>6,345</b>
- Group share	4,775	6,204
- Minority interests	174	141

(a) In accordance with revised IAS 1, applicable from January 1, 2009.



## Notes to the consolidated financial statements for the first six months of 2009 (unaudited)

### 1) Accounting policies

The interim consolidated financial statements of TOTAL S.A. and its subsidiaries (the Group) as of June 30, 2009 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 June 30, 2009 do not differ significantly from those applied for the consolidated financial statements as of December 31, 2008 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 Standard Board). The new accounting standards and amendments mandatory for the annual period beginning January 1, 2009 are described in Note 1W to the consolidated financial statements as of December 31, 2008 and have no material effect on the Group’s consolidated financial statements for the first six months of 2009. Among these new standards or interpretations, it should be noted that the revised version of IAS 1 “Presentation of financial statements”, effective for annual periods beginning on or after January 1, 2009, resulted in the following:

- presentation of the consolidated statement of comprehensive income;
- information on other comprehensive income presented in note 4 to the interim consolidated financial statements.

The preparation of financial statements in accordance with IFRS requires management to make estimates and apply assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of preparation of the financial statements and reported income and expenses for the period. Management reviews these estimates and assumptions on an ongoing basis, by reference to past experience and various other factors considered as reasonable which form the basis for assessing the carrying amount of assets and liabilities. Actual results may differ significantly from these estimates, if different assumptions or circumstances apply. These judgments and estimates relate principally to the application of the successful efforts method for the oil and gas accounting, the valuation of long-lived assets, the provisions for asset retirement obligations and environmental remediation, the pensions and post-retirement benefits and the income tax computation. These judgments and estimates are described in the notes to the consolidated financial statements as of December 31, 2008.

Lastly, when the accounting treatment of a specific transaction is not addressed by any accounting standard or interpretation, management applies its judgment to define and apply accounting policies that will lead to relevant and reliable information, so that the financial statements:

- give a true and fair view of the Group’s financial position, financial performance and cash flows;

- reflect the substance of transactions;
- are neutral;
- are prepared on a prudent basis;
- are complete in all material aspects.

Pursuant to the accrual basis of accounting followed by the Group, the financial statements reflect the effects of transactions and other events when they occur. Assets and liabilities such as property, plant and equipment and intangible assets are usually measured at amortized cost. Financial assets and liabilities are usually measured at fair value.

### 2) Changes in the Group structure, main acquisitions and divestments

During the first six months of 2009, Total progressively sold 1.71% of Sanofi-Aventis’ share capital, thus reducing its interest to 9.67%. Sanofi-Aventis is accounted for by the equity method in Total’s consolidated financial statements.

### 3) Adjustment items

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.

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 some instances, transactions such as restructuring costs or asset 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) Inventory valuation effect**

The adjusted results of the Downstream and Chemicals segments are presented according to the replacement cost method. This method is used to assess the segments' performance and ensure the comparability of the segments' performance with those of its competitors, mainly North American.

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 determined by the average prices of the period rather than the historical value. The inventory valuation effect is the difference between the results according to FIFO (First-In, First-Out) and the replacement cost.

## ADJUSTMENTS TO OPERATING INCOME

(M€)		Upstream	Downstream	Chemicals	Corporate	Total
2 <sup>nd</sup> quarter 2009	Inventory valuation effect	-	933	132	-	1,065
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	-	(62)	(43)	-	(105)
	Other items	-	(81)	(2)	-	(83)
<b>Total</b>		-	<b>790</b>	<b>87</b>	-	<b>877</b>
2 <sup>nd</sup> quarter 2008	Inventory valuation effect	-	1,457	230	-	1,687
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	-	-	-	-	-
	Other items	-	-	-	-	-
<b>Total</b>		-	<b>1,457</b>	<b>230</b>	-	<b>1,687</b>
1 <sup>st</sup> half 2009	Inventory valuation effect	-	1,278	264	-	1,542
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	-	(62)	(43)	-	(105)
	Other items	-	(181)	(5)	-	(186)
<b>Total</b>		-	<b>1,035</b>	<b>216</b>	-	<b>1,251</b>
1 <sup>st</sup> half 2008	Inventory valuation effect	-	1,830	232	-	2,062
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	-	-	-	-	-
	Other items	-	-	-	-	-
<b>Total</b>		-	<b>1,830</b>	<b>232</b>	-	<b>2,062</b>

**(iii) TOTAL's equity share of adjustments and, from 2009, selected items related to Sanofi-Aventis**

The adjusted results (adjusted operating income, adjusted net operating income, adjusted net income) are defined as replacement cost results, adjusted for special items, and excluding TOTAL's equity share of adjustments and, from 2009, selected items related to Sanofi-Aventis.

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

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## ADJUSTMENTS TO NET INCOME

(M€)		Upstream	Downstream	Chemicals	Corporate	Total
2 <sup>nd</sup> quarter 2009	Inventory valuation effect	-	697	91	-	788
	TOTAL's equity share of adjustments and selected items related to Sanofi-Aventis	-	-	-	(119)	(119)
	Restructuring charges	-	(16)	(83)	-	(99)
	Asset impairment charges	-	(41)	(30)	-	(71)
	Gains (losses) on sales of assets	-	-	-	28	28
	Other items	(18)	(60)	(1)	-	(79)
<b>Total</b>		<b>(18)</b>	<b>580</b>	<b>(23)</b>	<b>(91)</b>	<b>448</b>
2 <sup>nd</sup> quarter 2008	Inventory valuation effect	-	1,001	153	-	1,154
	TOTAL's equity share of adjustments related to Sanofi-Aventis	-	-	-	(78)	(78)
	Restructuring charges	-	(35)	(9)	-	(44)
	Asset impairment charges	-	-	-	-	-
	Gains (losses) on sales of assets	-	-	-	2	2
	Other items	-	-	(5)	(20)	(25)
<b>Total</b>		<b>-</b>	<b>966</b>	<b>139</b>	<b>(96)</b>	<b>1,009</b>
1 <sup>st</sup> half 2009	Inventory valuation effect	-	944	171	-	1,115
	TOTAL's equity share of adjustments and selected items related to Sanofi-Aventis	-	-	-	(182)	(182)
	Restructuring charges	-	(16)	(89)	-	(105)
	Asset impairment charges	-	(41)	(30)	-	(71)
	Gains (losses) on sales of assets	-	-	-	41	41
	Other items	(39)	(131)	(3)	-	(173)
<b>Total</b>		<b>(39)</b>	<b>756</b>	<b>49</b>	<b>(141)</b>	<b>625</b>
1 <sup>st</sup> half 2008	Inventory valuation effect	-	1,274	154	-	1,428
	TOTAL's equity share of adjustments related to Sanofi-Aventis	-	-	-	(149)	(149)
	Restructuring charges	-	(35)	(9)	-	(44)
	Asset impairment charges	-	-	-	-	-
	Gains (losses) on sales of assets	130	-	-	17	147
	Other items	-	-	(5)	(20)	(25)
<b>Total</b>		<b>130</b>	<b>1,239</b>	<b>140</b>	<b>(152)</b>	<b>1,357</b>

#### 4) Shareholders' equity

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

As of June 30, 2009, TOTAL S.A. held 42,698,832 of its own shares, representing 1.80% of its share capital, detailed as follows:

- 17,898,832 shares allocated to covering TOTAL share purchase option plans and restricted shares plans for Group employees;
- 24,800,000 shares purchased during the first ten months of 2008 for cancellation, pursuant to the authorizations granted by the shareholders' meetings held on May 11, 2007 and May 16, 2008.

These 42,698,832 shares are deducted from the consolidated shareholders' equity.

##### TOTAL shares held by Group subsidiaries

As of June 30, 2009, TOTAL S.A. held indirectly through its subsidiaries 100,331,268 of its own shares, representing 4.23% of its share capital, detailed as follows:

- 2,023,672 shares held by a consolidated subsidiary, Total Nucléaire, 100% indirectly controlled by TOTAL S.A.;
- 98,307,596 shares held by subsidiaries of Elf Aquitaine (Financière Valorgest, Sogapar and Fingestval).

These 100,331,268 shares are deducted from the consolidated shareholders' equity.

##### Dividend

The shareholders' meeting of May 15, 2009 approved the payment of a cash dividend of € 2.28 per share for the fiscal year 2008. Taking into account an interim dividend of € 1.14 per share paid on November 19, 2008, the remaining balance of € 1.14 per share was paid on May 22, 2009.

The Board of Directors approved the 2009 interim dividend of € 1.14 per share at their July 30, 2009 meeting.

#### Other Comprehensive Income

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

(M€)	1 <sup>st</sup> half 2009		1 <sup>st</sup> half 2008	
<b>Currency translation adjustment</b>		246		(1,927)
- unrealized gain/(loss) of the period	247		(1,927)	
- less gain/(loss) included in net income	1			
<b>Available for sale financial assets</b>		39		(43)
- unrealized gain/(loss) of the period	39		(43)	
- less gain/(loss) included in net income				
<b>Cash flow hedge</b>		58		-
- unrealized gain/(loss) of the period	215			
- less gain/(loss) included in net income	157			
<b>Share of other comprehensive income of equity affiliates, net amount</b>		93		(270)
<b>Other</b>		(11)		(1)
- unrealized gain/(loss) of the period	(11)		15	
- less gain/(loss) included in net income				
<b>Tax effect</b>		(23)		8
<b>Total other comprehensive income (net amount)</b>		402		(2,233)

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

(M€)	1st half 2009			1st half 2008		
	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Currency translation adjustment	246		246	(1,927)		(1,927)
Available for sale financial assets	39	(4)	35	(43)	8	(35)
Cash flow hedge	58	(19)	39	-		-
Share of other comprehensive income of associates, net amount	93		93	(270)		(270)
Other	(11)		(11)	(1)		(1)
<b>Total other comprehensive income</b>	<b>425</b>	<b>(23)</b>	<b>402</b>	<b>(2,241)</b>	<b>8</b>	<b>(2,233)</b>

## 5) Non-current financial debt

The Group issued bonds through its subsidiary Total Capital during the first six months of 2009:

- Bond 4.875% 2009-2019 (750 million EUR)
- Bond 2.500% 2009-2013 (350 million CHF)
- Bond 3.500% 2009-2014 (1,000 million EUR)
- Bond 3.240% 2009-2014 (396 million HKD)
- Bond 5.125% 2009-2024 (950 million EUR)
- Bond 3.500% 2009-2014 (150 million EUR)
- Bond 2.625% 2009-2014 (200 million CHF)
- Bond 5.500% 2009-2013 (100 million AUD)
- Bond 4.000% 2009-2013 (100 million USD)
- Bond 2.375% 2009-2016 (150 million CHF)
- Bond 3.625% 2009-2015 (550 million EUR)
- Bond 5.500% 2009-2013 (100 million AUD)
- Bond 4.250% 2009-2017 (200 million GBP)
- Bond 4.180% 2009-2019 (750 million HKD)
- Bond 4.250% 2009-2017 (100 million GBP)
- Bond 4.875% 2009-2019 (450 million EUR)

The Group repaid bonds during the first six months of 2009:

- Bond 4.500% 1999-2009 (1,000 million EUR)

<sup>(1)</sup>: Arkema is used in this section to designate those companies of the Arkema group whose ultimate parent company is Arkema S.A. became an independent company after being spun-off from Total S.A. in May 2006.

- Bond 6.200% 1997-2009 (900 million FRF)
- Bond 3.500% 2003-2009 (500 million USD)
- Bond 6.250% 2003-2009 (100 million AUD)
- Bond 3.500% 2004-2009 (50 million USD)
- Bond 3.500% 2005-2009 (50 million USD)

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 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 the main transactions with related parties during the first six months of 2009.

## 7) Other risks and contingent liabilities

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

### Antitrust investigations

1. Following investigations into certain commercial practices in the chemicals industry in the United States, some subsidiaries of the Arkema<sup>(1)</sup> group are involved in civil liability lawsuits in the United States and Canada for violations of antitrust laws. TOTAL S.A. has been named in certain of these suits as the parent company.

In Europe, the European Commission commenced investigations in 2000, 2003 and 2004 into alleged anti-competitive practices involving certain products sold by Arkema. In January 2005, under one of these investigations, the European Commission fined Arkema 13.5 M€ and jointly fined Arkema and Elf Aquitaine 45 M€. Arkema and Elf Aquitaine have appealed these decisions to the Court of First Instance of the European Union.

The Commission notified Arkema, TOTAL S.A. and Elf Aquitaine of complaints concerning two other product lines in January and August 2005, respectively. Arkema has cooperated with the authorities in these procedures and investigations. In May 2006, the European Commission fined Arkema 78.7 M€ and 219.1 M€, as a result of, respectively, each of these two proceedings. Elf Aquitaine was held jointly and severally liable for, respectively, 65.1 M€ and 181.35 M€ of these fines while TOTAL S.A. was held jointly and severally liable, respectively, for 42 M€ and 140.4 M€. TOTAL S.A., Arkema and Elf Aquitaine have appealed these decisions to the Court of First Instance of the European Union.

Arkema and Elf Aquitaine received a statement of objections from the European Commission in August 2007 concerning alleged anti-competitive practices related to another line of chemical products. As a result, in June 2008, Arkema and Elf Aquitaine have been jointly and severally fined in an amount of 22.7 M€ and individually in an amount of 20.43 M€ for Arkema and 15.89 M€ for Elf Aquitaine. The companies concerned appealed this decision to the relevant European court.

Arkema and Elf Aquitaine received a statement of objections from the European Commission in March 2009 concerning alleged anti-competitive practices related to another line of chemical products. As of today, the Commission has not rendered a decision.

No facts have been alleged that would implicate TOTAL S.A. or Elf Aquitaine in the practices questioned in these proceedings, and the fines received are based solely on their status as parent companies.

Arkema began implementing compliance procedures in 2001 that are designed to prevent its employees from violating antitrust provisions. However, it is not possible to exclude the possibility that the relevant authorities could commence additional proceedings involving Arkema, as well as TOTAL S.A. and Elf Aquitaine.

- As part of the agreement relating to the spin-off of Arkema, TOTAL S.A. or certain other Group companies agreed to grant Arkema guarantees for certain risks related to antitrust proceedings arising from events prior to the spin-off.

These guarantees cover, for a period of ten years that began in 2006, 90% of amounts paid by Arkema related to (i) fines imposed by European authorities or European member-states for competition law violations, (ii) fines imposed by U.S. courts or antitrust authorities for federal antitrust violations or violations of the competition laws of U.S. states, (iii) damages awarded in civil

proceedings related to the government proceedings mentioned above, and (iv) certain costs related to these proceedings.

The guarantee covering the risks related to anticompetition violations in Europe applies to amounts above a 176.5 M€ threshold. If one or more individuals or legal entities, acting alone or together, directly or indirectly holds more than one-third of the voting rights of Arkema, or if Arkema transfers more than 50% of its assets (as calculated under the enterprise valuation method, as of the date of the transfer) to a third party or parties acting together, irrespective of the type or number of transfers, these guarantees will become void.

On the other hand, the agreements provide that Arkema will indemnify TOTAL S.A. or any Group company for 10% of any amount that TOTAL S.A. or any Group company are required to pay under any of the proceedings covered by these guarantees.

- The Group has recorded provisions amounting to 85 M€ in its consolidated financial statements as of June 30, 2009 to cover the risks mentioned above.
- Moreover, as a result of investigations started by the European Commission in October 2002 concerning certain Refining & Marketing subsidiaries of the Group, Total Nederland N.V. and TOTAL S.A. received a statement of objections in October 2004. These proceedings resulted, in September 2006, in Total Nederland N.V. being fined 20.25 M€ and in TOTAL S.A. as its parent company being held jointly responsible for 13.5 M€ of this amount, although no facts implicating TOTAL S.A. in the practices under investigation were alleged. TOTAL S.A. and Total Nederland N.V. have appealed this decision to the Court of First Instance of the European Union.

In addition, in May 2007, Total France and TOTAL S.A. received a statement of objections regarding alleged antitrust practices concerning another product line of the Refining & Marketing division. These proceedings resulted, in October 2008, in Total France being fined 128.2 M€ and in TOTAL S.A., as its parent company, being held jointly responsible although no facts implicating TOTAL S.A. in the practices under investigation were alleged. TOTAL S.A. and Total Raffinage Marketing (the new corporate name of Total France) have appealed this decision to the Court of First Instance of the European Union.

Furthermore, in July 2009, the French antitrust Authority sent to TotalGaz and Total Raffinage Marketing a statement of objections regarding alleged antitrust practices concerning another product line of the Refining & Marketing division.

- Given the discretionary powers granted to antitrust Authorities for determining fines, it is not currently possible to determine with certainty the ultimate outcome of these investigations and proceedings. TOTAL S.A. and Elf Aquitaine are contesting their liability and the method of determining these fines. Although it is not possible to predict the outcome of these proceedings, the Group believes that they will not have a material adverse effect on its financial condition or results.

### **Buncefield**

On December 11, 2005, several explosions, followed by a major fire, occurred at an oil storage depot at Buncefield, north of London. This depot is operated by Hertfordshire Oil Storage Limited (HOSL), a company in which the British subsidiary of TOTAL holds 60% and another oil group holds 40%.

The explosion caused minor injuries to a number of people and caused property damage to the depot and the buildings and homes located nearby. The official Independent Investigation Board has indicated that the explosion was caused by the overflow of a tank at the depot. The Board's final report was released on December 11, 2008. The civil procedure for claims, which have not yet been settled, took place between October and December 2008. The Court's decision of March 20, 2009, declared the British subsidiary of TOTAL responsible for the accident and solely liable for indemnifying the victims. TOTAL's British subsidiary has appealed this decision. The hearing of the appeal is expected to take place at the end of 2009 or during the first half 2010.

The Group carries insurance for damage to its interests in these facilities, business interruption and civil liability claims from third parties, and believes that, based on the information currently available, on a reasonable estimate of its liability and on provisions recognized, this accident should not have a significant impact on the Group's financial situation or consolidated results.

On December 1, 2008, the Health and Safety Executive (HSE) and the Environment Agency (EA) issued a Notice of prosecution against five companies, including the British subsidiary of TOTAL. Court hearings took place in the second quarter 2009. The criminal trial is scheduled to start in the second quarter 2010.

### **Erika**

Following the sinking in December 1999 of the Erika, a tanker that was transporting products belonging to one of the Group companies, the *Tribunal de grande instance* of Paris convicted TOTAL S.A. of marine pollution pursuant to a judgment issued on January 16, 2008, finding

that TOTAL S.A. was negligent in its vetting procedure for vessel selection. TOTAL S.A. was fined € 375,000. The court also ordered compensation to be paid to the victims of pollution from the Erika up to an aggregate amount of 192 M€, declaring TOTAL S.A. jointly and severally liable for such payments together with the Erika's inspection and classification firm, the Erika's owner and the Erika's manager.

TOTAL believes that the finding of negligence and the related conviction for marine pollution are without substance as a matter of fact and as a matter of law. TOTAL also considers that this verdict is contrary to the intended aim of enhancing maritime transport safety.

TOTAL has appealed the verdict of January 16, 2008. In the meantime, it has nevertheless proposed to pay third parties who so request definitive compensation as determined by the court. As of today, thirty-six third parties have received compensation payments, representing an aggregate amount of 170.1 M€.

The hearing of the appeal before the Court of Appeals of Paris is expected to begin in October 2009.

At the current stage of the proceedings, TOTAL S.A. believes that, based on a reasonable estimate of its liability, the case will not have a material impact on the Group's financial situation or consolidated results.

### **Vlissingen refinery**

Total, the majority shareholder (55%) of the Vlissingen refinery, exercised its pre-emptive rights over the shares (45%) of this asset that were offered for sale by Dow Chemical. Concurrently, Lukoil submitted to TOTAL a binding purchase offer for these shares (45%).

This operation is subject to clearance by the competent authorities.



## 8) Information by business segment

1 <sup>st</sup> half 2009 (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	7,874	46,686	6,902	9	-	61,471
Intersegment sales	7,349	1,646	276	79	(9,350)	-
Excise taxes	-	(9,429)	-	-	-	(9,429)
<b>Revenues from sales</b>	<b>15,223</b>	<b>38,903</b>	<b>7,178</b>	<b>88</b>	<b>(9,350)</b>	<b>52,042</b>
Operating expenses	(7,367)	(36,253)	(6,635)	(353)	9,350	(41,258)
Depreciation, depletion and amortization of tangible assets and mineral interests	(2,121)	(683)	(335)	(17)	-	(3,156)
<b>Operating income</b>	<b>5,735</b>	<b>1,967</b>	<b>208</b>	<b>(282)</b>	<b>-</b>	<b>7,628</b>
Equity in income (loss) of affiliates and other items	572	127	(121)	336	-	914
Tax on net operating income	(3,413)	(581)	1	143	-	(3,850)
<b>Net operating income</b>	<b>2,894</b>	<b>1,513</b>	<b>88</b>	<b>197</b>	<b>-</b>	<b>4,692</b>
Net cost of net debt						(145)
Minority interests						(88)
<b>Net income</b>						<b>4,459</b>

1 <sup>st</sup> half 2009 (adjustments) <sup>(a)</sup> (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales						
Intersegment sales						
Excise taxes						
<b>Revenues from sales</b>						
Operating expenses	-	1,097	259	-		1,356
Depreciation, depletion and amortization of tangible assets and mineral interests	-	(62)	(43)	-		(105)
<b>Operating income<sup>(b)</sup></b>	<b>-</b>	<b>1,035</b>	<b>216</b>	<b>-</b>		<b>1,251</b>
Equity in income (loss) of affiliates and other items <sup>(c)</sup>	(39)	63	(138)	(141)		(255)
Tax on net operating income	-	(341)	(29)	-		(370)
<b>Net operating income<sup>(b)</sup></b>	<b>(39)</b>	<b>757</b>	<b>49</b>	<b>(141)</b>		<b>626</b>
Net cost of net debt						-
Minority interests						(1)
<b>Net income</b>						<b>625</b>

(a) Adjustments include special items, inventory valuation effect and equity share of adjustments and selected items related to Sanofi-Aventis

(b) Of which inventory valuation effect

On operating income	-	1,278	264	-		
On net operating income	-	945	171	-		

(c) Of which equity share of adjustments and selected items related to

Sanofi-Aventis	-	-	-	(182)		
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CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – 1<sup>st</sup> half 2009  
Notes to the consolidated financial statements for the first six months of 2009 (unaudited)

1 <sup>st</sup> half 2009 (adjusted) (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	7,874	46,686	6,902	9	-	61,471
Intersegment sales	7,349	1,646	276	79	(9,350)	-
Excise taxes	-	(9,429)	-	-	-	(9,429)
<b>Revenues from sales</b>	<b>15,223</b>	<b>38,903</b>	<b>7,178</b>	<b>88</b>	<b>(9,350)</b>	<b>52,042</b>
Operating expenses	(7,367)	(37,350)	(6,894)	(353)	9,350	(42,614)
Depreciation, depletion and amortization of tangible assets and mineral interests	(2,121)	(621)	(292)	(17)	-	(3,051)
<b>Adjusted operating income</b>	<b>5,735</b>	<b>932</b>	<b>(8)</b>	<b>(282)</b>	<b>-</b>	<b>6,377</b>
Equity in income (loss) of affiliates and other items	611	64	17	477	-	1,169
Tax on net operating income	(3,413)	(240)	30	143	-	(3,480)
<b>Adjusted net operating income</b>	<b>2,933</b>	<b>756</b>	<b>39</b>	<b>338</b>	<b>-</b>	<b>4,066</b>
Net cost of net debt						(145)
Minority interests						(87)
<b>Adjusted net income</b>						<b>3,834</b>

1 <sup>st</sup> half 2009 (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Total expenditures	4,914	1,320	294	41		6,569
Total divestments	234	62	14	1,020		1,330
Cash flow from operating activities	4,521	1,620	458	(666)		5,933

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## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 1<sup>st</sup> half 2009

### Notes to the consolidated financial statements for the first six months of 2009 (unaudited)

1 <sup>st</sup> half 2008 (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	11,935	69,770	10,707	1	-	92,413
Intersegment sales	13,980	3,050	706	70	(17,806)	-
Excise taxes	-	(9,826)	-	-	-	(9,826)
<b>Revenues from sales</b>	<b>25,915</b>	<b>62,994</b>	<b>11,413</b>	<b>71</b>	<b>(17,806)</b>	<b>82,587</b>
Operating expenses	(10,697)	(59,346)	(10,648)	(356)	17,806	(63,241)
Depreciation, depletion and amortization of tangible assets and mineral interests	(1,831)	(576)	(257)	(14)	-	(2,678)
<b>Operating income</b>	<b>13,387</b>	<b>3,072</b>	<b>508</b>	<b>(299)</b>	<b>-</b>	<b>16,668</b>
Equity in income (loss) of affiliates and other items	904	(13)	3	383	-	1,277
Tax on net operating income	(8,331)	(898)	(143)	150	-	(9,222)
<b>Net operating income</b>	<b>5,960</b>	<b>2,161</b>	<b>368</b>	<b>234</b>	<b>-</b>	<b>8,723</b>
Net cost of net debt						(145)
Minority interests						(244)
<b>Net income</b>						<b>8,334</b>

1 <sup>st</sup> half 2008 (adjustments) <sup>(a)</sup> (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales						
Intersegment sales						
Excise taxes						
<b>Revenues from sales</b>						
Operating expenses	-	1,830	232	-		2,062
Depreciation, depletion and amortization of tangible assets and mineral interests	-	-	-	-		-
<b>Operating income<sup>(b)</sup></b>	<b>-</b>	<b>1,830</b>	<b>232</b>	<b>-</b>		<b>2,062</b>
Equity in income (loss) of affiliates and other items <sup>(c)</sup>	130	15	(22)	(152)		(29)
Tax on net operating income	-	(582)	(70)	-		(652)
<b>Net operating income<sup>(b)</sup></b>	<b>130</b>	<b>1,263</b>	<b>140</b>	<b>(152)</b>		<b>1,381</b>
Net cost of net debt						-
Minority interests						(24)
<b>Net income</b>						<b>1,357</b>

(a) Adjustments include special items, inventory valuation effect and equity share of adjustments related to Sanofi-Aventis

(b) Of which inventory valuation effect

On operating income - 1,830 232 -

On net operating income - 1,298 154 -

(c) Of which equity share of adjustments related to Sanofi-Aventis - - - (149)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – 1<sup>st</sup> half 2009  
 Notes to the consolidated financial statements for the first six months of 2009 (unaudited)

<b>1<sup>st</sup> half 2008 (adjusted)</b> (M€)	<b>Upstream</b>	<b>Downstream</b>	<b>Chemicals</b>	<b>Corporate</b>	<b>Intercompany</b>	<b>Total</b>
Non-Group sales	11,935	69,770	10,707	1	-	92,413
Intersegment sales	13,980	3,050	706	70	(17,806)	-
Excise taxes	-	(9,826)	-	-	-	(9,826)
<b>Revenues from sales</b>	<b>25,915</b>	<b>62,994</b>	<b>11,413</b>	<b>71</b>	<b>(17,806)</b>	<b>82,587</b>
Operating expenses	(10,697)	(61,176)	(10,880)	(356)	17,806	(65,303)
Depreciation, depletion and amortization of tangible assets and mineral interests	(1,831)	(576)	(257)	(14)	-	(2,678)
<b>Adjusted operating income</b>	<b>13,387</b>	<b>1,242</b>	<b>276</b>	<b>(299)</b>	<b>-</b>	<b>14,606</b>
Equity in income (loss) of affiliates and other items	774	(28)	25	535	-	1,306
Tax on net operating income	(8,331)	(316)	(73)	150	-	(8,570)
<b>Adjusted net operating income</b>	<b>5,830</b>	<b>898</b>	<b>228</b>	<b>386</b>	<b>-</b>	<b>7,342</b>
Net cost of net debt						(145)
Minority interests						(220)
<b>Adjusted net income</b>						<b>6,977</b>

<b>1<sup>st</sup> half 2008</b> (M€)	<b>Upstream</b>	<b>Downstream</b>	<b>Chemicals</b>	<b>Corporate</b>	<b>Intercompany</b>	<b>Total</b>
Total expenditures	4,254	808	385	64		5,511
Total divestments	672	152	19	81		924
Cash flow from operating activities	7,894	(223)	(33)	(400)		7,238

# 2

## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 1<sup>st</sup> half 2009

### Notes to the consolidated financial statements for the first six months of 2009 (unaudited)

2 <sup>nd</sup> quarter 2009 (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	3,427	24,318	3,684	1	-	31,430
Intersegment sales	4,107	1,005	152	42	(5,306)	-
Excise taxes	-	(4,856)	-	-	-	(4,856)
<b>Revenues from sales</b>	<b>7,534</b>	<b>20,467</b>	<b>3,836</b>	<b>43</b>	<b>(5,306)</b>	<b>26,574</b>
Operating expenses	(3,635)	(19,154)	(3,498)	(198)	5,306	(21,179)
Depreciation, depletion and amortization of tangible assets and mineral interests	(1,056)	(382)	(191)	(7)	-	(1,636)
<b>Operating income</b>	<b>2,843</b>	<b>931</b>	<b>147</b>	<b>(162)</b>	<b>-</b>	<b>3,759</b>
Equity in income (loss) of affiliates and other items	329	85	(117)	144	-	441
Tax on net operating income	(1,739)	(278)	18	81	-	(1,918)
<b>Net operating income</b>	<b>1,433</b>	<b>738</b>	<b>48</b>	<b>63</b>	<b>-</b>	<b>2,282</b>
Net cost of net debt						(59)
Minority interests						(54)
<b>Net income</b>						<b>2,169</b>

2 <sup>nd</sup> quarter 2009 (adjustments) <sup>(a)</sup> (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales						
Intersegment sales						
Excise taxes						
<b>Revenues from sales</b>						
Operating expenses	-	852	130	-		982
Depreciation, depletion and amortization of tangible assets and mineral interests	-	(62)	(43)	-		(105)
<b>Operating income<sup>(b)</sup></b>	<b>-</b>	<b>790</b>	<b>87</b>	<b>-</b>		<b>877</b>
Equity in income (loss) of affiliates and other items <sup>(c)</sup>	(18)	48	(119)	(91)		(180)
Tax on net operating income	-	(256)	9	-		(247)
<b>Net operating income<sup>(b)</sup></b>	<b>(18)</b>	<b>582</b>	<b>(23)</b>	<b>(91)</b>		<b>450</b>
Net cost of net debt						-
Minority interests						(2)
<b>Net income</b>						<b>448</b>

(a) Adjustments include special items, inventory valuation effect and equity share of adjustments and selected items related to Sanofi-Aventis

(b) Of which inventory valuation effect

On operating income	-	933	132	-		
On net operating income	-	699	91	-		

(c) Of which equity share of adjustments and selected items related to Sanofi-Aventis

	-	-	-	(119)		
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CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – 1<sup>st</sup> half 2009  
Notes to the consolidated financial statements for the first six months of 2009 (unaudited)

2 <sup>nd</sup> quarter 2009 (adjusted) (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	3,427	24,318	3,684	1	-	31,430
Intersegment sales	4,107	1,005	152	42	(5,306)	-
Excise taxes	-	(4,856)	-	-	-	(4,856)
<b>Revenues from sales</b>	<b>7,534</b>	<b>20,467</b>	<b>3,836</b>	<b>43</b>	<b>(5,306)</b>	<b>26,574</b>
Operating expenses	(3,635)	(20,006)	(3,628)	(198)	5,306	(22,161)
Depreciation, depletion and amortization of tangible assets and mineral interests	(1,056)	(320)	(148)	(7)	-	(1,531)
<b>Adjusted operating income</b>	<b>2,843</b>	<b>141</b>	<b>60</b>	<b>(162)</b>	<b>-</b>	<b>2,882</b>
Equity in income (loss) of affiliates and other items	347	37	2	235	-	621
Tax on net operating income	(1,739)	(22)	9	81	-	(1,671)
<b>Adjusted net operating income</b>	<b>1,451</b>	<b>156</b>	<b>71</b>	<b>154</b>	<b>-</b>	<b>1,832</b>
Net cost of net debt						(59)
Minority interests						(52)
<b>Adjusted net income</b>						<b>1,721</b>

2 <sup>nd</sup> quarter 2009 (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Total expenditures	2,664	825	115	30		3,634
Total divestments	105	26	8	719		858
Cash flow from operating activities	1,943	(28)	280	(256)		1,939

# 2

## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 1<sup>st</sup> half 2009

### Notes to the consolidated financial statements for the first six months of 2009 (unaudited)

2 <sup>nd</sup> quarter 2008 (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	5,739	36,990	5,478	(7)	-	48,200
Intersegment sales	7,862	1,497	449	37	(9,845)	-
Excise taxes	-	(4,900)	-	-	-	(4,900)
<b>Revenues from sales</b>	<b>13,601</b>	<b>33,587</b>	<b>5,927</b>	<b>30</b>	<b>(9,845)</b>	<b>43,300</b>
Operating expenses	(5,679)	(31,095)	(5,491)	(180)	9,845	(32,600)
Depreciation, depletion and amortization of tangible assets and mineral interests	(958)	(291)	(128)	(7)	-	(1,384)
<b>Operating income</b>	<b>6,964</b>	<b>2,201</b>	<b>308</b>	<b>(157)</b>	<b>-</b>	<b>9,316</b>
Equity in income (loss) of affiliates and other items	439	20	(11)	133	-	581
Tax on net operating income	(4,304)	(651)	(88)	78	-	(4,965)
<b>Net operating income</b>	<b>3,099</b>	<b>1,570</b>	<b>209</b>	<b>54</b>	<b>-</b>	<b>4,932</b>
Net cost of net debt						(57)
Minority interests						(143)
<b>Net income</b>						<b>4,732</b>

2 <sup>nd</sup> quarter 2008 (adjustments) <sup>(a)</sup> (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales						
Intersegment sales						
Excise taxes						
<b>Revenues from sales</b>						
Operating expenses	-	1,457	230	-		1,687
Depreciation, depletion and amortization of tangible assets and mineral interests	-	-	-	-		-
<b>Operating income<sup>(b)</sup></b>	<b>-</b>	<b>1,457</b>	<b>230</b>	<b>-</b>		<b>1,687</b>
Equity in income (loss) of affiliates and other items <sup>(c)</sup>	-	(10)	(22)	(96)		(128)
Tax on net operating income	-	(464)	(69)	-		(533)
<b>Net operating income<sup>(b)</sup></b>	<b>-</b>	<b>983</b>	<b>139</b>	<b>(96)</b>		<b>1,026</b>
Net cost of net debt						-
Minority interests						(17)
<b>Net income</b>						<b>1,009</b>

(a) Adjustments include special items, inventory valuation effect and equity share of adjustments related to Sanofi-Aventis

(b) Of which inventory valuation effect

On operating income	-	1,457	230	-		
On net operating income	-	1,018	153	-		

(c) Of which equity share of adjustments related to Sanofi-Aventis

	-	-	-	(78)		
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CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – 1<sup>st</sup> half 2009  
Notes to the consolidated financial statements for the first six months of 2009 (unaudited)

2 <sup>nd</sup> quarter 2008 (adjusted) (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	5,739	36,990	5,478	(7)	-	48,200
Intersegment sales	7,862	1,497	449	37	(9,845)	-
Excise taxes	-	(4,900)	-	-	-	(4,900)
<b>Revenues from sales</b>	<b>13,601</b>	<b>33,587</b>	<b>5,927</b>	<b>30</b>	<b>(9,845)</b>	<b>43,300</b>
Operating expenses	(5,679)	(32,552)	(5,721)	(180)	9,845	(34,287)
Depreciation, depletion and amortization of tangible assets and mineral interests	(958)	(291)	(128)	(7)	-	(1,384)
<b>Adjusted operating income</b>	<b>6,964</b>	<b>744</b>	<b>78</b>	<b>(157)</b>	<b>-</b>	<b>7,629</b>
Equity in income (loss) of affiliates and other items	439	30	11	229	-	709
Tax on net operating income	(4,304)	(187)	(19)	78	-	(4,432)
<b>Adjusted net operating income</b>	<b>3,099</b>	<b>587</b>	<b>70</b>	<b>150</b>	<b>-</b>	<b>3,906</b>
Net cost of net debt						(57)
Minority interests						(126)
<b>Ajusted net income</b>						<b>3,723</b>

2 <sup>nd</sup> quarter 2008 (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Total expenditures	2,076	514	221	57		2,868
Total divestments	565	128	12	21		726
Cash flow from operating activities	3,643	(1,391)	169	(499)		1,922

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CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
1<sup>st</sup> half 2009Notes to the consolidated financial statements for the first six months of 2009  
(unaudited)

## 9) Reconciliation between information by business segment and the consolidated statement of income

1 <sup>st</sup> half 2009 (M€)	Adjusted	Adjustments	Consolidated statement of income
Sales	61,471	-	61,471
Excise taxes	(9,429)	-	(9,429)
Revenues from sales	52,042	-	52,042
Purchases net of inventory variation	(33,070)	1,542	(31,528)
Other operating expenses	(9,213)	(186)	(9,399)
Exploration costs	(331)	-	(331)
Depreciation, depletion and amortization of tangible assets and mineral interests	(3,051)	(105)	(3,156)
Other income	80	41	121
Other expense	(113)	(190)	(303)
Financial interest on debt	(311)	-	(311)
Financial income from marketable securities & cash equivalents	95	-	95
Cost of net debt	(216)	-	(216)
Other financial income	399	-	399
Other financial expense	(163)	-	(163)
Equity in income (loss) of affiliates	966	(106)	860
Income taxes	(3,409)	(370)	(3,779)
<b>Consolidated net income</b>	<b>3,921</b>	<b>626</b>	<b>4,547</b>
Group share	3,834	625	4,459
Minority interests	87	1	88

1 <sup>st</sup> half 2008 (M€)	Adjusted	Adjustments	Consolidated statement of income
Sales	92,413	-	92,413
Excise taxes	(9,826)	-	(9,826)
Revenues from sales	82,587	-	82,587
Purchases net of inventory variation	(55,639)	2,062	(53,577)
Other operating expenses	(9,271)	-	(9,271)
Exploration costs	(393)	-	(393)
Depreciation, depletion and amortization of tangible assets and mineral interests	(2,678)	-	(2,678)
Other income	21	147	168
Other expense	(74)	(95)	(169)
Financial interest on debt	(461)	-	(461)
Financial income from marketable securities & cash equivalents	242	-	242
Cost of net debt	(219)	-	(219)
Other financial income	345	-	345
Other financial expense	(151)	-	(151)
Equity in income (loss) of affiliates	1,165	(81)	1,084
Income taxes	(8,496)	(652)	(9,148)
<b>Consolidated net income</b>	<b>7,197</b>	<b>1,381</b>	<b>8,578</b>
Group share	6,977	1,357	8,334
Minority interests	220	24	244



CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – 1<sup>st</sup> half 2009  
Notes to the consolidated financial statements for the first six months of 2009 (unaudited)

2 <sup>nd</sup> quarter 2009 (M€)	Adjusted	Adjustments	Consolidated statement of income
Sales	31,430	-	31,430
Excise taxes	(4,856)	-	(4,856)
Revenues from sales	26,574	-	26,574
Purchases net of inventory variation	(17,365)	1,065	(16,300)
Other operating expenses	(4,641)	(83)	(4,724)
Exploration costs	(155)	-	(155)
Depreciation, depletion and amortization of tangible assets and mineral interests	(1,531)	(105)	(1,636)
Other income	78	28	106
Other expense	(56)	(160)	(216)
Financial interest on debt	(140)	-	(140)
Financial income from marketable securities & cash equivalents	40	-	40
Cost of net debt	(100)	-	(100)
Other financial income	240	-	240
Other financial expense	(82)	-	(82)
Equity in income (loss) of affiliates	441	(48)	393
Income taxes	(1,630)	(247)	(1,877)
<b>Consolidated net income</b>	<b>1,773</b>	<b>450</b>	<b>2,223</b>
Group share	1,721	448	2,169
Minority interests	52	2	54

  

2 <sup>nd</sup> quarter 2008 (M€)	Adjusted	Adjustments	Consolidated statement of income
Sales	48,200	-	48,200
Excise taxes	(4,900)	-	(4,900)
Revenues from sales	43,300	-	43,300
Purchases net of inventory variation	(29,645)	1,687	(27,958)
Other operating expenses	(4,439)	-	(4,439)
Exploration costs	(203)	-	(203)
Depreciation, depletion and amortization of tangible assets and mineral interests	(1,384)	-	(1,384)
Other income	13	2	15
Other expense	(26)	(95)	(121)
Financial interest on debt	(204)	-	(204)
Financial income from marketable securities & cash equivalents	113	-	113
Cost of net debt	(91)	-	(91)
Other financial income	229	-	229
Other financial expense	(80)	-	(80)
Equity in income (loss) of affiliates	573	(35)	538
Income taxes	(4,398)	(533)	(4,931)
<b>Consolidated net income</b>	<b>3,849</b>	<b>1,026</b>	<b>4,875</b>
Group share	3,723	1,009	4,732
Minority interests	126	17	143











**TOTAL S.A.**

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