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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 30, 2019
TOTAL S.A.
2, Place Jean Millier - 92400 Courbevoie
*This report contains 28 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 30, 2019

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 30, 2019.

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.

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.

Without qualifying the conclusion expressed above, we draw your attention to Note 1 to the interim condensed consolidated financial statements which outlines the change in accounting method regarding the first-time application of IFRS 16 "Leases".

Paris La Défense, October 29, 2019

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*

Laurent Vitse
*Associé*

Céline Eydieu-Boutté
*Associée*

## CONSOLIDATED STATEMENT OF INCOME

### TOTAL

*(unaudited)*

| (M$)[a] | 3rd quarter 2019 | 2nd quarter 2019 | 3rd quarter 2018 |
|---|---|---|---|
| **Sales** | **48,589** | **51,242** | **54,717** |
| Excise taxes | (6,051) | (6,040) | (6,317) |
| Revenues from sales | 42,538 | 45,202 | 48,400 |
| Purchases, net of inventory variation | (27,898) | (30,390) | (32,351) |
| Other operating expenses | (6,362) | (7,078) | (6,873) |
| Exploration costs | (96) | (170) | (234) |
| Depreciation, depletion and impairment of tangible assets and mineral interests | (4,173) | (3,661) | (3,279) |
| Other income | 167 | 321 | 581 |
| Other expense | (559) | (189) | (355) |
| Financial interest on debt | (598) | (568) | (536) |
| Financial income and expense from cash & cash equivalents | - | (42) | (63) |
| Cost of net debt | (598) | (610) | (599) |
| Other financial income | 163 | 326 | 290 |
| Other financial expense | (178) | (188) | (171) |
| Net income (loss) from equity affiliates | 1,381 | 812 | 918 |
| Income taxes | (1,540) | (1,571) | (2,240) |
| **Consolidated net income** | **2,845** | **2,804** | **4,087** |
| Group share | 2,800 | 2,756 | 3,957 |
| Non-controlling interests | 45 | 48 | 130 |
| Earnings per share ($) | 1.05 | 1.01 | 1.48 |
| Fully-diluted earnings per share ($) | 1.04 | 1.00 | 1.47 |

*(a) Except for per share amounts.*

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## TOTAL

*(unaudited)*

| (M$) | 3rd quarter 2019 | 2nd quarter 2019 | 3rd quarter 2018 |
|---|---|---|---|
| **Consolidated net income** | **2,845** | **2,804** | **4,087** |
| **Other comprehensive income** | | | |
| Actuarial gains and losses | 5 | (223) | 33 |
| Change in fair value of investments in equity instruments | 19 | 74 | (2) |
| Tax effect | (1) | 59 | (13) |
| Currency translation adjustment generated by the parent company | (3,520) | 1,057 | (511) |
| **Items not potentially reclassifiable to profit and loss** | **(3,497)** | **967** | **(493)** |
| Currency translation adjustment | 1,207 | (619) | 93 |
| Cash flow hedge | (202) | (246) | 55 |
| Variation of foreign currency basis spread | (4) | 43 | (39) |
| Share of other comprehensive income of equity affiliates, net amount | 73 | (135) | (142) |
| Other | (6) | 1 | (2) |
| Tax effect | 69 | 69 | (9) |
| **Items potentially reclassifiable to profit and loss** | **1,137** | **(887)** | **(44)** |
| **Total other comprehensive income (net amount)** | **(2,360)** | **80** | **(537)** |
| **Comprehensive income** | **485** | **2,884** | **3,550** |
| *Group share* | *462* | *2,797* | *3,436* |
| *Non-controlling interests* | *23* | *87* | *114* |

## CONSOLIDATED STATEMENT OF INCOME

### TOTAL

*(unaudited)*

| (M$)[a] | 9 months 2019 | 9 months 2018 |
|---|---|---|
| **Sales** | **151,036** | **156,868** |
| Excise taxes | (18,172) | (19,074) |
| Revenues from sales | 132,864 | 137,794 |
| Purchases, net of inventory variation | (88,009) | (92,396) |
| Other operating expenses | (20,165) | (20,571) |
| Exploration costs | (554) | (596) |
| Depreciation, depletion and impairment of tangible assets and mineral interests | (11,300) | (9,630) |
| Other income | 735 | 1,356 |
| Other expense | (957) | (958) |
| Financial interest on debt | (1,727) | (1,404) |
| Financial income and expense from cash & cash equivalents | (70) | (158) |
| Cost of net debt | (1,797) | (1,562) |
| Other financial income | 649 | 851 |
| Other financial expense | (561) | (500) |
| Net income (loss) from equity affiliates | 2,904 | 2,505 |
| Income taxes | (5,020) | (5,923) |
| **Consolidated net income** | **8,789** | **10,370** |
| Group share | 8,667 | 10,314 |
| Non-controlling interests | 122 | 56 |
| Earnings per share ($) | 3.22 | 3.87 |
| Fully-diluted earnings per share ($) | 3.20 | 3.85 |

*(a) Except for per share amounts.*

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## TOTAL

*(unaudited)*

| (M$) | 9 months 2019 | 9 months 2018 |
|---|---|---|
| **Consolidated net income** | **8,789** | **10,370** |
| **Other comprehensive income** | | |
| Actuarial gains and losses | (54) | 100 |
| Change in fair value of investments in equity instruments | 126 | 3 |
| Tax effect | 13 | (31) |
| Currency translation adjustment generated by the parent company | (3,994) | (3,141) |
| **Items not potentially reclassifiable to profit and loss** | **(3,909)** | **(3,069)** |
| Currency translation adjustment | 1,394 | 1,061 |
| Cash flow hedge | (575) | 310 |
| Variation of foreign currency basis spread | 50 | (66) |
| Share of other comprehensive income of equity affiliates, net amount | 326 | (274) |
| Other | (4) | (4) |
| Tax effect | 176 | (84) |
| **Items potentially reclassifiable to profit and loss** | **1,367** | **943** |
| **Total other comprehensive income (net amount)** | **(2,542)** | **(2,126)** |
| **Comprehensive income** | **6,247** | **8,244** |
| *Group share* | *6,099* | *8,242* |
| *Non-controlling interests* | *148* | *2* |

## CONSOLIDATED BALANCE SHEET

**TOTAL**

| (M$) | September 30, 2019 *(unaudited)* | June 30, 2019 *(unaudited)* | December 31, 2018 | September 30, 2018 *(unaudited)* |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Intangible assets, net | 31,539 | 29,229 | 28,922 | 27,356 |
| Property, plant and equipment, net | 116,900 | 118,063 | 113,324 | 115,136 |
| Equity affiliates : investments and loans | 27,172 | 26,473 | 23,444 | 23,402 |
| Other investments | 1,738 | 1,660 | 1,421 | 1,602 |
| Non-current financial assets | 767 | 771 | 680 | 1,129 |
| Deferred income taxes | 5,689 | 6,022 | 6,663 | 5,186 |
| Other non-current assets | 2,264 | 2,306 | 2,509 | 3,167 |
| **Total non-current assets** | **186,069** | **184,524** | **176,963** | **176,978** |
| **Current assets** | | | | |
| Inventories, net | 16,226 | 16,410 | 14,880 | 19,689 |
| Accounts receivable, net | 18,568 | 20,349 | 17,270 | 20,010 |
| Other current assets | 14,925 | 15,958 | 14,724 | 18,613 |
| Current financial assets | 3,781 | 3,536 | 3,654 | 3,553 |
| Cash and cash equivalents | 27,454 | 26,723 | 27,907 | 25,252 |
| Assets classified as held for sale | 418 | - | 1,364 | 207 |
| **Total current assets** | **81,372** | **82,976** | **79,799** | **87,324** |
| **Total assets** | **267,441** | **267,500** | **256,762** | **264,302** |
| **LIABILITIES & SHAREHOLDERS' EQUITY** | | | | |
| **Shareholders' equity** | | | | |
| Common shares | 8,300 | 8,301 | 8,227 | 8,304 |
| Paid-in surplus and retained earnings | 123,805 | 123,351 | 120,569 | 123,167 |
| Currency translation adjustment | (13,297) | (11,177) | (11,313) | (10,321) |
| Treasury shares | (3,814) | (3,613) | (1,843) | (2,957) |
| **Total shareholders' equity - Group share** | **114,994** | **116,862** | **115,640** | **118,193** |
| **Non-controlling interests** | **2,319** | **2,362** | **2,474** | **2,430** |
| **Total shareholders' equity** | **117,313** | **119,224** | **118,114** | **120,623** |
| **Non-current liabilities** | | | | |
| Deferred income taxes | 11,333 | 11,486 | 11,490 | 12,138 |
| Employee benefits | 3,273 | 3,375 | 3,363 | 3,308 |
| Provisions and other non-current liabilities | 20,903 | 21,629 | 21,432 | 18,740 |
| Non-current financial debt | 47,923 | 45,394 | 40,129 | 41,088 |
| **Total non-current liabilities** | **83,432** | **81,884** | **76,414** | **75,274** |
| **Current liabilities** | | | | |
| Accounts payable | 26,237 | 27,059 | 26,134 | 28,100 |
| Other creditors and accrued liabilities | 24,728 | 22,686 | 22,246 | 24,429 |
| Current borrowings | 14,631 | 16,221 | 13,306 | 15,180 |
| Other current financial liabilities | 769 | 426 | 478 | 669 |
| Liabilities directly associated with the assets classified as held for sale | 331 | - | 70 | 27 |
| **Total current liabilities** | **66,696** | **66,392** | **62,234** | **68,405** |
| **Total liabilities & shareholders' equity** | **267,441** | **267,500** | **256,762** | **264,302** |

## CONSOLIDATED STATEMENT OF CASH FLOW

### TOTAL

*(unaudited)*

| (M$) | 3rd quarter 2019 | 2nd quarter 2019 | 3rd quarter 2018 |
|---|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| Consolidated net income | 2,845 | 2,804 | 4,087 |
| Depreciation, depletion, amortization and impairment | 4,242 | 3,819 | 3,477 |
| Non-current liabilities, valuation allowances and deferred taxes | 235 | 239 | 320 |
| (Gains) losses on disposals of assets | (74) | (191) | (267) |
| Undistributed affiliates' equity earnings | (876) | (168) | (416) |
| (Increase) decrease in working capital | 1,523 | (317) | (1,578) |
| Other changes, net | 311 | 65 | 113 |
| **Cash flow from operating activities** | **8,206** | **6,251** | **5,736** |
| **CASH FLOW USED IN INVESTING ACTIVITIES** | | | |
| Intangible assets and property, plant and equipment additions | (2,210) | (2,881) | (3,352) |
| Acquisitions of subsidiaries, net of cash acquired | (4,385) | (208) | (2,714) |
| Investments in equity affiliates and other securities | (258) | (437) | (271) |
| Increase in non-current loans | (242) | (370) | (147) |
| **Total expenditures** | **(7,095)** | **(3,896)** | **(6,484)** |
| Proceeds from disposals of intangible assets and property, plant and equipment | 63 | 155 | 113 |
| Proceeds from disposals of subsidiaries, net of cash sold | (1) | (1) | (11) |
| Proceeds from disposals of non-current investments | 40 | 58 | 107 |
| Repayment of non-current loans | 162 | 353 | 688 |
| **Total divestments** | **264** | **565** | **897** |
| **Cash flow used in investing activities** | **(6,831)** | **(3,331)** | **(5,587)** |
| **CASH FLOW USED IN FINANCING ACTIVITIES** | | | |
| Issuance (repayment) of shares: | | | |
| - Parent company shareholders | 1 | 449 | 16 |
| - Treasury shares | (420) | (1,279) | (844) |
| Dividends paid: | | | |
| - Parent company shareholders | - | (2,935) | - |
| - Non-controlling interests | (21) | (93) | (9) |
| Net issuance (repayment) of perpetual subordinated notes | - | - | - |
| Payments on perpetual subordinated notes | - | (175) | - |
| Other transactions with non-controlling interests | - | - | (621) |
| Net issuance (repayment) of non-current debt | 4,466 | 2,331 | 2,146 |
| Increase (decrease) in current borrowings | (3,209) | 37 | (1,965) |
| Increase (decrease) in current financial assets and liabilities | (310) | (164) | 69 |
| **Cash flow from (used in) financing activities** | **507** | **(1,829)** | **(1,208)** |
| **Net increase (decrease) in cash and cash equivalents** | **1,882** | **1,091** | **(1,059)** |
| Effect of exchange rates | (1,151) | 200 | (164) |
| Cash and cash equivalents at the beginning of the period | 26,723 | 25,432 | 26,475 |
| **Cash and cash equivalents at the end of the period** | **27,454** | **26,723** | **25,252** |

# CONSOLIDATED STATEMENT OF CASH FLOW

## TOTAL

*(unaudited)*

| (M$) | 9 months 2019 | 9 months 2018 |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| Consolidated net income | 8,789 | 10,370 |
| Depreciation, depletion, amortization and impairment | 11,777 | 10,031 |
| Non-current liabilities, valuation allowances and deferred taxes | 614 | 469 |
| (Gains) losses on disposals of assets | (438) | (540) |
| Undistributed affiliates' equity earnings | (1,350) | (973) |
| (Increase) decrease in working capital | (1,764) | (5,656) |
| Other changes, net | 458 | 362 |
| **Cash flow from operating activities** | **18,086** | **14,063** |
| **CASH FLOW USED IN INVESTING ACTIVITIES** | | |
| Intangible assets and property, plant and equipment additions | (7,795) | (12,530) |
| Acquisitions of subsidiaries, net of cash acquired | (4,593) | (3,428) |
| Investments in equity affiliates and other securities | (1,448) | (579) |
| Increase in non-current loans | (742) | (458) |
| **Total expenditures** | **(14,578)** | **(16,995)** |
| Proceeds from disposals of intangible assets and property, plant and equipment | 226 | 2,395 |
| Proceeds from disposals of subsidiaries, net of cash sold | 145 | (15) |
| Proceeds from disposals of non-current investments | 306 | 691 |
| Repayment of non-current loans | 649 | 1,685 |
| **Total divestments** | **1,326** | **4,756** |
| **Cash flow used in investing activities** | **(13,252)** | **(12,239)** |
| **CASH FLOW USED IN FINANCING ACTIVITIES** | | |
| Issuance (repayment) of shares: | | |
| - Parent company shareholders | 451 | 498 |
| - Treasury shares | (2,190) | (2,584) |
| Dividends paid: | | |
| - Parent company shareholders | (4,765) | (4,208) |
| - Non-controlling interests | (114) | (93) |
| Net issuance (repayment) of perpetual subordinated notes | - | - |
| Payments on perpetual subordinated notes | (315) | (266) |
| Other transactions with non-controlling interests | (150) | (621) |
| Net issuance (repayment) of non-current debt | 8,047 | (282) |
| Increase (decrease) in current borrowings | (4,698) | (996) |
| Increase (decrease) in current financial assets and liabilities | (368) | (555) |
| **Cash flow from (used in) financing activities** | **(4,102)** | **(9,107)** |
| **Net increase (decrease) in cash and cash equivalents** | **732** | **(7,283)** |
| Effect of exchange rates | (1,185) | (650) |
| Cash and cash equivalents at the beginning of the period | 27,907 | 33,185 |
| **Cash and cash equivalents at the end of the period** | **27,454** | **25,252** |

# 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, 2018** | **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 | - | - | - | - | - | - | - | - | - |
| Net issuance (repayment) 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** |
| Net income of the fourth quarter 2018 | - | - | 1,132 | - | - | - | 1,132 | 48 | 1,180 |
| Other comprehensive income | - | - | (361) | (992) | - | - | (1,353) | (15) | (1,368) |
| **Comprehensive Income** | **-** | **-** | **771** | **(992)** | **-** | **-** | **(221)** | **33** | **(188)** |
| Dividend | - | - | (1,803) | - | - | - | (1,803) | (4) | (1,807) |
| Issuance of common shares | 18,809,197 | 54 | 1,101 | - | - | - | 1,155 | - | 1,155 |
| Purchase of treasury shares | - | - | - | - | (27,719,309) | (1,588) | (1,588) | - | (1,588) |
| Sale of treasury shares[(a)] | - | - | 1 | - | - | (1) | - | - | - |
| Share-based payments | - | - | 48 | - | - | - | 48 | - | 48 |
| Share cancellation | (44,590,699) | (131) | (2,572) | - | 44,590,699 | 2,703 | - | - | - |
| Net issuance (repayment) of perpetual subordinated notes | - | - | - | - | - | - | - | - | - |
| Payments on perpetual subordinated notes | - | - | (76) | - | - | - | (76) | - | (76) |
| Other operations with non-controlling interests | - | - | (62) | - | - | - | (62) | (42) | (104) |
| Other items | - | - | (6) | - | - | - | (6) | 57 | 51 |
| **As of December 31, 2018** | **2,640,602,007** | **8,227** | **120,569** | **(11,313)** | **(32,473,281)** | **(1,843)** | **115,640** | **2,474** | **118,114** |
| Net income of the first nine months 2019 | - | - | 8,667 | - | - | - | 8,667 | 122 | 8,789 |
| Other comprehensive income | - | - | (584) | (1,984) | - | - | (2,568) | 26 | (2,542) |
| **Comprehensive income** | **-** | **-** | **8,083** | **(1,984)** | **-** | **-** | **6,099** | **148** | **6,247** |
| Dividend | - | - | (5,781) | - | - | - | (5,781) | (114) | (5,895) |
| Issuance of common shares | 26,388,503 | 73 | 1,269 | - | - | - | 1,342 | - | 1,342 |
| Purchase of treasury shares | - | - | - | - | (40,871,207) | (2,189) | (2,189) | - | (2,189) |
| Sale of treasury shares[(a)] | - | - | (218) | - | 4,278,158 | 218 | - | - | - |
| Share-based payments | - | - | 157 | - | - | - | 157 | - | 157 |
| Share cancellation | - | - | - | - | - | - | - | - | - |
| Net issuance (repayment) of perpetual subordinated notes | - | - | (4) | - | - | - | (4) | - | (4) |
| Payments on perpetual subordinated notes | - | - | (280) | - | - | - | (280) | - | (280) |
| Other operations with non-controlling interests | - | - | - | - | - | - | - | (150) | (150) |
| Other items | - | - | 10 | - | - | - | 10 | (39) | (29) |
| **As of September 30, 2019** | **2,666,990,510** | **8,300** | **123,805** | **(13,297)** | **(69,066,330)** | **(3,814)** | **114,994** | **2,319** | **117,313** |

[(a)] *Treasury shares related to the restricted stock grants.*

# TOTAL

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

# FOR THE FIRST NINE MONTHS 2019

*(unaudited)*

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## 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 2019, 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, 2019, are consistent with those used for the financial statements at December 31, 2018, with the exception of standards or amendments that must be applied for periods beginning January 1, 2019.

➢ ***First-time application of IFRS 16 "Leases"***

As part of the first application of IFRS 16 "Leases" as of January 1, 2019, the Group:

- applied the simplified retrospective transition method, accounting for the cumulative effect of the initial application of the standard at the date of first application, without restating the comparative periods;

- used the following simplification measures provided by the standard in the transitional provisions:
  - exclusion of contracts that the Group had not previously identified as containing a lease under IAS 17 and IFRIC 4,
  - exclusion of leases whose term ends within 12 months of the date of first application;

- recognized each lease component as a separate lease, separately from non-lease components of the lease (services);

- applied the two exemptions of the standard on short-term leases and leases of low-value assets.

Further to the review of leases entered into as part of joint operations, in accordance with the IFRS Interpretations Committee (IFRIC) decision, all liabilities related to such leases have been recognized as at September 30, 2019 when the group has primary responsibility of the lease payments. When the right of use of the asset is jointly controlled by the group and the other partners, a financial receivable has been recognized for the portion of the asset transferred to the partners.

The impact of the application of this standard as at January 1, 2019 is $5,698 million on fixed assets, $(5,505) million on net debt and $(193) million on other assets and liabilities. The weighted average incremental borrowing rate at the transition date is 4.5%.

The impact on fixed assets is broken down as follows:
(in M$)

| | |
|---|---|
| Right of use of buildings | 2,278 |
| Right of use of machinery, plant and equipment (including transportation equipment) | 2,632 |
| Other right of use | 788 |
| **Total** | **5,698** |

## 2) Changes in the Group structure

### *2.1) Main acquisitions and divestments*

➢ **Integrated Gas, Renewables & Power**

- On March 4, 2019, Total and Novatek signed a definitive agreement for the acquisition of a 10% direct interest by Total in Arctic LNG 2, a major liquefied natural gas development led by Novatek on the Gydan Peninsula, Russia.

- On March 15, 2019, TOTAL finalized the sale of 4% of its interest in the Ichthys liquefied natural gas (LNG) project in Australia to operating partner INPEX, reducing its interest in the project from 30% to 26%.

- On August 30, 2019, TOTAL finalized an agreement with Toshiba to take over its portfolio of liquefied natural gas (LNG) in the United States. This portfolio includes a 20-year tolling agreement and the corresponding gas transportation agreements. Under the transaction, TOTAL acquired all the shares of Toshiba America LNG corporation and was assigned all contracts related to their LNG business by Toshiba Energy Systems and Solutions Corp.

- On September 27, 2019, TOTAL finalized the acquisition of Anadarko's 26.5% interest in the Mozambique LNG project. This closing comes after TOTAL reached a binding agreement with Occidental on May 3, 2019, to acquire Anadarko's assets in Africa (Mozambique, Algeria, Ghana and South Africa) and signed the subsequent Purchase and Sale Agreement on August 3, 2019. This first transaction follows receipt of all requisite approvals by the relevant authorities and partners.

➢ **Exploration & Production**

- On April 1, 2019, Total acquired all the share capital of Chevron Denmark Inc. which holds a 12% interest in the Danish Underground Consortium (DUC), a 12% interest in Licence 8/06, and a 7.5% interest in the Tyra West pipeline. The acquisition increased Total's operated share of DUC from 31.2% to 43.2%.

### *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.

➢ **Integrated Gas, Renewables & Power**

**Anadarko Mozambique**

- The Group acquired on September 27, 2019, 100% of the shares of Anadarko Mozambique affiliate which holds a 26.5% interest in the Mozambique LNG project for a purchase price of $4,426 million and recorded a preliminary goodwill for an amount of $134 million. The purchase price may be adjusted within 90 days of the acquisition date in accordance with the share purchase agreement.

The preliminary purchase price allocation is shown below:

| (M$) | At the acquisition date |
|---|---|
| *Goodwill* | 134 |
| Intangible assets | 2,812 |
| Tangible assets | 1,534 |
| Other assets and liabilities | (134) |
| Net debt | 80 |
| **Fair value of consideration** | **4,426** |

### *2.3) Divestment projects*

- **Exploration & Production**

- On July 10, 2019, Total announced the signature of an agreement to divest several UK non-core assets to Petrogas NEO UK Ltd. The overall consideration for this deal that is subject to approval from the relevant authorities amounts to $635 million. At September 30, 2019, the assets and liabilities have been respectively classified in the consolidated balance sheet in “assets classified as held for sale” for an amount of $418 million and in “liabilities directly associated with the assets classified as held for sale” for an amount of $331 million. The assets concerned mainly include mineral interests and tangible assets.

## 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 profitable growth in the gas and low carbon electricity integrated value chains is one of the key axes of Total’s strategy. In order to give more visibility to these businesses, a new reporting structure for the business segments’ financial information has been put in place, effective January 1, 2019.

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

- An Exploration & Production segment;
- An Integrated Gas, Renewables & Power segment comprising integrated gas (including LNG) and low carbon electricity businesses. It includes the upstream and midstream LNG activity that was previously reported in the EP segment;
- 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.

Certain figures for the years 2017 and 2018 have been restated in order to reflect the new organization.

**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 | Integrated Gas, Renewables & Power | Refining & Chemicals | Marketing & Services | Corporate | Total |
|---|---|---|---|---|---|---|---|
| **3rd quarter 2019** | Inventory valuation effect | - | - | (94) | 25 | - | (69) |
| | Effect of changes in fair value | - | 12 | - | - | - | 12 |
| | Restructuring charges | - | (2) | - | - | - | (2) |
| | Asset impairment charges | (153) | (9) | (22) | (2) | - | (186) |
| | Other items | (100) | (39) | (2) | (3) | - | (144) |
| **Total** | | **(253)** | **(38)** | **(118)** | **20** | **-** | **(389)** |
| **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** |
| **9 months 2019** | Inventory valuation effect | - | - | 392 | 65 | - | 457 |
| | Effect of changes in fair value | - | (74) | - | - | - | (74) |
| | Restructuring charges | - | (2) | - | - | - | (2) |
| | Asset impairment charges | (196) | (20) | (32) | (2) | - | (250) |
| | Other items | (100) | (151) | (39) | (3) | - | (293) |
| **Total** | | **(296)** | **(247)** | **321** | **60** | **-** | **(162)** |
| **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)** |

**ADJUSTMENTS TO NET INCOME, GROUP SHARE**

| (M$) | | Exploration & Production | Integrated Gas, Renewables & Power | Refining & Chemicals | Marketing & Services | Corporate | Total |
|---|---|---|---|---|---|---|---|
| **3rd quarter 2019** | Inventory valuation effect | - | - | (89) | 18 | - | (71) |
| | Effect of changes in fair value | - | 10 | - | - | - | 10 |
| | Restructuring charges | (5) | (13) | (2) | - | - | (20) |
| | Asset impairment charges | (132) | (5) | (22) | (1) | - | (160) |
| | Gains (losses) on disposals of assets | - | - | - | - | - | - |
| | Other items | (357) | 452 | (19) | (52) | - | 24 |
| **Total** | | **(494)** | **444** | **(132)** | **(35)** | **-** | **(217)** |
| **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)** |
| **9 months 2019** | Inventory valuation effect | - | - | 252 | 37 | - | 289 |
| | Effect of changes in fair value | - | (59) | - | - | - | (59) |
| | Restructuring charges | (5) | (29) | (19) | - | - | (53) |
| | Asset impairment charges | (175) | (11) | (30) | (1) | - | (217) |
| | Gains (losses) on disposals of assets | - | - | - | - | - | - |
| | Other items | (357) | 526 | (67) | (58) | - | 44 |
| **Total** | | **(537)** | **427** | **136** | **(22)** | **-** | **4** |
| **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 | (56) | (118) | (17) | (17) | (41) | (249) |
| **Total** | | **(229)** | **(407)** | **524** | **72** | **(41)** | **(81)** |

## 4) Shareholders' equity

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

In accordance with the February 2018 announcements regarding the shareholder return policy over 2018-2020, confirmed in 2019, TOTAL S.A. has been repurchasing its own shares.

TOTAL S.A. has also repurchased shares to be allocated to free share grant plans.

As a result, as of September 30, 2019, TOTAL S.A. directly holds 69,066,330 TOTAL shares, representing 2.59% of its share capital, which are deducted from the consolidated shareholders' equity and allocated as follows:

| | | |
|---|---|---|
| **Shares to be cancelled (1)** | | **65,109,435** |
| | Repurchased during Q4 2018 | 27,360,278 |
| | Repurchased during Q1 2019 | 7,374,542 |
| | Repurchased during Q2 2019 | 22,395,690 |
| | Repurchased during Q3 2019 | 7,978,925 |
| **Shares to be allocated as part of free share grant plans (2)** | | **3,956,895** |
| | 2017 Plan | 3,890,769 |
| | 2018 Plan | 0 |
| | Other Plans | 66,126 |
| **Treasury shares Total (1)+(2)** | | **69,066,330** |

### Dividend

Further to its decision of September 23, 2019 to accelerate the dividend growth, the Board of Directors held on October 29, 2019, set the third interim dividend for the fiscal year 2019 at €0.68 per share, a 3% increase compared to the first two interim dividends for this fiscal year. This interim dividend will be detached on March 30, 2020 and paid in cash on April 1, 2020.

| **Dividend 2019** | **First interim** | **Second interim** | **Third interim** |
|---|---|---|---|
| Amount | 0.66 € | 0.66 € | 0.68 € |
| Set date | April 25, 2019 | July 24, 2019 | October 29, 2019 |
| Ex-dividend date | September 27, 2019 | January 6, 2020 | March 30, 2020 |
| Payment date | October 1, 2019 | January 8, 2020 | April 1, 2020 |

### Earnings per share in Euro

Earnings per share in Euro, calculated from the earnings per share in U.S. dollars converted at the average Euro/USD exchange rate for the period, amounted to €0.95 per share for the 3rd quarter 2019 (€0.89 per share for the 2nd quarter 2019 and €1.27 per share for the 3rd quarter 2018). Diluted earnings per share calculated using the same method amounted to €0.94 per share for the 3rd quarter 2019 (€0.89 per share for the 2nd quarter 2019 and €1.26 per share for the 3rd quarter 2018).

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

### Perpetual subordinated notes

The Group has issued perpetual subordinated notes in April 2019:

- Perpetual subordinated notes 1.750% callable in 2024 (EUR 1,500 million).

The Group has tendered perpetual subordinated in April 2019:

- Perpetual subordinated notes 2.250% callable in 2021 (EUR 1,500 million).

## Other comprehensive income

Detail of other comprehensive income is presented in the table below:

| (M$) | | 9 months 2019 | | 9 months 2018 |
|---|---|---|---|---|
| Actuarial gains and losses | | (54) | | 100 |
| Change in fair value of investments in equity instruments | | 126 | | 3 |
| Tax effect | | 13 | | (31) |
| Currency translation adjustment generated by the parent company | | (3,994) | | (3,141) |
| **Sub-total items not potentially reclassifiable to profit and loss** | | **(3,909)** | | **(3,069)** |
| **Currency translation adjustment** | | **1,394** | | **1,061** |
| - unrealized gain/(loss) of the period | 1,449 | | 1,186 | |
| - less gain/(loss) included in net income | 55 | | 125 | |
| **Cash flow hedge** | | **(575)** | | **310** |
| - unrealized gain/(loss) of the period | (533) | | 241 | |
| - less gain/(loss) included in net income | 42 | | (69) | |
| **Variation of foreign currency basis spread** | | **50** | | **(66)** |
| - unrealized gain/(loss) of the period | 6 | | (66) | |
| - less gain/(loss) included in net income | (44) | | - | |
| **Share of other comprehensive income of equity affiliates, net amount** | | **326** | | **(274)** |
| - unrealized gain/(loss) of the period | 335 | | (234) | |
| - less gain/(loss) included in net income | 9 | | 40 | |
| **Other** | | **(4)** | | **(4)** |
| **Tax effect** | | **176** | | **(84)** |
| **Sub-total items potentially reclassifiable to profit and loss** | | **1,367** | | **943** |
| **Total other comprehensive income, net amount** | | **(2,542)** | | **(2,126)** |

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

| (M$) | 9 months 2019 | | | 9 months 2018 | | |
|---|---|---|---|---|---|---|
| | **Pre-tax amount** | **Tax effect** | **Net amount** | **Pre-tax amount** | **Tax effect** | **Net amount** |
| Actuarial gains and losses | (54) | 16 | (38) | 100 | (31) | 69 |
| Change in fair value of investments in equity instruments | 126 | (3) | 123 | 3 | - | 5 |
| Currency translation adjustment generated by the parent company | (3,994) | - | (3,994) | (3,141) | - | (3,141) |
| **Sub-total items not potentially reclassifiable to profit and loss** | **(3,922)** | **13** | **(3,909)** | **(3,038)** | **(31)** | **(3,069)** |
| Currency translation adjustment | 1,394 | - | 1,394 | 1,061 | - | 1,061 |
| Cash flow hedge | (575) | 193 | (382) | 310 | (101) | 209 |
| Variation of foreign currency basis spread | 50 | (17) | 33 | (66) | 17 | (49) |
| Share of other comprehensive income of equity affiliates, net amount | 326 | - | 326 | (274) | - | (274) |
| Other | (4) | - | (4) | (4) | - | (4) |
| **Sub-total items potentially reclassifiable to profit and loss** | **1,191** | **176** | **1,367** | **1,027** | **(84)** | **943** |
| **Total other comprehensive income** | **(2,731)** | **189** | **(2,542)** | **(2,011)** | **(115)** | **(2,126)** |

## 5) Financial debt

The Group has issued bonds during the first nine months of 2019:

- Bond 3.455% 2019-2029 (USD 1,250 million);
- Bond 1.660% 2019-2026 (GBP 500 million);
- Bond 0.696% 2019-2028 (EUR 650 million);
- Bond 1.535% 2019-2039 (EUR 650 million);
- Bond 0.166% 2019-2029 (CHF 200 million);
- Bond 2.218% 2019-2021 (USD 750 million);
- Bond 2.434% 2019-2025 (USD 1,000 million);
- Bond 2.829% 2019-2030 (USD 1,250 million);
- Bond 3.461% 2019-2049 (USD 1,000 million);
- Bond 1.405% 2019-2031 (GBP 400 million).

The Group reimbursed bonds during the first nine months of 2019:

- Bond 4.875% issued in 2009 and maturing in January 2019 (EUR 1,200 million);
- Bond 2.125% issued in 2014 and maturing in January 2019 (USD 750 million);
- Bond 4.125% issued in 2014 and maturing in March 2019 (AUD 150 million);
- Bond 4.180% issued in 2009 and maturing in June 2019 (HKD 750 million);
- Bond 2.100% issued in 2014 and maturing in June 2019 (USD 1,000 million);
- Bond USD 3-month Libor + 35 basis points issued in 2014 and maturing in June 2019 (USD 250 million);
- Bond 3.750% issued in 2014 and maturing in June 2019 (AUD 100 million);
- Bond 5.000% issued in 2014 and maturing in July 2019 (NZD 100 million);
- Bond GBP 3 month Libor + 30 basis points issued in 2014 and maturing in July 2019 (GBP 275 million);

- Bond USD 3-month Libor + 38 basis points issued in 2014 and maturing in September 2019 (USD 200 million);
- Bond 3.750% issued in 2014 and maturing in September 2019 (AUD 100 million).

The Group's financial debt increased by $5,555 million following the first application of IFRS 16 as at January 1, 2019. Impact on net debt included a sub lease financial asset of $50 million and resulted in an increase of $5,505 million.

## 6) Related parties

The related parties are principally equity affiliates and non-consolidated investments.

In March 2019, the Group signed final agreements for the acquisition of a 10% direct interest in Arctic LNG2 with Novatek, in which TOTAL holds an interest of 19.40%. In July 2019, Novatek sold an additional 30% of Arctic LNG 2 to CNPC, CNOOC and Japan Arctic LNG. For the period ending September 30, 2019, the Group recognized its share of net income generated by these transactions in Novatek's financial statements, except for the impact of the 10% purchased by TOTAL, that has been eliminated.

## 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.

**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 launched to seek damages from these three companies, 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 on May 4, 2018. In September 2019, a Californian city publicly announced the launching of a collective action against these three companies on the same legal basis.

**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 2019<br>(M$) | Exploration & Production | Integrated Gas, Renewables & Power | Refining & Chemicals | Marketing & Services | Corporate | Intercompany | Total |
|---|---|---|---|---|---|---|---|
| Non-Group sales | 5,698 | 13,875 | 65,558 | 65,901 | 4 | - | 151,036 |
| Intersegment sales | 23,063 | 1,832 | 24,651 | 456 | 78 | (50,080) | - |
| Excise taxes | - | - | (2,250) | (15,922) | - | - | (18,172) |
| **Revenues from sales** | **28,761** | **15,707** | **87,959** | **50,435** | **82** | **(50,080)** | **132,864** |
| Operating expenses | (12,233) | (13,845) | (84,020) | (48,141) | (569) | 50,080 | (108,728) |
| Depreciation, depletion and impairment of tangible assets and mineral interests | (8,352) | (1,004) | (1,176) | (717) | (51) | - | (11,300) |
| **Operating income** | **8,176** | **858** | **2,763** | **1,577** | **(538)** | **-** | **12,836** |
| Net income (loss) from equity affiliates and other items | 444 | 1,939 | 265 | 86 | 36 | - | 2,770 |
| Tax on net operating income | (3,679) | (845) | (467) | (498) | 194 | - | (5,295) |
| **Net operating income** | **4,941** | **1,952** | **2,561** | **1,165** | **(308)** | **-** | **10,311** |
| Net cost of net debt | | | | | | | (1,522) |
| Non-controlling interests | | | | | | | (122) |
| **Net income - group share** | | | | | | | **8,667** |

| 9 months 2019 (adjustments)[a]<br>(M$) | Exploration & Production | Integrated Gas, Renewables & Power | Refining & Chemicals | Marketing & Services | Corporate | Intercompany | Total |
|---|---|---|---|---|---|---|---|
| Non-Group sales | - | (74) | - | - | - | - | (74) |
| Intersegment sales | - | - | - | - | - | - | - |
| Excise taxes | - | - | - | - | - | - | - |
| **Revenues from sales** | **-** | **(74)** | **-** | **-** | **-** | **-** | **(74)** |
| Operating expenses | (100) | (153) | 353 | 62 | - | - | 162 |
| Depreciation, depletion and impairment of tangible assets and mineral interests | (196) | (20) | (32) | (2) | - | - | (250) |
| **Operating income [b]** | **(296)** | **(247)** | **321** | **60** | **-** | **-** | **(162)** |
| Net income (loss) from equity affiliates and other items | (90) | 1,012 | (70) | (60) | - | - | 792 |
| Tax on net operating income | (151) | (408) | (113) | (14) | - | - | (686) |
| **Net operating income [b]** | **(537)** | **357** | **138** | **(14)** | **-** | **-** | **(56)** |
| Net cost of net debt | | | | | | | (12) |
| Non-controlling interests | | | | | | | 72 |
| **Net income - group share** | | | | | | | **4** |

*[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* | - | - | *392* | *65* | - |
| *- On net operating income* | - | - | *254* | *46* | - |

| 9 months 2019 (adjusted)<br>(M$) | Exploration & Production | Integrated Gas, Renewables & Power | Refining & Chemicals | Marketing & Services | Corporate | Intercompany | Total |
|---|---|---|---|---|---|---|---|
| Non-Group sales | 5,698 | 13,949 | 65,558 | 65,901 | 4 | - | 151,110 |
| Intersegment sales | 23,063 | 1,832 | 24,651 | 456 | 78 | (50,080) | - |
| Excise taxes | - | - | (2,250) | (15,922) | - | - | (18,172) |
| **Revenues from sales** | **28,761** | **15,781** | **87,959** | **50,435** | **82** | **(50,080)** | **132,938** |
| Operating expenses | (12,133) | (13,692) | (84,373) | (48,203) | (569) | 50,080 | (108,890) |
| Depreciation, depletion and impairment of tangible assets and mineral interests | (8,156) | (984) | (1,144) | (715) | (51) | - | (11,050) |
| **Adjusted operating income** | **8,472** | **1,105** | **2,442** | **1,517** | **(538)** | **-** | **12,998** |
| Net income (loss) from equity affiliates and other items | 534 | 927 | 335 | 146 | 36 | - | 1,978 |
| Tax on net operating income | (3,528) | (437) | (354) | (484) | 194 | - | (4,609) |
| **Adjusted net operating income** | **5,478** | **1,595** | **2,423** | **1,179** | **(308)** | **-** | **10,367** |
| Net cost of net debt | | | | | | | (1,510) |
| Non-controlling interests | | | | | | | (194) |
| **Adjusted net income - group share** | | | | | | | **8,663** |

| 9 months 2019<br>(M$) | Exploration & Production | Integrated Gas, Renewables & Power | Refining & Chemicals | Marketing & Services | Corporate | Intercompany | Total |
|---|---|---|---|---|---|---|---|
| Total expenditures | 6,359 | 6,306 | 1,034 | 803 | 76 | | 14,578 |
| Total divestments | 112 | 766 | 253 | 187 | 8 | | 1,326 |
| Cash flow from operating activities | 12,711 | 1,934 | 2,695 | 2,326 | (1,580) | | 18,086 |

| 9 months 2018<br>(M$) | Exploration & Production | Integrated Gas, Renewables & Power | Refining & Chemicals | Marketing & Services | Corporate | Intercompany | Total |
|---|---|---|---|---|---|---|---|
| Non-Group sales | 7,770 | 13,455 | 68,660 | 66,980 | 3 | - | 156,868 |
| Intersegment sales | 22,678 | 1,536 | 26,676 | 733 | 46 | (51,669) | - |
| Excise taxes | - | - | (2,537) | (16,537) | - | - | (19,074) |
| **Revenues from sales** | **30,448** | **14,991** | **92,799** | **51,176** | **49** | **(51,669)** | **137,794** |
| Operating expenses | (12,992) | (13,783) | (88,841) | (49,066) | (550) | 51,669 | (113,563) |
| Depreciation, depletion and impairment of tangible assets and mineral interests | (7,146) | (1,020) | (911) | (522) | (31) | - | (9,630) |
| **Operating income** | **10,310** | **188** | **3,047** | **1,588** | **(532)** | **-** | **14,601** |
| Net income (loss) from equity affiliates and other items | 1,026 | 1,240 | 638 | 302 | 48 | - | 3,254 |
| Tax on net operating income | (4,972) | (392) | (675) | (463) | 327 | - | (6,175) |
| **Net operating income** | **6,364** | **1,036** | **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]<br>(M$) | Exploration & Production | Integrated 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 | 186 | (30) | (210) | (44) | - | - | (98) |
| **Net operating income [b]** | **(207)** | **(707)** | **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)<br>(M$) | Exploration & Production | Integrated Gas, Renewables & Power | Refining & Chemicals | Marketing & Services | Corporate | Intercompany | Total |
|---|---|---|---|---|---|---|---|
| Non-Group sales | 7,770 | 13,442 | 68,660 | 66,980 | 3 | - | 156,855 |
| Intersegment sales | 22,678 | 1,536 | 26,676 | 733 | 46 | (51,669) | - |
| Excise taxes | - | - | (2,537) | (16,537) | - | - | (19,074) |
| **Revenues from sales** | **30,448** | **14,978** | **92,799** | **51,176** | **49** | **(51,669)** | **137,781** |
| Operating expenses | (12,792) | (13,618) | (89,548) | (49,218) | (541) | 51,669 | (114,048) |
| Depreciation, depletion and impairment of tangible assets and mineral interests | (7,081) | (535) | (911) | (522) | (31) | - | (9,080) |
| **Adjusted operating income** | **10,575** | **825** | **2,340** | **1,436** | **(523)** | **-** | **14,653** |
| Net income (loss) from equity affiliates and other items | 1,154 | 1,280 | 604 | 302 | 48 | - | 3,388 |
| Tax on net operating income | (5,158) | (362) | (465) | (419) | 327 | - | (6,077) |
| **Adjusted net operating income** | **6,571** | **1,743** | **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<br>(M$) | Exploration & Production | Integrated Gas, Renewables & Power | Refining & Chemicals | Marketing & Services | Corporate | Intercompany | Total |
|---|---|---|---|---|---|---|---|
| Total expenditures | 10,629 | 4,347 | 1,113 | 831 | 75 | | 16,995 |
| Total divestments | 3,136 | 790 | 437 | 390 | 3 | | 4,756 |
| Cash flow from operating activities | 12,227 | 162 | 1,228 | 1,533 | (1,087) | | 14,063 |

-

| 3rd quarter 2019<br>(M$) | Exploration & Production | Integrated Gas, Renewables & Power | Refining & Chemicals | Marketing & Services | Corporate | Intercompany | Total |
|---|---|---|---|---|---|---|---|
| Non-Group sales | 1,631 | 3,667 | 21,338 | 21,951 | 2 | - | 48,589 |
| Intersegment sales | 7,761 | 573 | 8,341 | 155 | 15 | (16,845) | - |
| Excise taxes | - | - | (713) | (5,338) | - | - | (6,051) |
| **Revenues from sales** | **9,392** | **4,240** | **28,966** | **16,768** | **17** | **(16,845)** | **42,538** |
| Operating expenses | (3,999) | (3,558) | (27,518) | (15,963) | (163) | 16,845 | (34,356) |
| Depreciation, depletion and impairment of tangible assets and mineral interests | (3,136) | (361) | (413) | (247) | (16) | - | (4,173) |
| **Operating income** | **2,257** | **321** | **1,035** | **558** | **(162)** | **-** | **4,009** |
| Net income (loss) from equity affiliates and other items | 77 | 898 | 5 | (15) | 9 | - | 974 |
| Tax on net operating income | (1,094) | (222) | (221) | (164) | 70 | - | (1,631) |
| **Net operating income** | **1,240** | **997** | **819** | **379** | **(83)** | **-** | **3,352** |
| Net cost of net debt | | | | | | | (507) |
| Non-controlling interests | | | | | | | (45) |
| **Net income - group share** | | | | | | | **2,800** |

| 3rd quarter 2019 (adjustments)[a]<br>(M$) | Exploration & Production | Integrated Gas, Renewables & Power | Refining & Chemicals | Marketing & Services | Corporate | Intercompany | Total |
|---|---|---|---|---|---|---|---|
| Non-Group sales | - | 12 | - | - | - | - | 12 |
| Intersegment sales | - | - | - | - | - | - | - |
| Excise taxes | - | - | - | - | - | - | - |
| **Revenues from sales** | **-** | **12** | **-** | **-** | **-** | **-** | **12** |
| Operating expenses | (100) | (41) | (96) | 22 | - | - | (215) |
| Depreciation, depletion and impairment of tangible assets and mineral interests | (153) | (9) | (22) | (2) | - | - | (186) |
| **Operating income [b]** | **(253)** | **(38)** | **(118)** | **20** | **-** | **-** | **(389)** |
| Net income (loss) from equity affiliates and other items | (90) | 599 | (23) | (53) | - | - | 433 |
| Tax on net operating income | (151) | (138) | 8 | (1) | - | - | (282) |
| **Net operating income [b]** | **(494)** | **423** | **(133)** | **(34)** | **-** | **-** | **(238)** |
| Net cost of net debt | | | | | | | (4) |
| Non-controlling interests | | | | | | | 25 |
| **Net income - group share** | | | | | | | **(217)** |

*[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* | - | - | *(94)* | *25* | - |
| *- On net operating income* | - | - | *(90)* | *19* | - |

| 3rd quarter 2019 (adjusted)<br>(M$) | Exploration & Production | Integrated Gas, Renewables & Power | Refining & Chemicals | Marketing & Services | Corporate | Intercompany | Total |
|---|---|---|---|---|---|---|---|
| Non-Group sales | 1,631 | 3,655 | 21,338 | 21,951 | 2 | - | 48,577 |
| Intersegment sales | 7,761 | 573 | 8,341 | 155 | 15 | (16,845) | - |
| Excise taxes | - | - | (713) | (5,338) | - | - | (6,051) |
| **Revenues from sales** | **9,392** | **4,228** | **28,966** | **16,768** | **17** | **(16,845)** | **42,526** |
| Operating expenses | (3,899) | (3,517) | (27,422) | (15,985) | (163) | 16,845 | (34,141) |
| Depreciation, depletion and impairment of tangible assets and mineral interests | (2,983) | (352) | (391) | (245) | (16) | - | (3,987) |
| **Adjusted operating income** | **2,510** | **359** | **1,153** | **538** | **(162)** | **-** | **4,398** |
| Net income (loss) from equity affiliates and other items | 167 | 299 | 28 | 38 | 9 | - | 541 |
| Tax on net operating income | (943) | (84) | (229) | (163) | 70 | - | (1,349) |
| **Adjusted net operating income** | **1,734** | **574** | **952** | **413** | **(83)** | **-** | **3,590** |
| Net cost of net debt | | | | | | | (503) |
| Non-controlling interests | | | | | | | (70) |
| **Adjusted net income - group share** | | | | | | | **3,017** |

| 3rd quarter 2019<br>(M$) | Exploration & Production | Integrated Gas, Renewables & Power | Refining & Chemicals | Marketing & Services | Corporate | Intercompany | Total |
|---|---|---|---|---|---|---|---|
| Total expenditures | 2,077 | 4,331 | 386 | 276 | 25 | | 7,095 |
| Total divestments | 23 | 192 | 14 | 30 | 5 | | 264 |
| Cash flow from operating activities | 5,007 | 401 | 1,575 | 1,483 | (260) | | 8,206 |

-

| 3rd quarter 2018<br>(M$) | Exploration & Production | Integrated Gas, Renewables & Power | Refining & Chemicals | Marketing & Services | Corporate | Intercompany | Total |
|---|---|---|---|---|---|---|---|
| Non-Group sales | 2,433 | 5,568 | 23,572 | 23,144 | - | - | 54,717 |
| Intersegment sales | 8,255 | 575 | 9,280 | 242 | 12 | (18,364) | - |
| Excise taxes | - | - | (823) | (5,494) | - | - | (6,317) |
| **Revenues from sales** | **10,688** | **6,143** | **32,029** | **17,892** | **12** | **(18,364)** | **48,400** |
| Operating expenses | (4,271) | (5,660) | (30,593) | (17,147) | (151) | 18,364 | (39,458) |
| Depreciation, depletion and impairment of tangible assets and mineral interests | (2,585) | (213) | (294) | (176) | (11) | - | (3,279) |
| **Operating income** | **3,832** | **270** | **1,142** | **569** | **(150)** | **-** | **5,663** |
| Net income (loss) from equity affiliates and other items | 449 | 445 | 221 | 109 | 39 | - | 1,263 |
| Tax on net operating income | (1,853) | (155) | (292) | (166) | 146 | - | (2,320) |
| **Net operating income** | **2,428** | **560** | **1,071** | **512** | **35** | **-** | **4,606** |
| Net cost of net debt | | | | | | | (519) |
| Non-controlling interests | | | | | | | (130) |
| **Net income - group share** | | | | | | | **3,957** |

| 3rd quarter 2018 (adjustments)[a]<br>(M$) | Exploration & Production | Integrated 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* | - |

| 3rd quarter 2018 (adjusted)<br>(M$) | Exploration & Production | Integrated Gas, Renewables & Power | Refining & Chemicals | Marketing & Services | Corporate | Intercompany | Total |
|---|---|---|---|---|---|---|---|
| Non-Group sales | 2,433 | 5,568 | 23,572 | 23,144 | - | - | 54,717 |
| Intersegment sales | 8,255 | 575 | 9,280 | 242 | 12 | (18,364) | - |
| Excise taxes | - | - | (823) | (5,494) | - | - | (6,317) |
| **Revenues from sales** | **10,688** | **6,143** | **32,029** | **17,892** | **12** | **(18,364)** | **48,400** |
| Operating expenses | (4,221) | (5,596) | (30,769) | (17,194) | (151) | 18,364 | (39,567) |
| Depreciation, depletion and impairment of tangible assets and mineral interests | (2,520) | (174) | (294) | (176) | (11) | - | (3,175) |
| **Adjusted operating income** | **3,947** | **373** | **966** | **522** | **(150)** | **-** | **5,658** |
| Net income (loss) from equity affiliates and other items | 410 | 470 | 212 | 109 | 39 | - | 1,240 |
| Tax on net operating income | (1,918) | (146) | (240) | (157) | 146 | - | (2,315) |
| **Adjusted net operating income** | **2,439** | **697** | **938** | **474** | **35** | **-** | **4,583** |
| Net cost of net debt | | | | | | | (475) |
| Non-controlling interests | | | | | | | (150) |
| **Adjusted net income - group share** | | | | | | | **3,958** |

| 3rd quarter 2018<br>(M$) | Exploration & Production | Integrated Gas, Renewables & Power | Refining & Chemicals | Marketing & Services | Corporate | Intercompany | Total |
|---|---|---|---|---|---|---|---|
| Total expenditures | 2,472 | 3,325 | 377 | 293 | 17 | | 6,484 |
| Total divestments | 494 | 198 | 88 | 117 | - | | 897 |
| Cash flow from operating activities | 4,431 | (164) | 1,338 | 752 | (621) | | 5,736 |

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

| 9 months 2019<br>(M$) | Adjusted | Adjustments[(a)] | Consolidated statement of income |
|---|---|---|---|
| **Sales** | **151,110** | **(74)** | **151,036** |
| Excise taxes | (18,172) | - | (18,172) |
| Revenues from sales | 132,938 | (74) | 132,864 |
| Purchases net of inventory variation | (88,338) | 329 | (88,009) |
| Other operating expenses | (19,998) | (167) | (20,165) |
| Exploration costs | (554) | - | (554) |
| Depreciation, depletion and impairment of tangible assets and mineral interests | (11,050) | (250) | (11,300) |
| Other income | 620 | 115 | 735 |
| Other expense | (322) | (635) | (957) |
| Financial interest on debt | (1,715) | (12) | (1,727) |
| Financial income and expense from cash & cash equivalents | (70) | - | (70) |
| Cost of net debt | (1,785) | (12) | (1,797) |
| Other financial income | 649 | - | 649 |
| Other financial expense | (561) | - | (561) |
| Net income (loss) from equity affiliates | 1,592 | 1,312 | 2,904 |
| Income taxes | (4,334) | (686) | (5,020) |
| **Consolidated net income** | **8,857** | **(68)** | **8,789** |
| Group share | 8,663 | 4 | 8,667 |
| Non-controlling interests | 194 | (72) | 122 |

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

| 9 months 2018<br>(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.*

| 3rd quarter 2019<br>(M$) | Adjusted | Adjustments[(a)] | Consolidated statement of income |
|---|---|---|---|
| **Sales** | **48,577** | **12** | **48,589** |
| Excise taxes | (6,051) | - | (6,051) |
| Revenues from sales | 42,526 | 12 | 42,538 |
| Purchases net of inventory variation | (27,805) | (93) | (27,898) |
| Other operating expenses | (6,240) | (122) | (6,362) |
| Exploration costs | (96) | - | (96) |
| Depreciation, depletion and impairment of tangible assets and mineral interests | (3,987) | (186) | (4,173) |
| Other income | 167 | - | 167 |
| Other expense | (132) | (427) | (559) |
| Financial interest on debt | (594) | (4) | (598) |
| Financial income and expense from cash & cash equivalents | - | - | - |
| Cost of net debt | (594) | (4) | (598) |
| Other financial income | 163 | - | 163 |
| Other financial expense | (178) | - | (178) |
| Net income (loss) from equity affiliates | 521 | 860 | 1,381 |
| Income taxes | (1,258) | (282) | (1,540) |
| **Consolidated net income** | **3,087** | **(242)** | **2,845** |
| Group share | 3,017 | (217) | 2,800 |
| Non-controlling interests | 70 | (25) | 45 |

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

| 3rd quarter 2018<br>(M$) | Adjusted | Adjustments[(a)] | Consolidated 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.*

## 10) Post-closing

There was no post closing event.