

TOTAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FIRST SIX MONTHS 2019

(unaudited)

1) Accounting policies

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

The interim consolidated financial statements of TOTAL S.A. and its subsidiaries (the Group) as of June 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 June 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:
 - o exclusion of contracts that the Group had not previously identified as containing a lease under IAS 17 and IFRIC 4,
 - o 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.

In addition, the Group is currently analyzing the facts and circumstances and contractual terms of each lease agreement used in Joint Operations to determine whether the decision of the IFRS Interpretation Committee of March 2019 dealing with the recognition of lease liabilities in the context of unincorporated joint operations has an impact on its consolidated financial statements.

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%.

➤ 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%.

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

		Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Total
(M\$)							
2nd quarter 2019	Inventory valuation effect	-	-	(6)	(34)	-	(40)
	Effect of changes in fair value	-	(59)	-	-	-	(59)
	Restructuring charges	-	-	-	-	-	-
	Asset impairment charges	(43)	(11)	(10)	-	-	(64)
	Other items	-	(54)	(37)	-	-	(91)
Total		(43)	(124)	(53)	(34)	-	(254)
2nd quarter 2018	Inventory valuation effect	-	-	569	134	-	703
	Effect of changes in fair value	-	16	-	-	-	16
	Restructuring charges	-	-	-	-	-	-
	Asset impairment charges	-	(424)	-	-	-	(424)
	Other items	(97)	(1)	-	-	-	(98)
Total		(97)	(409)	569	134	-	197
1st half 2019	Inventory valuation effect	-	-	486	40	-	526
	Effect of changes in fair value	-	(86)	-	-	-	(86)
	Restructuring charges	-	-	-	-	-	-
	Asset impairment charges	(43)	(11)	(10)	-	-	(64)
	Other items	-	(112)	(37)	-	-	(149)
Total		(43)	(209)	439	40	-	227
1st half 2018	Inventory valuation effect	-	-	531	105	-	636
	Effect of changes in fair value	-	5	-	-	-	5
	Restructuring charges	(53)	-	-	-	-	(53)
	Asset impairment charges	-	(446)	-	-	-	(446)
	Other items	(97)	(93)	-	-	(9)	(199)
Total		(150)	(534)	531	105	(9)	(57)

ADJUSTMENTS TO NET INCOME, GROUP SHARE

	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Total
(M\$)						
2nd quarter 2019						
Inventory valuation effect	-	-	(3)	(25)	-	(28)
Effect of changes in fair value	-	(47)	-	-	-	(47)
Restructuring charges	-	(14)	(17)	-	-	(31)
Asset impairment charges	(43)	(6)	(8)	-	-	(57)
Gains (losses) on disposals of assets	-	-	-	-	-	-
Other items	-	86	(48)	(6)	-	32
Total	(43)	19	(76)	(31)	-	(131)
2nd quarter 2018						
Inventory valuation effect	-	-	436	81	-	517
Effect of changes in fair value	-	9	-	-	-	9
Restructuring charges	(44)	(2)	-	-	-	(46)
Asset impairment charges	-	(236)	-	-	-	(236)
Gains (losses) on disposals of assets	(2)	-	-	-	-	(2)
Other items	(71)	(3)	-	-	-	(74)
Total	(117)	(232)	436	81	-	168
1st half 2019						
Inventory valuation effect	-	-	341	19	-	360
Effect of changes in fair value	-	(69)	-	-	-	(69)
Restructuring charges	-	(16)	(17)	-	-	(33)
Asset impairment charges	(43)	(6)	(8)	-	-	(57)
Gains (losses) on disposals of assets	-	-	-	-	-	-
Other items	-	74	(48)	(6)	-	20
Total	(43)	(17)	268	13	-	221
1st half 2018						
Inventory valuation effect	-	-	412	60	-	472
Effect of changes in fair value	-	1	-	-	-	1
Restructuring charges	(59)	(8)	-	-	-	(67)
Asset impairment charges	-	(248)	-	-	-	(248)
Gains (losses) on disposals of assets	(103)	-	-	-	-	(103)
Other items	(34)	(75)	(17)	-	(9)	(135)
Total	(196)	(330)	395	60	(9)	(80)

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 February 2019, TOTAL S.A. repurchases its own shares.

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

As a result, as of June 30, 2019, TOTAL S.A. holds 64,800,717 TOTAL shares, representing 2.43% of its share capital, which are deducted from the consolidated shareholders' equity and allocated as follows:

Shares to be cancelled (1)	57,130,510
Repurchased during Q4 2018	27,360,278
Repurchased during Q1 2019	7,374,542
Repurchased during Q2 2019	22,395,690
Shares to be allocated as part of free share grant plans (2)	7,670,207
2016 Plan	4,683,986
2017 Plan	2,918,835
Other Plans	67,386
Treasury shares Total (1)+(2)	64,800,717

Dividend

The Shareholders' meeting of May 29, 2019 approved the distribution of a dividend of €2.56 per share for the 2018 fiscal year and the payment of a balance of €0.64 per share to be distributed after the deduction of the three interim dividends of €0.64 per share that had already been paid. Given the decision made by the Board of Directors on February 6, 2019 not to propose to the Shareholders' meeting the renewal of the scrip dividend option beginning with the payment of the final 2018 dividend, the final 2018 dividend has been paid exclusively in cash.

Dividend 2018	First interim	Second interim	Third interim	Final
Amount	€0.64	€0.64	€0.64	€0.64
Declaration of distribution ⁽¹⁾	September 19, 2018	December 12, 2018	March 13, 2019	May 29, 2019
Ex-dividend date	September 25, 2018	December 18, 2018	March 19, 2019	June 11, 2019
Payment date	October 12, 2018	January 10, 2019	April 5, 2019	June 13, 2019
Scrip dividend option	Yes	Yes	Yes	No
Issue price ⁽²⁾	€52.95	€48.27	€49.30	-
Number of shares subscribed	18,783,197	1,212,767	14,864,169	-

⁽¹⁾ Date on which the Board of Directors met and declared the distribution of the dividend. The declaration of distribution is decided by the shareholders for the final dividend.

⁽²⁾ The issue price of the new share is equal to the average Euronext Paris opening price of the TOTAL shares for the 20 trading days preceding the declaration of distribution, reduced by the amount of the dividend, without any discount.

Moreover, the Board of Directors held on July 24, 2019, set the second interim dividend for the fiscal year 2019 at €0.66 per share. This interim dividend will be detached on January 6, 2020 and paid in cash on January 8, 2020.

Dividend 2019	First interim	Second interim
Amount	0.66 €	0.66 €
Set date	April 25, 2019	July 24, 2019
Ex-dividend date	September 27, 2019	January 6, 2020
Payment date	October 1 st , 2019	January 8, 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 €0.89 per share for the 2nd quarter 2019 (€1.03 per share for the 1st quarter 2019 and €1.16 per share for the 2nd quarter 2018). Diluted earnings per share calculated using the same method amounted to €0.89 per share for the 2nd quarter 2019 (€1.02 per share for the 1st quarter 2019 and €1.16 per share for the 2nd 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\$)	1st half 2019	1st half 2018
Actuarial gains and losses	(59)	67
Change in fair value of investments in equity instruments	107	5
Tax effect	14	(18)
Currency translation adjustment generated by the parent company	(474)	(2,630)
Sub-total items not potentially reclassifiable to profit and loss	(412)	(2,576)
Currency translation adjustment	187	968
- unrealized gain/(loss) of the period	233	1,078
- less gain/(loss) included in net income	46	110
Cash flow hedge	(373)	255
- unrealized gain/(loss) of the period	(303)	142
- less gain/(loss) included in net income	70	(113)
Variation of foreign currency basis spread	54	(27)
- unrealized gain/(loss) of the period	25	(27)
- less gain/(loss) included in net income	(29)	-
Share of other comprehensive income of equity affiliates, net amount	253	(132)
- unrealized gain/(loss) of the period	265	(93)
- less gain/(loss) included in net income	12	39
Other	2	(2)
Tax effect	107	(75)
Sub-total items potentially reclassifiable to profit and loss	230	987
Total other comprehensive income, net amount	(182)	(1,589)

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

(M\$)	1 st half 2019			1 st half 2018		
	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Actuarial gains and losses	(59)	16	(43)	67	(18)	49
Change in fair value of investments in equity instruments	107	(2)	105	5	-	5
Currency translation adjustment generated by the parent company	(474)	-	(474)	(2,630)	-	(2,630)
Sub-total items not potentially reclassifiable to profit and loss	(426)	14	(412)	(2,558)	(18)	(2,576)
Currency translation adjustment	187	-	187	968	-	968
Cash flow hedge	(373)	125	(248)	255	(81)	174
Variation of foreign currency basis spread	54	(18)	36	(27)	6	(21)
Share of other comprehensive income of equity affiliates, net amount	253	-	253	(132)	-	(132)
Other	2	-	2	(2)	-	(2)
Sub-total items potentially reclassifiable to profit and loss	123	107	230	1,062	(75)	987
Total other comprehensive income	(303)	121	(182)	(1,496)	(93)	(1,589)

5) Financial debt

The Group has issued bonds during the first six 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).

The Group reimbursed bonds during the first six 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).

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%. For the period ending June 30, 2019, the Group recognized its share of the net income generated by this transaction in Novatek's financial statements, except for the gain on disposal 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.

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

1 st half 2019	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Non-Group sales	4,067	10,208	44,220	43,950	2	-	102,447
Intersegment sales	15,302	1,259	16,310	301	63	(33,235)	-
Excise taxes	-	-	(1,537)	(10,584)	-	-	(12,121)
Revenues from sales	19,369	11,467	58,993	33,667	65	(33,235)	90,326
Operating expenses	(8,234)	(10,287)	(56,502)	(32,178)	(406)	33,235	(74,372)
Depreciation, depletion and impairment of tangible assets and mineral interests	(5,216)	(643)	(763)	(470)	(35)	-	(7,127)
Operating income	5,919	537	1,728	1,019	(376)	-	8,827
Net income (loss) from equity affiliates and other items	367	1,041	260	101	27	-	1,796
Tax on net operating income	(2,585)	(623)	(246)	(334)	124	-	(3,664)
Net operating income	3,701	955	1,742	786	(225)	-	6,959
Net cost of net debt							(1,015)
Non-controlling interests							(77)
Net income - group share							5,867

1 st half 2019 (adjustments) ^(a)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Non-Group sales	-	(86)	-	-	-	-	(86)
Intersegment sales	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	-
Revenues from sales	-	(86)	-	-	-	-	(86)
Operating expenses	-	(112)	449	40	-	-	377
Depreciation, depletion and impairment of tangible assets and mineral interests	(43)	(11)	(10)	-	-	-	(64)
Operating income^(b)	(43)	(209)	439	40	-	-	227
Net income (loss) from equity affiliates and other items	-	413	(47)	(7)	-	-	359
Tax on net operating income	-	(270)	(121)	(13)	-	-	(404)
Net operating income^(b)	(43)	(66)	271	20	-	-	182
Net cost of net debt							(8)
Non-controlling interests							47
Net income - group share							221

^(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	-	-	486	40	-	-	-
- On net operating income	-	-	344	27	-	-	-

1 st half 2019 (adjusted)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Non-Group sales	4,067	10,294	44,220	43,950	2	-	102,533
Intersegment sales	15,302	1,259	16,310	301	63	(33,235)	-
Excise taxes	-	-	(1,537)	(10,584)	-	-	(12,121)
Revenues from sales	19,369	11,553	58,993	33,667	65	(33,235)	90,412
Operating expenses	(8,234)	(10,175)	(56,951)	(32,218)	(406)	33,235	(74,749)
Depreciation, depletion and impairment of tangible assets and mineral interests	(5,173)	(632)	(753)	(470)	(35)	-	(7,063)
Adjusted operating income	5,962	746	1,289	979	(376)	-	8,600
Net income (loss) from equity affiliates and other items	367	628	307	108	27	-	1,437
Tax on net operating income	(2,585)	(353)	(125)	(321)	124	-	(3,260)
Adjusted net operating income	3,744	1,021	1,471	766	(225)	-	6,777
Net cost of net debt							(1,007)
Non-controlling interests							(124)
Adjusted net income - group share							5,646

1 st half 2019	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Total expenditures	4,282	1,975	648	527	51	-	7,483
Total divestments	89	574	239	157	3	-	1,062
Cash flow from operating activities	7,704	1,533	1,120	843	(1,320)	-	9,880

1 st half 2018	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Non-Group sales	5,337	7,887	45,088	43,836	3	-	102,151
Intersegment sales	14,423	961	17,396	491	34	(33,305)	-
Excise taxes	-	-	(1,714)	(11,043)	-	-	(12,757)
Revenues from sales	19,760	8,848	60,770	33,284	37	(33,305)	89,394
Operating expenses	(8,721)	(8,123)	(58,248)	(31,919)	(399)	33,305	(74,105)
Depreciation, depletion and impairment of tangible assets and mineral interests	(4,561)	(807)	(617)	(346)	(20)	-	(6,351)
Operating income	6,478	(82)	1,905	1,019	(382)	-	8,938
Net income (loss) from equity affiliates and other items	577	795	417	193	9	-	1,991
Tax on net operating income	(3,119)	(237)	(383)	(297)	181	-	(3,855)
Net operating income	3,936	476	1,939	915	(192)	-	7,074
Net cost of net debt							(791)
Non-controlling interests							74
Net income - group share							6,357

1 st half 2018 (adjustments) ^(a)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Non-Group sales	-	13	-	-	-	-	13
Intersegment sales	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	-
Revenues from sales	-	13	-	-	-	-	13
Operating expenses	(150)	(101)	531	105	(9)	-	376
Depreciation, depletion and impairment of tangible assets and mineral interests	-	(446)	-	-	-	-	(446)
Operating income ^(b)	(150)	(534)	531	105	(9)	-	(57)
Net income (loss) from equity affiliates and other items	(167)	(15)	25	-	-	-	(157)
Tax on net operating income	121	(21)	(158)	(35)	-	-	(93)
Net operating income ^(b)	(196)	(570)	398	70	(9)	-	(307)
Net cost of net debt							(19)
Non-controlling interests							246
Net income - group share							(80)

^(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	-	-	531	105	-		
- On net operating income	-	-	415	70	-		

1 st half 2018 (adjusted)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Non-Group sales	5,337	7,874	45,088	43,836	3	-	102,138
Intersegment sales	14,423	961	17,396	491	34	(33,305)	-
Excise taxes	-	-	(1,714)	(11,043)	-	-	(12,757)
Revenues from sales	19,760	8,835	60,770	33,284	37	(33,305)	89,381
Operating expenses	(8,571)	(8,022)	(58,779)	(32,024)	(390)	33,305	(74,481)
Depreciation, depletion and impairment of tangible assets and mineral interests	(4,561)	(361)	(617)	(346)	(20)	-	(5,905)
Adjusted operating income	6,628	452	1,374	914	(373)	-	8,995
Net income (loss) from equity affiliates and other items	744	810	392	193	9	-	2,148
Tax on net operating income	(3,240)	(216)	(225)	(262)	181	-	(3,762)
Adjusted net operating income	4,132	1,046	1,541	845	(183)	-	7,381
Net cost of net debt							(772)
Non-controlling interests							(172)
Adjusted net income - group share							6,437

1 st half 2018	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Total expenditures	8,157	1,022	736	538	58		10,511
Total divestments	2,642	592	349	273	3		3,859
Cash flow from operating activities	7,796	326	(110)	781	(466)		8,327

2 nd quarter 2019	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Non-Group sales	2,273	3,789	22,509	22,671	-	-	51,242
Intersegment sales	7,586	632	8,293	139	36	(16,686)	-
Excise taxes	-	-	(761)	(5,279)	-	-	(6,040)
Revenues from sales	9,859	4,421	30,041	17,531	36	(16,686)	45,202
Operating expenses	(4,205)	(3,878)	(29,168)	(16,844)	(229)	16,686	(37,638)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,687)	(328)	(389)	(237)	(20)	-	(3,661)
Operating income	2,967	215	484	450	(213)	-	3,903
Net income (loss) from equity affiliates and other items	173	661	111	111	26	-	1,082
Tax on net operating income	(1,161)	(450)	46	(170)	64	-	(1,671)
Net operating income	1,979	426	641	391	(123)	-	3,314
Net cost of net debt							(510)
Non-controlling interests							(48)
Net income - group share							2,756

2 nd quarter 2019 (adjustments) ^(a)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Non-Group sales	-	(59)	-	-	-	-	(59)
Intersegment sales	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	-
Revenues from sales	-	(59)	-	-	-	-	(59)
Operating expenses	-	(54)	(43)	(34)	-	-	(131)
Depreciation, depletion and impairment of tangible assets and mineral interests	(43)	(11)	(10)	-	-	-	(64)
Operating income^(b)	(43)	(124)	(53)	(34)	-	-	(254)
Net income (loss) from equity affiliates and other items	-	407	(49)	(7)	-	-	351
Tax on net operating income	-	(286)	28	9	-	-	(249)
Net operating income^(b)	(43)	(3)	(74)	(32)	-	-	(152)
Net cost of net debt							(4)
Non-controlling interests							25
Net income - group share							(131)

^(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	-	-	(6)	(34)	-		
- On net operating income	-	-	(1)	(25)	-		

2 nd quarter 2019 (adjusted)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Non-Group sales	2,273	3,848	22,509	22,671	-	-	51,301
Intersegment sales	7,586	632	8,293	139	36	(16,686)	-
Excise taxes	-	-	(761)	(5,279)	-	-	(6,040)
Revenues from sales	9,859	4,480	30,041	17,531	36	(16,686)	45,261
Operating expenses	(4,205)	(3,824)	(29,125)	(16,810)	(229)	16,686	(37,507)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,644)	(317)	(379)	(237)	(20)	-	(3,597)
Adjusted operating income	3,010	339	537	484	(213)	-	4,157
Net income (loss) from equity affiliates and other items	173	254	160	118	26	-	731
Tax on net operating income	(1,161)	(164)	18	(179)	64	-	(1,422)
Adjusted net operating income	2,022	429	715	423	(123)	-	3,466
Net cost of net debt							(506)
Non-controlling interests							(73)
Adjusted net income - group share							2,887

2 nd quarter 2019	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Total expenditures	2,257	857	363	383	36		3,896
Total divestments	60	349	70	85	1		565
Cash flow from operating activities	3,768	641	1,658	611	(427)		6,251

2 nd quarter 2018	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Non-Group sales	3,119	3,547	23,349	22,528	(3)	-	52,540
Intersegment sales	7,646	469	9,440	293	(63)	(17,785)	-
Excise taxes	-	-	(867)	(5,571)	-	-	(6,438)
Revenues from sales	10,765	4,016	31,922	17,250	(66)	(17,785)	46,102
Operating expenses	(4,791)	(3,605)	(30,369)	(16,416)	(122)	17,785	(37,518)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,345)	(603)	(304)	(172)	(11)	-	(3,435)
Operating income	3,629	(192)	1,249	662	(199)	-	5,149
Net income (loss) from equity affiliates and other items	256	441	289	107	11	-	1,104
Tax on net operating income	(1,687)	(104)	(279)	(194)	85	-	(2,179)
Net operating income	2,198	145	1,259	575	(103)	-	4,074
Net cost of net debt							(440)
Non-controlling interests							87
Net income - group share							3,721

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

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

^(b) Of which inventory valuation effect

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

2 nd quarter 2018 (adjusted)	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Non-Group sales	3,119	3,523	23,349	22,528	(3)	-	52,516
Intersegment sales	7,646	469	9,440	293	(63)	(17,785)	-
Excise taxes	-	-	(867)	(5,571)	-	-	(6,438)
Revenues from sales	10,765	3,992	31,922	17,250	(66)	(17,785)	46,078
Operating expenses	(4,694)	(3,596)	(30,938)	(16,550)	(122)	17,785	(38,115)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,345)	(179)	(304)	(172)	(11)	-	(3,011)
Adjusted operating income	3,726	217	680	528	(199)	-	4,952
Net income (loss) from equity affiliates and other items	322	445	243	106	11	-	1,127
Tax on net operating income	(1,733)	(97)	(102)	(156)	85	-	(2,003)
Adjusted net operating income	2,315	565	821	478	(103)	-	4,076
Net cost of net debt							(431)
Non-controlling interests							(92)
Adjusted net income - group share							3,553

2 nd quarter 2018	Exploration & Production	Integrated Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
(M\$)							
Total expenditures	2,612	447	404	310	14	-	3,787
Total divestments	466	439	324	45	-	-	1,274
Cash flow from operating activities	4,474	258	999	841	(326)	-	6,246

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

1 st half 2019 (M\$)	Adjusted	Adjustments ^(a)	Consolidated statement of income
Sales	102,533	(86)	102,447
Excise taxes	(12,121)	-	(12,121)
Revenues from sales	90,412	(86)	90,326
Purchases net of inventory variation	(60,533)	422	(60,111)
Other operating expenses	(13,758)	(45)	(13,803)
Exploration costs	(458)	-	(458)
Depreciation, depletion and impairment of tangible assets and mineral interests	(7,063)	(64)	(7,127)
Other income	453	115	568
Other expense	(190)	(208)	(398)
Financial interest on debt	(1,121)	(8)	(1,129)
Financial income and expense from cash & cash equivalents	(70)	-	(70)
Cost of net debt	(1,191)	(8)	(1,199)
Other financial income	486	-	486
Other financial expense	(383)	-	(383)
Net income (loss) from equity affiliates	1,071	452	1,523
Income taxes	(3,076)	(404)	(3,480)
Consolidated net income	5,770	174	5,944
Group share	5,646	221	5,867
Non-controlling interests	124	(47)	77

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

1 st half 2018 (M\$)	Adjusted	Adjustments ^(a)	Consolidated statement of income
Sales	102,138	13	102,151
Excise taxes	(12,757)	-	(12,757)
Revenues from sales	89,381	13	89,394
Purchases net of inventory variation	(60,623)	578	(60,045)
Other operating expenses	(13,496)	(202)	(13,698)
Exploration costs	(362)	-	(362)
Depreciation, depletion and impairment of tangible assets and mineral interests	(5,905)	(446)	(6,351)
Other income	628	147	775
Other expense	(115)	(488)	(603)
Financial interest on debt	(849)	(19)	(868)
Financial income and expense from cash & cash equivalents	(95)	-	(95)
Cost of net debt	(944)	(19)	(963)
Other financial income	561	-	561
Other financial expense	(329)	-	(329)
Net income (loss) from equity affiliates	1,403	184	1,587
Income taxes	(3,590)	(93)	(3,683)
Consolidated net income	6,609	(326)	6,283
Group share	6,437	(80)	6,357
Non-controlling interests	172	(246)	(74)

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

2nd quarter 2019	Consolidated		
(M\$)	Adjusted	Adjustments^(a)	statement of income
Sales	51,301	(59)	51,242
Excise taxes	(6,040)	-	(6,040)
Revenues from sales	45,261	(59)	45,202
Purchases net of inventory variation	(30,295)	(95)	(30,390)
Other operating expenses	(7,042)	(36)	(7,078)
Exploration costs	(170)	-	(170)
Depreciation, depletion and impairment of tangible assets and mineral interests	(3,597)	(64)	(3,661)
Other income	253	68	321
Other expense	(117)	(72)	(189)
Financial interest on debt	(564)	(4)	(568)
Financial income and expense from cash & cash equivalents	(42)	-	(42)
Cost of net debt	(606)	(4)	(610)
Other financial income	326	-	326
Other financial expense	(188)	-	(188)
Net income (loss) from equity affiliates	457	355	812
Income taxes	(1,322)	(249)	(1,571)
Consolidated net income	2,960	(156)	2,804
Group share	2,887	(131)	2,756
Non-controlling interests	73	(25)	48

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

2nd quarter 2018	Consolidated		
(M\$)	Adjusted	Adjustments^(a)	statement of income
Sales	52,516	24	52,540
Excise taxes	(6,438)	-	(6,438)
Revenues from sales	46,078	24	46,102
Purchases net of inventory variation	(31,263)	664	(30,599)
Other operating expenses	(6,694)	(67)	(6,761)
Exploration costs	(158)	-	(158)
Depreciation, depletion and impairment of tangible assets and mineral interests	(3,011)	(424)	(3,435)
Other income	254	(2)	252
Other expense	(55)	(358)	(413)
Financial interest on debt	(469)	(9)	(478)
Financial income and expense from cash & cash equivalents	(54)	-	(54)
Cost of net debt	(523)	(9)	(532)
Other financial income	321	-	321
Other financial expense	(159)	-	(159)
Net income (loss) from equity affiliates	766	337	1,103
Income taxes	(1,911)	(176)	(2,087)
Consolidated net income	3,645	(11)	3,634
Group share	3,553	168	3,721
Non-controlling interests	92	(179)	(87)

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

10) Post-closing

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 amounts to 635 million dollars with an effective date of January 1, 2019. The transaction remains subject to approval from the relevant authorities and is expected to close in December 2019.