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FIRST HALF 2016

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# financial report



**TOTAL**  
COMMITTED TO BETTER ENERGY

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# Financial Report

## 1<sup>st</sup> half 2016

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

"I certify, to the best of my knowledge, that the condensed Consolidated Financial Statements for the first half 2016 have been prepared in accordance with the applicable set of accounting standards and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation as a whole, and that the interim Management Report on pages 1 to 12 herein includes a fair review of the important events that have occurred during the first six months of the financial year and their impact on the half year financial statements, major related parties transactions and the principal risks and uncertainties for the remaining six months of the financial year.

The statutory auditor's report on the limited review of the above mentioned condensed Consolidated Financial Statements is included on page 13 of this half-year financial report."

Courbevoie, July 27, 2016

**Patrick Pouyanné**

Chairman and Chief Executive Officer



AUTORITÉ  
DES MARCHÉS FINANCIERS

The French language version of this Rapport financier semestriel (half-year financial report) was filed with the French Financial Markets Authority (*Autorité des marchés financiers*) on July 28, 2016 pursuant to paragraph III of Article L. 451-1-2 of the French Monetary and Financial Code.

## Abbreviations

b:	barrel
cf:	cubic feet
/d:	per day
/y:	per year
€:	euro
\$ and/or dollar:	U.S. dollar
t:	metric ton
boe:	barrel of oil equivalent
kboe/d:	thousand boe/d
kb/d:	thousand barrels/d
Btu:	British thermal unit
M:	million
B:	billion
ERMI:	European Refining Margin Indicator (ERMI) used by the Group is an indicator intended to represent the margin after variable costs for a hypothetical complex refinery located around Rotterdam in Northern Europe that processes a mix of crude oil and other inputs commonly supplied to this region to produce and market the main refined products at prevailing prices in this region. – The indicator margin may not be representative of the actual margins achieved by TOTAL in any period because of TOTAL's particular refinery configurations, product mix effects or other company-specific operating conditions.
IFRS:	International Financial Reporting Standards
LNG:	Liquefied Natural Gas
ROE:	Return on equity
ROACE:	Return on Average Capital Employed

## Conversion table

1 boe =	1 barrel of crude oil = approx. 5,390 cf. of gas in 2015*
1 b/d =	approx. 50 t/y
1 t =	approx. 7.5 b (for a gravity of 37° API)
1 Bm <sup>3</sup> /y =	approx. 0.1 Bcf/d
1 m <sup>3</sup> =	approx. 35,3 cf
1 t of LNG =	approx. 48 kcf of gas
1 Mt/y of LNG =	approx. 131 Mcf/d

\* This ratio is calculated based on the actual average equivalent energy content of TOTAL's natural gas reserves and is subject to change.

## Definitions

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

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# Financial Report – 1<sup>st</sup> half 2016

## 1. Key figures <sup>(1)</sup>

(in millions of dollars, except effective tax rate, earnings per share and number of shares)	1H16	1H15	1H16 vs 1H15
Sales	70,056	87,028	-20%
Adjusted operating income from business segments <sup>(a)</sup>	3,749	7,375	-49%
Adjusted net operating income from business segments	4,401	6,114	-28%
– Upstream	1,625	2,919	-44%
– Refining & Chemicals	2,146	2,449	-12%
– Marketing & Services	630	746	-16%
Contribution of equity affiliates to adjusted net income	1,296	1,311	-1%
Group effective tax rate <sup>(a)(b)</sup>	22.3%	39.1%	
Adjusted net income	3,810	5,687	-33%
Adjusted fully-diluted earnings per share (dollars)	1.58	2.47	-36%
Adjusted fully-diluted earnings per share (euros) <sup>(c)</sup>	1.41	2.21	-36%
Fully-diluted weighted-average shares (millions)	2,365	2,289	+3%
Net income (Group share)	3,694	5,634	-34%
Investments <sup>(d)</sup>	9,474	15,399	-38%
Divestments	1,758	4,877	-64%
Net investments <sup>(e)</sup>	7,713	10,441	-26%
Organic investments <sup>(f)</sup>	8,674	11,217	-23%
Operating cash flow before working capital changes <sup>(g)</sup>	7,708	9,952	-23%
Cash flow from operations	4,763	9,119	-48%

(a) 1Q15 data as republished in 2Q15 following the reclassification in the statement of income of certain taxes related to the participation in the ADCO concession. Details on adjustment items are shown in the business segments of the financial statements.

(b) Tax on adjusted net operating income / (adjusted net operating income – income from equity affiliates – dividends received from investments + tax on adjusted net operating income).

(c) Average €-\$ exchange rate: 1.1292 in the second quarter 2016 and 1.1159 in the first half 2016.

(d) Including acquisitions and increases in non-current loans.

(e) Net investments = investments – divestments – repayment of non-current loans – other operations with non-controlling interests.

(f) Organic investments = net investments excluding acquisitions, asset sales, and other operations with non-controlling interests.

(g) Operating cash flow before working capital changes, previously referred to as adjusted cash flow from operations, is defined as cash flow from operating activities before changes in working capital at replacement cost. The inventory valuation effect is explained on page 12.

(1) Adjusted results are defined as income using replacement cost, adjusted for special items, excluding the impact of changes for fair value; adjustment items are on page 8.

## 2. Highlights since the beginning of 2016<sup>(1)</sup>

- Started production from Laggan-Tormore in the United Kingdom with production capacity of 90 thousand barrels of oil equivalent per day (kboe/d)
- Started production from Vega Pleyade in Argentina with production capacity of 70 kboe/d
- Loading of first Angola LNG cargo following the plant restart
- Signed long-term LNG sale and purchase agreements of around 1.9 million tons per year with Pertamina in Indonesia, ENN in China and Chugoku Electric in Japan
- Obtained 30% interest in the giant Al-Shaheen field in Qatar for 25 years starting July 2017
- Finalized the sale of the FUKA gas pipeline network in the North Sea and announced the sale of a 20% interest and transfer of operatorship of the Kharyaga field in Russia to Zarubezhneft
- Took control of Saft in the energy storage sector following a successful tender offer
- Acquired gas and electricity distributor Lampiris in Belgium
- Acquired import terminals and retail network in Kenya, Uganda and Tanzania
- Acquired the main network of service stations in the Dominican Republic and finalized the sale of the retail and distribution activities in Turkey
- The new organizational structure includes the following appointments to the Executive Committee: Momar Nguer, President, Marketing & Services as of April 15, 2016; Namita Shah, Executive Vice President, People & Social Responsibility; Bernard Pinatel, President, Refining & Chemicals effective September 1, 2016. Philippe Sauquet becomes President, Gas, Renewables and Power and Executive Vice President, Strategy & Innovation.

## 3. Analysis of business segments

### 3.1. Upstream

#### 3.1.1. Environment – liquids and gas price realizations<sup>(a)</sup>

	1H16	1H15	1H16 vs 1H15
Brent (\$/b)	39.8	57.8	-31%
Average liquids price (\$/b)	36.8	53.8	-32%
Average gas price (\$/Mbtu)	3.44	5.03	-32%
Average hydrocarbon price (\$/boe)	29.6	43.6	-32%

(a) Consolidated subsidiaries, excluding fixed margins.

#### 3.1.2. Production

Hydrocarbon production	1H16	1H15	1H16 vs 1H15
Combined production (kboe/d)	2,452	2,347	+4%
Liquids (kb/d)	1,269	1,227	+3%
Gas (Mcf/d)	6,453	6,110	+6%

In the first half 2016, hydrocarbon production was 2,452 kboe/d, an increase of 4.5% compared to the first half 2015, due to the following:

- +5% due to new project start ups and ramp ups, notably Laggan-Tormore, Vega Pleyade, Moho Phase 1b, Gladstone LNG and Termokarstovoye;
- -2% due to the security situation in Nigeria and Yemen, and forest fires in Canada;
- +2% due to the PSC price effect and performance, net of normal field decline.

(1) Certain transactions referred to in the highlights are subject to approval by authorities or to other conditions as per the agreements.

### 3.1.3. Results

(in millions of dollars, except effective tax rate)	1H16	1H15	1H16 vs 1H15
Adjusted operating income <sup>(a)</sup>	722	3,526	-80%
Effective tax rate <sup>(b)</sup>	0.8%	47.9%	
Adjusted net operating income <sup>(a)</sup>	1,625	2,919	-44%
<i>including income from equity affiliates</i>	721	992	-27%
Investments	7,776	13,804	-44%
Divestments	1,363	1,541	-12%
Organic investments	7,408	10,724	-31%
Operating cash flow before working capital changes	4,112	5,929	-31%
Cash flow from operations	3,096	6,238	-50%

(a) 1Q15 data as republished in 2Q15 following the reclassification in the income statement of certain taxes related to the participation in the ADCO concession.

Detail of adjustment items is shown in the business segment information annex to financial statements.

(b) Tax on adjusted net operating income/(adjusted net operating income – income from equity affiliates – dividends received from investments + tax on adjusted net operating income).

Operating cash flow before working capital changes moved in line with the average hydrocarbon price and captured the benefit from cost reductions and production growth. In the first half 2016, Upstream operating cash flow before working capital changes was 4,112 M\$, a decrease of 31% compared to the first half 2015.

Upstream adjusted net operating income was 1,625 M\$ in the first half 2016, a decrease of 44% compared to the first half 2015, essentially due to the decrease in the average hydrocarbon price, partially offset by the increase in production, decrease in operating costs and lower exploration expenses and taxes.

## 3.2. Refining & Chemicals

### 3.2.1. Refinery throughput and utilization rates <sup>(a)</sup>

	1H16	1H15	1H16 vs 1H15
Total refinery throughput (kb/d)	1,951	2,006	-3%
– France	639	675	-5%
– Rest of Europe	824	835	-1%
– Rest of world	488	496	-2%
Utilization rates <sup>(b)</sup>			
– Based on crude only	84%	85%	
– Based on crude and other feedstock	87%	88%	

(a) Includes share of TotalErg, as well as refineries in South Africa and the French Antilles that are reported in the Marketing & Services segment. The condensate splitters at Port Arthur and Daesan are also included and 2015 figures have been restated.

(b) Based on distillation capacity at the beginning of the year.

Refinery throughput decreased by 3% in the first half 2016 compared to the first half 2015; strong operational performance in the first quarter was offset by outages in the second quarter.

### 3.2.2. Results

(in millions of dollars, except the ERMI)	1H16	1H15	1H16 vs 1H15
European refining margin indicator – ERMI (\$/t)	35.1	50.6	-31%
Adjusted operating income <sup>(a)</sup>	2,262	2,939	-23%
Adjusted net operating income <sup>(a)</sup>	2,146	2,449	-12%
<i>including Specialty Chemicals <sup>(b)</sup></i>	266	251	+6%
Investments	739	899	-18%
Divestments	52	2,640	-98%
Organic investments	689	(15)	na
Operating cash flow before working capital changes	2,457	2,946	-17%
Cash flow from operations	1,139	2,014	-43%

(a) Detail of adjustment items shown in the business segment information annex to financial statements.

(b) Hutchinson and Atotech, Bostik until February 2015.

The Group's European refining margin indicator (ERMI) decreased by 31% compared to last year. The petrochemical environment remained favorable, supported by strong polymer demand.

Refining & Chemicals adjusted net operating income was 2,146 M\$ in the first half 2016, a decrease of 12% compared to the first half 2015, due to lower refining margins and more outages than in 2015.

### 3.3. Marketing & Services

#### 3.3.1. Petroleum product sales

(sales in kb/d) <sup>(a)</sup>	1H16	1H15	1H16 vs 1H15
Total Marketing & Services sales	1,775	1,818	-2%
– Europe	1,068	1,091	-2%
– Rest of world	707	727	-3%

(a) Excludes Trading and bulk refining sales, includes share of TotalErg.

In the first half 2016, refined product sales decreased by 2% compared to the first half 2015, mainly due to the sale of Totalgaz

and the retail network in Turkey in 2015, partially offset by increased retail network sales and land-based lubricant sales.

#### 3.3.2. Results

(in millions of dollars)	1H16	1H15	1H16 vs 1H15
Sales	32,738	40,039	-18%
Adjusted operating income <sup>(a)</sup>	765	910	-16%
Adjusted net operating income <sup>(a)</sup>	630	746	-16%
<i>including New Energies</i>	(80)	(87)	na
Investments	729	651	+12%
Divestments	333	679	-51%
Organic investments	549	467	+18%
Operating cash flow before working capital changes	873	949	-8%
Cash flow from operations	225	1,023	-78%

(a) Detail of adjustment items shown in the business segment information annex to financial statements.

Marketing & Services adjusted net operating income was 630 M\$ in the first half 2016, a decrease of 16% compared to the first half 2015. The second quarter 2016 results, which increased by 50%

compared to the first quarter 2016, reached a level similar to second quarter 2015 despite the asset sales over the past year.



## 4. Group results

### 4.1. Net operating income from business segments

Adjusted net operating income from the business segments was 4,401 M\$ in the first half 2016, a decrease of 28% compared to the first half 2015, mainly due to lower average hydrocarbon prices in the Upstream and lower refining margins.

The effective tax rate<sup>(1)</sup> for the business segments was 21.9% in the first half 2016 compared to 37.4% in the first half 2015, mainly due to the lower effective tax rate in the Upstream.

### 4.2. Net income (Group share)

Adjusted net income was 3,810 M\$ in the first half 2016 compared to 5,687 M\$ in the first half 2015, a decrease of 33%.

Adjusted net income excludes the after-tax inventory effect, special items and the impact of changes in fair value<sup>(2)</sup>.

Total adjustments affecting net income (Group share)<sup>(3)</sup> were -116 M\$ in the first half 2016, including mainly inventory effect,

the gain on the sale of the FUKA gas pipeline network in the North Sea in the first quarter and the impairment of assets that will not be developed.

The number of fully-diluted shares was 2,401 million on June 30, 2016, and 2,294 million on June 30, 2015.

### 4.3. Divestments – Acquisitions

Asset sales were 1,357 M\$ in the first half 2016, comprised mainly of the sales of the retail network in Turkey and the FUKA gas pipeline network in the North Sea.

Acquisitions were 399 M\$ in the first half 2016, comprised mainly of the purchase of shares in Saft and the acquisition of the retail network in the Dominican Republic.

### 4.4. Net cash flow

The Group's net cash flow<sup>(4)</sup> was -5 M\$ in the first half 2016 compared to -489 M\$ in the first half 2015, despite the decrease in Brent price from 58 \$/b to 40 \$/b; operating cash flow before

changes in working capital was 7.7 B\$, around the same level as net investments, compared to 10.0 B\$ and 10.4 B\$ respectively in the first half 2015.

### 4.5. Return on equity

Return on equity from July 1, 2015 to June 30, 2016 was 8.9%<sup>(5)</sup>.

(1) Tax on adjusted net operating income / (adjusted net operating income – income from equity affiliates – dividends received from investments + tax on adjusted net operating income).

(2) Details shown on page 12.

(3) Details shown on page 8.

(4) Net cash flow = operating cash flow before working capital changes – net investments (including other transactions with non-controlling interests).

(5) Details shown on page 9.

## 5. TOTAL S.A., parent company accounts

Net income for TOTAL S.A., the parent company, was 1,142 M€ in the first half 2016 compared to 3,438 M€ in the first half 2015.

In the first half 2015, a strong volume of dividends was paid by affiliates of TOTAL S.A. to the parent company.

## 6. Summary and outlook

The financial performance of the Group over the first half 2016 demonstrates the strength of its integrated model across a range of volatile prices. The Group was resilient in a weak environment at the start of the year and fully captured the benefit of the rebound in prices during the second quarter.

In the Upstream, the start up of Incahuasi in Bolivia and Kashagan in Kazakhstan are expected in the second half of the year, following the first-half start-ups of Laggan-Tormore in the United Kingdom, Vega Pleyade in Argentina, and Angola LNG. Production growth is projected to be 4% for the year as a whole after reaching 4.5% in the first half.

In the Downstream, refining margins were lower at the beginning of the third quarter, due to high inventory levels. Reducing capacity at

the Lindsey refinery and ending crude refining at La Mède refinery to convert it to a bio-refinery will be finalized in the second half of the year. The Group's major integrated platforms are performing well and capturing the benefit of strong petrochemical margins which are supported by polymer demand.

Total maintains strict discipline on costs and investments as part of its strategy to reduce the breakeven. In obtaining an interest in Al-Shaheen, it continues to add high quality, low cost assets to the portfolio.

In addition, the Group continues to actively manage its portfolio by launching the sale process for Atotech, and confirms its objective to generate 2 B\$ from net asset sales over the year.

## 7. Other information

### 7.1. Operating information by segment

#### 7.1.1. Upstream<sup>(a)</sup>

Combined liquids and gas production by region (kboe/d)	1H16	1H15	1H16 vs 1H15
Europe and Central Asia	779	649	+20%
Africa	632	634	-
Middle East and North Africa	518	549	-6%
Americas	255	258	-1%
Asia Pacific	268	256	+4%
<b>Total production</b>	<b>2,452</b>	<b>2,347</b>	<b>+4%</b>
Including equity affiliates	624	560	+11%

Liquids production by region (kb/d)	1H16	1H15	1H16 vs 1H15
Europe and Central Asia	251	206	+21%
Africa	515	518	-1%
Middle East and North Africa	374	375	-
Americas	99	93	+6%
Asia Pacific	32	34	-7%
<b>Total production</b>	<b>1,269</b>	<b>1,227</b>	<b>+3%</b>
Including equity affiliates	253	213	+19%

Gas production by region (Mcf/d)	1H16	1H15	1H16 vs 1H15
Europe and Central Asia	2,845	2,379	+20%
Africa	579	578	-
Middle East and North Africa	800	956	-16%
Americas	870	919	-5%
Asia Pacific	1,359	1,278	+6%
<b>Total production</b>	<b>6,453</b>	<b>6,110</b>	<b>+6%</b>
Including equity affiliates	1,983	1,863	+6%

Liquefied natural gas	1H16	1H15	1H16 vs 1H15
LNG sales <sup>(b)</sup> (Mt)	5.39	5.21	+3%

(a) The regional reporting has been changed to reflect the Company's internal organization. Historical data is available at total.com

(b) Sales, Group share, excluding Trading; 2015 data restated to reflect volume estimates for Bontang LNG in Indonesia based on the 2015 SEC coefficient.

## 7.1.2. Downstream (Refining & Chemicals and Marketing & Services)

### Petroleum product sales by region (kb/d)<sup>(a)</sup>

	1H16	1H15	1H16 vs 1H15
Europe	2,330	2,078	+12%
Africa	549	660	-17%
Americas	564	603	-6%
Rest of world	738	649	+14%
<b>Total consolidated sales</b>	<b>4,181</b>	<b>3,990</b>	<b>+5%</b>
Including bulk sales	708	630	+12%
Including trading	1,698	1,542	+10%

(a) Includes share of TotalErg.

## 7.2. Adjustment items

### 7.2.1. Adjustments to operating income

(in millions of dollars)	1H16	1H15
Special items affecting operating income	(1,097)	(1,851)
– Restructuring charges	(19)	-
– Impairments	(200)	(1,294)
– Other	(878)	(557)
Pre-tax inventory effect: FIFO vs. replacement cost	352	478
Effect of changes in fair value	(3)	(6)
<b>Total adjustments affecting operating income</b>	<b>(748)</b>	<b>(1,379)</b>

### 7.2.2. Adjustment to net income (Group share)

(in millions of dollars)	1H16	1H15
Special items affecting net income (Group share)	(336)	(377)
– Gain (loss) on asset sales	344	1,329
– Restructuring charges	(4)	(31)
– Impairments	(178)	(1,354)
– Other	(498)	(321)
After-tax inventory effect: FIFO vs. replacement cost	222	328
Effect of changes in fair value	(2)	(4)
<b>Total adjustments affecting net income</b>	<b>(116)</b>	<b>(53)</b>

## 7.3. 2016 sensitivities<sup>(a)</sup>

	Scenario	Change	Estimated impact on adjusted net operating income	Estimated impact on cash flow
Dollar	1.0 \$/€	+0.1 \$ per €	-0.15 B\$	-0.1 B\$
Brent	50 \$/b	-10 \$/b	-2 B\$	-2 B\$
European refining margin indicator (ERMI)	35 \$/t	-10 \$/t	-0.5 B\$	-0.6 B\$

(a) Sensitivities are revised once per year upon publication of the previous year's fourth quarter results. Sensitivities are estimates based on assumptions about the Group's portfolio in 2016. Actual results could vary significantly from estimates based on the application of these sensitivities. The impact of the \$-€ sensitivity on adjusted net operating income is attributable 85% to Refining & Chemicals.

## 7.4. Investments – Divestments

(in millions of dollars)	1H16	1H15	1H16 vs 1H15
Organic investments	8,674	11,217	-23%
<i>capitalized exploration</i>	400	796	-50%
<i>increase in non-current loans</i>	829	1,184	-30%
<i>repayment of non-current loans</i>	(401)	(1,405)	-71%
Acquisitions	399	2,777	-86%
Asset sales	1,357	3,472	-61%
Other transactions with non-controlling interests	3	81	-96%
Net investments	7,713	10,441	-26%

## 7.5. Net-debt-to-equity ratio

(in millions of dollars)	6/30/2016	6/30/2015
Current borrowings	13,789	13,114
Net current financial assets	(1,628)	(2,351)
Net financial assets classified as held for sale	(97)	(16)
Non-current financial debt	41,668	43,363
Hedging instruments of non-current debt	(1,251)	(1,157)
Cash and cash equivalents	(22,653)	(27,322)
<b>Net debt</b>	<b>29,828</b>	<b>25,631</b>
Shareholders' equity – Group share	97,985	97,244
Estimated dividend payable	(1,618)	(1,561)
Non-controlling interests	2,904	3,104
<b>Adjusted shareholders' equity</b>	<b>99,271</b>	<b>98,787</b>
<b>Net-debt-to-equity ratio</b>	<b>30.0%</b>	<b>25.9%</b>

## 7.6. Return on equity

(in millions of dollars)	7/01/2015 to 6/30/2016	4/01/2015 to 3/31/2016	1/01/2015 to 12/31/2015
Adjusted net income	8,817	9,742	10,698
Average adjusted shareholders' equity	99,029	95,643	92,854
<b>Return on equity (ROE)</b>	<b>8.9%</b>	<b>10.2%</b>	<b>11.5%</b>

## 7.7. Return on average capital employed

### 7.7.1. Twelve months ended June 30, 2016

(in millions of dollars)	Upstream	Refining & Chemicals	Marketing & Services	Group
Adjusted net operating income	3,480	4,586	1,583	9,565
Capital employed at 6/30/2015 <sup>(a)</sup>	107,214	12,013	8,234	124,001
Capital employed at 6/30/2016 <sup>(a)</sup>	108,733	12,249	9,021	129,635
<b>ROACE</b>	<b>3.2%</b>	<b>37.8%</b>	<b>18.3%</b>	<b>7.5%</b>

(a) At replacement cost (excluding after-tax inventory effect).

### 7.7.2. Twelve months ended March 31, 2016

(in millions of dollars)	Upstream	Refining & Chemicals	Marketing & Services	Group
Adjusted net operating income	3,913	4,917	1,630	10,460
Capital employed at 3/31/2015 <sup>(a)</sup>	103,167	12,534	7,928	123,218
Capital employed at 3/31/2016 <sup>(a)</sup>	106,517	12,505	8,800	127,754
<b>ROACE</b>	<b>3.7%</b>	<b>39.3%</b>	<b>19.5%</b>	<b>8.3%</b>

(a) At replacement cost (excluding after-tax inventory effect).

### 7.7.3. Twelve months ended December 31, 2015

(in millions of dollars)	Upstream	Refining & Chemicals	Marketing & Services	Group
Adjusted net operating income	4,774	4,889	1,699	11,400
Capital employed at 12/31/2014 <sup>(a)</sup>	100,497	13,451	8,825	120,526
Capital employed at 12/31/2015 <sup>(a)</sup>	105,580	10,407	8,415	121,143
<b>ROACE</b>	<b>4.6%</b>	<b>41.0%</b>	<b>19.7%</b>	<b>9.4%</b>

(a) At replacement cost (excluding after-tax inventory effect).

## 8. Principal risks and uncertainties for the remaining six months of 2016

The Group and its businesses are subject to various risks relating to changing political, economic, monetary, legal, environmental, social, industrial, competitive, operating and financial conditions. A description of such risk factors is provided in TOTAL's 2015 Registration Document filed with the *Autorité des marchés financiers* (French Financial Markets Authority) on March 16, 2016.

These conditions are subject to change not only in the six months remaining in the current financial year, but also in the years to come.

Additionally, a description of certain risks is included in the Notes to the Consolidated Financial Statements for the first half of 2016 (pages 26 to 27 and 38 of this mid-year financial report).

## 9. Principal transactions with related parties

Information concerning the principal transactions with related parties for the first six months of 2016 is provided in Note 6 to the

Consolidated Financial Statements for the first half of 2016 (page 26 of this mid-year financial report).

## Disclaimer

This document may contain forward-looking information on the Group (including objectives and trends), as well as forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, notably with respect to the financial condition, results of operations, business, strategy and plans of TOTAL. These data do not represent forecasts within the meaning of European Regulation No. 809/2004.

Such forward-looking information and statements included in this document are based on a number of economic data and assumptions made in a given economic, competitive and regulatory environment. They may prove to be inaccurate in the future, and are subject to a number of risk factors that could lead to a significant difference between actual results and those anticipated, including currency fluctuations, the price of petroleum products, the ability to realize cost reductions and operating efficiencies without unduly disrupting business operations, environmental regulatory considerations and general economic and business conditions. Certain financial information is based on estimates particularly in the assessment of the recoverable value of assets and potential impairments of assets relating thereto.

Neither TOTAL nor any of its subsidiaries assumes any obligation to update publicly any forward-looking information or statement, objectives or trends contained in this document whether as a result of new information, future events or otherwise. Further information on factors, risks and uncertainties that could affect the Company's financial results or the Group's activities is provided in the most recent Registration Document, the French language version of which is filed by the Company with the French *Autorité des marchés financiers* and annual report on Form 20-F filed with the United States Securities and Exchange Commission ("SEC").

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.

In addition to IFRS measures, certain alternative performance indicators are presented, such as performance indicators excluding the adjustment items described below (adjusted operating income, adjusted net operating income, adjusted net income), return on equity (ROE), Return on Average Capital Employed (ROACE) and net-debt-to-equity ratio. These indicators are meant to facilitate the analysis of the financial performance of TOTAL and the comparison of income between periods. They allow investors to track the measures used internally to manage and measure the performance of the Group.

These 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 asset disposals, which are not considered to be representative of the normal course of business, may be qualified as special items although they may have occurred within prior years or are likely to occur again within the coming years.

### (ii) Inventory valuation effect

The adjusted results of the 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 price differentials between one period and another or the average prices of the period rather than the historical value. The inventory valuation effect is the difference between the results according to the FIFO (First-In, First-Out) and the replacement cost.

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

The effect of changes in fair value presented as an adjustment item reflects, for some transactions, differences between internal measures 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, whose future effects are recorded at fair value in Group's internal economic performance. IFRS precludes recognition of this fair value effect.

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

Euro amounts presented for the fully adjusted-diluted earnings per share represent dollar amounts converted at the average euro-dollar (€-\$) exchange rate for the applicable period and are not the result of financial statements prepared in euros.

Cautionary Note to U.S. Investors – The SEC permits oil and gas companies, in their filings with the SEC, to separately disclose proved, probable and possible reserves that a company has determined in accordance with SEC rules. We may use certain terms in this press release, such as "potential reserves" or "resources", that the SEC's guidelines strictly prohibit us from including in filings with the SEC. U.S. investors are urged to consider closely the disclosure in our Form 20-F, File n° 1-10888, available from us at 2, place Jean Millier – Arche Nord Coupole/Regnault – 92078 Paris-La Défense Cedex, France, or at our website [total.com](http://total.com). You can also obtain this form from the SEC by calling 1-800-SEC-0330 or on the SEC's website [www.sec.gov](http://www.sec.gov).



# Consolidated Financial Statements

## 1. Statutory auditors' review report on the half-yearly financial information

*This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly Management Report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

Period from January 1 to June 30, 2016

To the Shareholders,

In compliance with the assignment entrusted to us by your general meeting and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and financial code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed half-yearly Consolidated Financial Statements of TOTAL S.A., for the period from January 1 to June 30, 2016,
- the verification of the information presented in the half-yearly Management Report.

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

### I – Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

### II – Specific verification

We have also verified the information presented in the half-yearly Management Report on the condensed half-yearly Consolidated Financial Statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly Consolidated Financial Statements.

Paris-La Défense, July 27, 2016

The statutory auditors  
French original signed by

KPMG Audit  
A division of KPMG S.A.

Michel Piette  
Partner

Valérie Besson  
Partner

ERNST & YOUNG Audit

Yvon Salaün  
Partner

Laurent Miannay  
Partner

## 2. Consolidated statement of income

### TOTAL

(unaudited) (in millions of dollars) <sup>(a)</sup>	1 <sup>st</sup> half 2016	1 <sup>st</sup> half 2015
<b>Sales</b>	<b>70,056</b>	<b>87,028</b>
Excise taxes	(10,823)	(10,796)
Revenues from sales	59,233	76,232
Purchases, net of inventory variation	(38,187)	(50,557)
Other operating expenses	(12,042)	(12,303)
Exploration costs	(730)	(989)
Depreciation, depletion and impairment of tangible assets and mineral interests	(5,648)	(6,703)
Other income	672	2,343
Other expense	(203)	(838)
Financial interest on debt	(541)	(493)
Financial income from marketable securities & cash equivalents	11	59
Cost of net debt	(530)	(434)
Other financial income	503	397
Other financial expense	(321)	(329)
Equity in net income (loss) of affiliates	1,274	1,275
Income taxes	(282)	(2,573)
<b>Consolidated net income</b>	<b>3,739</b>	<b>5,521</b>
Group share	3,694	5,634
Non-controlling interests	45	(113)
Earnings per share (\$)	1.54	2.46
Fully-diluted earnings per share (\$)	1.53	2.45

(a) Except for per share amounts.

### 3. Consolidated statement of comprehensive income

#### TOTAL

(unaudited) (in millions of dollars)	1 <sup>st</sup> half 2016	1 <sup>st</sup> half 2015
<b>Consolidated net income</b>	<b>3,739</b>	<b>5,521</b>
<b>Other comprehensive income</b>		
Actuarial gains and losses	(213)	153
Tax effect	72	(117)
Currency translation adjustment generated by the parent company	1,528	(5,229)
<b>Items not potentially reclassifiable to profit and loss</b>	<b>1,387</b>	<b>(5,193)</b>
Currency translation adjustment	(1,355)	2,588
Available for sale financial assets	(14)	(4)
Cash flow hedge	32	(94)
Share of other comprehensive income of equity affiliates, net amount	354	841
Other	3	1
Tax effect	(3)	29
<b>Items potentially reclassifiable to profit and loss</b>	<b>(983)</b>	<b>3,361</b>
<b>Total other comprehensive income (net amount)</b>	<b>404</b>	<b>(1,832)</b>
<b>Comprehensive income</b>	<b>4,143</b>	<b>3,689</b>
Group share	4,103	3,833
Non-controlling interests	40	(144)

## 4. Consolidated statement of income

### TOTAL

(unaudited) (in millions of dollars) <sup>(a)</sup>	2 <sup>nd</sup> quarter 2016	1 <sup>st</sup> quarter 2016	2 <sup>nd</sup> quarter 2015
<b>Sales</b>	<b>37,215</b>	<b>32,841</b>	<b>44,715</b>
Excise taxes	(5,504)	(5,319)	(5,446)
Revenues from sales	31,711	27,522	39,269
Purchases, net of inventory variation	(20,548)	(17,639)	(26,353)
Other operating expenses	(5,906)	(6,136)	(6,031)
Exploration costs	(536)	(194)	(352)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,968)	(2,680)	(2,831)
Other income	172	500	722
Other expense	(133)	(70)	(396)
Financial interest on debt	(267)	(274)	(231)
Financial income from marketable securities & cash equivalents	1	10	28
Cost of net debt	(266)	(264)	(203)
Other financial income	312	191	255
Other financial expense	(166)	(155)	(163)
Equity in net income (loss) of affiliates	776	498	685
Income taxes	(330)	48	(1,589)
<b>Consolidated net income</b>	<b>2,118</b>	<b>1,621</b>	<b>3,013</b>
Group share	2,088	1,606	2,971
Non-controlling interests	30	15	42
Earnings per share (\$)	0.86	0.67	1.29
Fully-diluted earnings per share (\$)	0.86	0.67	1.29

(a) Except for per share amounts.

## 5. Consolidated statement of comprehensive income

### TOTAL

(unaudited) (in millions of dollars)	2 <sup>nd</sup> quarter 2016	1 <sup>st</sup> quarter 2016	2 <sup>nd</sup> quarter 2015
<b>Consolidated net income</b>	<b>2,118</b>	<b>1,621</b>	<b>3,013</b>
<b>Other comprehensive income</b>			
Actuarial gains and losses	(132)	(81)	248
Tax effect	40	32	(81)
Currency translation adjustment generated by the parent company	(2,113)	3,641	2,963
<b>Items not potentially reclassifiable to profit and loss</b>	<b>(2,205)</b>	<b>3,592</b>	<b>3,130</b>
Currency translation adjustment	589	(1,944)	(1,160)
Available for sale financial assets	(4)	(10)	(12)
Cash flow hedge	(66)	98	36
Share of other comprehensive income of equity affiliates, net amount	355	(1)	(201)
Other	-	3	(2)
Tax effect	21	(24)	(8)
<b>Items potentially reclassifiable to profit and loss</b>	<b>895</b>	<b>(1,878)</b>	<b>(1,347)</b>
<b>Total other comprehensive income (net amount)</b>	<b>(1,310)</b>	<b>1,714</b>	<b>1,783</b>
<b>Comprehensive income</b>	<b>808</b>	<b>3,335</b>	<b>4,796</b>
Group share	795	3,308	4,749
Non-controlling interests	13	27	47

## 6. Consolidated balance sheet

### TOTAL

#### ASSETS

(in millions of dollars)

	6/30/2016 (unaudited)	3/31/2016 (unaudited)	12/31/2015	6/30/2015 (unaudited)
<b>Non-current assets</b>				
Intangible assets, net	14,207	14,512	14,549	16,101
Property, plant and equipment, net	111,420	111,636	109,518	110,023
Equity affiliates: investments and loans	20,683	20,411	19,384	19,380
Other investments	1,411	1,413	1,241	1,248
Hedging instruments of non-current financial debt	1,251	1,236	1,219	1,157
Deferred income taxes	4,175	3,955	3,982	3,145
Other non-current assets	4,467	4,329	4,355	4,047
<b>Total non-current assets</b>	<b>157,614</b>	<b>157,492</b>	<b>154,248</b>	<b>155,101</b>
<b>Current assets</b>				
Inventories, net	15,021	13,887	13,116	17,373
Accounts receivable, net	11,933	12,220	10,629	14,415
Other current assets	14,850	15,827	15,843	15,072
Current financial assets	2,018	3,439	6,190	2,439
Cash and cash equivalents	22,653	20,570	23,269	27,322
Assets classified as held for sale	1,257	724	1,189	2,754
<b>Total current assets</b>	<b>67,732</b>	<b>66,667</b>	<b>70,236</b>	<b>79,375</b>
<b>Total assets</b>	<b>225,346</b>	<b>224,159</b>	<b>224,484</b>	<b>234,476</b>

#### LIABILITIES & SHAREHOLDERS' EQUITY

(in millions of dollars)

	6/30/2016 (unaudited)	3/31/2016 (unaudited)	12/31/2015	6/30/2015 (unaudited)
<b>Shareholders' equity</b>				
Common shares	7,846	7,709	7,670	7,549
Paid-in surplus and retained earnings	106,343	103,766	101,528	103,286
Currency translation adjustment	(11,619)	(10,447)	(12,119)	(9,243)
Treasury shares	(4,585)	(4,585)	(4,585)	(4,348)
<b>Total shareholders' equity – Group share</b>	<b>97,985</b>	<b>96,443</b>	<b>92,494</b>	<b>97,244</b>
<b>Non-controlling interests</b>	<b>2,904</b>	<b>2,960</b>	<b>2,915</b>	<b>3,104</b>
<b>Total shareholders' equity</b>	<b>100,889</b>	<b>99,403</b>	<b>95,409</b>	<b>100,348</b>
<b>Non-current liabilities</b>				
Deferred income taxes	11,345	11,766	12,360	13,458
Employee benefits	3,887	3,984	3,774	4,426
Provisions and other non-current liabilities	17,270	17,607	17,502	17,353
Non-current financial debt	41,668	43,138	44,464	43,363
<b>Total non-current liabilities</b>	<b>74,170</b>	<b>76,495</b>	<b>78,100</b>	<b>78,600</b>
<b>Current liabilities</b>				
Accounts payable	20,478	20,887	20,928	22,469
Other creditors and accrued liabilities	14,983	15,938	16,884	18,718
Current borrowings	13,789	10,858	12,488	13,114
Other current financial liabilities	390	208	171	88
Liabilities directly associated with the assets classified as held for sale	647	370	504	1,139
<b>Total current liabilities</b>	<b>50,287</b>	<b>48,261</b>	<b>50,975</b>	<b>55,528</b>
<b>Total liabilities and shareholders' equity</b>	<b>225,346</b>	<b>224,159</b>	<b>224,484</b>	<b>234,476</b>

## 7. Consolidated statement of cash flow

### TOTAL

(unaudited) (in millions of dollars)	1 <sup>st</sup> half 2016	1 <sup>st</sup> half 2015
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Consolidated net income	3,739	5,521
Depreciation, depletion and impairment	6,096	7,537
Non-current liabilities, valuation allowances and deferred taxes	(745)	(161)
Impact of coverage of pension benefit plans	-	-
(Gains) losses on disposals of assets	(415)	(1,816)
Undistributed affiliates' equity earnings	(516)	(289)
(Increase) decrease in working capital	(3,297)	(1,311)
Other changes, net	(99)	(362)
<b>Cash flow from operating activities</b>	<b>4,763</b>	<b>9,119</b>
<b>CASH FLOW USED IN INVESTING ACTIVITIES</b>		
Intangible assets and property, plant and equipment additions	(8,240)	(13,947)
Acquisitions of subsidiaries, net of cash acquired	(122)	(10)
Investments in equity affiliates and other securities	(283)	(258)
Increase in non-current loans	(829)	(1,184)
<b>Total expenditures</b>	<b>(9,474)</b>	<b>(15,399)</b>
Proceeds from disposals of intangible assets and property, plant and equipment	992	1,180
Proceeds from disposals of subsidiaries, net of cash sold	270	2,161
Proceeds from disposals of non-current investments	95	131
Repayment of non-current loans	401	1,405
<b>Total divestments</b>	<b>1,758</b>	<b>4,877</b>
<b>Cash flow used in investing activities</b>	<b>(7,716)</b>	<b>(10,522)</b>
<b>CASH FLOW USED IN FINANCING ACTIVITIES</b>		
Issuance (repayment) of shares:		
– parent company shareholders	4	450
– treasury shares	-	-
Dividends paid:		
– parent company shareholders	(2,127)	(1,572)
– non-controlling interests	(75)	(72)
Issuance of perpetual subordinated notes	1,950	5,616
Payments on perpetual subordinated notes	(133)	-
Other transactions with non-controlling interests	3	81
Net issuance (repayment) of non-current debt	554	1,771
Increase (decrease) in current borrowings	(2,016)	(89)
Increase (decrease) in current financial assets and liabilities	4,145	(1,101)
<b>Cash flow used in financing activities</b>	<b>2,305</b>	<b>5,084</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(648)</b>	<b>3,681</b>
Effect of exchange rates	32	(1,540)
Cash and cash equivalents at the beginning of the period	23,269	25,181
<b>Cash and cash equivalents at the end of the period</b>	<b>22,653</b>	<b>27,322</b>

## 8. Consolidated statement of cash flow

### TOTAL

(unaudited) (in millions of dollars)	2 <sup>nd</sup> quarter 2016	1 <sup>st</sup> quarter 2016	2 <sup>nd</sup> quarter 2015
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Consolidated net income	2,118	1,621	3,013
Depreciation, depletion and impairment	3,361	2,735	3,113
Non-current liabilities, valuation allowances and deferred taxes	(477)	(268)	285
Impact of coverage of pension benefit plans	-	-	-
(Gains) losses on disposals of assets	(48)	(367)	(459)
Undistributed affiliates' equity earnings	(280)	(236)	(221)
(Increase) decrease in working capital	(1,752)	(1,545)	(835)
Other changes, net	(40)	(59)	(164)
<b>Cash flow from operating activities</b>	<b>2,882</b>	<b>1,881</b>	<b>4,732</b>
<b>CASH FLOW USED IN INVESTING ACTIVITIES</b>			
Intangible assets and property, plant and equipment additions	(4,094)	(4,146)	(5,991)
Acquisitions of subsidiaries, net of cash acquired	11	(133)	(3)
Investments in equity affiliates and other securities	(226)	(57)	(205)
Increase in non-current loans	(257)	(572)	(391)
<b>Total expenditures</b>	<b>(4,566)</b>	<b>(4,908)</b>	<b>(6,590)</b>
Proceeds from disposals of intangible assets and property, plant and equipment	200	792	221
Proceeds from disposals of subsidiaries, net of cash sold	270	-	403
Proceeds from disposals of non-current investments	2	93	109
Repayment of non-current loans	301	100	1,160
<b>Total divestments</b>	<b>773</b>	<b>985</b>	<b>1,893</b>
<b>Cash flow used in investing activities</b>	<b>(3,793)</b>	<b>(3,923)</b>	<b>(4,697)</b>
<b>CASH FLOW USED IN FINANCING ACTIVITIES</b>			
Issuance (repayment) of shares:			
– parent company shareholders	4	-	438
– treasury shares	-	-	-
Dividends paid:			
– parent company shareholders	(1,173)	(954)	(6)
– non-controlling interests	(72)	(3)	(70)
Issuance of perpetual subordinated notes	1,950	-	-
Payments on perpetual subordinated notes	-	(133)	-
Other transactions with non-controlling interests	3	-	81
Net issuance (repayment) of non-current debt	400	154	1,635
Increase (decrease) in current borrowings	1,011	(3,027)	(512)
Increase (decrease) in current financial assets and liabilities	1,399	2,746	(79)
<b>Cash flow used in financing activities</b>	<b>3,522</b>	<b>(1,217)</b>	<b>1,487</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,611</b>	<b>(3,259)</b>	<b>1,522</b>
Effect of exchange rates	(528)	560	749
Cash and cash equivalents at the beginning of the period	20,570	23,269	25,051
<b>Cash and cash equivalents at the end of the period</b>	<b>22,653</b>	<b>20,570</b>	<b>27,322</b>



## 9. Consolidated statement of changes in shareholders' equity

### TOTAL

(unaudited)	Common shares issued		Paid-in surplus and retained earnings	Currency translation adjustment	Treasury shares		Shareholders' equity – Group share	Non-controlling interests	Total shareholders' equity
(in millions of dollars)	Number	Amount			Number	Amount			
<b>As of January 1, 2015</b>	<b>2,385,267,525</b>	<b>7,518</b>	<b>94,646</b>	<b>(7,480)</b>	<b>(109,361,413)</b>	<b>(4,354)</b>	<b>90,330</b>	<b>3,201</b>	<b>93,531</b>
Net income of the first half 2015	-	-	5,634	-	-	-	5,634	(113)	5,521
Other comprehensive Income	-	-	(38)	(1,763)	-	-	(1,801)	(31)	(1,832)
<b>Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>5,596</b>	<b>(1,763)</b>	<b>-</b>	<b>-</b>	<b>3,833</b>	<b>(144)</b>	<b>3,689</b>
Dividend	-	-	(3,123)	-	-	-	(3,123)	(72)	(3,195)
Issuance of common shares	11,092,565	31	419	-	-	-	450	-	450
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Sale of treasury shares <sup>(a)</sup>	-	-	(6)	-	103,150	6	-	-	-
Share-based payments	-	-	69	-	-	-	69	-	69
Share cancellation	-	-	-	-	-	-	-	-	-
Issuance of perpetual subordinated notes	-	-	5,616	-	-	-	5,616	-	5,616
Payments on perpetual subordinated notes	-	-	(31)	-	-	-	(31)	-	(31)
Other operations with non-controlling interests	-	-	21	-	-	-	21	57	78
Other items	-	-	79	-	-	-	79	62	141
<b>As of June 30, 2015</b>	<b>2,396,360,090</b>	<b>7,549</b>	<b>103,286</b>	<b>(9,243)</b>	<b>(109,258,263)</b>	<b>(4,348)</b>	<b>97,244</b>	<b>3,104</b>	<b>100,348</b>
Net income from July 1 to December 31, 2015	-	-	(547)	-	-	-	(547)	(188)	(735)
Other comprehensive Income	-	-	223	(2,876)	-	-	(2,653)	(50)	(2,703)
<b>Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>(324)</b>	<b>(2,876)</b>	<b>-</b>	<b>-</b>	<b>(3,200)</b>	<b>(238)</b>	<b>(3,438)</b>
Dividend	-	-	(3,180)	-	-	-	(3,180)	(28)	(3,208)
Issuance of common shares	43,697,793	121	1,740	-	-	-	1,861	-	1,861
Purchase of treasury shares	-	-	-	-	(4,711,935)	(237)	(237)	-	(237)
Sale of treasury shares <sup>(a)</sup>	-	-	-	-	2,440	-	-	-	-
Share-based payments	-	-	32	-	-	-	32	-	32
Share cancellation	-	-	-	-	-	-	-	-	-
Issuance of perpetual subordinated notes	-	-	-	-	-	-	-	-	-
Payments on perpetual subordinated notes	-	-	(83)	-	-	-	(83)	-	(83)
Other operations with non-controlling interests	-	-	2	-	-	-	2	7	9
Other items	-	-	55	-	-	-	55	70	125
<b>As of December 31, 2015</b>	<b>2,440,057,883</b>	<b>7,670</b>	<b>101,528</b>	<b>(12,119)</b>	<b>(113,967,758)</b>	<b>(4,585)</b>	<b>92,494</b>	<b>2,915</b>	<b>95,409</b>
Net income of the first half 2016	-	-	3,694	-	-	-	3,694	45	3,739
Other comprehensive Income	-	-	(91)	500	-	-	409	(5)	404
<b>Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>3,603</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>4,103</b>	<b>40</b>	<b>4,143</b>
Dividend	-	-	(3,188)	-	-	-	(3,188)	(75)	(3,263)
Issuance of common shares	63,204,391	176	2,490	-	-	-	2,666	-	2,666
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Sale of treasury shares <sup>(a)</sup>	-	-	-	-	1,580	-	-	-	-
Share-based payments	-	-	52	-	-	-	52	-	52
Share cancellation	-	-	-	-	-	-	-	-	-
Issuance of perpetual subordinated notes	-	-	1,950	-	-	-	1,950	-	1,950
Payments on perpetual subordinated notes	-	-	(77)	-	-	-	(77)	-	(77)
Other operations with non-controlling interests	-	-	(40)	-	-	-	(40)	6	(34)
Other items	-	-	25	-	-	-	25	18	43
<b>As of June 30, 2016</b>	<b>2,503,262,274</b>	<b>7,846</b>	<b>106,343</b>	<b>(11,619)</b>	<b>(113,966,178)</b>	<b>(4,585)</b>	<b>97,985</b>	<b>2,904</b>	<b>100,889</b>

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

# 10. Notes to the Consolidated Financial Statements for the first six months of 2016

(unaudited)

## 1) Accounting policies

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The interim Consolidated Financial Statements of TOTAL S.A. and its subsidiaries (the Group) as of June 30, 2016 are presented in U.S. dollars and have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting".

The accounting policies applied for the Consolidated Financial Statements as of June 30, 2016 do not differ significantly from those applied for the Consolidated Financial Statements as of December 31, 2015 which have been prepared on the basis of IFRS (International Financial Reporting Standards) as adopted by the European Union and IFRS as issued by the IASB (International Accounting Standards Board). New texts or amendments which were mandatory for the periods beginning on or after January 1, 2016 did not have a material impact on the Group's Consolidated Financial Statements as of June 30, 2016.

The preparation of financial statements in accordance with IFRS requires the executive management to make estimates, judgments and assumptions considered reasonable, which affect the Consolidated Financial Statements and their notes. Different estimates, assumptions and judgments could have significant impacts on the Consolidated Financial Statements and their notes

and consequently the final achievements could also be different from the amounts included in the Consolidated Financial Statements.

These estimates, assumptions and judgments are regularly reviewed if circumstances change or as a result of new information or changes in the Group's experience; they could therefore be significantly changed later.

The main estimates, judgments and assumptions relate to the estimation of hydrocarbon reserves in application of the successful efforts method for the oil and gas activities, the impairment of assets, the employee benefits, the asset retirement obligations and the income taxes. These estimates and assumptions are described in the Notes to the Consolidated Financial Statements as of December 31, 2015.

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

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

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### Upstream

- In March 2016, TOTAL finalized the sale to North Sea Midstream Partners of all its interests in the FUKA and SIRGE gas pipelines, and the St. Fergus gas terminal in the United Kingdom.
- In June 2016, TOTAL has signed an agreement with Qatar Petroleum, granting the Group a 30% interest in the concession covering the offshore Al Shaheen oil field in Qatar for a period of 25 years beginning July 14, 2017.
- In June 2016, Total and Lampiris, the third-largest supplier of natural gas and renewable power to the Belgium residential sector, have signed an agreement under which Total will acquire all of the shares in Lampiris. The agreement is subject to customary regulatory approvals.

### Marketing & Services

- In January 2016, TOTAL finalized the acquisition of a majority 70% interest in the leading Dominican fuel retailer.
- In April 2016, TOTAL finalized the sale to Demirören Group of its service station network and commercial sales, supply and logistics assets located in Turkey.
- In May 2016, TOTAL has acquired Gulf Africa Petroleum Corporation's (GAPCO) assets in Kenya, Uganda and Tanzania. The transaction is subject to the authorities' approval in the three countries.

### 3) Adjustment items

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

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 asset disposals, which are not considered to be representative of the normal course of business, may be qualified as special items although they may have occurred within prior years or are likely to occur again within the coming years.

#### (ii) Inventory valuation effect

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

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

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

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

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

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

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

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

#### ADJUSTMENTS TO OPERATING INCOME

(in millions of dollars)		Upstream	Refining & Chemicals	Marketing & Services	Corporate	Total
<b>2<sup>nd</sup> quarter 2016</b>	Inventory valuation effect	-	516	118	-	634
	Effect of changes in fair value	(6)	-	-	-	(6)
	Restructuring charges	(8)	-	-	-	(8)
	Asset impairment charges	(200)	-	-	-	(200)
	Other items	(350)	(65)	(10)	-	(425)
<b>Total</b>	<b>(564)</b>	<b>451</b>	<b>108</b>	<b>-</b>	<b>(5)</b>	
<b>2<sup>nd</sup> quarter 2015</b>	Inventory valuation effect	-	199	51	-	250
	Effect of changes in fair value	(10)	-	-	-	(10)
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	(194)	(31)	(23)	-	(248)
	Other items	(150)	(76)	-	-	(226)
<b>Total</b>	<b>(354)</b>	<b>92</b>	<b>28</b>	<b>-</b>	<b>(234)</b>	
<b>1<sup>st</sup> half 2016</b>	Inventory valuation effect	-	311	41	-	352
	Effect of changes in fair value	(3)	-	-	-	(3)
	Restructuring charges	(19)	-	-	-	(19)
	Asset impairment charges	(200)	-	-	-	(200)
	Other items	(801)	(67)	(10)	-	(878)
<b>Total</b>	<b>(1,023)</b>	<b>244</b>	<b>31</b>	<b>-</b>	<b>(748)</b>	
<b>1<sup>st</sup> half 2015</b>	Inventory valuation effect	-	434	44	-	478
	Effect of changes in fair value	(6)	-	-	-	(6)
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	(1,240)	(31)	(23)	-	(1,294)
	Other items	(440)	(117)	-	-	(557)
<b>Total</b>	<b>(1,686)</b>	<b>286</b>	<b>21</b>	<b>-</b>	<b>(1,379)</b>	

**ADJUSTMENTS TO NET INCOME, GROUP SHARE**

(in millions of dollars)		Upstream	Refining & Chemicals	Marketing & Services	Corporate	Total
<b>2<sup>nd</sup> quarter 2016</b>	Inventory valuation effect	-	330	75	-	405
	Effect of changes in fair value	(5)	-	-	-	(5)
	Restructuring charges	(2)	-	-	-	(2)
	Asset impairment charges	(129)	-	(49)	-	(178)
	Gains (losses) on disposals of assets	-	-	(14)	-	(14)
	Other items	(226)	(52)	(14)	-	(292)
<b>Total</b>		<b>(362)</b>	<b>278</b>	<b>(2)</b>	<b>-</b>	<b>(86)</b>
<b>2<sup>nd</sup> quarter 2015</b>	Inventory valuation effect	-	138	36	-	174
	Effect of changes in fair value	(6)	-	-	-	(6)
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	(194)	(31)	(20)	-	(245)
	Gains (losses) on disposals of assets	(29)	(4)	360	-	327
	Other items	(280)	(82)	(2)	-	(364)
<b>Total</b>		<b>(509)</b>	<b>21</b>	<b>374</b>	<b>-</b>	<b>(114)</b>
<b>1<sup>st</sup> half 2016</b>	Inventory valuation effect	-	197	25	-	222
	Effect of changes in fair value	(2)	-	-	-	(2)
	Restructuring charges	(4)	-	-	-	(4)
	Asset impairment charges	(129)	-	(49)	-	(178)
	Gains (losses) on disposals of assets	358	-	(14)	-	344
	Other items	(417)	(56)	(25)	-	(498)
<b>Total</b>		<b>(194)</b>	<b>141</b>	<b>(63)</b>	<b>-</b>	<b>(116)</b>
<b>1<sup>st</sup> half 2015</b>	Inventory valuation effect	-	288	40	-	328
	Effect of changes in fair value	(4)	-	-	-	(4)
	Restructuring charges	-	(26)	(5)	-	(31)
	Asset impairment charges	(1,286)	(31)	(37)	-	(1,354)
	Gains (losses) on disposals of assets	299	670	360	-	1,329
	Other items	(140)	(135)	(46)	-	(321)
<b>Total</b>		<b>(1,131)</b>	<b>766</b>	<b>312</b>	<b>-</b>	<b>(53)</b>

In the second quarter of 2016, the headings “Other items” and “Asset impairment charges” include, in the Upstream segment, charges related to the cessation of the Group activities in Kurdistan (\$550) million in operating income, \$(355) million in net income, Group share).

## 4) Shareholders' equity

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

As of June 30, 2016, TOTAL S.A. holds 13,634,910 of its own shares, representing 0.54% of its share capital, detailed as follows:

- 13,601,945 shares allocated to TOTAL share grant plans for Group employees; and
- 32,965 shares intended to be allocated to new TOTAL share purchase option plans or to new share grant plans.

These shares are deducted from the consolidated shareholders' equity.

### TOTAL shares held by Group subsidiaries

As of June 30, 2016, TOTAL S.A. holds indirectly through its subsidiaries 100,331,268 of its own shares, representing 4.01% of its share capital, detailed as follows:

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

These shares are deducted from the consolidated shareholders' equity.

### Dividend

The Shareholders' Meeting on May 24, 2016 approved the payment of a dividend of €2.44 per share for the 2015 fiscal year. Taking into account the three quarterly dividends of €0.61 per share that have already been paid in shares or in cash on October 21, 2015, January 14, 2016, and April 12, 2016, the remaining balance of €0.61 per share was paid on June 23, 2016. The Shareholders' Meeting on May 24, 2016, approved the option for shareholders to receive the fourth quarter dividend in shares or in cash. The number of shares issued in lieu of the cash dividend was based on the dividend amount divided by €38.26 per share, equal to 90% of the average Euronext Paris opening price of the shares for the 20 Trading days preceding the shareholders meeting reduced by the amount of the dividend remainder. On June 23, 2016, 24,372,848 shares were issued at a price of €38.26 per share.

Another resolution has been approved at the Shareholders' Meeting on May 24, 2016, being that if one or more interim dividends are

decided by the Board of Directors for the fiscal year 2016, then shareholders have the option to receive this or these interim dividends in shares or in cash.

A first interim dividend for the fiscal year 2016 of €0.61 per share, decided by the Board of Directors on April 26, 2016 would be paid on October 14, 2016 (the ex-dividend date will be September 27, 2016).

A second interim dividend for the fiscal year 2016 of €0.61 per share, decided by the Board of Directors on July 27, 2016, would be paid on January 12, 2017 (the ex-dividend date will be December 21, 2016).

### Issuance of perpetual subordinated notes

During the first half year of 2016, the Group issued a perpetual deeply subordinated note 3.875% callable after 6 years on May 18, 2022 (1,750 million EUR).

### Other comprehensive income

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

(in millions of dollars)	1 <sup>st</sup> half 2016	1 <sup>st</sup> half 2015
Actuarial gains and losses	(213)	153
Tax effect	72	(117)
Currency translation adjustment generated by the parent company	1,528	(5,229)
<b>Items not potentially reclassifiable to profit and loss</b>	<b>1,387</b>	<b>(5,193)</b>
<b>Currency translation adjustment</b>	<b>(1,355)</b>	<b>2,588</b>
– Unrealized gain/(loss) of the period	(1,233)	3,044
– Less gain/(loss) included in net income	122	456
<b>Available for sale financial assets</b>	<b>(14)</b>	<b>(4)</b>
– Unrealized gain/(loss) of the period	(14)	2
– Less gain/(loss) included in net income	-	6
<b>Cash flow hedge</b>	<b>32</b>	<b>(94)</b>
– Unrealized gain/(loss) of the period	34	(314)
– Less gain/(loss) included in net income	2	(220)
<b>Share of other comprehensive income of equity affiliates, net amount</b>	<b>354</b>	<b>841</b>
– Unrealized gain/(loss) of the period	372	841
– Less gain/(loss) included in net income	18	-
<b>Other</b>	<b>3</b>	<b>1</b>
<b>Tax effect</b>	<b>(3)</b>	<b>29</b>
<b>Items potentially reclassifiable to profit and loss</b>	<b>(983)</b>	<b>3,361</b>
<b>Total other comprehensive income, net amount</b>	<b>404</b>	<b>(1,832)</b>

Based on its characteristics and in compliance with the IAS 32 standard, this note was recorded in equity.

### 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 €0.77 per share for the 2<sup>nd</sup> quarter 2016 (€0.61 per share for the 1<sup>st</sup> quarter 2016 and €1.17 per share for the 2<sup>nd</sup> quarter 2015). Diluted earnings per share calculated using the same method amounted to €0.76 per share for the 2<sup>nd</sup> quarter 2016 (€0.61 per share for the 1<sup>st</sup> quarter 2016 and €1.17 per share for the 2<sup>nd</sup> quarter 2015).

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

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

(in millions of dollars)	1 <sup>st</sup> half 2016			1 <sup>st</sup> half 2015		
	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Actuarial gains and losses	(213)	72	(141)	153	(117)	36
Currency translation adjustment generated by the parent company	1,528	-	1,528	(5,229)	-	(5,229)
<b>Items not potentially reclassifiable to profit and loss</b>	<b>1,315</b>	<b>72</b>	<b>1,387</b>	<b>(5,076)</b>	<b>(117)</b>	<b>(5,193)</b>
Currency translation adjustment	(1,355)	-	(1,355)	2,588	-	2,588
Available for sale financial assets	(14)	4	(10)	(4)	-	(4)
Cash flow hedge	32	(7)	25	(94)	29	(65)
Share of other comprehensive income of equity affiliates, net amount	354	-	354	841	-	841
Other	3	-	3	1	-	1
<b>Items potentially reclassifiable to profit and loss</b>	<b>(980)</b>	<b>(3)</b>	<b>(983)</b>	<b>3,332</b>	<b>29</b>	<b>3,361</b>
<b>Total other comprehensive income</b>	<b>335</b>	<b>69</b>	<b>404</b>	<b>(1,744)</b>	<b>(88)</b>	<b>(1,832)</b>

## 5) Financial debt

The Group did not issue any bond, during the first six months of 2016.

The Group reimbursed bonds during the first six months of 2016:

- Bond 6.50% 2011-2016 (AUD 150 million)
- Bond 2.30% 2010-2016 (USD 1,000 million)
- Bond 0.75% 2012-2016 (USD 750 million)
- Bond US Libor 3 months +38 bp 2013-2016 (USD 1,000 million)
- Bond 2.375% 2006-2016 (CHF 500 million)

- Bond 2.375% 2009-2016 (CHF 150 million)

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

## 6) Related parties

The related parties are principally equity affiliates and non-consolidated investments. There were no major changes

concerning transactions with related parties during the first six months of 2016.

## 7) Other risks and contingent liabilities

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

### Alitalia

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

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

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



In connection with the same facts, and fifteen years after the aforementioned exploration and production contract was rendered null and void ("caduc"), a Russian company, which was held not to be the contracting party to the contract, and two regions of the Russian Federation that were not even parties to the contract, launched an arbitration procedure against the aforementioned former subsidiary of Elf Aquitaine that was liquidated in 2005, claiming alleged damages of \$22.4 billion. For the same reasons as those successfully adjudicated by Elf Aquitaine against Blue Rapid and the Russian Olympic Committee, the Group considers this claim to be unfounded as a matter of law and fact.

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

### FERC

The Office of Enforcement of the U.S. Federal Energy Regulatory Commission (FERC) began in 2015 an investigation in connection with the natural gas Trading activities of Total Gas & Power North America, Inc. (TGPNA), an American 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 regarding the same facts.

TGPNA has cooperated in the investigation with the U.S. authorities and contests the claims brought against it.

### Russia

Since July 2014, the United States of America and the European community have adopted economic sanctions against certain Russian persons and entities, including various entities operating in the financial, energy and defense sectors, in response to the situation in Ukraine.

Among other things, the United States has adopted economic sanctions targeting OAO Novatek<sup>(1)</sup> ("Novatek"), as well as entities in which Novatek (individually or with other similarly targeted persons or entities collectively) owns an interest of at least 50%, including OAO Yamal LNG<sup>(2)</sup> ("Yamal LNG").

These sanctions prohibit U.S. persons from transacting in, providing financing for or otherwise dealing in debt issued by these entities after July 16, 2014 of greater than 90 days maturity. Consequently, the use of the U.S. dollar for such financing, including for Yamal LNG, is effectively prohibited.

As a result, the Yamal LNG project's financing was finalized in June 2016 without the use of the U.S. dollar or the intervention of U.S. persons. It consists of funding in rubles from the Russian National Welfare Fund, loans in euros from Russian banks, and loans in euros and renminbi from Chinese banks.

The economic sanctions initially adopted by the European Union in 2014 and subsequently extended do not materially affect TOTAL's activities in Russia. TOTAL has been formally authorized to continue all of its activities in Russia (in the Kharyaga field as operator, and in the Termokarstovoye gas field and Yamal LNG project in which the Group holds interests) by the French government which is the competent authority for granting authorization under EU sanctions regime.

TOTAL's activities in Russia are also not materially affected by restrictive measures adopted by the United States in August 2015 imposing export controls and restrictions relating to the export of certain goods, services, and technologies destined for projects located in Russia in the field of oil exploration.

With respect to the exploration project in the Bazhenov play (tight oil) in western Siberia, which has been suspended since 2014, TOTAL signed in July 2015 an agreement transferring the exploration licenses it held in the play to OAO Lukoil. This agreement also sets out the conditions under which TOTAL and OAO Lukoil could potentially resume their joint activities in Russia.

TOTAL continues to monitor the different international economic sanctions with respect to its activities in Russia.

In January 2016, TOTAL signed an agreement to sell 50% of its interest in the Kharyaga field and transfer the operatorship to Zarubezhneft. After the sale, which is expected to be completed in 2016, TOTAL's interest in the Kharyaga field will be 20%.

### Yemen

Due to the further deterioration in the security situation in the vicinity of its Balhaf site, the company Yemen LNG, in which the Group holds a 39.62% stake, decided to stop its commercial LNG production and export activities. The plant is in a preservation mode and no expatriate personnel remain on site. As a consequence of this situation, Yemen LNG declared *force majeure* to its various stakeholders in early April 2015.

(1) A Russian company listed on stock exchanges in Moscow and London and in which the Group held an interest of 18.9% as of June 30, 2016.

(2) A company jointly owned by Novatek (50.1%), Total E&P Yamal (20%), CNODC (20%), a subsidiary of China National Petroleum Corporation ("CNPC") and Silk Road Fund (9.9%).

## 8) Information by business segment

1 <sup>st</sup> half 2016 (in millions of dollars)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	6,810	30,505	32,738	3	-	70,056
Intersegment sales	7,421	9,688	340	151	(17,600)	-
Excise taxes	-	(1,885)	(8,938)	-	-	(10,823)
<b>Revenues from sales</b>	<b>14,231</b>	<b>38,308</b>	<b>24,140</b>	<b>154</b>	<b>(17,600)</b>	<b>59,233</b>
Operating expenses	(9,754)	(35,303)	(22,989)	(513)	17,600	(50,959)
Depreciation, depletion and impairment of tangible assets and mineral interests	(4,778)	(499)	(355)	(16)	-	(5,648)
<b>Operating income</b>	<b>(301)</b>	<b>2,506</b>	<b>796</b>	<b>(375)</b>	<b>-</b>	<b>2,626</b>
Equity in net income (loss) of affiliates and other items	1,239	437	48	201	-	1,925
Tax on net operating income	493	(655)	(270)	29	-	(403)
<b>Net operating income</b>	<b>1,431</b>	<b>2,288</b>	<b>574</b>	<b>(145)</b>	<b>-</b>	<b>4,148</b>
Net cost of net debt						(409)
Non-controlling interests						(45)
<b>Net income</b>						<b>3,694</b>

1 <sup>st</sup> half 2016 (adjustments) <sup>(a)</sup> (in millions of dollars)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	(132)	-	-	-	-	(132)
Intersegment sales	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-
<b>Revenues from sales</b>	<b>(132)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(132)</b>
Operating expenses	(691)	244	31	-	-	(416)
Depreciation, depletion and impairment of tangible assets and mineral interests	(200)	-	-	-	-	(200)
<b>Operating income<sup>(b)</sup></b>	<b>(1,023)</b>	<b>244</b>	<b>31</b>	<b>-</b>	<b>-</b>	<b>(748)</b>
Equity in net income (loss) of affiliates and other items	329	(27)	(79)	-	-	223
Tax on net operating income	500	(75)	(8)	-	-	417
<b>Net operating income<sup>(b)</sup></b>	<b>(194)</b>	<b>142</b>	<b>(56)</b>	<b>-</b>	<b>-</b>	<b>(108)</b>
Net cost of net debt						(11)
Non-controlling interests						3
<b>Net income</b>						<b>(116)</b>

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

(b) Of which inventory valuation effect

	Upstream	Refining & Chemicals	Marketing & Services	Corporate
- on operating income	-	311	41	-
- on net operating income	-	198	34	-



1 <sup>st</sup> half 2016 (adjusted) (in millions of dollars) <sup>(a)</sup>	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	6,942	30,505	32,738	3	-	70,188
Intersegment sales	7,421	9,688	340	151	(17,600)	-
Excise taxes	-	(1,885)	(8,938)	-	-	(10,823)
<b>Revenues from sales</b>	<b>14,363</b>	<b>38,308</b>	<b>24,140</b>	<b>154</b>	<b>(17,600)</b>	<b>59,365</b>
Operating expenses	(9,063)	(35,547)	(23,020)	(513)	17,600	(50,543)
Depreciation, depletion and impairment of tangible assets and mineral interests	(4,578)	(499)	(355)	(16)	-	(5,448)
<b>Adjusted operating income</b>	<b>722</b>	<b>2,262</b>	<b>765</b>	<b>(375)</b>	<b>-</b>	<b>3,374</b>
Equity in net income (loss) of affiliates and other items	910	464	127	201	-	1,702
Tax on net operating income	(7)	(580)	(262)	29	-	(820)
<b>Adjusted net operating income</b>	<b>1,625</b>	<b>2,146</b>	<b>630</b>	<b>(145)</b>	<b>-</b>	<b>4,256</b>
Net cost of net debt						(398)
Non-controlling interests						(48)
<b>Adjusted net income</b>						<b>3,810</b>
<b>Adjusted fully-diluted earnings per share (\$)</b>						<b>1.58</b>

(a) Except for earnings per share.

1 <sup>st</sup> half 2016 (in millions of dollars)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	7,776	739	729	230	-	9,474
Total divestments	1,363	52	333	10	-	1,758
Cash flow from operating activities	3,096	1,139	225	303	-	4,763

## 2 Consolidated Financial Statements

Notes to the Consolidated Financial Statements for the first six months of 2016

1 <sup>st</sup> half 2015 (in millions of dollars)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	9,723	37,257	40,039	9	-	87,028
Intersegment sales	9,305	14,350	495	108	(24,258)	-
Excise taxes	-	(1,940)	(8,856)	-	-	(10,796)
<b>Revenues from sales</b>	<b>19,028</b>	<b>49,667</b>	<b>31,678</b>	<b>117</b>	<b>(24,258)</b>	<b>76,232</b>
Operating expenses	(11,418)	(45,899)	(30,371)	(419)	24,258	(63,849)
Depreciation, depletion and impairment of tangible assets and mineral interests	(5,770)	(543)	(376)	(14)	-	(6,703)
<b>Operating income</b>	<b>1,840</b>	<b>3,225</b>	<b>931</b>	<b>(316)</b>	<b>-</b>	<b>5,680</b>
Equity in net income (loss) of affiliates and other items	1,088	869	423	468	-	2,848
Tax on net operating income	(1,277)	(879)	(324)	(175)	-	(2,655)
<b>Net operating income</b>	<b>1,651</b>	<b>3,215</b>	<b>1,030</b>	<b>(23)</b>	<b>-</b>	<b>5,873</b>
Net cost of net debt						(352)
Non-controlling interests						113
<b>Net income</b>						<b>5,634</b>

1 <sup>st</sup> half 2015 (adjustments) <sup>(a)</sup> (in millions of dollars)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	(304)	-	-	-	-	(304)
Intersegment sales	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-
<b>Revenues from sales</b>	<b>(304)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(304)</b>
Operating expenses	(142)	317	44	-	-	219
Depreciation, depletion and impairment of tangible assets and mineral interests	(1,240)	(31)	(23)	-	-	(1,294)
<b>Operating income<sup>(b)</sup></b>	<b>(1,686)</b>	<b>286</b>	<b>21</b>	<b>-</b>	<b>-</b>	<b>(1,379)</b>
Equity in net income (loss) of affiliates and other items	(55)	590	285	-	-	820
Tax on net operating income	473	(110)	(22)	-	-	341
<b>Net operating income<sup>(b)</sup></b>	<b>(1,268)</b>	<b>766</b>	<b>284</b>	<b>-</b>	<b>-</b>	<b>(218)</b>
Net cost of net debt						-
Non-controlling interests						165
<b>Net income</b>						<b>(53)</b>

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

(b) Of which inventory valuation effect

	Upstream	Refining & Chemicals	Marketing & Services	Corporate
- on operating income	-	434	44	-
- on net operating income	-	288	38	-

1 <sup>st</sup> half 2015 (adjusted) (in millions of dollars) <sup>(a)</sup>	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	10,027	37,257	40,039	9	-	87,332
Intersegment sales	9,305	14,350	495	108	(24,258)	-
Excise taxes	-	(1,940)	(8,856)	-	-	(10,796)
<b>Revenues from sales</b>	<b>19,332</b>	<b>49,667</b>	<b>31,678</b>	<b>117</b>	<b>(24,258)</b>	<b>76,536</b>
Operating expenses	(11,276)	(46,216)	(30,415)	(419)	24,258	(64,068)
Depreciation, depletion and impairment of tangible assets and mineral interests	(4,530)	(512)	(353)	(14)	-	(5,409)
<b>Adjusted operating income</b>	<b>3,526</b>	<b>2,939</b>	<b>910</b>	<b>(316)</b>	<b>-</b>	<b>7,059</b>
Equity in net income (loss) of affiliates and other items	1,143	279	138	468	-	2,028
Tax on net operating income	(1,750)	(769)	(302)	(175)	-	(2,996)
<b>Adjusted net operating income</b>	<b>2,919</b>	<b>2,449</b>	<b>746</b>	<b>(23)</b>	<b>-</b>	<b>6,091</b>
Net cost of net debt						(352)
Non-controlling interests						(52)
<b>Adjusted net income</b>						<b>5,687</b>
<b>Adjusted fully-diluted earnings per share (\$)</b>						<b>2.47</b>

(a) Except for earnings per share.

1 <sup>st</sup> half 2015 (in millions of dollars)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	13,804	899	651	45	-	15,399
Total divestments	1,541	2,640	679	17	-	4,877
Cash flow from operating activities	6,238	2,014	1,023	(156)	-	9,119

## 2 Consolidated Financial Statements

Notes to the Consolidated Financial Statements for the first six months of 2016

2 <sup>nd</sup> quarter 2016 (in millions of dollars)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	3,344	16,567	17,305	(1)	-	37,215
Intersegment sales	4,159	5,540	208	81	(9,988)	-
Excise taxes	-	(924)	(4,580)	-	-	(5,504)
<b>Revenues from sales</b>	<b>7,503</b>	<b>21,183</b>	<b>12,933</b>	<b>80</b>	<b>(9,988)</b>	<b>31,711</b>
Operating expenses	(4,956)	(19,521)	(12,208)	(293)	9,988	(26,990)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,531)	(246)	(183)	(8)	-	(2,968)
<b>Operating income</b>	<b>16</b>	<b>1,416</b>	<b>542</b>	<b>(221)</b>	<b>-</b>	<b>1,753</b>
Equity in net income (loss) of affiliates and other items	569	260	34	98	-	961
Tax on net operating income	180	(379)	(190)	(8)	-	(397)
<b>Net operating income</b>	<b>765</b>	<b>1,297</b>	<b>386</b>	<b>(131)</b>	<b>-</b>	<b>2,317</b>
Net cost of net debt						(199)
Non-controlling interests						(30)
<b>Net income</b>						<b>2,088</b>

2 <sup>nd</sup> quarter 2016 (adjustments) <sup>(a)</sup> (in millions of dollars)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	(6)	-	-	-	-	(6)
Intersegment sales	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-
<b>Revenues from sales</b>	<b>(6)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6)</b>
Operating expenses	(358)	451	108	-	-	201
Depreciation, depletion and impairment of tangible assets and mineral interests	(200)	-	-	-	-	(200)
<b>Operating income<sup>(b)</sup></b>	<b>(564)</b>	<b>451</b>	<b>108</b>	<b>-</b>	<b>-</b>	<b>(5)</b>
Equity in net income (loss) of affiliates and other items	-	(27)	(62)	-	-	(89)
Tax on net operating income	202	(145)	(38)	-	-	19
<b>Net operating income<sup>(b)</sup></b>	<b>(362)</b>	<b>279</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>(75)</b>
Net cost of net debt						(5)
Non-controlling interests						(6)
<b>Net income</b>						<b>(86)</b>

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

(b) Of which inventory valuation effect

	Upstream	Refining & Chemicals	Marketing & Services	Corporate
- on operating income	-	516	118	-
- on net operating income	-	331	84	-

2 <sup>nd</sup> quarter 2016 (adjusted) (in millions of dollars) <sup>(a)</sup>	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	3,350	16,567	17,305	(1)	-	37,221
Intersegment sales	4,159	5,540	208	81	(9,988)	-
Excise taxes	-	(924)	(4,580)	-	-	(5,504)
<b>Revenues from sales</b>	<b>7,509</b>	<b>21,183</b>	<b>12,933</b>	<b>80</b>	<b>(9,988)</b>	<b>31,717</b>
Operating expenses	(4,598)	(19,972)	(12,316)	(293)	9,988	(27,191)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,331)	(246)	(183)	(8)	-	(2,768)
<b>Adjusted operating income</b>	<b>580</b>	<b>965</b>	<b>434</b>	<b>(221)</b>	<b>-</b>	<b>1,758</b>
Equity in net income (loss) of affiliates and other items	569	287	96	98	-	1,050
Tax on net operating income	(22)	(234)	(152)	(8)	-	(416)
<b>Adjusted net operating income</b>	<b>1,127</b>	<b>1,018</b>	<b>378</b>	<b>(131)</b>	<b>-</b>	<b>2,392</b>
Net cost of net debt						(194)
Non-controlling interests						(24)
<b>Adjusted net income</b>						<b>2,174</b>
<b>Adjusted fully-diluted earnings per share (\$)</b>						<b>0.90</b>

(a) Except for earnings per share.

2 <sup>nd</sup> quarter 2016 (in millions of dollars)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	3,539	480	339	208	-	4,566
Total divestments	448	23	296	6	-	773
Cash flow from operating activities	983	1,560	(15)	354	-	2,882

## 2 Consolidated Financial Statements

Notes to the Consolidated Financial Statements for the first six months of 2016

2 <sup>nd</sup> quarter 2015 (in millions of dollars)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	4,498	19,793	20,419	5	-	44,715
Intersegment sales	4,921	7,383	223	56	(12,583)	-
Excise taxes	-	(1,007)	(4,439)	-	-	(5,446)
<b>Revenues from sales</b>	<b>9,419</b>	<b>26,169</b>	<b>16,203</b>	<b>61</b>	<b>(12,583)</b>	<b>39,269</b>
Operating expenses	(5,449)	(24,182)	(15,508)	(180)	12,583	(32,736)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,329)	(291)	(202)	(9)	-	(2,831)
<b>Operating income</b>	<b>1,641</b>	<b>1,696</b>	<b>493</b>	<b>(128)</b>	<b>-</b>	<b>3,702</b>
Equity in net income (loss) of affiliates and other items	319	107	503	174	-	1,103
Tax on net operating income	(909)	(433)	(193)	(93)	-	(1,628)
<b>Net operating income</b>	<b>1,051</b>	<b>1,370</b>	<b>803</b>	<b>(47)</b>	<b>-</b>	<b>3,177</b>
Net cost of net debt						(164)
Non-controlling interests						(42)
<b>Net income</b>						<b>2,971</b>

2 <sup>nd</sup> quarter 2015 (adjustments) <sup>(a)</sup> (in millions of dollars)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	(158)	-	-	-	-	(158)
Intersegment sales	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-
<b>Revenues from sales</b>	<b>(158)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(158)</b>
Operating expenses	(2)	123	51	-	-	172
Depreciation, depletion and impairment of tangible assets and mineral interests	(194)	(31)	(23)	-	-	(248)
<b>Operating income <sup>(b)</sup></b>	<b>(354)</b>	<b>92</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>(234)</b>
Equity in net income (loss) of affiliates and other items	(191)	(71)	374	-	-	112
Tax on net operating income	36	-	(24)	-	-	12
<b>Net operating income <sup>(b)</sup></b>	<b>(509)</b>	<b>21</b>	<b>378</b>	<b>-</b>	<b>-</b>	<b>(110)</b>
Net cost of net debt						-
Non-controlling interests						(4)
<b>Net income</b>						<b>(114)</b>

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

(b) Of which inventory valuation effect

	Upstream	Refining & Chemicals	Marketing & Services	Corporate
- on operating income	-	199	51	-
- on net operating income	-	138	43	-

2 <sup>nd</sup> quarter 2015 (adjusted) (in millions of dollars) <sup>(a)</sup>	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	4,656	19,793	20,419	5	-	44,873
Intersegment sales	4,921	7,383	223	56	(12,583)	-
Excise taxes	-	(1,007)	(4,439)	-	-	(5,446)
<b>Revenues from sales</b>	<b>9,577</b>	<b>26,169</b>	<b>16,203</b>	<b>61</b>	<b>(12,583)</b>	<b>39,427</b>
Operating expenses	(5,447)	(24,305)	(15,559)	(180)	12,583	(32,908)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,135)	(260)	(179)	(9)	-	(2,583)
<b>Adjusted operating income</b>	<b>1,995</b>	<b>1,604</b>	<b>465</b>	<b>(128)</b>	<b>-</b>	<b>3,936</b>
Equity in net income (loss) of affiliates and other items	510	178	129	174	-	991
Tax on net operating income	(945)	(433)	(169)	(93)	-	(1,640)
<b>Adjusted net operating income</b>	<b>1,560</b>	<b>1,349</b>	<b>425</b>	<b>(47)</b>	<b>-</b>	<b>3,287</b>
Net cost of net debt						(164)
Non-controlling interests						(38)
<b>Adjusted net income</b>						<b>3,085</b>
<b>Adjusted fully-diluted earnings per share (\$)</b>						<b>1.34</b>

(a) Except for earnings per share.

2 <sup>nd</sup> quarter 2015 (in millions of dollars)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	5,653	465	436	36	-	6,590
Total divestments	379	874	627	13	-	1,893
Cash flow from operating activities	2,713	1,700	379	(60)	-	4,732

## 9) Reconciliation of the information by business segment with Consolidated Financial Statements

1 <sup>st</sup> half 2016 (in millions of dollars)	Adjusted	Adjustments <sup>(a)</sup>	Consolidated statement of income
<b>Sales</b>	<b>70,188</b>	<b>(132)</b>	<b>70,056</b>
Excise taxes	(10,823)	-	(10,823)
Revenues from sales	59,365	(132)	59,233
Purchases, net of inventory variation	(38,487)	300	(38,187)
Other operating expenses	(11,676)	(366)	(12,042)
Exploration costs	(380)	(350)	(730)
Depreciation, depletion and impairment of tangible assets and mineral interests	(5,448)	(200)	(5,648)
Other income	343	329	672
Other expense	(119)	(84)	(203)
Financial interest on debt	(530)	(11)	(541)
Financial income from marketable securities & cash equivalents	11	-	11
Cost of net debt	(519)	(11)	(530)
Other financial income	503	-	503
Other financial expense	(321)	-	(321)
Equity in net income (loss) of affiliates	1,296	(22)	1,274
Income taxes	(699)	417	(282)
<b>Consolidated net income</b>	<b>3,858</b>	<b>(119)</b>	<b>3,739</b>
Group share	3,810	(116)	3,694
Non-controlling interests	48	(3)	45

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

1 <sup>st</sup> half 2015 (in millions of dollars)	Adjusted	Adjustments <sup>(a)</sup>	Consolidated statement of income
<b>Sales</b>	<b>87,332</b>	<b>(304)</b>	<b>87,028</b>
Excise taxes	(10,796)	-	(10,796)
Revenues from sales	76,536	(304)	76,232
Purchases, net of inventory variation	(51,035)	478	(50,557)
Other operating expenses	(12,131)	(172)	(12,303)
Exploration costs	(902)	(87)	(989)
Depreciation, depletion and impairment of tangible assets and mineral interests	(5,409)	(1,294)	(6,703)
Other income	884	1,459	2,343
Other expense	(235)	(603)	(838)
Financial interest on debt	(493)	-	(493)
Financial income from marketable securities & cash equivalents	59	-	59
Cost of net debt	(434)	-	(434)
Other financial income	397	-	397
Other financial expense	(329)	-	(329)
Equity in net income (loss) of affiliates	1,311	(36)	1,275
Income taxes	(2,914)	341	(2,573)
<b>Consolidated net income</b>	<b>5,739</b>	<b>(218)</b>	<b>5,521</b>
Group share	5,687	(53)	5,634
Non-controlling interests	52	(165)	(113)

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



2 <sup>nd</sup> half 2016 (in millions of dollars)	Adjusted	Adjustments <sup>(a)</sup>	Consolidated statement of income
<b>Sales</b>	<b>37,221</b>	<b>(6)</b>	<b>37,215</b>
Excise taxes	(5,504)	-	(5,504)
Revenues from sales	31,717	(6)	31,711
Purchases, net of inventory variation	(21,130)	582	(20,548)
Other operating expenses	(5,875)	(31)	(5,906)
Exploration costs	(186)	(350)	(536)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,768)	(200)	(2,968)
Other income	172	-	172
Other expense	(65)	(68)	(133)
Financial interest on debt	(262)	(5)	(267)
Financial income from marketable securities & cash equivalents	1	-	1
Cost of net debt	(261)	(5)	(266)
Other financial income	312	-	312
Other financial expense	(166)	-	(166)
Equity in net income (loss) of affiliates	797	(21)	776
Income taxes	(349)	19	(330)
<b>Consolidated net income</b>	<b>2,198</b>	<b>(80)</b>	<b>2,118</b>
Group share	2,174	(86)	2,088
Non-controlling interests	24	6	30

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

2 <sup>nd</sup> half 2015 (in millions of dollars)	Adjusted	Adjustments <sup>(a)</sup>	Consolidated statement of income
<b>Sales</b>	<b>44,873</b>	<b>(158)</b>	<b>44,715</b>
Excise taxes	(5,446)	-	(5,446)
Revenues from sales	39,427	(158)	39,269
Purchases, net of inventory variation	(26,603)	250	(26,353)
Other operating expenses	(5,955)	(76)	(6,031)
Exploration costs	(350)	(2)	(352)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,583)	(248)	(2,831)
Other income	358	364	722
Other expense	(136)	(260)	(396)
Financial interest on debt	(231)	-	(231)
Financial income from marketable securities & cash equivalents	28	-	28
Cost of net debt	(203)	-	(203)
Other financial income	255	-	255
Other financial expense	(163)	-	(163)
Equity in net income (loss) of affiliates	677	8	685
Income taxes	(1,601)	12	(1,589)
<b>Consolidated net income</b>	<b>3,123</b>	<b>(110)</b>	<b>3,013</b>
Group share	3,085	(114)	2,971
Non-controlling interests	38	4	42

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

## 10) Changes in progress in the Group structure

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### Upstream

- TOTAL has signed in January 2016 an agreement for the transfer to Zarubezhneft of a 20% stake and the operatorship in Kharyaga, Russia. At June 30, 2016 the assets and liabilities remain respectively classified in the consolidated balance sheet in “assets classified as held for sale” for an amount of \$245 million and “liabilities directly associated with the assets classified as held for sale” for an amount of \$165 million. The assets and liabilities concerned mainly include tangible assets for an amount of \$189 million and deferred tax liabilities for an amount of \$92 million.

### Refining & Chemicals

- Following the sale offering of its electroplating activity Atotech in May 2016, the assets and liabilities have been respectively classified in the consolidated balance sheet in “assets classified as held for sale” for an amount of \$1,012 million and “liabilities directly associated with the assets classified as held for sale” for an amount of \$482 million at June 30, 2016. The assets and liabilities concerned mainly include tangible assets for an amount of \$327 million, inventories for an amount of \$182 million, receivables for an amount of \$229 million, cash and cash equivalents for an amount of \$98 million, non-current liabilities for an amount of \$188 million, payables for an amount of \$83 million and other creditors and accrued liabilities for an amount of \$193 million.

## 11) Post-closing and other events

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- In May 2016, TOTAL and Saft Group announced that, following the signature of an agreement between the companies, TOTAL filed a friendly tender offer on all of the issued and outstanding shares in the capital of Saft with the French Financial Markets Authority (*Autorité des marchés financiers* (“AMF”).

The proposed offer targets all of Saft’s issued and outstanding shares at a price of €36.50 per share, ex-dividend of €0.85 per share, valuing Saft’s equity at €950 million.

On July 18, 2016, the “AMF” published the results of the public tender offer, following which TOTAL holds 23,456,093 Saft Group shares representing 90.14% of the capital and voting rights of Saft Group.



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