TOTAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FIRST SIX MONTHS OF 2009

(unaudited)

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1) <u>Accounting policies</u>

The interim consolidated financial statements of TOTAL S.A. and its subsidiaries (the Group) as of June 30, 2009 have been prepared in accordance with International Accounting Standard (IAS) 34 “Interim Financial Reporting”. The accounting policies applied for the consolidated financial statements as of June 30, 2009 do not differ significantly from those applied for the consolidated financial statements as of December 31, 2008 which have been prepared on the basis of IFRS (International Financial Reporting Standards) as adopted by the European Union and IFRS as issued by the IASB (International Accounting Standard Board). The new accounting standards and amendments mandatory for the annual period beginning January 1, 2009 are described in Note 1W to the consolidated financial statements as of December 31, 2008 and have no material effect on the Group’s consolidated financial statements for the first six months of 2009. Among these new standards or interpretations, it should be noted that the revised version of IAS 1 “Presentation of financial statements”, effective for annual periods beginning on or after January 1, 2009, resulted in the following:

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

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

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

- give a true and fair view of the Group’s financial position, financial performance and cash flows;
- reflect the substance of transactions;
- are neutral;
- are prepared on a prudent basis;
- are complete in all material aspects.

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

2) <u>Changes in the Group structure, main acquisitions and divestments</u>

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

3) Adjustment items

Financial information by business segment is reported in accordance with the internal reporting system and shows internal segment information that is used to manage and measure the performance of TOTAL.

Performance indicators excluding the adjustment items, such as adjusted operating income, adjusted net operating income, and adjusted net income are meant to facilitate the analysis of the financial performance and the comparison of income between periods.

Adjustment items include:

(i) Special items

Due to their unusual nature or particular significance, certain transactions qualified as "special items" are excluded from the business segment figures. In general, special items relate to transactions that are significant, infrequent or unusual. However, in some instances, transactions such as restructuring costs or asset disposals, which are not considered to be representative of the normal course of business, may be qualified as special items although they may have occurred within prior years or are likely to occur again within the coming years.

(ii) Inventory valuation effect

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

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

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

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

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

ADJUSTMENTS TO OPERATING INCOME

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

ADJUSTMENTS TO NET INCOME

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

4) Shareholders' equity

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

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

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

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

TOTAL shares held by Group subsidiaries

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

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

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

Dividend

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

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

Other Comprehensive Income

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

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

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

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

5) Non-current financial debt

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

- Bond 4.875% 2009-2019 (750 million EUR)
- Bond 2.500% 2009-2013 (350 million CHF)
- Bond 3.500% 2009-2014 (1,000 million EUR)
- Bond 3.240% 2009-2014 (396 million HKD)
- Bond 5.125% 2009-2024 (950 million EUR)
- Bond 3.500% 2009-2014 (150 million EUR)
- Bond 2.625% 2009-2014 (200 million CHF)

- Bond 5.500% 2009-2013 (100 million AUD)
- Bond 4.000% 2009-2013 (100 million USD)
- Bond 2.375% 2009-2016 (150 million CHF)
- Bond 3.625% 2009-2015 (550 million EUR)
- Bond 5.500% 2009-2013 (100 million AUD)
- Bond 4.250% 2009-2017 (200 million GBP)
- Bond 4.180% 2009-2019 (750 million HKD)
- Bond 4.250% 2009-2017 (100 million GBP)
- Bond 4.875% 2009-2019 (450 million EUR)

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

- Bond 4.500% 1999-2009 (1,000 million EUR)
- Bond 6.200% 1997-2009 (900 million FRF)
- Bond 3.500% 2003-2009 (500 million USD)
- Bond 6.250% 2003-2009 (100 million AUD)
- Bond 3.500% 2004-2009 (50 million USD)
- Bond 3.500% 2005-2009 (50 million USD)

In the context of its active cash management, the Group may temporarily increase its current borrowings, particularly in the form of commercial paper. The changes in current borrowings, cash and cash equivalents and current financial assets resulting from this cash management in the 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 the main transactions with related parties during the first six months of 2009.

7) Other risks and contingent liabilities

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

Antitrust investigations

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

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

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

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

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

an amount of 20.43 M€ for Arkema and 15.89 M€ for Elf Aquitaine. The companies concerned appealed this decision to the relevant European court.

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

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

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

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

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

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

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

3. The Group has recorded provisions amounting to 85 M€ in its consolidated financial statements as of June 30, 2009 to cover the risks mentioned above.

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

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

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

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

Buncefield

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

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

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

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

Erika

Following the sinking in December 1999 of the Erika, a tanker that was transporting products belonging to one of the Group companies, the *Tribunal de grande instance* of Paris convicted TOTAL S.A. of marine pollution pursuant to a judgment issued on January 16, 2008, finding that TOTAL S.A. was negligent in its vetting procedure for vessel selection. TOTAL S.A. was fined € 375,000. The court also ordered compensation to be paid to the victims of pollution from the Erika up to an aggregate amount of 192 M€, declaring TOTAL S.A. jointly and severally liable for such payments together with the Erika's inspection and classification firm, the Erika's owner and the Erika's manager.

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

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

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

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

Vlissingen refinery

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

This operation is subject to the approval by the competent authorities.

8) Information by business segment

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

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

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

(b) Of which inventory valuation effect				
On operating income	*-*	*1,278*	*264*	*-*
On net operating income	*-*	*945*	*171*	*-*
(c) Of which equity share of adjustments and selected items related to Sanofi-Aventis	*-*	*-*	*-*	*(182)*

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

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

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

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

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

(b) Of which inventory valuation effect				
On operating income	*-*	*1,830*	*232*	*-*
On net operating income	*-*	*1,298*	*154*	*-*
(c) Of which equity share of adjustments related to Sanofi-Aventis	*-*	*-*	*-*	*(149)*

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

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

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

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

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

	Upstream	Downstream	Chemicals	Corporate
(b) Of which inventory valuation effect				
On operating income	*-*	*933*	*132*	*-*
On net operating income	*-*	*699*	*91*	*-*
(c) Of which equity share of adjustments and selected items related to Sanofi-Aventis	*-*	*-*	*-*	*(119)*

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

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

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

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

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

	Upstream	Downstream	Chemicals	Corporate
(b) Of which inventory valuation effect				
On operating income	*-*	*1,457*	*230*	*-*
On net operating income	*-*	*1,018*	*153*	*-*
(c) Of which equity share of adjustments related to Sanofi-Aventis	*-*	*-*	*-*	*(78)*

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

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

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

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

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

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

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