



TOTAL



Échanges avec les actionnaires



JDA#54

The Shareholders' Newsletter

Annual Shareholders' Meeting special issue

Summer 2017

Chairman's Message

« The Group has emerged stronger from the 2015-2016 period. »

Patrick **POUYANNÉ**

Chairman and Chief Executive Officer of Total



Dear Shareholders,

On May 26, 2,800 shareholders attended the Group's Annual Shareholders' Meeting. I thank you for taking part in this important event for shareholder engagement and which also provides us with an opportunity to review the Group's results and strategy.

In 2016, in a volatile market environment, our results were more resilient than those of our main competitors, underpinned by cost reductions, Upstream production growth and a strong Downstream contribution.

The Group remains focused on the four pillars upon which our strategy is built: safety, operational excellence, cost discipline and cash flow growth. It is as a result of these pillars and the Group's core values – Safety, Respect for Each Other, Pioneer Spirit, Stand Together and Performance-minded – that Total has emerged stronger from the difficult environment of the last two years.

Today, Total is well-positioned to achieve its ambition of becoming the responsible energy major and deliver profitable growth over the medium-term.

Total now intends to take advantage of the current favorable cost environment to grow its future cash flows:

- In the Upstream, the Group aims to launch around ten projects and acquire resources under attractive terms, as was the case with recent deals in Brazil and Uganda.

- The Downstream is also pursuing a growth strategy focused on its world-class major integrated platforms, with two major petrochemical projects launched in the United States and South Korea.

- The new Gas, Renewables & Power segment is being established to develop the Group's low-carbon businesses such as solar, energy storage, biofuels and energy efficiency.

By 2020, Total will benefit from the ramp up of projects recently put on stream, the start-up of a dozen major projects, and the stakes recently acquired in giant low-cost producing fields in Qatar, the United States and Abu Dhabi.

Finally, we remain firmly committed to our competitive shareholder return policy. The 2016 dividend was increased to 2.45 euros per share, which corresponds to a 5.7% yield based on the 2016 average share price.

I thank you for your confidence and commitment.

CONTENTS

Chairman's message


Perspective: Refining & Chemicals

Highlights

Governance

Total shareholders

- ▶ p. 2
- ▶ p. 3
- ▶ pp. 4-5
- ▶ p. 6
- ▶ p. 7

Slidepacks, legal documents and voting results are available on the "Total Investors" app and online at total.com under the heading Investors > Shareholders' meetings. 

A renewed Refining & Chemicals segment

A film celebrating the five-year anniversary of the Refining & Chemicals segment was shown at the Shareholders' Meeting. With a return on capital employed exceeding 30% in 2016, the activities of the business segment contribute significantly to the Group's results and growth.

Created in 2012, the Refining & Chemicals segment's objective was to quickly achieve sustained profitability by combining the Group's refining and chemical activities, thereby benefiting from numerous synergies. Five years later, cost discipline, operational excellence, targeted investments and the teams' commitment have successfully delivered the results.

One of the segment's key strategies is to focus investments on six major integrated platforms: Normandy in France, Antwerp in Belgium, Port Arthur in the United States, Daesan in South Korea, Jubail in Saudi Arabia and Ras Laffan in Qatar.

In the United States, the Group announced in March a \$1.7 billion investment to expand its petrochemical activities in Texas through a joint venture with two recognized players, Nova and Borealis. The abundance of gas as a result of the shale revolution in the United States gives petrochemicals a double advantage: access to low-cost energy and competitively priced feedstock.

The project involves the building of a new ethane

steam cracker alongside the Port Arthur refinery and the existing steam cracker co-owned by Total with BASF. A new polyethylene plant will also be built in Bayport next to the existing Total plant.

By benefiting from significant synergies, Total was able to optimize costs and make this one of the most competitive projects in the United States. ↴

In South Korea, Total and its Korean partner, Hanwha, announced a \$450 million investment to increase by 30% the ethylene capacity of the Daesan platform. The additional production will meet local demand and also supply the nearby fast-growing Chinese market, which imports a significant portion of its ethylene requirements.

The expansion will improve Daesan's flexibility and enable it to process propane, which is abundantly available and therefore provides competitively priced feedstock. Daesan is a world-class refining & petrochemicals platform, comprising a highly flexible condensate splitter, a competitive steam cracker and polymers, styrene and aromatics units. ↴

In line with its strategy, Total continues to invest in its integrated platforms in order to further strengthen their competitiveness and target high-growth markets.



Port Arthur refinery, Texas, USA.

Highlights

« Total achieved excellent first quarter 2017 results with adjusted net income up 56% over the year. »

Europe

Natural Gas Vehicle Fuel

Two major achievements to grow the Group's natural gas vehicle activities in Europe: in April, launch of natural gas fueling stations for trucks and transport companies in France. In May, acquisition of the Dutch company, PitPoint B.V., Europe's third-largest provider of natural gas vehicle fuel.



Key figures

for 1st quarter 2017

2.6 billion dollars

Adjusted net income

4.7 billion dollars

Cash flow from operations*

Hydrocarbon production

2,569 thousand barrels of oil equivalent/day

+ 4% vs. 1st quarter 2016

22.7%

Net-debt-to-equity ratio as at March 31, 2017

2.45 €/share

2016 dividend

5.7%

2016 dividend yield



Argentina

Unconventional Gas

The final investment decision was taken for the first phase of the Aguada Pichana Este development in the giant Vaca Muerta unconventional shale play. Total increased its interest in the license from 27.27% to 41%. This is one of around ten major projects that Exploration & Production plans to sanction in 2017-2018.

*Operating cash flow before working capital changes

Congo

Oil

Start up of the Moho Nord deep offshore project. Operated by Total, the project has a production capacity of 100,000 barrels of oil equivalent per day. It will contribute to the Group's cash flow and production growth.



Algeria

Signature of a partnership agreement with SONATRACH.

Brazil

Signature of definitive contracts to seal the Strategic Alliance with Petrobras.

South Korea

450-million dollar investment by the Total-Hanwha joint venture to expand its refining & petrochemicals platform.

United States

1.7 billion dollar investment to expand Total's petrochemical activities in Texas.

France

- ▶ Total Energy Ventures acquires a stake in Xee, a platform for collecting, processing and managing data from connected cars.
- ▶ Inauguration of Carling's new petrochemicals platform.

Gabon

Sale of stakes in several mature fields to Perenco and optimization of operations.

Japan

- ▶ Construction started on the Miyako Solar Park.
- ▶ Start-up of the Nanao solar power plant in partnership with ISE and SunPower.

Mauritania

New deep water exploration permit acquired.

Myanmar

Badamyan gas project put on stream.

Senegal

Signature of agreements to explore the country's deepwater potential.

Singapore

Signature with Pavilion Energy of a Memorandum of Understanding on LNG bunkering.

To find all press releases and learn more about the e-mail alert system which notifies you of each new press release, please visit our website total.com under the heading Media. ↗

Total announced an adjusted net income of 2.6 billion dollars in the 1st quarter of 2017. So this was once again an excellent quarter!

While the average realized hydrocarbon price increased 44% year-on-year, our adjusted net income was up 56%. Due to a strong operational performance and steadily decreasing breakeven, Total reports very good results in line with the strong performance in recent quarters. The Group generated 2.5 times more operating cash flow, notably due to a strong increase in operating cash flow from the Exploration & Production segment.

What are your financial objectives for the year?

We will continue to reduce our breakeven by cutting costs in line with the 3.5 billion dollar savings target for the year, while organic investments are expected to be between 14 and 15 billion dollars as previously indicated. We also intend to take advantage of the current oil cycle to launch new projects in a favorable cost environment and acquire resources under attractive conditions.

Patrick

DE LA CHEVARDIÈRE

Group Chief Financial Officer



Looking back on the Shareholders' Meeting

At the Shareholders' Meeting on May 26, the 13 resolutions approved by the Board of Directors were adopted. Here is an overview of the resolutions concerning the members of the Board of Directors and the dividend.

Renewal of the Board of Directors

Two Directors had their terms renewed for three years.

Two new Directors were appointed to three year terms.

The new Director representing employees was presented.



M^s. Patricia BARBIZET
Chief Executive Officer
of Artemis



M^s. Marie-Christine COISNE-ROQUETTE
Chairwoman of Sonepar
S.A.S.



M^r. Mark CUTIFANI
Chief Executive of the
Anglo American Plc.



M^r. Carlos TAVARES
Chairman of the
Managing Board of
Peugeot S.A.



M^s. Christine RENAUD
Director representing
employees

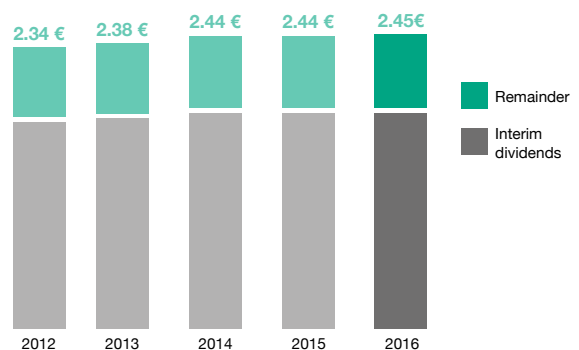
Mr. Paul Desmarais Jr and Mrs. Barbara Kux did not wish to renew their terms, which ended on the day of the Shareholders' Meeting.

The Board of Directors, which shows exemplary diversity in terms of gender, nationality and independence, is composed as before of 12 members. Five of them are women and five are non-French nationals.

Increased dividend, payable in cash or in shares

Committed to its competitive shareholder return policy, Total is once again increasing its dividend. It was set at €2.45 per share for year 2016, an increase compared to the €2.44 dividend per share for year 2015. The final dividend is set at €0.62 per share, up 1.6% from the three 2016 interim dividends already paid.

The shareholders also adopted the resolution offering shareholders the option for shareholders to receive the final 2016 dividend and any 2017 interim dividends as decided by the Board of Directors in cash or in new shares of the Company.



Market capitalization
on March 31, 2017

116.3 billion euros



Total Share Price*

€47.53

+6.31%

*Average for the 1st quarter 2017 - Variation relative to the 4th quarter 2016



Shareholders' Webzine

« 2017 Annual Shareholders' Meeting »



Read about the highlights of the Shareholders' Meeting held on May 26, 2017 on the Total website (total.com), under the heading Investors > Shareholders' meetings.

If you wish to be notified by email each time a new webzine is posted online, contact our Shareholder Relations Department.

Your contacts

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Upcoming events

- ▶ **June 19, 2017** Shareholders' Meeting in Biarritz
- ▶ **June 20, 2017** Shareholders' Meeting in Toulouse
- ▶ **June 28, 2017** Shareholders' Meeting in La Rochelle
- ▶ **July 27, 2017** Results of the second quarter and first semester 2017
- ▶ **September 25, 2017** Strategy & Outlook Presentation in London
- ▶ **October 05, 2017** Shareholders' Meeting in Reims



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A quality
relationship
to serve
shareholders



Brent*

53.7 \$/barrel



+8.92%



European Refining
Margin*

38.9 \$/ton



-5.12%



Euro/Dollar*

1.06



-1.85%

Current and future shareholders

FOR YOU, ALL OUR ENERGY IN ACTION

STRONG INTERNATIONAL COMPANY

Choose a fully-integrated oil and gas major involved in low-carbon businesses with a presence in more than 130 countries⁽¹⁾



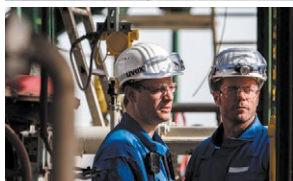
BEING THE MOST PROFITABLE EUROPEAN MAJOR

Benefit from Total's solid portfolio and outlook underpinned by highly profitable assets⁽¹⁾



ATTRACTIVE SHAREHOLDER PROPOSITION

Invest in a company which generated a 5.7% dividend yield in 2016⁽²⁾



(1) Please refer to the Registration Document available on total.com or Form 20-F filed with the United States Securities and Exchange Commission and available on sec.gov and total.com for information on risks associated with our activities. (2) Based on the 2016 dividend and average market price of Total shares on Euronext Paris in 2016. Past performance is not a reliable indicator of future performance.

