

TOTAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FIRST SIX MONTHS OF 2017

(unaudited)

1) Accounting policies

The interim consolidated financial statements of TOTAL S.A. and its subsidiaries (the Group) as of June 30, 2017 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, 2017 do not differ significantly from those applied for the consolidated financial statements as of December 31, 2016 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, 2017 did not have a material impact on the Group's consolidated financial statements as of June 30, 2017.

As for accounting standards applicable for annual periods starting from January 1, 2018:

- As indicated in the December 31, 2016 Notes to the Consolidated Financial Statements, the expected impacts of the application of standard IFRS 15 "Revenue from Contracts with Customers" are not significant for the Group.
- The impacts of the application of standard IFRS 9 "Financial Instruments" are currently under review, especially for the impairment of financial assets.

The preparation of financial statements in accordance with IFRS for the closing as of June 30, 2017 requires the executive management to make estimates, assumptions and judgments that affect the information reported in the Consolidated Financial Statements and the Notes thereto.

These estimates, assumptions and judgments are based on historical experience and other factors believed to be reasonable at the date of preparation of the financial statements. They are reviewed on an on-going basis by management and therefore could be revised as circumstances change or as a result of new information.

Different estimates, assumptions and judgments could significantly affect the information reported, and actual results may differ from the amounts included in the Consolidated Financial Statements and the Notes thereto.

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, 2016.

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

2.1) Main acquisitions and divestments

➤ Gas, Renewables & Power

- In January 2017, TOTAL acquired a 23% interest in the company Tellurian to develop an integrated gas project in the United States for an amount of \$207 million.

➤ Refining & Chemicals

- On January 31, 2017, TOTAL closed the sale of Atotech to the Carlyle Group for an amount of \$3.2 billion.

➤ Marketing & Services

- On March 28, 2017, TOTAL announced the closing of the acquisition of the assets of Gulf Africa Petroleum Corporation in Kenya, Uganda and Tanzania.

2.2) Divestment projects

➤ Exploration & Production

- In February 2017, Total has signed an agreement for the sale of stakes and the transfer of operatorship in various mature assets in Gabon to Perenco. The transaction is subject to approval by the authorities. The assets and liabilities have been classified in the consolidated balance sheet respectively in "assets classified as held for sale" for an amount of \$421 million (mainly tangible assets for an amount of \$355 million) and "liabilities directly associated with the assets classified as held for sale" for an amount of \$339 million at June 30, 2017.

3) Adjustment items

Description of the business segments

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

Total has put in place a new organization fully effective since January 1, 2017, structured around four business segments following the creation of the Gas, Renewables & Power segment, alongside the Exploration & Production, Refining & Chemicals and Marketing & Services segments.

Certain figures for the years 2015 and 2016 have been restated in order to reflect the new organization with four business segments.

Adjustment items

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

Adjustment items include:

(i) Special items

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

(ii) The inventory valuation effect

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

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

(iii) Effect of changes in fair value

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

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

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

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

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

ADJUSTMENTS TO OPERATING INCOME

(M\$)		Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Total
2nd quarter 2017	Inventory valuation effect	-	-	(372)	(54)	-	(426)
	Effect of changes in fair value	-	(27)	-	-	-	(27)
	Restructuring charges	(40)	-	-	-	-	(40)
	Asset impairment charges	(15)	1	-	-	-	(14)
	Other items	(77)	(25)	(39)	(26)	(64)	(231)
Total		(132)	(51)	(411)	(80)	(64)	(738)
2nd quarter 2016	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)	-	(67)	(8)	-	(425)
Total		(558)	(6)	449	110	-	(5)
1st half 2017	Inventory valuation effect	-	-	(289)	(69)	-	(358)
	Effect of changes in fair value	-	(27)	-	-	-	(27)
	Restructuring charges	(40)	-	-	-	-	(40)
	Asset impairment charges	(1,869)	(25)	(50)	-	-	(1,944)
	Other items	(77)	(114)	(65)	(26)	(64)	(346)
Total		(1,986)	(166)	(404)	(95)	(64)	(2,715)
1st half 2016	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	(672)	(129)	(69)	(8)	-	(878)
Total		(891)	(132)	242	33	-	(748)

ADJUSTMENTS TO NET INCOME, GROUP SHARE

(M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Total
2nd quarter 2017						
Inventory valuation effect	-	-	(268)	(42)	-	(310)
Effect of changes in fair value	-	(19)	-	-	-	(19)
Restructuring charges	(12)	(3)	(39)	-	-	(54)
Asset impairment charges	(27)	(5)	-	-	-	(32)
Gains (losses) on disposals of assets	-	-	-	125	-	125
Other items	(50)	(11)	(26)	(18)	(42)	(147)
Total	(89)	(38)	(333)	65	(42)	(437)
2nd quarter 2016						
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)	(1)	(54)	(11)	-	(292)
Total	(357)	(6)	227	50	-	(86)
1st half 2017						
Inventory valuation effect	-	-	(210)	(45)	-	(255)
Effect of changes in fair value	-	(19)	-	-	-	(19)
Restructuring charges	(12)	(8)	(39)	-	-	(59)
Asset impairment charges	(1,641)	(59)	(50)	-	-	(1,750)
Gains (losses) on disposals of assets	-	-	2,139	125	-	2,264
Other items	(144)	(78)	(45)	(18)	(42)	(327)
Total	(1,797)	(164)	1,795	62	(42)	(146)
1st half 2016						
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	(314)	(109)	(59)	(16)	-	(498)
Total	(89)	(111)	89	(5)	-	(116)

In the second quarter of 2017, the heading "Other items" includes a provision for future expenses related to an "agreement on the transition from work to retirement" signed by the social partners for an amount of \$201 million in operating income and \$132 million in net income, Group share.

4) Shareholders' equity

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

As of June 30, 2017, TOTAL S.A. holds 10,583,822 of its own shares, representing 0.42% of its share capital, detailed as follows:

- 10,551,887 shares allocated to TOTAL share grant plans for Group employees; and
- 31,935 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.

Dividend

The Annual Shareholders' Meeting on May 26, 2017 approved the payment of a dividend of €2.45 per share for the 2016 fiscal year. Taking into account the three dividends of €0.61 per share that have already been paid on October 14, 2016, January 12, 2017 and April 6, 2017, the remaining balance of €0.62 per share was paid on June 22, 2017.

The Annual Shareholders' Meeting on May 26, 2017, approved that shareholders will be given the option to receive the 2016 final dividend in new shares or in cash. The share price of new shares has been set at €44.86 per share. This price is equal to the average opening price of the shares on the Euronext Paris for the 20 trading days preceding the Annual Shareholders' Meeting, reduced by the amount of the final dividend, with a 5% discount, rounded up to the nearest cent. On June 22, 2017, 17,801,936 shares have been issued at a price of €44.86 per share.

Another resolution has been approved at the Annual Shareholders' Meeting on May 26, 2017, if one or more interim dividends are decided by the Board of Directors for the fiscal year 2017, then shareholders will be given the option to receive this or these interim dividends in new shares or in cash.

A first 2017 interim dividend of €0.62 per share, decided by the Board of Directors on April 26, 2017 would be paid on October 12, 2017 (the ex-dividend date will be September 25, 2017).

A second 2017 interim dividend of €0.62 per share, decided by the Board of Directors on July 26, 2017, would be paid on January 11, 2018 (the ex-dividend date will be December 19, 2017).

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 €0.71 per share for the 2nd quarter 2017 (€1.07 per share for the 1st quarter 2017 and €0.77 per share for the 2nd quarter 2016). Diluted earnings per share calculated using the same method amounted to €0.71 per share for the 2nd quarter 2017 (€1.06 per share for the 1st quarter 2017 and €0.76 per share for the 2nd quarter 2016).

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

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 2017	1st half 2016
Actuarial gains and losses	158	(213)
Tax effect	(53)	72
Currency translation adjustment generated by the parent company	5,464	1,528
Items not potentially reclassifiable to profit and loss	5,569	1,387
Currency translation adjustment	(1,418)	(1,355)
- unrealized gain/(loss) of the period	(1,372)	(1,233)
- less gain/(loss) included in net income	46	122
Available for sale financial assets	-	(14)
- unrealized gain/(loss) of the period	-	(14)
- less gain/(loss) included in net income	-	-
Cash flow hedge	34	32
- unrealized gain/(loss) of the period	164	34
- less gain/(loss) included in net income	130	2
Share of other comprehensive income of equity affiliates, net amount	(463)	354
- unrealized gain/(loss) of the period	(465)	372
- less gain/(loss) included in net income	(2)	18
Other	-	3
Tax effect	(9)	(3)
Items potentially reclassifiable to profit and loss	(1,856)	(983)
Total other comprehensive income, net amount	3,713	404

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

(M\$)	1 st half 2017			1 st half 2016		
	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Actuarial gains and losses	158	(53)	105	(213)	72	(141)
Currency translation adjustment generated by the parent company	5,464	-	5,464	1,528	-	1,528
Items not potentially reclassifiable to profit and loss	5,622	(53)	5,569	1,315	72	1,387
Currency translation adjustment	(1,418)	-	(1,418)	(1,355)	-	(1,355)
Available for sale financial assets	-	(1)	(1)	(14)	4	(10)
Cash flow hedge	34	(8)	26	32	(7)	25
Share of other comprehensive income of equity affiliates, net amount	(463)	-	(463)	354	-	354
Other	-	-	-	3	-	3
Items potentially reclassifiable to profit and loss	(1,847)	(9)	(1,856)	(980)	(3)	(983)
Total other comprehensive income	3,775	(62)	3,713	335	69	404

5) Financial debt

The Group did not issue any bond during the first six months of 2017.

The Group reimbursed bonds during the first six months of 2017:

- Bond 4.875% 2012-2017 (AUD 100 million)
- Bond 1.500% 2012-2017 (USD 1,000 million)
- Bond 1.000% 2014-2017 (USD 500 million)
- Bond 4.700% 2007-2017 (EUR 300 million)
- Bond 4.125% 2012-2017 (AUD 150 million)
- Bond 1.550% 2012-2017 (USD 1,500 million)

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 transactions with related parties during the first six months of 2017.

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. The arbitral tribunal issued its decision on June 19, 2017 and entirely dismissed this claim.

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 in the United States of Total Gas & Power North America, Inc. (TGPNA), a U.S. subsidiary of the Group. The investigation covered transactions made by TGPNA between June 2009 and June 2012 on the natural gas market. TGPNA received a Notice of Alleged Violations from FERC on September 21, 2015. On April 28, 2016, FERC issued an order to show cause to TGPNA and two of its former employees, and to TOTAL S.A. and Total Gas & Power Ltd., regarding the same facts. TGPNA contests the claims brought against it.

A class action has been launched to seek damages from these three companies and was dismissed by a judgment of the U.S. District court of New York issued on March 15, 2017. The claimants appealed this judgment.

Yemen

Due to the security conditions in the vicinity of Balhaf, Yemen LNG, in which the Group holds a stake of 39.62%, stopped its commercial production and export of LNG in April 2015, when it declared Force Majeure to its various stakeholders. The plant is in a preservation mode.

8) Information by business segment

1 st half 2017 (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	4,171	5,868	35,921	35,129	9	-	81,098
Intersegment sales	10,666	583	12,362	443	195	(24,249)	-
Excise taxes	-	-	(1,381)	(9,142)	-	-	(10,523)
Revenues from sales	14,837	6,451	46,902	26,430	204	(24,249)	70,575
Operating expenses	(7,234)	(6,326)	(44,796)	(25,394)	(552)	24,249	(60,053)
Depreciation, depletion and impairment of tangible assets and mineral interests	(6,412)	(112)	(532)	(302)	(19)	-	(7,377)
Operating income	1,191	13	1,574	734	(367)	-	3,145
Equity in net income (loss) of affiliates and other items	677	(32)	2,601	288	16	-	3,550
Tax on net operating income	(951)	(61)	(498)	(231)	385	-	(1,356)
Net operating income	917	(80)	3,677	791	34	-	5,339
Net cost of net debt							(533)
Non-controlling interests							80
Net income - group share							4,886

1 st half 2017 (adjustments) ^(a) (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	-	(27)	-	-	-	-	(27)
Intersegment sales	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	-
Revenues from sales	-	(27)	-	-	-	-	(27)
Operating expenses	(117)	(114)	(354)	(95)	(64)	-	(744)
Depreciation, depletion and impairment of tangible assets and mineral interests	(1,869)	(25)	(50)	-	-	-	(1,944)
Operating income ^(b)	(1,986)	(166)	(404)	(95)	(64)	-	(2,715)
Equity in net income (loss) of affiliates and other items	(214)	(79)	2,156	126	-	-	1,989
Tax on net operating income	376	9	41	26	22	-	474
Net operating income ^(b)	(1,824)	(236)	1,793	57	(42)	-	(252)
Net cost of net debt							(14)
Non-controlling interests							120
Net income - group share							(146)

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

^(b) Of which inventory valuation effect

- On operating income	-	-	(289)	(69)	-
- On net operating income	-	-	(212)	(50)	-

1st half 2017 (adjusted) (M\$) ^(a)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	4,171	5,895	35,921	35,129	9	-	81,125
Intersegment sales	10,666	583	12,362	443	195	(24,249)	-
Excise taxes	-	-	(1,381)	(9,142)	-	-	(10,523)
Revenues from sales	14,837	6,478	46,902	26,430	204	(24,249)	70,602
Operating expenses	(7,117)	(6,212)	(44,442)	(25,299)	(488)	24,249	(59,309)
Depreciation, depletion and impairment of tangible assets and mineral interests	(4,543)	(87)	(482)	(302)	(19)	-	(5,433)
Adjusted operating income	3,177	179	1,978	829	(303)	-	5,860
Equity in net income (loss) of affiliates and other items	891	47	445	162	16	-	1,561
Tax on net operating income	(1,327)	(70)	(539)	(257)	363	-	(1,830)
Adjusted net operating income	2,741	156	1,884	734	76	-	5,591
Net cost of net debt							(519)
Non-controlling interests							(40)
Adjusted net income - group share							5,032
Adjusted fully-diluted earnings per share (\$)							1.98

^(a) Except for earnings per share.

1st half 2017 (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	6,084	392	667	697	43	-	7,883
Total divestments	245	27	2,760	218	8	-	3,258
Cash flow from operating activities	5,000	11	3,737	542	51	-	9,341

1 st half 2016 (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	3,711	3,939	30,505	31,899	2	-	70,056
Intersegment sales	7,718	420	9,688	340	151	(18,317)	-
Excise taxes	-	-	(1,885)	(8,938)	-	-	(10,823)
Revenues from sales	11,429	4,359	38,308	23,301	153	(18,317)	59,233
Operating expenses	(6,999)	(4,392)	(35,305)	(22,068)	(512)	18,317	(50,959)
Depreciation, depletion and impairment of tangible assets and mineral interests	(4,775)	(62)	(499)	(296)	(16)	-	(5,648)
Operating income	(345)	(95)	2,504	937	(375)	-	2,626
Equity in net income (loss) of affiliates and other items	1,170	114	389	51	201	-	1,925
Tax on net operating income	515	(16)	(655)	(275)	28	-	(403)
Net operating income	1,340	3	2,238	713	(146)	-	4,148
Net cost of net debt							(409)
Non-controlling interests							(45)
Net income - group share							3,694

1 st half 2016 (adjustments) ^(a) (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	-	(132)	-	-	-	-	(132)
Intersegment sales	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	-
Revenues from sales	-	(132)	-	-	-	-	(132)
Operating expenses	(691)	-	242	33	-	-	(416)
Depreciation, depletion and impairment of tangible assets and mineral interests	(200)	-	-	-	-	-	(200)
Operating income^(b)	(891)	(132)	242	33	-	-	(748)
Equity in net income (loss) of affiliates and other items	329	(8)	(77)	(21)	-	-	223
Tax on net operating income	473	27	(75)	(8)	-	-	417
Net operating income^(b)	(89)	(113)	90	4	-	-	(108)
Net cost of net debt							(11)
Non-controlling interests							3
Net income - group share							(116)

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

^(b) Of which inventory valuation effect

- On operating income	-	-	311	41	-	
- On net operating income	-	-	198	34	-	

1st half 2016 (adjusted) (M\$) ^(a)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	3,711	4,071	30,505	31,899	2	-	70,188
Intersegment sales	7,718	420	9,688	340	151	(18,317)	-
Excise taxes	-	-	(1,885)	(8,938)	-	-	(10,823)
Revenues from sales	11,429	4,491	38,308	23,301	153	(18,317)	59,365
Operating expenses	(6,308)	(4,392)	(35,547)	(22,101)	(512)	18,317	(50,543)
Depreciation, depletion and impairment of tangible assets and mineral interests	(4,575)	(62)	(499)	(296)	(16)	-	(5,448)
Adjusted operating income	546	37	2,262	904	(375)	-	3,374
Equity in net income (loss) of affiliates and other items	841	122	466	72	201	-	1,702
Tax on net operating income	42	(43)	(580)	(267)	28	-	(820)
Adjusted net operating income	1,429	116	2,148	709	(146)	-	4,256
Net cost of net debt							(398)
Non-controlling interests							(48)
Adjusted net income - group share							3,810
Adjusted fully-diluted earnings per share (\$)							1.58

^(a) Except for earnings per share.

1st half 2016 (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	7,768	242	741	502	221	-	9,474
Total divestments	1,264	104	52	330	8	-	1,758
Cash flow from operating activities	2,696	(218)	1,142	841	302	-	4,763

2 nd quarter 2017 (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	2,068	2,671	17,347	17,831	(2)	-	39,915
Intersegment sales	5,118	274	6,016	169	90	(11,667)	-
Excise taxes	-	-	(680)	(4,753)	-	-	(5,433)
Revenues from sales	7,186	2,945	22,683	13,247	88	(11,667)	34,482
Operating expenses	(3,547)	(2,857)	(21,918)	(12,729)	(319)	11,667	(29,703)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,344)	(40)	(245)	(158)	(11)	-	(2,798)
Operating income	1,295	48	520	360	(242)	-	1,981
Equity in net income (loss) of affiliates and other items	487	13	148	258	(6)	-	900
Tax on net operating income	(512)	(24)	(142)	(123)	214	-	(587)
Net operating income	1,270	37	526	495	(34)	-	2,294
Net cost of net debt							(267)
Non-controlling interests							10
Net income - group share							2,037

2 nd quarter 2017 (adjustments) ^(a) (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	-	(27)	-	-	-	-	(27)
Intersegment sales	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	-
Revenues from sales	-	(27)	-	-	-	-	(27)
Operating expenses	(117)	(25)	(411)	(80)	(64)	-	(697)
Depreciation, depletion and impairment of tangible assets and mineral interests	(15)	1	-	-	-	-	(14)
Operating income^(b)	(132)	(51)	(411)	(80)	(64)	-	(738)
Equity in net income (loss) of affiliates and other items	(4)	(16)	(53)	121	-	-	48
Tax on net operating income	47	9	129	21	22	-	228
Net operating income^(b)	(89)	(58)	(335)	62	(42)	-	(462)
Net cost of net debt							(7)
Non-controlling interests							32
Net income - group share							(437)

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

^(b) Of which inventory valuation effect

- On operating income	-	-	(372)	(54)	-	
- On net operating income	-	-	(270)	(45)	-	

2nd quarter 2017 (adjusted) (M\$) ^(a)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	2,068	2,698	17,347	17,831	(2)	-	39,942
Intersegment sales	5,118	274	6,016	169	90	(11,667)	-
Excise taxes	-	-	(680)	(4,753)	-	-	(5,433)
Revenues from sales	7,186	2,972	22,683	13,247	88	(11,667)	34,509
Operating expenses	(3,430)	(2,832)	(21,507)	(12,649)	(255)	11,667	(29,006)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,329)	(41)	(245)	(158)	(11)	-	(2,784)
Adjusted operating income	1,427	99	931	440	(178)	-	2,719
Equity in net income (loss) of affiliates and other items	491	29	201	137	(6)	-	852
Tax on net operating income	(559)	(33)	(271)	(144)	192	-	(815)
Adjusted net operating income	1,359	95	861	433	8	-	2,756
Net cost of net debt							(260)
Non-controlling interests							(22)
Adjusted net income - group share							2,474
Adjusted fully-diluted earnings per share (\$)							0.97

^(a) Except for earnings per share.

2nd quarter 2017 (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	3,448	77	401	258	21	-	4,205
Total divestments	132	23	20	182	3	-	360
Cash flow from operating activities	2,504	(114)	1,972	229	49	-	4,640

2 nd quarter 2016 (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	1,822	1,914	16,567	16,913	(1)	-	37,215
Intersegment sales	4,340	194	5,540	208	81	(10,363)	-
Excise taxes	-	-	(924)	(4,580)	-	-	(5,504)
Revenues from sales	6,162	2,108	21,183	12,541	80	(10,363)	31,711
Operating expenses	(3,692)	(2,078)	(19,523)	(11,768)	(292)	10,363	(26,990)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,529)	(34)	(246)	(151)	(8)	-	(2,968)
Operating income	(59)	(4)	1,414	622	(220)	-	1,753
Equity in net income (loss) of affiliates and other items	543	63	210	47	98	-	961
Tax on net operating income	202	(21)	(378)	(190)	(10)	-	(397)
Net operating income	686	38	1,246	479	(132)	-	2,317
Net cost of net debt							(199)
Non-controlling interests							(30)
Net income - group share							2,088

2 nd quarter 2016 (adjustments) ^(a) (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	-	(6)	-	-	-	-	(6)
Intersegment sales	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	-
Revenues from sales	-	(6)	-	-	-	-	(6)
Operating expenses	(358)	-	449	110	-	-	201
Depreciation, depletion and impairment of tangible assets and mineral interests	(200)	-	-	-	-	-	(200)
Operating income^(b)	(558)	(6)	449	110	-	-	(5)
Equity in net income (loss) of affiliates and other items	-	-	(76)	(13)	-	-	(89)
Tax on net operating income	201	1	(145)	(38)	-	-	19
Net operating income^(b)	(357)	(5)	228	59	-	-	(75)
Net cost of net debt							(5)
Non-controlling interests							(6)
Net income - group share							(86)

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

^(b) Of which inventory valuation effect

- On operating income	-	-	516	118	-	
- On net operating income	-	-	331	84	-	

2nd quarter 2016 (adjusted) (M\$) ^(a)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	1,822	1,920	16,567	16,913	(1)	-	37,221
Intersegment sales	4,340	194	5,540	208	81	(10,363)	-
Excise taxes	-	-	(924)	(4,580)	-	-	(5,504)
Revenues from sales	6,162	2,114	21,183	12,541	80	(10,363)	31,717
Operating expenses	(3,334)	(2,078)	(19,972)	(11,878)	(292)	10,363	(27,191)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,329)	(34)	(246)	(151)	(8)	-	(2,768)
Adjusted operating income	499	2	965	512	(220)	-	1,758
Equity in net income (loss) of affiliates and other items	543	63	286	60	98	-	1,050
Tax on net operating income	1	(22)	(233)	(152)	(10)	-	(416)
Adjusted net operating income	1,043	43	1,018	420	(132)	-	2,392
Net cost of net debt							(194)
Non-controlling interests							(24)
Adjusted net income - group share							2,174
Adjusted fully-diluted earnings per share (\$)							0.90

^(a) Except for earnings per share.

2nd quarter 2016 (M\$)	Exploration & Production	Gas, Renewables & Power	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	3,533	95	480	251	207	-	4,566
Total divestments	446	6	23	294	4	-	773
Cash flow from operating activities	595	111	1,561	261	354	-	2,882

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

1 st half 2017 (M\$)	Adjusted	Adjustments ^(a)	Consolidated statement of income
Sales	81,125	(27)	81,098
Excise taxes	(10,523)	-	(10,523)
Revenues from sales	70,602	(27)	70,575
Purchases net of inventory variation	(46,929)	(456)	(47,385)
Other operating expenses	(11,984)	(288)	(12,272)
Exploration costs	(396)	-	(396)
Depreciation, depletion and impairment of tangible assets and mineral interests	(5,433)	(1,944)	(7,377)
Other income	314	2,581	2,895
Other expense	(116)	(281)	(397)
Financial interest on debt	(662)	(14)	(676)
Financial income and expense from cash & cash equivalents	(48)	-	(48)
Cost of net debt	(710)	(14)	(724)
Other financial income	513	-	513
Other financial expense	(319)	-	(319)
Equity in net income (loss) of affiliates	1,169	(311)	858
Income taxes	(1,639)	474	(1,165)
Consolidated net income	5,072	(266)	4,806
Group share	5,032	(146)	4,886
Non-controlling interests	40	(120)	(80)

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

1 st half 2016 (M\$)	Adjusted	Adjustments ^(a)	Consolidated statement of income
Sales	70,188	(132)	70,056
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 and expense from cash & 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)
Consolidated net income	3,858	(119)	3,739
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.

2nd quarter 2017	Consolidated		
(M\$)	Adjusted	Adjustments^(a)	statement of income
Sales	39,942	(27)	39,915
Excise taxes	(5,433)	-	(5,433)
Revenues from sales	34,509	(27)	34,482
Purchases net of inventory variation	(22,939)	(459)	(23,398)
Other operating expenses	(5,868)	(238)	(6,106)
Exploration costs	(199)	-	(199)
Depreciation, depletion and impairment of tangible assets and mineral interests	(2,784)	(14)	(2,798)
Other income	206	364	570
Other expense	(58)	(48)	(106)
Financial interest on debt	(338)	(7)	(345)
Financial income and expense from cash & cash equivalents	(37)	-	(37)
Cost of net debt	(375)	(7)	(382)
Other financial income	285	-	285
Other financial expense	(159)	-	(159)
Equity in net income (loss) of affiliates	578	(268)	310
Income taxes	(700)	228	(472)
Consolidated net income	2,496	(469)	2,027
Group share	2,474	(437)	2,037
Non-controlling interests	22	(32)	(10)

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

2nd quarter 2016	Consolidated		
(M\$)	Adjusted	Adjustments^(a)	statement of income
Sales	37,221	(6)	37,215
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 and expense from cash & 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)
Consolidated net income	2,198	(80)	2,118
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.