COMMITTED TO BETTER ENERGY

Financial Report - 1st half 2014

Contents

Financial Report
1st half 2014

This is a free 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 2014 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 independent auditor's report on their review of the above mentioned condensed consolidated financial statements is included on page 13 of this half-year financial report and contains an observation regarding a change in accounting methods related to the change in the presentation currency of the consolidated financial statements from the euro to the U.S. dollar."

Courbevoie, July 30, 2014

Christophe de Margerie
Chairman and Chief Executive Officer

AMF | 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 30, 2014 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 barrel/d
Btu:	British thermal unit
M:	million
B:	billion
ERMI :	European Refining Margin Indicator. Refining margin indicator after variable costs for a theoretical 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.
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. 5,403 cf. of gas in 2013*
1 b/d = approx. 50 t/y
1 t = approx. 7.5 b (for a gravity of 37° API)
1 Bm³/y = approx. 0.1 Bcf/d
1 m³ = 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 Financial Report refer to TOTAL S.A. collectively with all of its direct and indirect consolidated subsidiaries located in, or outside of, France. The terms "Company" and "issuer" as used in this Financial Report refer only to TOTAL S.A., the parent company of the Group.

Financial Report - 1st half 2014 (1)

1. Key figures (2)

(in millions of dollars except earnings per share and number of shares)	1H14	1H13	1H14 vs 1H13
Sales	123,248	124,906	-1%
Adjusted operating income from business segments	11,765	14,211	-17%
Adjusted net operating income from business segments	7,523	8,031	-6%
– Upstream	6,143	6,298	-2%
– Refining & Chemicals	747	955	-22%
– Marketing & Services	633	778	-19%
Adjusted net income	6,478	7,279	-11%
Adjusted fully-diluted earnings per share (dollars)	2.84	3.20	-11%
Adjusted fully-diluted earnings per share (euro) (a)	2.07	2.44	-15%
Fully-diluted weighted-average shares (millions)	2,279	2,272	-
Net income (Group share)	6,439	5,312	+21%
Investments (b)	14,588	15,363	-5%
Divestments	2,471	2,563	-4%
Net investments (c)	11,991	12,336	-3%
Cash flow from operations	10,615	9,751	+9%
Adjusted cash flow from operations	12,135	13,380	-9%

(a) Euro amounts represent dollar amounts converted at the average €-$ exchange rate for the period: 1.3703 $/€ in 1H14 and 1.3134 $/€ in 1H13.
(b) Including acquisitions.
(c) Net investments = investments including acquisitions – asset sales – other transactions with non-controlling interests.

(1) TOTAL changed the presentation currency of the Group's Consolidated Financial Statements from the euro to the US dollar, effective January 1, 2014, to make its financial information more readable by better reflecting the performance of its activities, which are carried out mainly in US dollars. Comparative 2013 information has been restated.
(2) Adjusted results are defined as income using replacement cost, adjusted for special items, excluding the impact of changes for fair value. Adjusted cash flow from operations is defined as cash flow from operations before changes in working capital at replacement cost; adjustment items are on page 8 and the inventory valuation effect is explained on page 12.

2. Group results of first half 2014

2.1. Net operating income from business segments

In the first half 2014, the price of Brent averaged 108.9 $/b compared to 107.5 $/b in the first half 2013. The European refining margin indicator (ERMI) was 8.7 $/t compared to 25.5 $/t in the first half 2013.

The effective tax rate [1] for the business segments was 52.5% in the first half 2014 compared to 56.0% in the first half 2013, reflecting mainly the benefit of tax allowances in the UK.

Adjusted net operating income from the business segments was 7,523 M$ in the first half 2014 compared to 8,031 M$ in the first half 2013, a decrease of 6% that was mainly due to the weaker performance of the Downstream in a much weaker European refining environment. In the Upstream, adjusted net operating income was stable despite a high level of maintenance, notably thanks to a lower effective tax rate this half.

2.2. Net income (Group share)

Adjusted net income was 6,478 M$ compared to 7,279 M$ in the first half 2013, a decrease of 11%.

Adjusted net income excludes the after-tax inventory effect, the effect of changes in fair value and special items [2]:

- The after-tax inventory effect had a negative impact on net income of 57 M$ in the first half 2014 and a negative impact of 593 M$ in the first half 2013.
- Changes in fair value had a negative impact on net income of 8 M$ in the first half 2014 compared to a negative impact of 30 M$ in the first half 2013.
- Special items [3] had a positive impact on net income of 26 M$ in the first half 2014, including mainly the gain on the sale (partial IPO) of an interest in Gaztransport & Technigaz (GTT) partially offset by the impairment of the Shtokman project in Russia. Special items had a negative impact on net income of 1,344 M$ in the first half 2013.

Net income (Group share) was 6,439 M$ compared to 5,312 M$ in the first half 2013.

The effective tax rate for the Group was 56.5% in the first half 2014 compared to 57.4% in the first half 2013. This change is mainly due to the benefit of tax allowances in the UK, and, since January 1, 2014, due to its fiscal situation in France, the Group is no longer recognizing the benefit of tax credits related to net operating losses in France.

On June 30, 2014, there were 2,284 million fully-diluted shares compared to 2,277 million shares on June 30, 2013.

Adjusted fully-diluted earnings per share, based on 2,279 million fully-diluted weighted-average shares, was $2.84 compared to $3.20 in the first half 2013.

Expressed in euro, adjusted fully-diluted earnings per share was €2.07, a decrease of 15%.

2.3. Investments – divestments [4]

Investments, excluding acquisitions and including changes in non-current loans, were 12.4 B$ in the first half 2014, a decrease of 4% compared to 12.9 B$ in the first half 2013.

Acquisitions were 1,399 M$ in the first half 2014, essentially comprised of the acquisition of an interest in the Elk and Antelope discoveries in Papua New Guinea, the acquisition of additional Novatek [5] shares and the carry on the Utica gas and condensate field in the United States.

Asset sales in the first half 2014 were 1,677 B$, essentially comprised of the sale of Block 15/06 in Angola and the sale (partial IPO) of an interest in Gaztransport & Technigaz (GTT).

Net investments [6] were 12.0 B$ in the first half 2014, compared to 12.3 B$ in the first half 2013.

The sale of Usan was not completed with Sinopec. The Group is actively pursuing the sale process for this asset.

(1) Defined as: (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) Detail shown on page 12.
(3) Detail shown on page 8.
(4) Detail shown on page 9.
(5) The Group's interest in Novatek was 18.0% at June 30, 2014.
(6) Net investments = investments including acquisitions and changes in non-current loans – asset sales – other transactions with non-controlling interests.

2.4. Cash flow

Cash flow from operations was 10,615 M$ in the first half 2014, an increase of 9% compared to the first half 2013.

Adjusted cash flow from operations [1] was 12,135 M$, a decrease of 9% compared to the first half 2013.

The Group's net cash flow [2] was a negative 1,376 M$ compared to a negative 2,585 M$ in the first half 2013, reflecting essentially a decrease in investments and an increase in cash flow between the two periods.

The net-debt-to-equity ratio was 27.1% on June 30, 2014 compared to 27.6% on June 30, 2013 [3].

3. Analysis of business segment results

3.1. Upstream

3.1.1. Environment – liquids and gas price realizations[a]

	1H14	1H13	1H14 vs 1H13
Brent ($/b)	108.9	107.5	+1%
Average liquids price ($/b)	102.5	101.7	+1%
Average gas price ($/Mbtu)	6.80	6.97	-2%
Average hydrocarbon price ($/boe)	73.2	73.6	-1%

(a) Consolidated subsidiaries, excluding fixed margins.

3.1.2. Production

Hydrocarbon production	1H14	1H13	1H14 vs 1H13
Combined production (kboe/d)	2,116	2,306	-8%
Liquids (kb/d)	1,007	1,176	-14%
Gas (Mcf/d)	6,066	6,153	-1%

In the first half 2014, hydrocarbon production was 2,116 kboe/d, a decrease of 8% compared to the first half 2013, essentially due to the following:

- -5.5% for changes in the portfolio, essentially the expiration of the ADCO license in the United Arab Emirates,
- -1% for security conditions in Libya and Nigeria,
- -1.5% for the normal production decline and the high level of planned maintenance, partially offset by the ramp up on new projects.

In the first half 2014, excluding the ADCO license, hydrocarbon production decreased by 3% compared to the first half 2013.

(1) Cash flow from operations at replacement cost before changes in working capital.
(2) Net cash flow = cash flow from operations – net investments (including other transactions with non-controlling interests).
(3) Detail shown on page 9.

3.1.3. Results

(in millions of dollars)	1H14	1H13	1H14 vs 1H13
Adjusted operating income [(a)]	10,311	12,170	-15%
Adjusted net operating income [(a)]	6,143	6,298	-2%
includes income from equity affiliates	*1,502*	*1,524*	*-1%*
Investments	13,310	13,544	-2%
Divestments	2,367	2,174	+9%
Cash flow from operations	8,616	8,245	+4%
Adjusted cash flow from operations	9,974	11,123	-10%

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

Adjusted net operating income from the Upstream segment in the first half 2014 was 6,143 M$ compared to 6,298 M$ in the first half 2013, a decrease of 2% reflecting essentially the lower production and higher costs due to the high level of planned maintenance, partially offset by the lower tax rate.

The Return on Average Capital Employed (ROACE[(1)]) for the Upstream segment was 13% for the twelve months ended June 30, 2014, compared to 13% for the twelve months ended March 31, 2014, and 14% for the full-year 2013.

3.2. Refining & Chemicals

3.2.1. Refinery throughput and utilization rates [(a)]

	1H14	1H13	1H14 vs 1H13
Total refinery throughput (kb/d)	1,662	1,769	-6%
– France	626	678	-8%
– Rest of Europe	741	824	-10%
– Rest of world	295	267	+10%
Utilization rates [(b)]			
– Based on crude only	72%	83%	-
– Based on crude and other feedstock	76%	86%	-

(a) Includes share of TotalErg. Results for refineries in South Africa, French Antilles and Italy are reported in the Marketing & Services segment.
(b) Based on distillation capacity at the beginning of the year.

In the first half 2014, refinery throughput decreased by 6% compared to the first half 2013, reflecting essentially the turnarounds at Grandpuits, Leuna and Vlissingen, as well as voluntary shutdowns in response to weak refining margins in Europe.

3.2.2. Results

(in millions of dollars except the ERMI)	1H14	1H13	1H14 vs 1H13
European refining margin indicator – ERMI ($/t)	8.7	25.5	-66%
Adjusted operating income [(a)]	696	958	-27%
Adjusted net operating income [(a)]	747	955	-22%
contribution of Specialty chemicals [(b)]	*313*	*265*	*+18%*
Investments	725	1,202	-40%
Divestments	26	308	-92%
Cash flow from operations	1,460	1,331	+10%
Adjusted cash flow from operations	1,300	1,441	-10%

(a) Detail of adjustment items shown in the business segment information annex to financial statements.
(b) Hutchinson, Bostik, Atotech.

Adjusted net operating income from the Refining & Chemicals segment for the first half 2014 was 747 M$, a decrease of 22% compared to the first half 2013, reflecting essentially the strong deterioration of the European refining environment.

The ROACE[(1)] for the Refining & Chemicals segment was 8% for the twelve months ended June 30, 2014, compared to 9% for the twelve months ended March 31, 2014, and 9% for the full-year 2013.

(1) Calculated based on adjusted net operating income and average capital employed, using replacement cost, as shown on page 10.

3.3. Marketing & Services

3.3.1. Refined product sales

(sales in kb/d)[a]	1H14	1H13	1H14 vs 1H13
Europe	1,080	1,129	-4%
Rest of world	662	620	+7%
Total Marketing & Services sales	1,742	1,749	-

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

Sales volumes for the first half 2014 were stable compared to the first half 2013, due to the offsetting effects of a 4% decrease in European sales and net growth outside of Europe, particularly in the Americas and Middle East.

3.3.2. Results

(in millions of dollars)	1H14	1H13	1H14 vs 1H13
Sales	54,683	54,583	-
Adjusted operating income[a]	758	1,083	-30%
Adjusted net operating income[a]	633	778	-19%
contribution of New Energies	*20*	*(17)*	*na*
Investments	479	564	-15%
Divestments	54	66	-18%
Cash flow from operations	393	422	-7%
Adjusted cash flow from operations	930	1,255	-26%

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

Adjusted net operating income from the Marketing & Services segment in the first half 2014 was 633 M$, a decrease of 19% compared to the first half 2013, due to the impact of weather conditions on sales and a less favorable trend in European margins, partially offset by a global increase in the marketing of petroleum products in growing markets.

The ROACE[1] for the Marketing & Services segment was 14% for the twelve months ended June 30, 2014, compared to 15% for the twelve months ended March 31, 2014, and 16% for the full-year 2013.

(1) Calculated based on adjusted net operating income and average capital employed, using replacement cost, as shown on page 10.

4. TOTAL S.A. parent company accounts

Net income for TOTAL S.A., the parent company, was 3,397 M€ in the first half 2014, compared to 3,876 M€ in the first half 2013.

5. Highlights since the beginning of 2014 [1]

- Started up the deep-offshore CLOV oil field in Angola and the Itau Phase 2 gas and condensate field in Bolivia.
- Launched the developments of Kaombo in ultra-deep offshore Angola and Edradour in the West of Shetland area of the UK.
- Discovered oil on Ivory Coast deep-offshore Block CI-514.
- Acquired exploration permits for shale gas in the UK, and a 60% interest in the Glenlivet gas field in the West of Shetland area of the UK.
- Completed the acquisition of an interest in the Elk and Antelope major gas discoveries in Papua New Guinea.
- Partial IPO of interest in Gaztransport & Technigaz (GTT).
- Closed the sale of the 15% interset in Angola Block 15/06.
- Announced the sales of of the Group's interests in the Shah Deniz field in Azerbaijan and the coal mines in South Africa.
- Announced agreements to sell Totalgaz and CCP Composites.
- Signed an LNG Cooperation Agreement to strengthen the existing partnership between Total and CNOOC.
- Signed an agreement for long-term sales of LNG to Singapore.

6. Summary and outlook

The ROACE [2] for the Group for the twelve months ended June 30, 2014 was 12% compared to 12% for the twelve months ended March 31, 2014 and 13% for the full-year 2013.

Return on Equity for the twelve months ended June 30, 2014, was 14%.

In the Upstream, before the end of this year, CLOV should reach its production plateau of 160 kb/d and the Group should start up Laggan-Tormore and Ofon Phase 2. In exploration, results from high-potential wells currently drilling in Angola's Kwanza basin, in South Africa and in Indonesia are expected in the coming months.

In the downstream, all of the units at the Satorp refinery in Saudi Arabia are operational. Since the start of the third quarter, European refining margins have improved compared to the very low levels in the first half, but remain very volatile.

Several asset sales have been announced this year, and, as they are closed, the program total will be well within the objective of 15-20 B$ for the 2012-14 period.

In addition, all of the teams are involved in the finalization of the announced cost reduction plan, which will be presented at the Investors' day on September 22, 2014.

As approved by the Board of Directors on April 29, 2014, Total will pay a first quarter 2014 interim dividend of 0.61 €/share on September 26, 2014.

(1) Certain transactions referred to in the highlights are subject to approval by authorities or to other conditions as per the agreements.
(2) Calculated based on adjusted net operating income and average capital employed, using replacement cost, as shown on page 10.

7. Other information

7.1. Operating information by segment for first half 2014

7.1.1. Upstream

Combined liquids and gas production by region (kboe/d)	1H14	1H13	1H14 vs 1H13
Europe	361	388	-7%
Africa	637	690	-8%
Middle East	393	535	-27%
North America	86	71	+21%
South America	158	172	-8%
Asia-Pacific	240	232	+3%
CIS	241	218	+11%
Total production	**2,116**	**2,306**	**-8%**
Includes equity affiliates	563	679	-17%

Liquids production by region (kb/d)	1H14	1H13	1H14 vs 1H13
Europe	165	160	+3%
Africa	495	547	-10%
Middle East	197	324	-39%
North America	37	27	+37%
South America	50	56	-11%
Asia-Pacific	29	30	-3%
CIS	34	32	+6%
Total production	**1,007**	**1,176**	**-14%**
Includes equity affiliates	202	324	-38%

Gas production by region (Mcf/d)	1H14	1H13	1H14 vs 1H13
Europe	1,075	1,250	-14%
Africa	729	724	+1%
Middle East	1,073	1,135	-5%
North America	276	246	+12%
South America	605	643	-6%
Asia-Pacific	1,194	1,136	+5%
CIS	1,114	1,019	+9%
Total production	**6,066**	**6,153**	**-1%**
Includes equity affiliates	1,962	1,911	+3%

Liquified natural gas	1H14	1H13	1H14 vs 1H13
LNG sales [a] (Mt)	6.05	5.82	+4%

(a) Sales, Group share, excluding Trading; 2013 data restated to reflect volume estimates for Bontang LNG in Indonesia based on the 2013 SEC coefficient.

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

Refined product sales by region (kb/d) (a)	1H14	1H13	1H14 vs 1H13
Europe (b)	2,011	2,077	-3%
Africa	531	445	+19%
Americas	559	513	+9%
Rest of world	592	513	+15%
Total consolidated sales	**3,693**	**3,547**	**+4%**
Includes bulk sales	605	629	-4%
Includes Trading	1,346	1,169	+15%

(a) Includes share of TotalErg.
(b) Restated historical amounts.

7.2. Adjustment items

7.2.1. Adjustments to operating income

(in millions of dollars)	1H14	1H13
Special items affecting operating income from business segments	(177)	(56)
– Restructuring charges	-	(2)
– Impairments	(40)	(5)
– Other	(137)	(49)
Pre-tax inventory effect: FIFO vs. replacement cost	(64)	(878)
Effect of changes in fair value	(10)	(39)
Total adjustments affecting operating income	**(251)**	**(973)**

7.2.2. Adjustments to net income (Group share)

(in millions of dollars)	1H14	1H13
Special items affecting operating income (Group share)	26	(1,344)
– Gain (loss) on asset sales	599	(1,274)
– Restructuring charges	(5)	(33)
– Impairments	(426)	(4)
– Other	(142)	(33)
After-tax inventory effect: FIFO vs. replacement cost	(57)	(593)
Effect of changes in fair value	(8)	(30)
Total adjustments affecting net income	**(39)**	**(1,967)**

7.3. Effective tax rates

Effective tax rate [a]	1H14	1H13
Upstream	56.3%	60.6%
Group	56.5%	57.4%

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

7.4. Investments – divestments

(in millions of dollars)	1H14	1H13	1H14 vs 1H13
Investments excluding acquisitions	12,395	12,864	-4%
Capitalized exploration	*681*	*996*	*-32%*
Increase in non-current loans	*1,336*	*991*	*+35%*
Repayment of non-current loans	(794)	(616)	+29%
Acquisitions	1,399	1,883	-26%
Asset sales	1,677	1,947	-14%
Other transactions with non-controlling interests	126	464	-73%
Net investments [a]	11,991	12,336	-3%

(a) Net investments = investments including acquisitions – asset sales – other transactions with non-controlling interests.

7.5. Net-debt-to-equity ratio

(in millions of dollars)	6/30/2014	6/30/2013
Current borrowings	13,525	13,119
Net current financial assets	(531)	(609)
Net financial assets classified as held for sale	(62)	1,014
Non-current financial debt	39,433	29,557
Hedging instruments of non-current debt	(1,973)	(1,708)
Cash and cash equivalents	(22,166)	(15,118)
Net debt	**28,226**	**26,255**
Shareholders' equity	102,872	94,790
Estimated dividend payable	(1,894)	(1,750)
Non-controlling interests	3,344	2,225
Equity	**104,322**	**95,265**
Net-debt-to-equity ratio	**27.1%**	**27.6%**

7.6. Return on average capital employed

7.6.1. Twelve months ended June 30, 2014

(in millions of dollars)	Upstream	Refining & Chemicals	Marketing & Services	Group
Adjusted net operating income	12,295	1,649	1,409	14,431
Capital employed at 6/30/2013 [(a)]	91,097	20,924	9,838	118,852
Capital employed at 6/30/2014 [(a)]	103,572	19,265	10,324	129,967
ROACE	**12.6%**	**8.2%**	**14.0%**	**11.6%**

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

7.6.2. Twelve months ended March 31, 2014

(in millions of dollars)	Upstream	Refining & Chemicals	Marketing & Services	Group
Adjusted net operating income	12,285	1,766	1,483	14,863
Capital employed at 3/31/2013 [(a)]	86,034	21,860	9,610	116,094
Capital employed at 3/31/2014 [(a)]	97,924	18,516	10,314	126,068
ROACE	**13.4%**	**8.7%**	**14.9%**	**12.3%**

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

7.6.3. Full-year 2013

(in millions of dollars)	Upstream	Refining & Chemicals	Marketing & Services	Group
Adjusted net operating income	12,450	1,857	1,554	15,230
Capital employed at 12/31/2012 [(a)]	84,260	20,783	9,232	111,080
Capital employed at 12/31/2013 [(a)]	95,529	19,752	10,051	122,451
ROACE	**13.8%**	**9.2%**	**16.1%**	**13.0%**

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

8. Principal risks and uncertainties for the remaining six months of 2014

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 Registration Document filed with the *Autorité des marchés financiers* (French Financial Markets Authority) on March 27, 2014.

These conditions are subject to change not only in the six months remaining in the financial year but also in the years to come. Additionally, a description of certain risks is included in the notes to the consolidated accounts for the first half of 2014 on pages 26 to 29 and 40 of this report.

9. Principal transactions with related parties

Information concerning the principal transactions with related parties since January 1, 2014, is provided in section 6 of the notes to the Consolidated Financial Statements for the first six months of 2014, on page 26 of this 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 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. 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. 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, 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, excluding the effect of changes in fair value.

Euro amounts presented herein 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 presentation, such as 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: www.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.

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, 2014

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, 2014,
- 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.

Without qualifying the conclusion expressed above, we draw your attention to the mention in note 1 to the condensed half-yearly Consolidated Financial Statements which sets out a change in accounting methods related to the change in the presentation currency of the Consolidated Financial Statements from the euro to the U.S. dollar.

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 29, 2014

French original signed by:

The statutory auditors

KPMG Audit			ERNST & YOUNG Audit
A division of KPMG S.A.			
Michel Piette	Valérie Besson	Laurent Miannay	Yvon Salaün
Partner	Partner	Partner	Partner

2. Consolidated statement of income

TOTAL

(unaudited, 2013 data converted from the euro to the US Dollar) (in millions of dollars)[(a)]	1st half 2014	1st half 2013
Sales	**123,248**	**124,906**
Excise taxes	(12,186)	(11,380)
Revenues from sales	111,062	113,526
Purchases, net of inventory variation	(78,703)	(79,950)
Other operating expenses	(14,593)	(14,482)
Exploration costs	(920)	(760)
Depreciation, depletion and amortization of tangible assets and mineral interests	(5,674)	(5,387)
Other income	1,196	504
Other expense	(312)	(2,141)
Financial interest on debt	(467)	(461)
Financial income from marketable securities & cash equivalents	50	46
Cost of net debt	(417)	(415)
Other financial income	426	342
Other financial expense	(349)	(348)
Equity in net income (loss) of affiliates	1,347	1,743
Income taxes	(6,499)	(7,204)
Consolidated net income	**6,564**	**5,428**
Group share	6,439	5,312
Non-controlling interests	125	116
Earnings per share ($)	2.84	2.35
Fully-diluted earnings per share ($)	2.82	2.34

(a) Except for per share amounts.

3. Consolidated statement of comprehensive income

TOTAL

(unaudited, 2013 data converted from the euro to the US Dollar) (in millions of dollars)[a]	1st half 2014	1st half 2013
Consolidated net income	**6,564**	**5,428**
Other comprehensive income		
Actuarial gains and losses	(615)	(25)
Tax effect	211	8
Currency translation adjustment generated by the mother company	(729)	(599)
Items not potentially reclassifiable to profit and loss	**(1,133)**	**(616)**
Currency translation adjustment	548	(391)
Available for sale financial assets	(3)	3
Cash flow hedge	65	95
Share of other comprehensive income of equity affiliates, net amount	(20)	(494)
Other	(7)	(12)
Tax effect	(18)	(35)
Items potentially reclassifiable to profit and loss	**565**	**(834)**
Total other comprehensive income (net amount)	**(568)**	**(1,450)**
Comprehensive income	**5,996**	**3,978**
– Group share	*5,879*	*3,908*
– Non-controlling interests	*117*	*70*

4. Consolidated statement of income

TOTAL

(unaudited, 2013 data converted from the euro to the US Dollar) (in millions of dollars)[(a)]	2nd quarter 2014	1st quarter 2014	2nd quarter 2013
Sales	**62,561**	**60,687**	**61,345**
Excise taxes	(6,354)	(5,832)	(5,839)
Revenues from sales	56,207	54,855	55,506
Purchases, net of inventory variation	(40,371)	(38,332)	(39,631)
Other operating expenses	(7,229)	(7,364)	(7,288)
Exploration costs	(301)	(619)	(354)
Depreciation, depletion and amortization of tangible assets and mineral interests	(2,929)	(2,745)	(2,534)
Other income	96	1,100	462
Other expense	(163)	(149)	(120)
Financial interest on debt	(266)	(201)	(238)
Financial income from marketable securities & cash equivalents	31	19	18
Cost of net debt	(235)	(182)	(220)
Other financial income	265	161	206
Other financial expense	(183)	(166)	(179)
Equity in net income (loss) of affiliates	874	473	794
Income taxes	(2,902)	(3,597)	(3,229)
Consolidated net income	**3,129**	**3,435**	**3,413**
Group share	3,104	3,335	3,364
Non-controlling interests	25	100	49
Earnings per share ($)	1.37	1.47	1.49
Fully-diluted earnings per share ($)	1.36	1.46	1.48

(a) Except for per share amounts.

5. Consolidated statement of comprehensive income

TOTAL

(unaudited, 2013 data converted from the euro to the US Dollar) (in millions of dollars)	2nd quarter 2014	1st quarter 2014	2nd quarter 2013
Consolidated net income	**3,129**	**3,435**	**3,413**
Other comprehensive income			
Actuarial gains and losses	(416)	(199)	(248)
Tax effect	154	57	95
Currency translation adjustment generated by the mother company	(732)	3	1,613
Items not potentially reclassifiable to profit and loss	**(994)**	**(139)**	**1,460**
Currency translation adjustment	512	36	(988)
Available for sale financial assets	(6)	3	8
Cash flow hedge	30	35	80
Share of other comprehensive income of equity affiliates, net amount	436	(456)	(541)
Other	(4)	(3)	(1)
Tax effect	(5)	(13)	(32)
Items potentially reclassifiable to profit and loss	**963**	**(398)**	**(1,474)**
Total other comprehensive income (net amount)	**(31)**	**(537)**	**(14)**
Comprehensive income	3,098	2,898	3,399
– Group share	3,078	2,801	3,368
– Non-controlling interests	20	97	31

6. Consolidated balance sheet

TOTAL

ASSETS

(unaudited, 2013 data converted from the euro to the US Dollar) (in millions of dollars)	6/30/2014	3/31/2014	12/31/2013	6/30/2013
Non-current assets				
Intangible assets, net	18,995	18,899	18,395	17,424
Property, plant and equipment, net	108,468	106,377	104,480	93,387
Equity affiliates: investments and loans	21,256	19,951	20,417	19,037
Other investments	1,786	2,091	1,666	1,583
Hedging instruments of non-current financial debt	1,973	1,758	1,418	1,708
Deferred income taxes	2,842	2,933	3,838	3,704
Other non-current assets	4,263	4,265	4,406	3,813
Total non-current assets	**159,583**	**156,274**	**154,620**	**140,656**
Current assets				
Inventories, net	23,484	21,755	22,097	20,196
Accounts receivable, net	21,698	23,359	23,422	25,587
Other current assets	16,519	15,873	14,892	14,850
Current financial assets	1,003	872	739	668
Cash and cash equivalents	22,166	22,787	20,200	15,118
Assets classified as held for sale	4,317	2,472	3,253	5,104
Total current assets	**89,187**	**87,118**	**84,603**	**81,523**
Total assets	248,770	243,392	239,223	222,179

LIABILITIES & SHAREHOLDERS' EQUITY

(unaudited, 2013 data converted from the euro to the US Dollar) (in millions of dollars)	6/30/2014	3/31/2014	12/31/2013	6/30/2013
Shareholders' equity				
Common shares	7,511	7,496	7,493	7,490
Paid-in surplus and retained earnings	101,100	101,568	98,254	94,637
Currency translation adjustment	(1,436)	(1,625)	(1,203)	(3,063)
Treasury shares	(4,303)	(4,303)	(4,303)	(4,274)
Total shareholders' equity – Group Share	**102,872**	**103,136**	**100,241**	**94,790**
Non-controlling interests	**3,344**	**3,248**	**3,138**	**2,225**
Total shareholders' equity	**106,216**	**106,384**	**103,379**	**97,015**
Non-current liabilities				
Deferred income taxes	16,397	17,045	17,850	16,736
Employee benefits	4,725	4,362	4,235	4,751
Provisions and other non-current liabilities	17,445	17,582	17,517	14,464
Non-current financial debt	39,433	37,506	34,574	29,557
Total non-current liabilities	**78,000**	**76,495**	**74,176**	**65,508**
Current liabilities				
Accounts payable	28,902	28,621	30,282	26,380
Other creditors and accrued liabilities	19,994	19,097	18,948	18,162
Current borrowings	13,525	11,676	11,193	13,119
Other current financial liabilities	472	350	381	59
Liabilities directly associated with the assets classified as held for sale	1,661	769	864	1,936
Total current liabilities	**64,554**	**60,513**	**61,668**	**59,656**
Total liabilities and shareholders' equity	248,770	243,392	239,223	222,179

7. Consolidated statement of cash flow

TOTAL

(unaudited, 2013 data converted from the euro to the US Dollar) (in millions of dollars)	1st half 2014	1st half 2013
CASH FLOW FROM OPERATING ACTIVITIES		
Consolidated net income	6,564	5,428
Depreciation, depletion and amortization	6,261	5,805
Non-current liabilities, valuation allowances and deferred taxes	243	(49)
Impact of coverage of pension benefit plans	-	-
(Gains) losses on disposals of assets	(1,040)	1,510
Undistributed affiliates' equity earnings	(114)	(372)
(Increase) decrease in working capital	(1,456)	(2,751)
Other changes, net	157	180
Cash flow from operating activities	**10,615**	**9,751**
CASH FLOW USED IN INVESTING ACTIVITIES		
Intangible assets and property, plant and equipment additions	(12,248)	(13,325)
Acquisitions of subsidiaries, net of cash acquired	(414)	(21)
Investments in equity affiliates and other securities	(590)	(1,026)
Increase in non-current loans	(1,336)	(991)
Total expenditures	**(14,588)**	**(15,363)**
Proceeds from disposals of intangible assets and property, plant and equipment	1,155	1,660
Proceeds from disposals of subsidiaries, net of cash sold	-	264
Proceeds from disposals of non-current investments	522	23
Repayment of non-current loans	794	616
Total divestments	**2,471**	**2,563**
Cash flow used in investing activities	**(12,117)**	**(12,800)**
CASH FLOW USED IN FINANCING ACTIVITIES		
Issuance (repayment) of shares:		
– Parent company shareholders	337	432
– Treasury shares	-	-
Dividends paid:		
– Parent company shareholders	(3,736)	(3,532)
– Non-controlling interests	(146)	(94)
Other transactions with non-controlling interests	126	464
Net issuance (repayment) of non-current debt	7,120	4,499
Increase (decrease) in current borrowings	(211)	(5,162)
Increase (decrease) in current financial assets and liabilities	(52)	1,184
Cash flow used in financing activities	**3,438**	**(2,209)**
Net increase (decrease) in cash and cash equivalents	**1,936**	**(5,258)**
Effect of exchange rates	30	(33)
Cash and cash equivalents at the beginning of the period	20,200	20,409
Cash and cash equivalents at the end of the period	**22,166**	**15,118**

8. Consolidated statement of cash flow

TOTAL

(unaudited, 2013 data converted from the euro to the US Dollar) (in millions of dollars)	2nd quarter 2014	1st quarter 2014	2nd quarter 2013
CASH FLOW FROM OPERATING ACTIVITIES			
Consolidated net income	3,129	3,435	3,413
Depreciation, depletion and amortization	3,087	3,174	2,759
Non-current liabilities, valuation allowances and deferred taxes	(156)	399	(108)
Impact of coverage of pension benefit plans	-	-	-
(Gains) losses on disposals of assets	(17)	(1,023)	(363)
Undistributed affiliates' equity earnings	(125)	11	94
(Increase) decrease in working capital	(771)	(685)	(1,025)
Other changes, net	130	27	68
Cash flow from operating activities	**5,277**	**5,338**	**4,838**
CASH FLOW USED IN INVESTING ACTIVITIES			
Intangible assets and property, plant and equipment additions	(6,800)	(5,448)	(6,836)
Acquisitions of subsidiaries, net of cash acquired	(414)	-	-
Investments in equity affiliates and other securities	(434)	(156)	(256)
Increase in non-current loans	(1,075)	(261)	(367)
Total expenditures	**(8,723)**	**(5,865)**	**(7,459)**
Proceeds from disposals of intangible assets and property, plant and equipment	135	1,020	1,106
Proceeds from disposals of subsidiaries, net of cash sold	-	-	264
Proceeds from disposals of non-current investments	66	456	23
Repayment of non-current loans	430	364	357
Total divestments	**631**	**1,840**	**1,750**
Cash flow used in investing activities	**(8,092)**	**(4,025)**	**(5,709)**
CASH FLOW USED IN FINANCING ACTIVITIES			
Issuance (repayment) of shares:			
– Parent company shareholders	304	33	432
– Treasury shares	-	-	-
Dividends paid:			
– Parent company shareholders	(1,901)	(1,835)	(1,772)
– Non-controlling interests	(139)	(7)	(92)
Other transactions with non-controlling interests	126	-	(7)
Net issuance (repayment) of non-current debt	2,931	4,189	734
Increase (decrease) in current borrowings	956	(1,167)	(894)
Increase (decrease) in current financial assets and liabilities	65	(117)	6
Cash flow used in financing activities	**2,342**	**1,096**	**(1,593)**
Net increase (decrease) in cash and cash equivalents	**(473)**	**2,409**	**(2,464)**
Effect of exchange rates	(148)	178	404
Cash and cash equivalents at the beginning of the period	22,787	20,200	17,178
Cash and cash equivalents at the end of the period	**22,166**	**22,787**	**15,118**

9. Consolidated statement of changes in shareholders' equity

TOTAL

(unaudited, 2013 data converted from the euro to the US Dollar) (in millions of dollars)	Common shares issued		Paid-in surplus and retained earnings	Currency translation adjustment	Treasury shares		Shareholders' equity Group Share	Non-controlling interests	Total shareholders' equity
	Number	Amount			Number	Amount			
As of January 1, 2013	**2,365,933,146**	**7,454**	**92,485**	**(1,696)**	**(108,391,639)**	**(4,274)**	**93,969**	**1,689**	**95,658**
Net income of the first half 2013	-	-	5,312	-	-	-	5,312	116	5,428
Other comprehensive Income	-	-	(37)	(1,367)	-	-	(1,404)	(46)	(1,450)
Comprehensive Income	**-**	**-**	**5,275**	**(1,367)**	**-**	**-**	**3,908**	**70**	**3,978**
Dividend	-	-	(3,526)	-	-	-	(3,526)	(94)	(3,620)
Issuance of common shares	10,802,845	36	396	-	-	-	432	-	432
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Sale of treasury shares [a]	-	-	-	-	980	-	-	-	-
Share-based payments	-	-	97	-	-	-	97	-	97
Share cancellation	-	-	-	-	-	-	-	-	-
Other operations with non-controlling interests	-	-	(92)	-	-	-	(92)	556	464
Other items	-	-	2	-	-	-	2	4	6
As of June 30, 2013	**2,376,735,991**	**7,490**	**94,637**	**(3,063)**	**(108,390,659)**	**(4,274)**	**94,790**	**2,225**	**97,015**
Net income from July 1 to December 31, 2013	-	-	5,916	-	-	-	5,916	177	6,093
Other comprehensive Income	-	-	510	1,859	-	-	2,369	(10)	2,359
Comprehensive Income	**-**	**-**	**6,426**	**1,859**	**-**	**-**	**8,285**	**167**	**8,452**
Dividend	-	-	(3,590)	-	-	-	(3,590)	(62)	(3,652)
Issuance of common shares	942,169	3	50	-	-	-	53	-	53
Purchase of treasury shares	-	-	-	-	(4,414,200)	(238)	(238)	-	(238)
Sale of treasury shares [a]	-	-	(209)	-	3,590,411	209	-	-	-
Share-based payments	-	-	92	-	-	-	92	-	92
Share cancellation	-	-	-	-	-	-	-	-	-
Other operations with non-controlling interests	-	-	841	1	-	-	842	799	1,641
Other items	-	-	7	-	-	-	7	9	16
As of December 31, 2013	**2,377,678,160**	**7,493**	**98,254**	**(1,203)**	**(109,214,448)**	**(4,303)**	**100,241**	**3,138**	**103,379**
Net income of the first half 2014	-	-	6,439	-	-	-	6,439	125	6,564
Other comprehensive Income	-	-	(329)	(231)	-	-	(560)	(8)	(568)
Comprehensive Income	**-**	**-**	**6,110**	**(231)**	**-**	**-**	**5,879**	**117**	**5,996**
Dividend	-	-	(3,794)	-	-	-	(3,794)	(146)	(3,940)
Issuance of common shares	5,192,417	18	319	-	-	-	337	-	337
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Sale of treasury shares [a]	-	-	-	-	7,200	-	-	-	-
Share-based payments	-	-	82	-	-	-	82	-	82
Share cancellation	-	-	-	-	-	-	-	-	-
Other operations with non-controlling interests	-	-	128	(2)	-	-	126	183	309
Other items	-	-	1	-	-	-	1	52	53
As of June 30, 2014	**2,382,870,577**	**7,511**	**101,100**	**(1,436)**	**(109,207,248)**	**(4,303)**	**102,872**	**3,344**	**106,216**

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

10. Notes to the Consolidated Financial Statements for the first six months of 2014

(unaudited, 2013 data converted from the euro to the US Dollar)

1) Accounting policies

The interim Consolidated Financial Statements of TOTAL S.A. and its subsidiaries (the Group) as of June 30, 2014 are presented in U.S. dollars and have been prepared in accordance with International Accounting Standard (IAS) 34 “Interim Financial Reporting”.

In order to make the financial information of TOTAL more readable by better reflecting the performance of its activities mainly carried out in U.S. dollars, TOTAL has changed, effective January 1, 2014, the presentation currency of the Group’s Consolidated Financial Statements from the euro to the US Dollar. The Statutory Financial Statements of TOTAL S.A., the parent company of the Group, remain prepared in euro. The dividend paid remains fixed in euro.

Following this change in accounting policy, the comparative Consolidated Financial Statements are presented in U.S. dollars.

Currency translation adjustments have been set to zero as of January 1, 2004, the date of transition to IFRS. Cumulative currency translation adjustments are presented as if the Group had used the US Dollar as the presentation currency of its Consolidated Financial Statements since that date.

The accounting policies applied for the Consolidated Financial Statements as of June 30, 2014 do not differ significantly from those applied for the Consolidated Financial Statements as of December 31, 2013 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). New texts or amendments which were mandatory for the periods beginning on or after January 1, 2014 did not have a material impact on the Group’s Consolidated Financial Statements as of June 30, 2014, with the exception of interpretation IFRIC 21:

– In May 2013, the IASB issued the interpretation IFRIC 21 “Levies”. This interpretation is applicable retrospectively for annual periods beginning on or after January 1, 2014. The text indicates that the obligating event for the recognition of a liability is the activity described in the relevant legislation that triggers the payment of the levy. The comparative Consolidated Financial Statements have been restated accordingly.

The impact on shareholders’ equity as of January 1, 2011, is +46 M$. The impact on the Statement of Income for 2011 and 2012 is not significant. Net income, Group share, for 2013 is increased by 24 M$ (1st quarter: -83 M$, 2nd quarter: +48 M$, 3rd quarter: +37 M$, 4th quarter: +22 M$).

The preparation of financial statements in accordance with IFRS requires the executive management to make estimates and 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. The 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 estimates and assumptions are described in the Notes to the Consolidated Financial Statements as of December 31, 2013.

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

Upstream

- TOTAL finalized in March 2014 the sale to Sonangol E&P of its interest in Block 15/06 in Angola.
- TOTAL finalized in March 2014 the acquisition from InterOil Corporation of a 40.1% interest (before possible entry by the State) in Block PRL 15 containing the gas field Elk-Antelope in Papua New Guinea for an amount of 405 M$, paid on April 2, 2014.
- On the February 27, 2014, TOTAL floated GazTransport et Technigaz S.A. (GTT), an engineering company specializing in the design of cryogenic membranes for the transport and storage of LNG. With this quotation on Euronext Paris, TOTAL has reduced its interest in the equity of the company from 30.0% to 10.4%. The listing was completed at a price of €46 per share, valuing 100% of the equity of the company on the issue date at 1.7 B€. This sale generated a gain on disposal of 599 M$ after tax.
- TOTAL finalized during the first half of 2014 the acquisition of an additional 1.05% interest in Novatek for an amount of 355 M$, bringing TOTAL's overall interest in Novatek to 18.0% as at June 30, 2014.

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 of the next page.

ADJUSTMENTS TO OPERATING INCOME

(in millions of dollars)		Upstream	Refining & Chemicals	Marketing & Services	Corporate	Total
2nd quarter 2014	Inventory valuation effect	-	122	(5)	-	117
	Effect of changes in fair value	(36)	-	-	-	(36)
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	-	(40)	-	-	(40)
	Other items	-	-	(22)	-	(22)
Total		(36)	82	(27)	-	19
2nd quarter 2013	Inventory valuation effect	-	(655)	(107)	-	(762)
	Effect of changes in fair value	(42)	-	-	-	(42)
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	-	-	-	-	-
	Other items	-	(49)	-	-	(49)
Total		(42)	(704)	(107)	-	(853)
1st half 2014	Inventory valuation effect	-	(41)	(23)	-	(64)
	Effect of changes in fair value	(10)	-	-	-	(10)
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	-	(40)	-	-	(40)
	Other items	(115)	-	(22)	-	(137)
Total		(125)	(81)	(45)	-	(251)
1st half 2013	Inventory valuation effect	-	(743)	(135)	-	(878)
	Effect of changes in fair value	(39)	-	-	-	(39)
	Restructuring charges	-	(2)	-	-	(2)
	Asset impairment charges	-	(5)	-	-	(5)
	Other items	-	(49)	-	-	(49)
Total		(39)	(799)	(135)	-	(973)

ADJUSTMENTS TO NET INCOME GROUP SHARE

(in millions of dollars)		Upstream	Refining & Chemicals	Marketing & Services	Corporate	Total
2nd quarter 2014	Inventory valuation effect	-	77	3	-	80
	Effect of changes in fair value	(29)	-	-	-	(29)
	Restructuring charges	-	(1)	(4)	-	(5)
	Asset impairment charges	-	(76)	-	-	(76)
	Gains (losses) on disposals of assets	-	-	-	-	-
	Other items	-	-	(17)	-	(17)
Total		(29)	-	(18)	-	(47)
2nd quarter 2013	Inventory valuation effect	-	(460)	(65)	-	(525)
	Effect of changes in fair value	(31)	-	-	-	(31)
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	-	-	-	-	-
	Gains (losses) on disposals of assets	431	(59)	-	-	372
	Other items	-	(33)	-	-	(33)
Total		400	(552)	(65)	-	(217)
1st half 2014	Inventory valuation effect	-	(34)	(23)	-	(57)
	Effect of changes in fair value	(8)	-	-	-	(8)
	Restructuring charges	-	(1)	(4)	-	(5)
	Asset impairment charges	(350)	(76)	-	-	(426)
	Gains (losses) on disposals of assets	599	-	-	-	599
	Other items	(115)	(10)	(17)	-	(142)
Total		126	(121)	(44)	-	(39)
1st half 2013	Inventory valuation effect	-	(506)	(87)	-	(593)
	Effect of changes in fair value	(30)	-	-	-	(30)
	Restructuring charges	-	(20)	(13)	-	(33)
	Asset impairment charges	-	(4)	-	-	(4)
	Gains (losses) on disposals of assets	(1,215)	(59)	-	-	(1,274)
	Other items	-	(33)	-	-	(33)
Total		(1,245)	(622)	(100)	-	(1,967)

Extensive studies have confirmed a technical scheme to develop the Shtokman field in Russia, but at a too high cost that does not provide an acceptable profitability. The Group remains in contact with Gazprom to study other technical schemes that enhance the economics and to define an eventual future participation in the development of the field. In the meantime, the Group has decided to depreciate its investment of 350 M$ in this project.

4) Shareholders' equity

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

As of June 30, 2014, TOTAL S.A. holds 8,875,980 of its own shares, representing 0.37% of its share capital, detailed as follows:

- 8,757,120 shares allocated to TOTAL share grant plans for Group employees; and
- 118,860 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.

Treasury shares (TOTAL shares held by Group subsidiaries)

As of June 30, 2014, TOTAL S.A. held indirectly through its subsidiaries 100,331,268 of its own shares, representing 4.21% 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), 100% indirectly controlled by TOTAL S.A.

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

Dividend

The shareholders' meeting on May 16, 2014 approved the payment of a cash dividend of €2.38 per share for the 2013 fiscal year. Taking into account the three quarterly dividends of €0.59 per share that have already been paid on September 27, 2013, December 19, 2013, and March 27, 2014, the remaining balance of €0.61 per share was paid on June 5, 2014.

A first quarterly dividend for the fiscal year 2014 of €0.61 per share, decided by the Board of Directors on April 29, 2014, will be paid on September 26, 2014 (the ex-dividend date will be September 23, 2014).

A second quarterly dividend for the fiscal year 2014 of €0.61 per share, decided by the Board of Directors on July 29, 2014, will be paid on December 17, 2014 (the ex-dividend date will be December 15, 2014).

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 €1.00 per share for the 2nd quarter 2014 (€1.07 per share for the 1st quarter 2014 and €1.14 per share for the 2nd quarter 2013). Diluted earnings per share calculated using the same method amounted to €0.99 per share for the 2nd quarter 2014 (€1.07 per share for the 1st quarter 2014 and €1.12 per share for the 2nd quarter 2013).

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)	1st half 2014		1st half 2013	
Actuarial gains and losses		(615)		(25)
Tax effect		211		8
Currency translation adjustment generated by the mother company		(729)		(599)
Items not potentially reclassifiable to profit or loss		**(1,133)**		**(616)**
Currency translation adjustment		**548**		**(391)**
– unrealized gain/(loss) of the period	549		(414)	
– less gain/(loss) included in net income	1		(23)	
Available for sale financial assets		**(3)**		**3**
– unrealized gain/(loss) of the period	(12)		3	
– less gain/(loss) included in net income	(9)		-	
Cash flow hedge		**65**		**95**
– unrealized gain/(loss) of the period	(17)		19	
– less gain/(loss) included in net income	(82)		(76)	
Share of other comprehensive income of equity affiliates, net amount		**(20)**		**(494)**
Other		**(7)**		**(12)**
– unrealized gain/(loss) of the period	(7)		(12)	
– less gain/(loss) included in net income	-		-	
Tax effect		**(18)**		**(35)**
Items potentially reclassifiable to profit or loss		**565**		**(834)**
Total other comprehensive income, net amount		(568)		(1,450)

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

(in millions of dollars)	1st half 2014			1st half 2013		
	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Actuarial gains and losses	(615)	211	(404)	(25)	8	(17)
Currency translation adjustment generated by the mother company	(729)	-	(729)	(599)	-	(599)
Items not potentially reclassifiable to profit or loss	**(1,344)**	**211**	**(1,133)**	**(624)**	**8**	**(616)**
Currency translation adjustment	548	-	548	(391)	-	(391)
Available for sale financial assets	(3)	3	-	3	1	4
Cash flow hedge	65	(21)	44	95	(36)	59
Share of other comprehensive income of equity affiliates, net amount	(20)	-	(20)	(494)	-	(494)
Other	(7)	-	(7)	(12)	-	(12)
Items potentially reclassifiable to profit or loss	**583**	**(18)**	**565**	**(799)**	**(35)**	**(834)**
Total other comprehensive income	(761)	193	(568)	(1,423)	(27)	(1,450)

5) Financial debt

The Group issued bonds through its subsidiary Total Capital International, during the first six months of 2014:

- Bond 1.000% 2014-2017 (500 million USD)
- Bond 2.125% 2014-2019 (750 million USD)
- Bond 3.750% 2014-2024 (1,250 million USD)
- Bond 4.125% 2014-2019 (150 million AUD)
- Bond US Libor 3 months +38 bp 2014-2019 (200 million USD)
- Bond 3.000% 2014-2044 (100 million EUR)
- Bond 2.500% 2014-2026 (850 million EUR)
- Bond 2.500% 2014-2026 (250 million EUR)
- Bond 2.100% 2014-2019 (1,000 million USD)
- Bond US Libor 3 months +35 bp 2014-2019 (250 million USD)
- Bond 2.750% 2014-2021 (1,000 million USD)
- Bond 3.750% 2014-2019 (100 million AUD)

The Group reimbursed bonds during the first six months of 2014:

- Bond 1.625% 2011-2014 (750 million USD)
- Bond US Libor 3 months +38 bp 2011-2014 (750 million USD)
- Bond 5.750% 2011-2014 (100 million AUD)
- Bond 3.500% 2009-2014 (1,000 million EUR)
- Bond 3.240% 2009-2014 (396 million HKD)
- Bond 3.500% 2009-2014 (150 million EUR)
- Bond 1.723% 2007-2014 (8,000 million JPY)

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 2014.

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.

Antitrust investigations

The principal antitrust proceedings in which the Group's companies are involved are described below.

Refining & chemicals segment

As part of the spin-off of Arkema[1] in 2006, TOTAL S.A. and certain other Group companies agreed to grant Arkema for a period of ten years a guarantee for potential monetary consequences related to antitrust proceedings arising from events prior to the spin-off.

As of December 31, 2013, all public and civil proceedings covered by the guarantee were definitively resolved in Europe and in the United States. Despite the fact that Arkema has implemented since 2001 compliance procedures that are designed to prevent its employees from violating antitrust provisions, it is not possible to exclude the possibility that the relevant authorities could commence additional proceedings involving Arkema regarding events prior to the spin-off.

Marketing & Services segment

– Following the appeal lodged by the Group's companies against the European Commission's 2008 decision fining Total Marketing Services an amount of 128.2 M€, in relation to practices regarding a product line of the Marketing & Services segment, which the company had already paid, and concerning which TOTAL S.A. was declared jointly liable as the parent company, the relevant European court decided during the third quarter of 2013 to reduce the fine imposed on Total Marketing Services to 125.5 M€ without modifying the liability of TOTAL S.A. as parent company. Appeals have been lodged against this judgment.

– In the Netherlands, a civil proceeding was initiated against TOTAL S.A., Total Marketing Services and other companies, by third parties alleging damages in connection with practices already sanctioned by the European Commission. At this stage, the plaintiffs have not communicated the amount of their claim.

– Finally, in Italy, in 2013, a civil proceeding was initiated 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 M€. This procedure follows practices that had been sanctioned by the Italian competition authority in 2006. The existence and the assessment of the alleged damages in this procedure involving multiple defendants are strongly contested.

Whatever the evolution of the proceedings described above, the Group believes that their outcome should not have a material adverse effect on the Group's financial situation or consolidated results.

Grande Paroisse

An explosion occurred at the Grande Paroisse industrial site in the city of Toulouse in France on September 21, 2001. Grande Paroisse, a former subsidiary of Atofina which became a subsidiary of Elf Aquitaine Fertilisants on December 31, 2004, as part of the reorganization of the chemicals segment, was principally engaged in the production and sale of agricultural fertilizers. The explosion, which involved a stockpile of ammonium nitrate pellets, destroyed a portion of the site and caused the death of thirty-one people, including twenty-one workers at the site, and injured many others. The explosion also caused significant damage to certain property in part of the city of Toulouse.

This plant has been closed and individual assistance packages have been provided for employees. The site has been rehabilitated.

On December 14, 2006, Grande Paroisse signed, under the supervision of the city of Toulouse, a deed whereby it donated the former site of the AZF plant to the greater agglomeration of Toulouse (CAGT) and the *Caisse des dépôts et consignations* and its subsidiary ICADE. Under this deed, TOTAL S.A. guaranteed the site remediation obligations of Grande Paroisse and granted a 10 M€ endowment to the InNaBioSanté research foundation as part of the setting up of a cancer research center at the site by the city of Toulouse.

After having articulated several hypotheses, the Court-appointed experts did not maintain in their final report filed on May 11, 2006, that the accident was caused by pouring a large quantity of a chlorine compound over ammonium nitrate. Instead, the experts have retained a scenario where a container of chlorine compound sweepings was poured between a layer of wet ammonium nitrate covering the floor and a quantity of dry agricultural nitrate at a location not far from the principal storage site. This is claimed to have caused an explosion which then spread into the main storage site. Grande Paroisse was investigated based on this new hypothesis in 2006; Grande Paroisse is contesting this explanation, which it believes to be based on elements that are not factually accurate.

On July 9, 2007, the investigating magistrate brought charges against Grande Paroisse and the former Plant Manager before the Toulouse Criminal Court. In late 2008, TOTAL S.A. and Mr. Thierry Desmarest, Chairman and CEO at the time of the event, were summoned to appear in Court pursuant to a request by a victims association.

On November 19, 2009, the Toulouse Criminal Court acquitted both the former Plant Manager, and Grande Paroisse due to the lack of reliable evidence for the explosion. The Court also ruled that the summonses against TOTAL S.A. and Mr. Thierry Desmarest were inadmissible.

Due to the presumption of civil liability that applied to Grande Paroisse, the Court declared Grande Paroisse civilly liable for the damages caused by the explosion to the victims in its capacity as custodian and operator of the plant.

The Prosecutor's office, together with certain third parties, appealed the Toulouse Criminal Court verdict. In order to preserve its rights, Grande Paroisse lodged a cross-appeal with respect to civil charges.

By its decision of September 24, 2012, the Court of Appeal of Toulouse (*Cour d'appel de Toulouse*) upheld the lower court verdict pursuant to which the summonses against TOTAL S.A. and Mr. Thierry Desmarest were determined to be inadmissible. This element of the decision has been appealed by certain third parties before the French Supreme Court (*Cour de cassation*).

The Court of Appeal considered, however, that the explosion was the result of the chemical accident described by the court-appointed experts. Accordingly, it convicted the former Plant Manager and Grande Paroisse. This element of the decision has been appealed by the former Plant Manager and Grande Paroisse before the French Supreme Court (*Cour de cassation*), which has the effect of suspending their criminal sentences.

A compensation mechanism for victims was set up immediately following the explosion. 2.3 B€ was paid for the compensation of

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

claims and related expenses amounts. A 11.6 M€ reserve remains booked in the Group's Consolidated Financial Statements as of June 30, 2014.

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. Blue Rapid and the Russian Olympic Committee appealed this decision. 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. Blue Rapid and the Russian Olympic Committee appealed this decision to the French Supreme Court.

In connection with the same facts, and fifteen years after the termination of the exploration and production contract, 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 B$. 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.

Iran

In 2003, the United States Securities and Exchange Commission (SEC) followed by the Department of Justice (DoJ) issued a formal order directing an investigation in connection with the pursuit of business in Iran by certain oil companies including, among others, TOTAL.

The inquiry concerned an agreement concluded by the Company with consultants concerning gas fields in Iran and aimed at verifying whether certain payments made under this agreement would have benefited Iranian officials in violation of the Foreign Corrupt Practices Act (FCPA) and the Company's accounting obligations.

In late May 2013, and after several years of discussions, TOTAL reached settlements with the U.S. authorities (a Deferred Prosecution Agreement with the DoJ and a Cease and Desist Order with the SEC). These settlements, which put an end to these investigations, were concluded without admission of guilt and in exchange for TOTAL respecting a number of obligations, including the payment of a fine (245.2 M$) and civil compensation (153 M$) that occurred during the second quarter of 2013.
The reserve of 398.2 M$ that was booked in the financial statements as of June 30, 2012, has been fully released. By virtue of these settlements, TOTAL also accepted the appointment of a French independent compliance monitor to review the Group's compliance program and to recommend possible improvements.

With respect to the same facts, TOTAL and its Chairman and Chief Executive Officer, who was President of the Middle East at the time of the facts, were placed under formal investigation in France following a judicial inquiry initiated in 2006. In late May 2013, the Prosecutor's office recommended that the case be sent to trial. This position was reiterated by the Prosecutor's office in June 2014.The investigating magistrate has not yet issued his decision.

At this point, the Company considers that the resolution of these cases is not expected to have a significant impact on the Group's financial situation or consequences for its future planned operations.

Oil-for-Food Program

Several countries have launched investigations concerning possible violations related to the United Nations (UN) Oil-for-Food Program in Iraq.

Pursuant to a French criminal investigation, certain current or former Group Employees were placed under formal criminal investigation for possible charges as accessories to the misappropriation of Corporate assets and as accessories to the corruption of foreign public agents. The Chairman and Chief Executive Officer of the Company, formerly President of the Group's Exploration & Production division, was also placed under formal investigation in October 2006. In 2007, the criminal investigation was closed and the case was transferred to the Prosecutor's office. In 2009, the Prosecutor's office recommended to the investigating magistrate that the case against the Group's current and former employees and TOTAL's Chairman and Chief Executive Officer not be pursued.

In early 2010, despite the recommendation of the Prosecutor's office, a new investigating magistrate, having taken over the case, decided to indict TOTAL S.A. on bribery charges as well as complicity and influence peddling. The indictment was brought eight years after the beginning of the investigation without any new evidence being introduced.

In October 2010, the Prosecutor's office recommended to the investigating magistrate that the case against TOTAL S.A., the Group's former employees and TOTAL's Chairman and Chief Executive Officer not be pursued. However, by ordinance notified in early August 2011, the investigating magistrate on the matter decided to send the case to trial. On July 8, 2013, TOTAL S.A., the Group's former employees and TOTAL's Chairman and Chief Executive Officer were cleared of all charges by the Criminal Court, which found that none of the offenses for which they had been prosecuted were established. On July 18, 2013, the Prosecutor's office appealed the parts of the Criminal Court's decision acquitting TOTAL S.A. and certain of the Group's former employees. TOTAL's Chairman and Chief Executive Officer's acquittal issued on July 8, 2013 is irrevocable since the Prosecutor's office did not appeal this part of the Criminal Court's decision. The appeal hearing is expected to start in October 2015.

Italy

As part of an investigation led by the Prosecutor of the Republic of the Potenza Court, Total Italia and certain Group Employees were the subjects of an investigation related to certain calls for tenders that Total Italia made for the preparation and development of an oil field.

The criminal investigation was closed in the first half of 2010.

In May 2012, the Judge of the preliminary hearing decided to dismiss the charges against some of the Group's employees and to refer the case for trial for a reduced number of charges. The trial started in September 2012.

Rivunion

On July 9, 2012, the Swiss Tribunal Fédéral (Switzerland's Supreme Court) rendered a decision against Rivunion, a wholly-owned subsidiary of Elf Aquitaine, confirming a tax reassessment in the amount of CHF 171 million (excluding interest for late payment). According to the Tribunal, Rivunion was held liable as tax collector for withholding taxes owed by the beneficiaries of taxable services. Rivunion, in liquidation since March 13, 2002, unable to recover the amounts corresponding to the withholding taxes in order to meet its fiscal obligations, has been subject to insolvency proceedings since November 1, 2012. On August 29, 2013, the Swiss federal tax administration lodged a claim as part of the insolvency proceedings of Rivunion, for an amount of CHF 284 million, including CHF 171 million of principal as well as interest for late payment.

Total Gabon

On February 14, 2014, Total Gabon received a tax re-assessment notice from the Ministère de l'Économie et de la Prospective of the Gabonese Republic accompanied by a partial tax collection notice, following the tax audit of Total Gabon in relation to the years 2008 to 2010. The amount referred to in the above tax re-assessment notice is 805 M$. The partial tax collection procedure was suspended on March 5, 2014 further to the action that Total Gabon engaged before the Tax Administration.

Total Gabon disputes the grounds for the re-assessment and the associated amounts. Discussions with the competent authorities are continuing.

Kashagan

In Kazakhstan, the start-up of production of the Kashagan field, in which TOTAL holds an interest of 16.81%, occurred on September 11, 2013. Following the detection of a gas leak from the export pipeline, production was stopped on September 24, 2013. Production was resumed but then stopped again on October 9, 2013 after another leak was found. Pressure tests were performed in a fully controlled environment revealing some other potential leaks/cracks. The production of the field was stopped and a thorough investigation was launched.

Today a significant number of anomalies have been identified in the oil and gas export lines. As a consequence it has now been decided to replace both pipelines and an action plan for remedial works is currently being finalized. Best international oil and gas field practices under strict HSE requirements are integral at all times within the Venture to address, mitigate and remedy all problems prior to the restart of production.

In addition, the Atyrau Region Environmental Department ("ARED") launched against the consortium developing the Kashagan field a procedure alleging non-compliance with environmental legislation related to gas emissions (flaring). On March 7, 2014, ARED issued a claim for environmental damages of approximately 737 M$ (KZT 134 billion), of which TOTAL's share would be approximately 124 M$ (KZT 22.5 billion). The Kashagan project's consortium disputes these allegations.

Russia

On July 16, 2014, the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) adopted new economic sanctions involving various Russian entities in the financial and energy sectors, including Novatek (a Russian company listed on the Moscow Interbank Currency Exchange and the London Stock Exchange) and entities in which Novatek owns an interest of 50% or more.

TOTAL is closely monitoring the situation and the sanctions imposed on Novatek. In addition, the Group is continuing to study the possible impacts of sanctions on its activities in Russia, in particular on the Yamal LNG project.

As of June 30, 2014, the Group held through its subsidiary Total E&P Arctic Russia, an 18.0% interest in the share capital of Novatek. Novatek holds a 60% interest in Yamal LNG alongside TOTAL (20%) and CNPC (20%). Novatek also holds a 51% stake in ZOA Terneftegas, which holds the development and production license in the Termokarstovoye field, alongside TOTAL (49%).

8) Information by business segment

1st half 2014 (in millions of dollars)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	12,871	55,682	54,683	12	-	123,248
Intersegment sales	15,493	23,696	810	95	(40,094)	-
Excise taxes	-	(2,441)	(9,745)	-	-	(12,186)
Revenues from sales	**28,364**	**76,937**	**45,748**	**107**	**(40,094)**	**111,062**
Operating expenses	(13,688)	(75,536)	(44,655)	(431)	40,094	(94,216)
Depreciation, depletion and amortization of tangible assets and mineral interests	(4,490)	(786)	(380)	(18)	-	(5,674)
Operating income	**10,186**	**615**	**713**	**(342)**	**-**	**11,172**
Equity in net income (loss) of affiliates and other items	2,046	119	90	53	-	2,308
Tax on net operating income	(5,963)	(108)	(208)	(292)	-	(6,571)
Net operating income	**6,269**	**626**	**595**	**(581)**	**-**	**6,909**
Net cost of net debt	-	-	-	-	-	(345)
Non-controlling interests	-	-	-	-	-	(125)
Net income	-	-	-	-	-	6,439

1st half 2014 (adjustments)[a] (in millions of dollars)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	(10)	-	-	-	-	(10)
Intersegment sales	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-
Revenues from sales	**(10)**	**-**	**-**	**-**	**-**	**(10)**
Operating expenses	(115)	(41)	(45)	-	-	(201)
Depreciation, depletion and amortization of tangible assets and mineral interests	-	(40)	-	-	-	(40)
Operating income[b]	**(125)**	**(81)**	**(45)**	**-**	**-**	**(251)**
Equity in net income (loss) of affiliates and other items	280	(40)	(7)	-	-	233
Tax on net operating income	(29)	-	14	-	-	(15)
Net operating income[b]	**126**	**(121)**	**(38)**	**-**	**-**	**(33)**
Net cost of net debt	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	(6)
Net income	-	-	-	-	-	(39)

(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	-	*(41)*	*(23)*	-
– on net operating income	-	*(34)*	*(17)*	-

1st half 2014 (adjusted) (in millions of dollars)[(a)]	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	12,881	55,682	54,683	12	-	123,258
Intersegment sales	15,493	23,696	810	95	(40,094)	-
Excise taxes	-	(2,441)	(9,745)	-	-	(12,186)
Revenues from sales	**28,374**	**76,937**	**45,748**	**107**	**(40,094)**	**111,072**
Operating expenses	(13,573)	(75,495)	(44,610)	(431)	40,094	(94,015)
Depreciation, depletion and amortization of tangible assets and mineral interests	(4,490)	(746)	(380)	(18)	-	(5,634)
Adjusted operating income	**10,311**	**696**	**758**	**(342)**	**-**	**11,423**
Equity in net income (loss) of affiliates and other items	1,766	159	97	53	-	2,075
Tax on net operating income	(5,934)	(108)	(222)	(292)	-	(6,556)
Adjusted net operating income	**6,143**	**747**	**633**	**(581)**	**-**	**6,942**
Net cost of net debt	-	-	-	-	-	(345)
Non-controlling interests	-	-	-	-	-	(119)
Adjusted net income	**-**	**-**	**-**	**-**	**-**	**6,478**
Adjusted fully-diluted earnings per share ($)	**-**	**-**	**-**	**-**	**-**	**2.84**

(a) Except for earnings per share.

1st half 2014 (in millions of dollars)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	13,310	725	479	74	-	14,588
Total divestments	2,367	26	54	24	-	2,471
Cash flow from operating activities	8,616	1,460	393	146	-	10,615

1st half 2013 (in millions of dollars)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	13,439	56,709	54,583	175	-	124,906
Intersegment sales	18,195	25,901	1,201	102	(45,399)	-
Excise taxes	-	(2,187)	(9,193)	-	-	(11,380)
Revenues from sales	**31,634**	**80,423**	**46,591**	**277**	**(45,399)**	**113,526**
Operating expenses	(15,271)	(79,481)	(45,291)	(548)	45,399	(95,192)
Depreciation, depletion and amortization of tangible assets and mineral interests	(4,232)	(783)	(352)	(20)	-	(5,387)
Operating income	**12,131**	**159**	**948**	**(291)**	**-**	**12,947**
Equity in net income (loss) of affiliates and other items	(94)	157	8	29	-	100
Tax on net operating income	(6,984)	17	(282)	(28)	-	(7,277)
Net operating income	**5,053**	**333**	**674**	**(290)**	**-**	**5,770**
Net cost of net debt	-	-	-	-	-	(342)
Non-controlling interests	-	-	-	-	-	(116)
Net income	**-**	**-**	**-**	**-**	**-**	**5,312**

1st half 2013 (adjustments)[a] (in millions of dollars)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	(39)	-	-	-	-	(39)
Intersegment sales	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-
Revenues from sales	**(39)**	**-**	**-**	**-**	**-**	**(39)**
Operating expenses	-	(794)	(135)	-	-	(929)
Depreciation, depletion and amortization of tangible assets and mineral interests	-	(5)	-	-	-	(5)
Operating income[b]	**(39)**	**(799)**	**(135)**	**-**	**-**	**(973)**
Equity in net income (loss) of affiliates and other items	(1,544)	(61)	(13)	-	-	(1,618)
Tax on net operating income	338	238	44	-	-	620
Net operating income[b]	**(1,245)**	**(622)**	**(104)**	**-**	**-**	**(1,971)**
Net cost of net debt	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	4
Net income	**-**	**-**	**-**	**-**	**-**	**(1,967)**

(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	-	*(743)*	*(135)*	-
– on net operating income	-	*(506)*	*(91)*	-

1st half 2013 (adjusted) (in millions of dollars)[a]	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	13,478	56,709	54,583	175	-	124,945
Intersegment sales	18,195	25,901	1,201	102	(45,399)	-
Excise taxes	-	(2,187)	(9,193)	-	-	(11,380)
Revenues from sales	**31,673**	**80,423**	**46,591**	**277**	**(45,399)**	**113,565**
Operating expenses	(15,271)	(78,687)	(45,156)	(548)	45,399	(94,263)
Depreciation, depletion and amortization of tangible assets and mineral interests	(4,232)	(778)	(352)	(20)	-	(5,382)
Adjusted operating income	**12,170**	**958**	**1,083**	**(291)**	**-**	**13,920**
Equity in net income (loss) of affiliates and other items	1,450	218	21	29	-	1,718
Tax on net operating income	(7,322)	(221)	(326)	(28)	-	(7,897)
Adjusted net operating income	**6,298**	**955**	**778**	**(290)**	**-**	**7,741**
Net cost of net debt	-	-	-	-	-	(342)
Non-controlling interests	-	-	-	-	-	(120)
Adjusted net income	-	-	-	-	-	7,279
Adjusted fully-diluted earnings per share ($)	-	-	-	-	-	3.20

(a) Except for earnings per share.

1st half 2013 (in millions of dollars)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	13,544	1,202	564	53	-	15,363
Total divestments	2,174	308	66	15	-	2,563
Cash flow from operating activities	8,245	1,331	422	(247)	-	9,751

2nd quarter 2014 (in millions of dollars)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	6,205	28,143	28,213	-	-	62,561
Intersegment sales	8,057	11,740	402	46	(20,245)	-
Excise taxes	-	(1,281)	(5,073)	-	-	(6,354)
Revenues from sales	**14,262**	**38,602**	**23,542**	**46**	**(20,245)**	**56,207**
Operating expenses	(7,174)	(37,744)	(22,966)	(262)	20,245	(47,901)
Depreciation, depletion and amortization of tangible assets and mineral interests	(2,314)	(408)	(198)	(9)	-	(2,929)
Operating income	**4,774**	**450**	**378**	**(225)**	**-**	**5,377**
Equity in net income (loss) of affiliates and other items	719	65	98	7	-	889
Tax on net operating income	(2,471)	(114)	(128)	(218)	-	(2,931)
Net operating income	**3,022**	**401**	**348**	**(436)**	**-**	**3,335**
Net cost of net debt	-	-	-	-	-	(206)
Non-controlling interests	-	-	-	-	-	(25)
Net income	-	-	-	-	-	3,104

2nd quarter 2014 (adjustments)[a] (in millions of dollars)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	(36)	-	-	-	-	(36)
Intersegment sales	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-
Revenues from sales	**(36)**	**-**	**-**	**-**	**-**	**(36)**
Operating expenses	-	122	(27)	-	-	95
Depreciation, depletion and amortization of tangible assets and mineral interests	-	(40)	-	-	-	(40)
Operating income[b]	**(36)**	**82**	**(27)**	**-**	**-**	**19**
Equity in net income (loss) of affiliates and other items	-	(32)	(7)	-	-	(39)
Tax on net operating income	7	(50)	10	-	-	(33)
Net operating income[b]	**(29)**	**-**	**(24)**	**-**	**-**	**(53)**
Net cost of net debt	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	6
Net income	-	-	-	-	-	(47)

(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	-	*122*	*(5)*	-
– on net operating income	-	*77*	*(3)*	-

2nd quarter 2014 (adjusted) (in millions of dollars)[a]	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	6,241	28,143	28,213	-	-	62,597
Intersegment sales	8,057	11,740	402	46	(20,245)	-
Excise taxes	-	(1,281)	(5,073)	-	-	(6,354)
Revenues from sales	**14,298**	**38,602**	**23,542**	**46**	**(20,245)**	**56,243**
Operating expenses	(7,174)	(37,866)	(22,939)	(262)	20,245	(47,996)
Depreciation, depletion and amortization of tangible assets and mineral interests	(2,314)	(368)	(198)	(9)	-	(2,889)
Adjusted operating income	**4,810**	**368**	**405**	**(225)**	**-**	**5,358**
Equity in net income (loss) of affiliates and other items	719	97	105	7	-	928
Tax on net operating income	(2,478)	(64)	(138)	(218)	-	(2,898)
Adjusted net operating income	**3,051**	**401**	**372**	**(436)**	**-**	**3,388**
Net cost of net debt	-	-	-	-	-	(206)
Non-controlling interests	-	-	-	-	-	(31)
Adjusted net income	**-**	**-**	**-**	**-**	**-**	**3,151**
Adjusted fully-diluted earnings per share ($)	**-**	**-**	**-**	**-**	**-**	**1.38**

(a) Except for earnings per share.

2nd quarter 2014 (in millions of dollars)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	7,999	475	203	46	-	8,723
Total divestments	568	15	28	20	-	631
Cash flow from operating activities	4,805	(133)	304	301	-	5,277

2nd quarter 2013 (in millions of dollars)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	6,240	28,160	26,851	94	-	61,345
Intersegment sales	8,508	12,809	1,058	35	(22,410)	-
Excise taxes	-	(1,091)	(4,748)	-	-	(5,839)
Revenues from sales	**14,748**	**39,878**	**23,161**	**129**	**(22,410)**	**55,506**
Operating expenses	(7,195)	(39,672)	(22,541)	(275)	22,410	(47,273)
Depreciation, depletion and amortization of tangible assets and mineral interests	(1,974)	(390)	(160)	(10)	-	(2,534)
Operating income	**5,579**	**(184)**	**460**	**(156)**	**-**	**5,699**
Equity in net income (loss) of affiliates and other items	1,022	62	51	28	-	1,163
Tax on net operating income	(3,160)	88	(138)	(57)	-	(3,267)
Net operating income	**3,441**	**(34)**	**373**	**(185)**	**-**	**3,595**
Net cost of net debt	-	-	-	-	-	(182)
Non-controlling interests	-	-	-	-	-	(49)
Net income	-	-	-	-	-	3,364

2nd quarter 2013 (adjustments)(a) (in millions of dollars)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	(42)	-	-	-	-	(42)
Intersegment sales	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-
Revenues from sales	**(42)**	**-**	**-**	**-**	**-**	**(42)**
Operating expenses	-	(704)	(107)	-	-	(811)
Depreciation, depletion and amortization of tangible assets and mineral interests	-	-	-	-	-	-
Operating income (b)	**(42)**	**(704)**	**(107)**	**-**	**-**	**(853)**
Equity in net income (loss) of affiliates and other items	331	(48)	-	-	-	283
Tax on net operating income	111	200	34	-	-	345
Net operating income (b)	**400**	**(552)**	**(73)**	**-**	**-**	**(225)**
Net cost of net debt	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	8
Net income	-	-	-	-	-	(217)

(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	-	*(655)*	*(107)*	-
– on net operating income	-	*(460)*	*(73)*	-

2nd quarter 2013 (adjusted) (in millions of dollars)[a]	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	6,282	28,160	26,851	94	-	61,387
Intersegment sales	8,508	12,809	1,058	35	(22,410)	-
Excise taxes	-	(1,091)	(4,748)	-	-	(5,839)
Revenues from sales	**14,790**	**39,878**	**23,161**	**129**	**(22,410)**	**55,548**
Operating expenses	(7,195)	(38,968)	(22,434)	(275)	22,410	(46,462)
Depreciation, depletion and amortization of tangible assets and mineral interests	(1,974)	(390)	(160)	(10)	-	(2,534)
Adjusted operating income	**5,621**	**520**	**567**	**(156)**	**-**	**6,552**
Equity in net income (loss) of affiliates and other items	691	110	51	28	-	880
Tax on net operating income	(3,271)	(112)	(172)	(57)	-	(3,612)
Adjusted net operating income	**3,041**	**518**	**446**	**(185)**	**-**	**3,820**
Net cost of net debt						(182)
Non-controlling interests						(57)
Adjusted net income	**-**	**-**	**-**	**-**	**-**	**3,581**
Adjusted fully-diluted earnings per share ($)	**-**	**-**	**-**	**-**	**-**	**1.57**

(a) Except for earnings per share.

2nd quarter 2013 (in millions of dollars)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	6,603	499	318	39	-	7,459
Total divestments	1,456	272	16	6	-	1,750
Cash flow from operating activities	2,764	1,713	542	(181)	-	4,838

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

1st half 2014 (in millions of dollars)	Adjusted	Adjustments[a]	Consolidated Statement of income
Sales	**123,258**	**(10)**	**123,248**
Excise taxes	(12,186)	-	(12,186)
Revenues from sales	111,072	(10)	111,062
Purchases net of inventory variation	(78,639)	(64)	(78,703)
Other operating expenses	(14,456)	(137)	(14,593)
Exploration costs	(920)	-	(920)
Depreciation, depletion and amortization of tangible assets and mineral interests	(5,634)	(40)	(5,674)
Other income	548	648	1,196
Other expense	(263)	(49)	(312)
Financial interest on debt	(467)	-	(467)
Financial income from marketable securities & cash equivalents	50	-	50
Cost of net debt	(417)	-	(417)
Other financial income	426	-	426
Other financial expense	(349)	-	(349)
Equity in net income (loss) of affiliates	1,713	(366)	1,347
Income taxes	(6,484)	(15)	(6,499)
Consolidated net income	**6,597**	**(33)**	**6,564**
Group share	6,478	(39)	6,439
Non-controlling interests	119	6	125

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

1st half 2013 (in millions of dollars)	Adjusted	Adjustments[a]	Consolidated statement of income
Sales	**124,945**	**(39)**	**124,906**
Excise taxes	(11,380)	-	(11,380)
Revenues from sales	113,565	(39)	113,526
Purchases net of inventory variation	(79,072)	(878)	(79,950)
Other operating expenses	(14,431)	(51)	(14,482)
Exploration costs	(760)	-	(760)
Depreciation, depletion and amortization of tangible assets and mineral interests	(5,382)	(5)	(5,387)
Other income	173	331	504
Other expense	(216)	(1,925)	(2,141)
Financial interest on debt	(461)	-	(461)
Financial income from marketable securities & cash equivalents	46	-	46
Cost of net debt	(415)	-	(415)
Other financial income	342	-	342
Other financial expense	(348)	-	(348)
Equity in net income (loss) of affiliates	1,767	(24)	1,743
Income taxes	(7,824)	620	(7,204)
Consolidated net income	**7,399**	**(1,971)**	**5,428**
Group share	7,279	(1,967)	5,312
Non-controlling interests	120	(4)	116

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

2nd quarter 2014 (in millions of dollars)	Adjusted	Adjustments[a]	Consolidated statement of income
Sales	**62,597**	**(36)**	**62,561**
Excise taxes	(6,354)	-	(6,354)
Revenues from sales	56,243	(36)	56,207
Purchases net of inventory variation	(40,488)	117	(40,371)
Other operating expenses	(7,207)	(22)	(7,229)
Exploration costs	(301)	-	(301)
Depreciation, depletion and amortization of tangible assets and mineral interests	(2,889)	(40)	(2,929)
Other income	96	-	96
Other expense	(133)	(30)	(163)
Financial interest on debt	(266)	-	(266)
Financial income from marketable securities & cash equivalents	31	-	31
Cost of net debt	(235)	-	(235)
Other financial income	265	-	265
Other financial expense	(183)	-	(183)
Equity in net income (loss) of affiliates	883	(9)	874
Income taxes	(2,869)	(33)	(2,902)
Consolidated net income	**3,182**	**(53)**	**3,129**
Group share	3,151	(47)	3,104
Non-controlling interests	31	(6)	25

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

2nd quarter 2013 (in millions of dollars)	Adjusted	Adjustments[a]	Consolidated statement of income
Sales	**61,387**	**(42)**	**61,345**
Excise taxes	(5,839)	-	(5,839)
Revenues from sales	55,548	(42)	55,506
Purchases net of inventory variation	(38,869)	(762)	(39,631)
Other operating expenses	(7,239)	(49)	(7,288)
Exploration costs	(354)	-	(354)
Depreciation, depletion and amortization of tangible assets and mineral interests	(2,534)	-	(2,534)
Other income	131	331	462
Other expense	(89)	(31)	(120)
Financial interest on debt	(238)	-	(238)
Financial income from marketable securities & cash equivalents	18	-	18
Cost of net debt	(220)	-	(220)
Other financial income	206	-	206
Other financial expense	(179)	-	(179)
Equity in net income (loss) of affiliates	811	(17)	794
Income taxes	(3,574)	345	(3,229)
Consolidated net income	**3,638**	**(225)**	**3,413**
Group share	3,581	(217)	3,364
Non-controlling interests	57	(8)	49

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

10) Changes in progress in the Group structure

Upstream

- TOTAL announced in November 2012 an agreement for the sale in Nigeria of its 20% interest in Block OML 138 to a subsidiary of China Petrochemical Corporation (Sinopec). On July 17, 2014, Sinopec informed the Group of its decision to not complete the transaction. The Group is actively pursuing its divestment process. At June 30, 2014 the assets and liabilities have been respectively classified in the Consolidated balance sheet in “assets classified as held for sale” for an amount of 2,359 M$ and “liabilities directly associated with the assets classified as held for sale” for an amount of 912 M$.
  The assets concerned mainly include tangible assets for an amount of 2,102 M$.
- TOTAL announced in May 2014 the finalization of an agreement for the sale of its 10% interest in the Shah Deniz field and the South Caucasus Pipeline to TPAO, the Turkish state-owned exploration and production company. This transaction remains subject to the approval by the relevant authorities. At June 30, 2014 the assets and liabilities have been respectively classified in the Consolidated balance sheet in “assets classified as held for sale” for an amount of 1,097 M$ and “liabilities directly associated with the assets classified as held for sale” for an amount of 374 M$. The assets concerned mainly include tangible assets for an amount of 891 M$.
- TOTAL has signed in July 2014 an agreement with Exxaro Resources Ltd for the sale of its 100% stake in Total Coal South Africa, its coal-producing affiliate in South Africa. Completion of the sale is subject to approval by the relevant authorities.
  At June 30, 2014 the assets and liabilities have been respectively classified in the consolidated balance sheet in “assets classified as held for sale” for an amount of 481 M$ and “liabilities directly associated with the assets classified as held for sale” for an amount of 81 M$. The assets concerned mainly include tangible assets for an amount of 390 M$.”

Marketing & Services

- TOTAL announced in July 2014 that it had entered into exclusive negotiations with UGI Corporation, the parent company of Antargaz, having received a firm offer from the U.S. company to acquire 100% of the outstanding shares of Totalgaz, the Group’s Liquefied Petroleum Gas distributor in France. At June 30, 2014 the assets and liabilities have been respectively classified in the Consolidated balance sheet in “assets classified as held for sale” for an amount of 380 M$ and “liabilities directly associated with the assets classified as held for sale” for an amount of 294 M$. The assets and liabilities concerned mainly include tangible assets for an amount of 161 M$, trade receivables for an amount of 129 M$, deposits and guarantees received for an amount of 137 M$ and accounts payable for an amount of 83 M$.

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www.total.com

TOTAL S.A.
Registered Office:
2, place Jean Millier - La Défense 6
92400 Courbevoie - France
Share capital: 5,945,861,837.50 euros
542 051 180 RCS Nanterre
www.total.com

Switchboard: +33 (0)1 47 44 45 46
Investor Relations: +44 (0)207 719 7962
North American Investor Relations: +1 (713) 483-5070