

# Annual Meeting

Paris, May 12, 2006



**TOTAL**

# 2005 and first quarter 2006 results



**TOTAL**

# Very good performance in 2005

## ■ Sharply higher results

- 12 billion euros (B€) adjusted net income\*\*, 31% increase

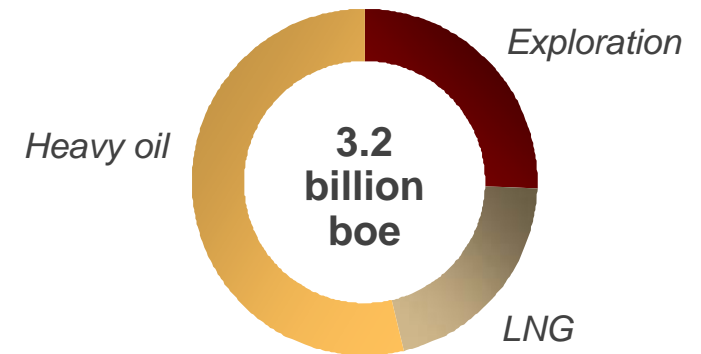
## ■ 27% ROACE

## ■ 11.2 B€ CAPEX, 26% increase

## ■ 3.5 B€ dividend paid

## ■ Important steps in preparing for the future

**2005 contribution to reserve potential\***  
(estimated, Total share)



\* including mining

\*\* at replacement cost, excluding special items and excluding Total's equity share of amortization of intangible assets related to the Sanofi-Aventis merger

# Higher results in the first quarter 2006

		1Q 2006	1Q 2005	Change
Adjusted net income*	B€	3.38	2.92	+16%
Fully-diluted adjusted earnings per share*	€	5.78	4.90	+18%

- Higher oil prices (Brent at 61.8 \$/b)
- Lower refining margins compared to 2005
- 2.8 B€CAPEX, 54% increase

\* at replacement cost, excluding special items and excluding Total's equity share of amortization of intangible assets related to the Sanofi-Aventis merger



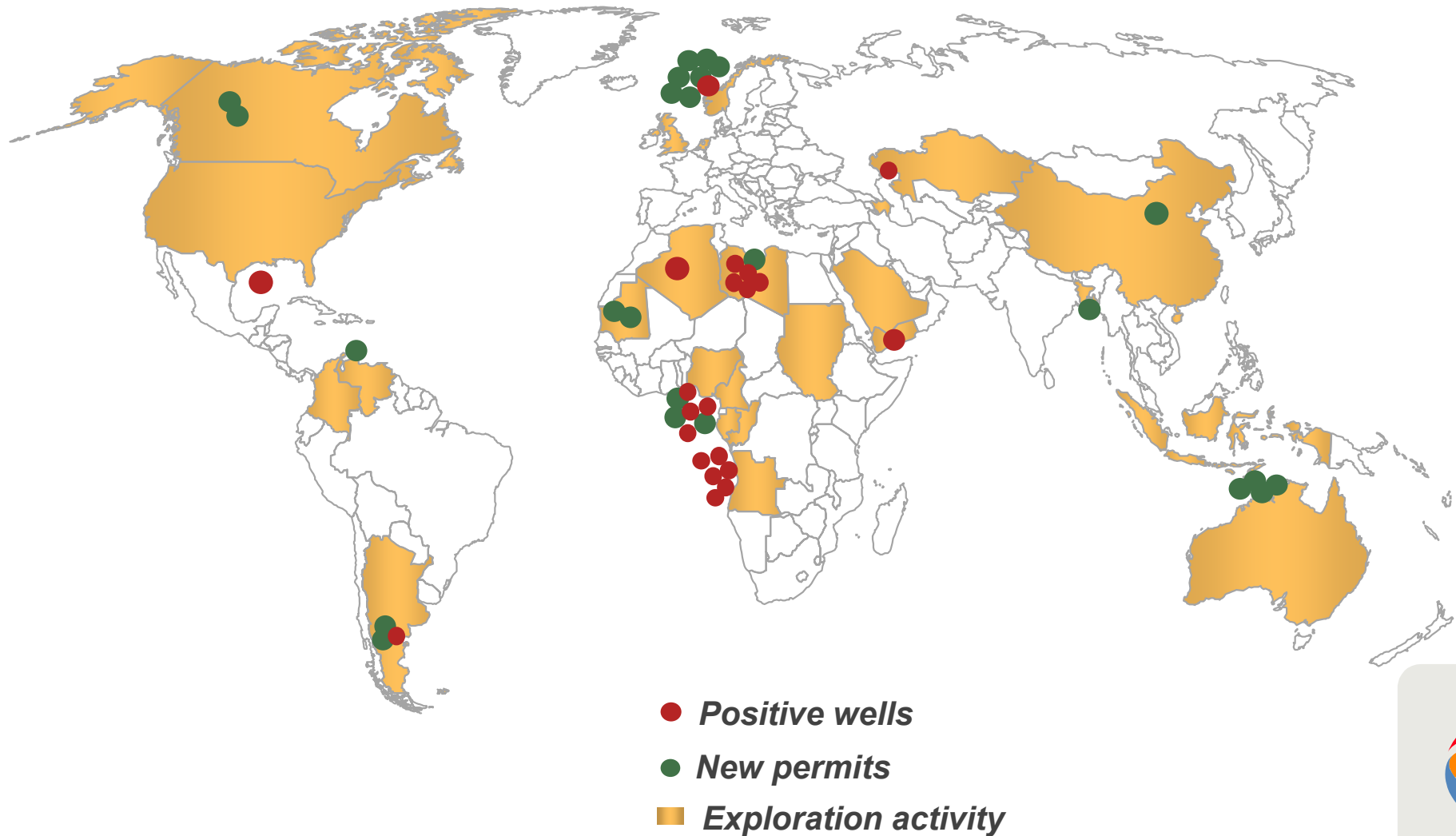
# Upstream



**TOTAL**

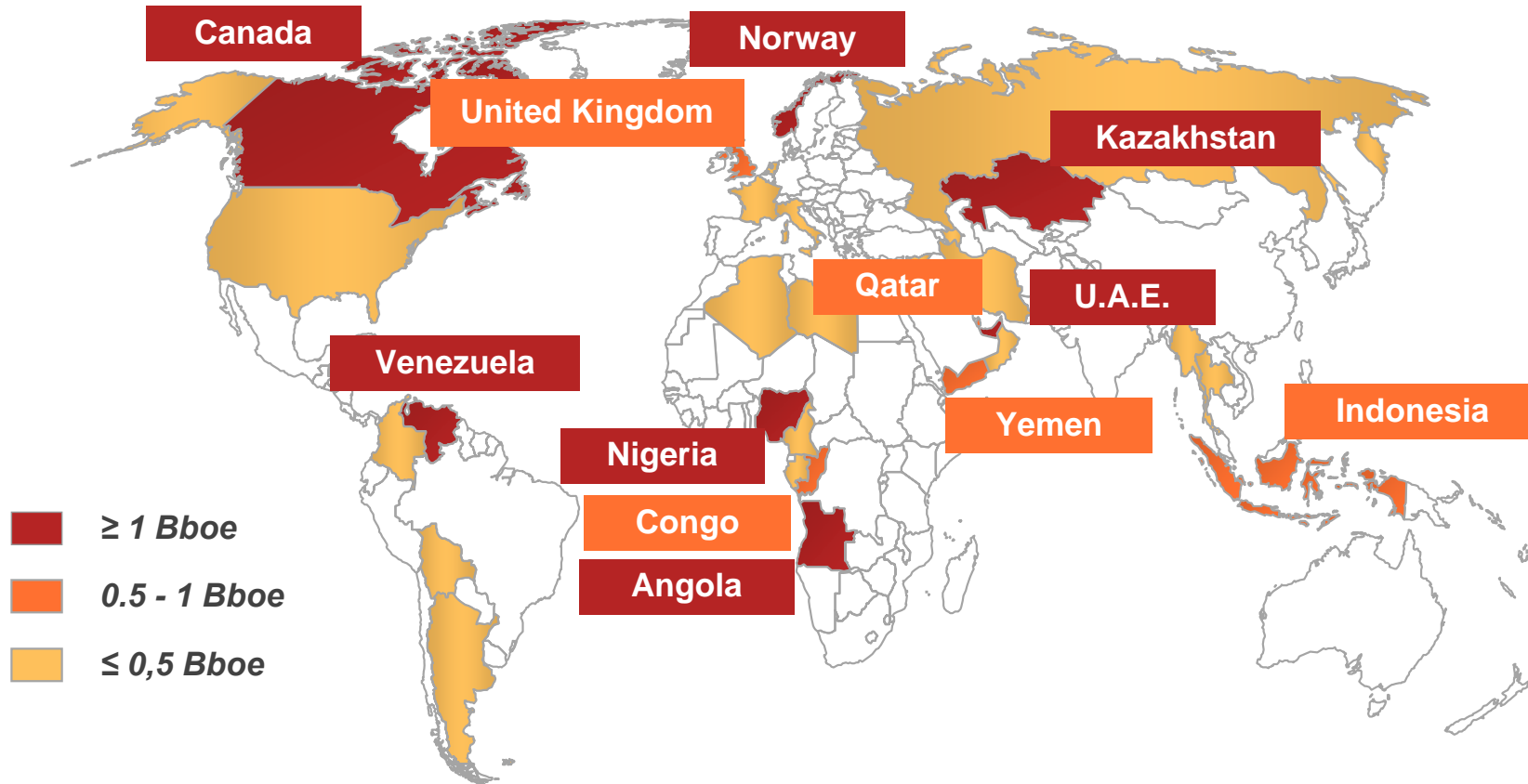
# Continuing exploration success in 2005 and since early 2006

**Main successes since early 2005**  
(positive results from exploration/appraisal wells and new permits)



# Well positioned on most of the major growth areas

Proved and probable reserves\* : 20 Bboe



**Reserve life\* extended to nearly 22 years at year-end 2005**

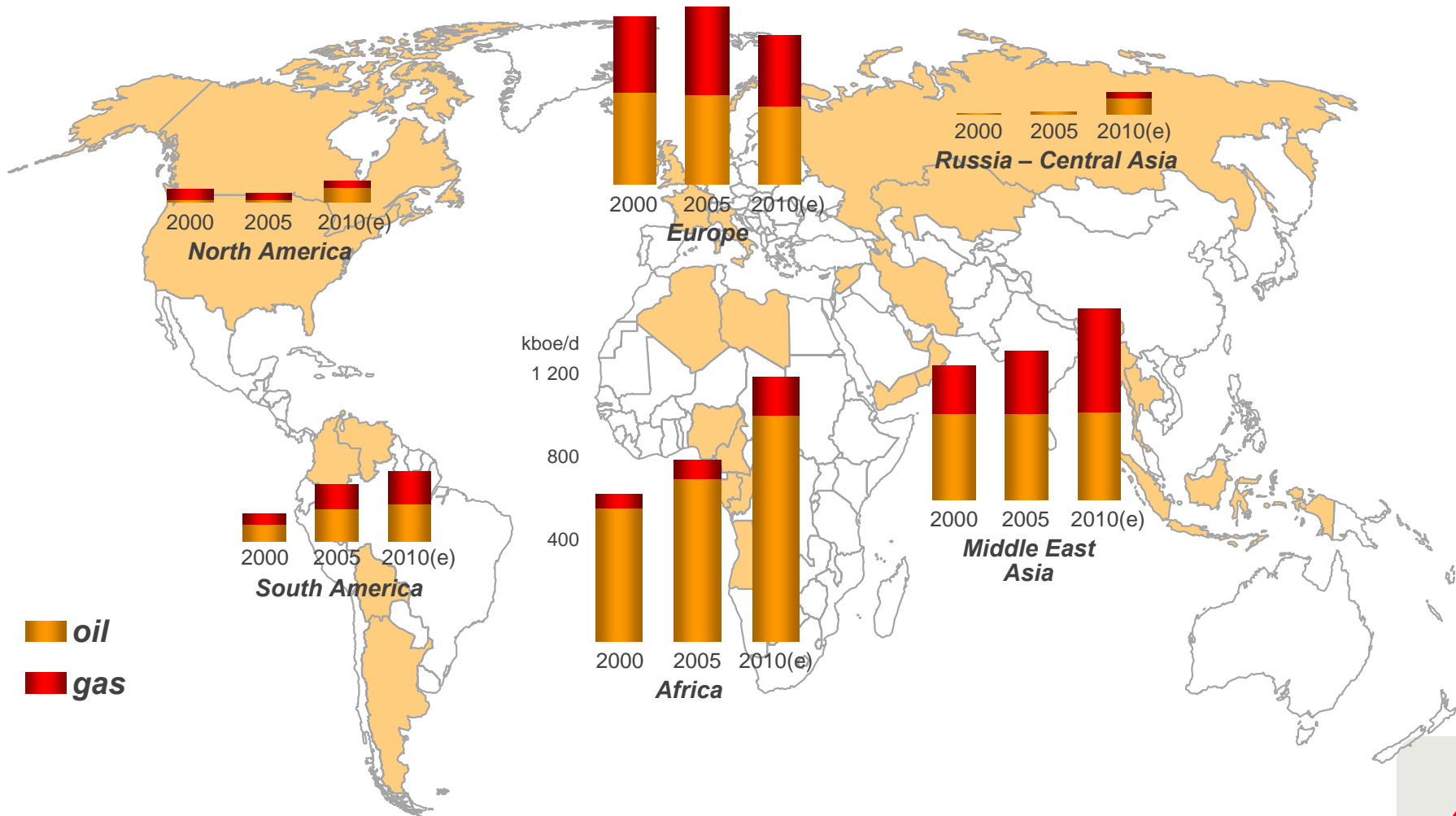
\* limited to proved and probable reserves at year-end 2005 covered by E&P contracts on fields that have been drilled and for which technical studies have demonstrated economic development in a 40 \$/b Brent environment, also includes Joslyn tar sands to be developed with mining



TOTAL

# Production growth target : close to 4% per year on average from 2005 to 2010

Production : 32 countries in 2010\*



**Well balanced between high-growth and mature zones through 2010**

\* 2010 production based on 40 \$/b Brent



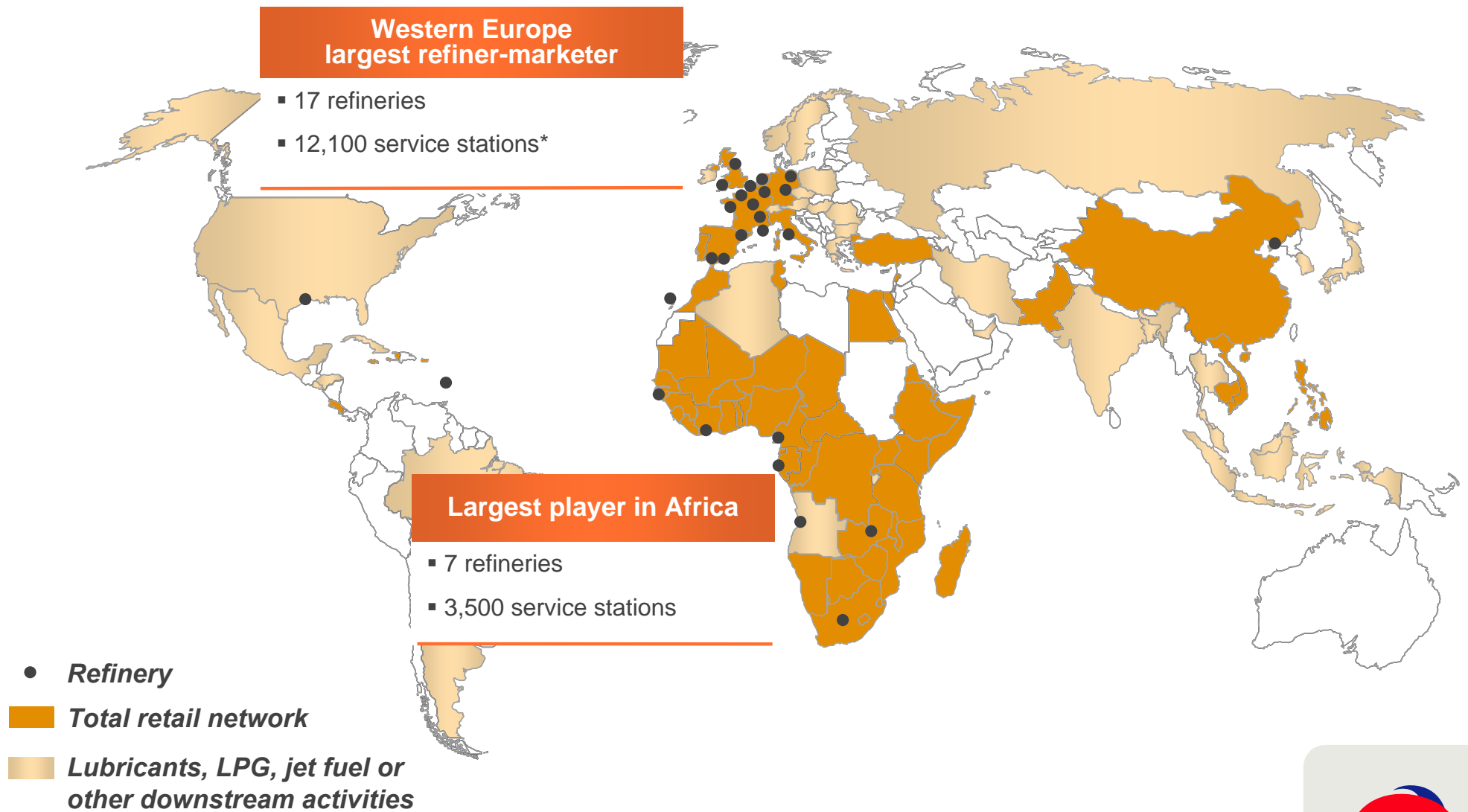
**TOTAL**

# Downstream



**TOTAL**

# Downstream : leading positions in Europe and in Africa



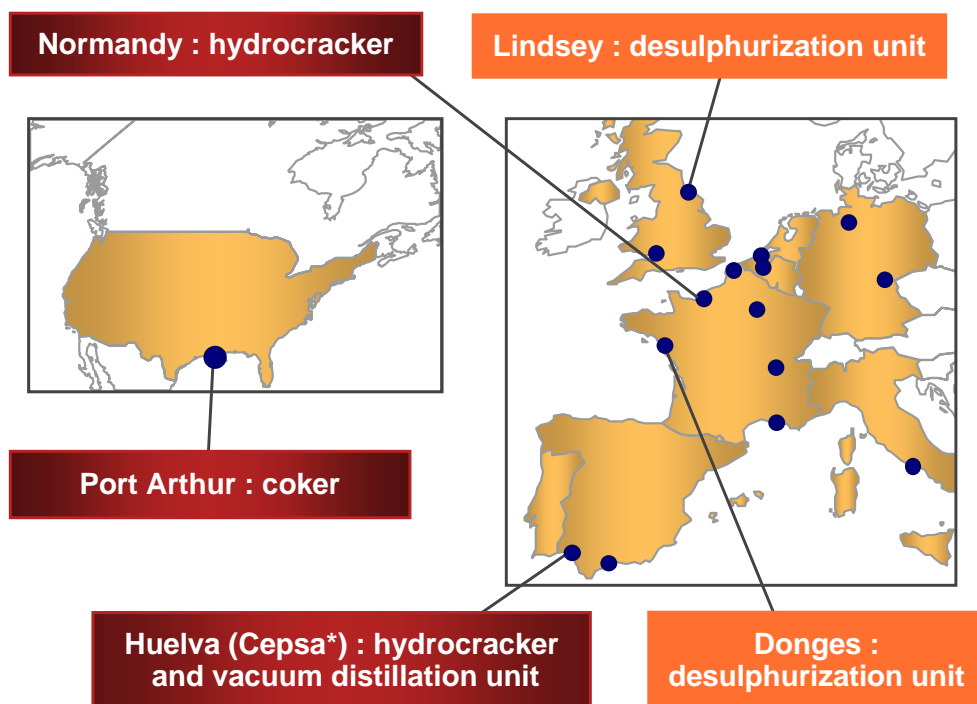
\* including Total's share (45.3%) of Cepsa refining capacity and the entirety of Cepsa retail network



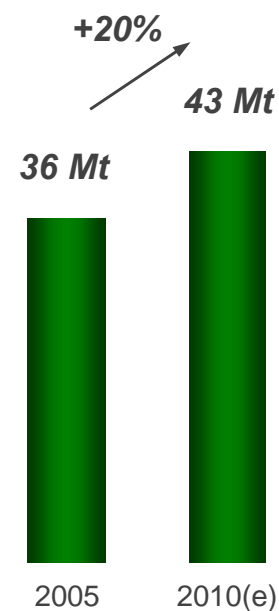
**TOTAL**

# Refining : CAPEX raised to 1 B€/year through 2010

Five projects to adapt the refining system to changing markets



Diesel production



*Refining system more in line with markets*

\* Total share in Cepsa : 45.3%

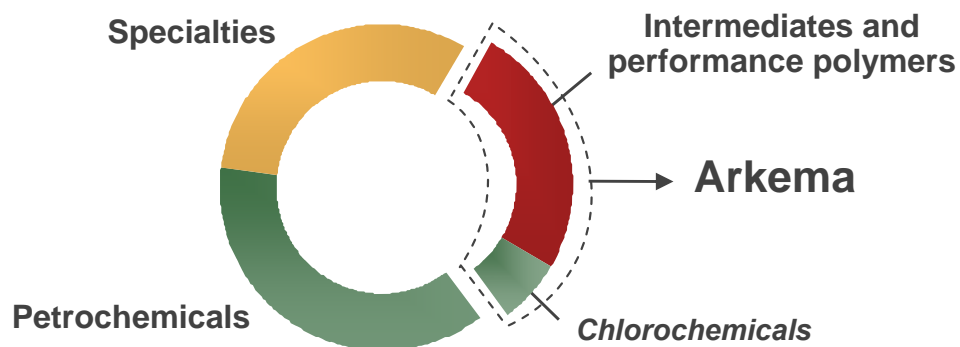
# Chemicals



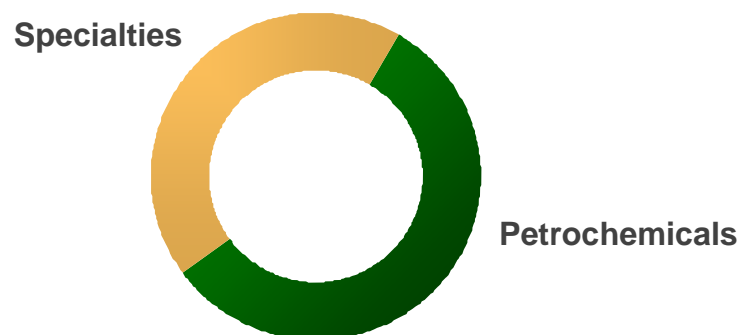
**TOTAL**

# New strategic balance for Total's chemicals segment

Chemicals capital employed  
at end-2003 : 8.7 B€



Chemicals capital employed  
after Arkema spin-off\* : 7 B€

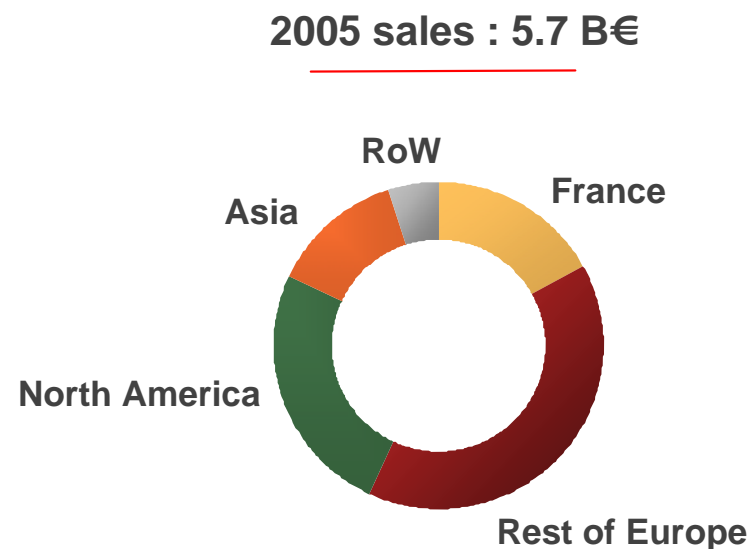


- Petrochemicals : expand positions in Asia and Middle-East
- Specialties : organic growth and targeted acquisitions
- Arkema : create an independent player among the leaders on its markets

\* pro forma end-2005

# Arkema : strong positions and a solid balance sheet

- **Leading market positions**
- **Solid industrial base and technical expertise**
- **Management quality**
- **Clear strategy aimed at improving profitability**
- **Some liabilities retained by Total**
  - Pensions
  - Environment
  - Antitrust



**TOTAL**

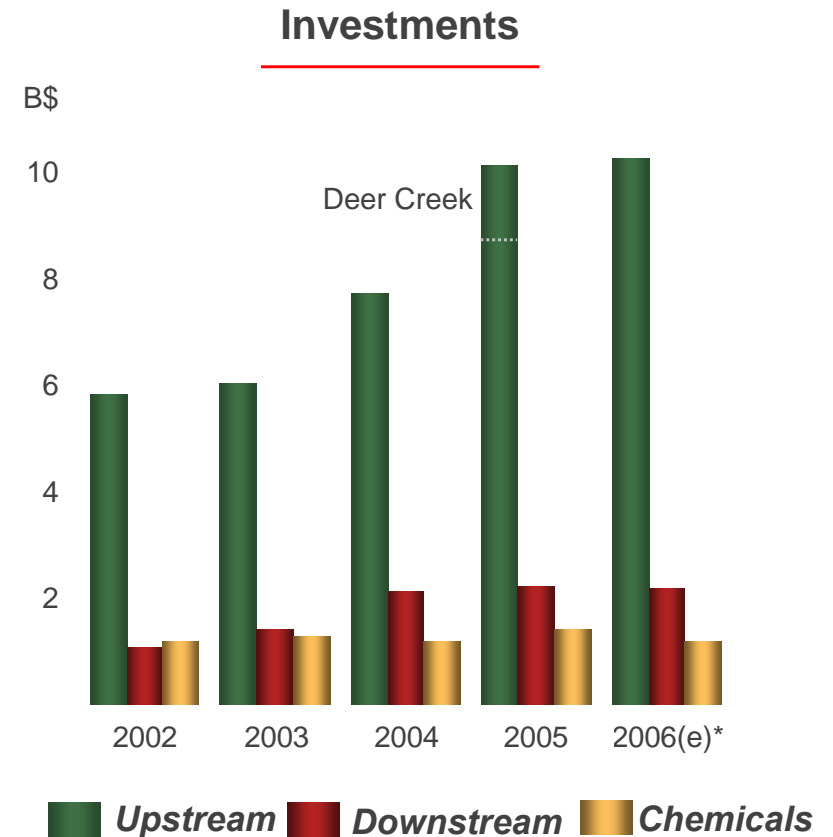
# Outlook



**TOTAL**

# Investment strategy well adapted to growth objectives

- Priority to organic growth
- Capital discipline
- 2006 CAPEX budgeted at 13.5 B\$\*, 75% allocated to the Upstream



***Seize growth opportunities while maintaining good resistance to potential weakness in the environment***

\* excluding acquisitions, based on 1 € = 1.2 \$



**TOTAL**

# Pursue profitable growth

## ■ Upstream : broaden positioning in growth areas

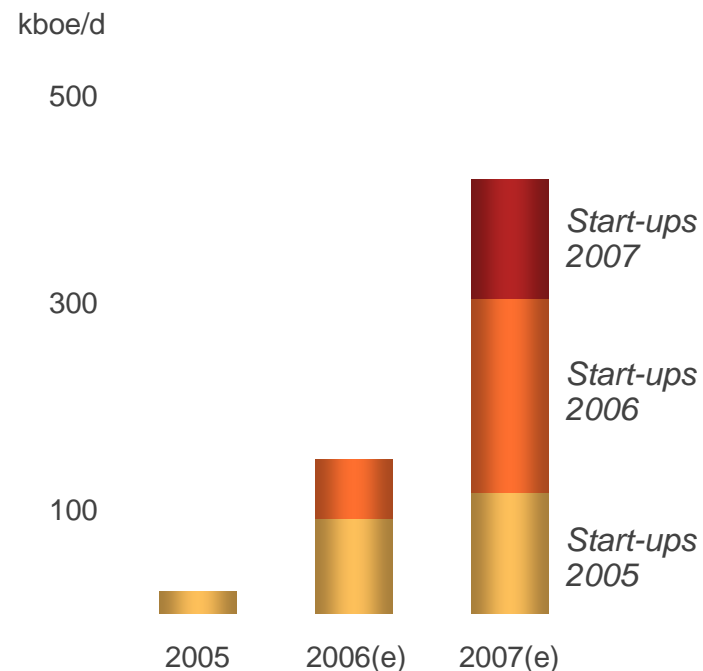
- Start-up several major projects in 2H06 and in 2007

## ■ Downstream - Chemicals : strengthen contribution to Group performance

## ■ Maintain segments' profitability at the best level in the industry

- Capital discipline
- Cost control

### Contribution of 2005-07 start-ups\*



***Pursue dynamic dividend growth  
after doubling it in 5 years***

\* Brent at 40 \$/b for 2006 and 2007



**TOTAL**

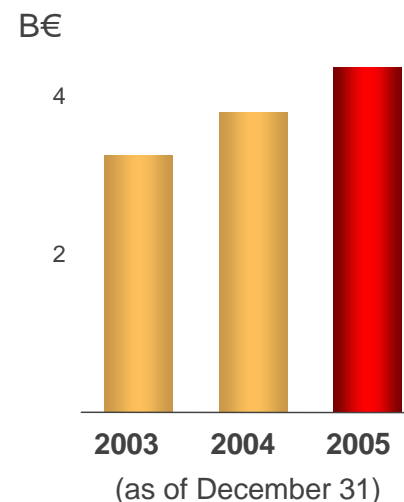
# Social responsibility

- **2005 recruitments : more than 8,600 employees worldwide**
- **Capital increase reserved for all Group employees (February 2006)**
- **Local development**
  - Globally supporting development of communities
  - « Corporate solidarity » in France
- **Sponsorship and solidarity**
  - Program with Pasteur Institute
  - Major partnership with le Louvre

2005 recruitments



Group employees shareholding



**TOTAL**

# Focus on Arkema spin-off



**TOTAL**

# Arkema spin-off process

**May 17, 2006  
(at close)**

**From May 18, 2006**

**For every block of 10 Total  
shares owned**



**1 Arkema share**

**For the block of Total  
shares owned which is  
less than 10 shares**



- either disposal of Arkema rights
- or purchase of Arkema rights necessary to acquire one more Arkema share



**TOTAL**

# Focus on the Total share split



**TOTAL**

# Four-for-one Total share split

- Share price multiplied by 5 since the previous split in 1992
- Consistency with the average of the share prices in Europe

May 17, 2006 (at close)

**1 Total share**

(10 euros par value)



May 18, 2006

**4 Total shares**

(2.5 euros par value)



**TOTAL**

# May 18, 2006 : 2005 final dividend payment, Arkema spin-off and stock split : example for 10 shares

May 17, 2006 (at close)

10 Total shares



May 18, 2006

- 1 Arkema share
- 34.80 euros for the 2005 dividend (i.e. 3.48 euros x 10 former shares)
- 40 new Total shares (i.e. 4 x 10 former shares)



**TOTAL**

# Disclaimer

This document may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, business, strategy and plans of Total. Such statements are based on a number of assumptions that could ultimately prove inaccurate, and are subject to a number of risk factors, 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. Total does not assume any obligation to update publicly any forward-looking statement, whether as a result of new information, future events or otherwise. Further information on factors which could affect the company's financial results is provided in documents filed by the Group and its affiliates with the French Autorité des Marchés Financiers and the US Securities and Exchange Commission.

The business segment information is presented in accordance with the Group internal reporting system used by the Chief operating decision maker to measure performance and allocate resources internally. Due to their particular nature or significance, certain transactions qualified as "special items" are monitored at the Group level and excluded from the business segment figures. In general, special items relate to transactions that are significant, infrequent or unusual. However, in certain instances, certain transactions such as restructuring costs or assets disposals, which are not considered to be representative of normal course of business, may be qualified as special items although they may have occurred within prior years or are likely to recur within following years.

In accordance with IAS 2, the Group values inventories of crude oil and petroleum products in the financial statements in accordance with the FIFO (First in, First out) method and other inventories using the weighted-average cost method. However, in the note setting forth information by business segment, the Group continues to present the results for the Downstream segment according to the replacement cost method and those of the Chemicals segment according to the LIFO (Last in, First out) method in order to ensure the comparability of the Group's results with those of its main competitors, notably from North America. The inventory valuation effect is the difference between the results according to the FIFO method and the results according to the replacement cost or LIFO method.

In this framework, performance measures such as adjusted operating income, adjusted net operating income and adjusted net income are defined as incomes using replacement cost, adjusted for special items and excluding Total's equity share of the amortization of intangibles related to the Sanofi-Aventis merger. They are meant to facilitate the analysis of the financial performance and the comparison of income between periods.

Cautionary Note to U.S. Investors - The United States Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. We use certain terms in this presentation, such as "reserve potential" and "proved and probable reserves", 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 20F, File N° 1-10888, available from us at 2, place de la Coupole - La Défense 6 - 92078 Paris la Défense cedex - France. You can also obtain this form from the SEC by calling 1-800-SEC-0330.



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