

# **TotalFinaElf accounts**

**2nd quarter and 1st half 2002 consolidated accounts, French GAAP (art. 215)**

# CONSOLIDATED STATEMENT OF INCOME

TotalFinaElf

2nd Quarter 2002	2nd Quarter 2001	in millions of euros (1)	1st Half 2002	1st Half 2001
26,435	28,361	Sales	50,219	55,683
(22,352)	(23,449)	Operating expenses	(42,474)	(46,021)
(1,324)	(1,151)	Depreciation, depletion and amortization	(2,620)	(2,234)
		<b>Operating income</b>		
(40)	(18)	Corporate	(106)	(99)
2,799	3,779	Business segments*	5,231	7,527
<b>2,759</b>	<b>3,761</b>	<b>Total operating income</b>	<b>5,125</b>	<b>7,428</b>
(32)	(30)	Interest expense, net	(67)	(129)
78	64	Dividend income from non-consolidated subsidiaries	84	86
(3)	(6)	Dividends on subsidiaries' redeemable preferred shares	(5)	(11)
33	398	Other income (expense)	19	497
(1,437)	(1,806)	Provision for income taxes	(2,486)	(3,472)
174	211	Equity in income (loss) of affiliates	415	489
<b>1,572</b>	<b>2,592</b>	<b>Income before amortization of acquisition goodwill</b>	<b>3,085</b>	<b>4,888</b>
(48)	(48)	Amortization of acquisition goodwill	(84)	(87)
<b>1,524</b>	<b>2,544</b>	<b>Consolidated Net Income</b>	<b>3,001</b>	<b>4,801</b>
21	43	of which minority interest	69	94
<b>1,503</b>	<b>2,501</b>	<b>NET INCOME **</b>	<b>2,932</b>	<b>4,707</b>
2.23	3.57	Earnings per share (euros)***	4.37	6.69
2,845	3,779	* Operating income from business segments, excluding non-recurring items	5,277	7,527
1,526	2,128	Net operating income from business segments, excluding non-recurring items	2,882	4,427
1,632	2,127	** Net income (Group share), excluding non-recurring items	3,051	4,333
2.42	3.04	*** Earnings per share, excluding non-recurring items (euros)	4.54	6.16

(1) except earnings per share

# CONSOLIDATED BALANCE SHEET

TotalFinaElf

	in millions of euros			
	June 30, 2002	March 31, 2002	Dec 31, 2002	June 30, 2001
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Intangible assets, net	2,977	3,232	3,196	3,318
Property, plant and equipment, net	39,273	41,833	41,274	40,313
Equity affiliates : investments and loans	7,605	7,952	7,592	7,951
Other investments	1,180	1,424	1,536	1,499
Other non-current assets	2,916	3,101	3,042	4,097
<b>TOTAL NON-CURRENT ASSETS</b>	<b>53,951</b>	<b>57,542</b>	<b>56,640</b>	<b>57,178</b>
<b>CURRENT ASSETS</b>				
Inventories, net	6,397	6,416	6,622	6,717
Accounts receivable, net	14,079	14,784	13,497	16,601
Prepaid expenses and other current assets	5,917	7,138	7,263	5,053
Short-term investments	1,283	966	1,004	890
Cash and cash equivalents	3,863	8,891	3,574	6,136
<b>TOTAL CURRENT ASSETS</b>	<b>31,539</b>	<b>38,195</b>	<b>31,960</b>	<b>35,397</b>
<b>TOTAL ASSETS</b>	<b>85,490</b>	<b>95,737</b>	<b>88,600</b>	<b>92,575</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>SHAREHOLDERS' EQUITY</b>				
Common shares	7,101	7,061	7,059	7,408
Paid-in surplus and retained earnings	31,382	31,986	30,544	32,638
Cumulative translation adjustment	(332)	1,365	1,252	1,690
Treasury shares	(5,388)	(5,331)	(4,923)	(6,614)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>32,763</b>	<b>35,081</b>	<b>33,932</b>	<b>35,122</b>
<b>SUBSIDIARIES' REDEEMABLE PREFERRED SHARES</b>	<b>501</b>	<b>573</b>	<b>567</b>	<b>590</b>
<b>MINORITY INTEREST</b>	<b>795</b>	<b>929</b>	<b>898</b>	<b>753</b>
<b>LONG-TERM LIABILITIES</b>				
Deferred income taxes	6,427	6,567	6,521	7,231
Employee benefits	3,236	3,352	3,355	3,673
Other liabilities	5,971	6,289	6,093	5,110
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>15,634</b>	<b>16,208</b>	<b>15,969</b>	<b>16,014</b>
<b>LONG-TERM DEBT</b>	<b>11,000</b>	<b>12,047</b>	<b>11,165</b>	<b>11,868</b>
<b>CURRENT LIABILITIES</b>				
Accounts payable	10,137	10,564	10,034	10,935
Other creditors and accrued liabilities	11,259	12,653	12,470	12,228
Short-term borrowings and bank overdrafts	3,401	7,682	3,565	5,065
<b>TOTAL CURRENT LIABILITIES</b>	<b>24,797</b>	<b>30,899</b>	<b>26,069</b>	<b>28,228</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>85,490</b>	<b>95,737</b>	<b>88,600</b>	<b>92,575</b>

# CONSOLIDATED STATEMENT OF CASH FLOW

TotalFinaElf

2nd Quarter 2002	2nd Quarter 2001	in millions of euros	1st Half 2002	1st Half 2001
		<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
1,524	2,544	Consolidated net income	3,001	4,801
1,447	1,257	Depreciation, depletion and amortization	2,824	2,428
73	431	Long-term liabilities, valuation allowances and deferred taxes	125	688
-	-	Impact of coverage of pension benefit plans	-	-
120	143	Unsuccessful exploration costs	244	275
(175)	(526)	(Gains) / Losses on sales of assets	(408)	(534)
71	(21)	Equity in income of affiliates (in excess of) / less than dividends received	(132)	(264)
(13)	62	Other changes, net	(11)	(60)
<b>3,047</b>	<b>3,890</b>	<b>Cash flow from operating activities before changes in working capital</b>	<b>5,643</b>	<b>7,334</b>
(197)	(1,378)	(Increase) / Decrease in operating assets and liabilities	(335)	(250)
<b>2,850</b>	<b>2,512</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>5,308</b>	<b>7,084</b>
		<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
(1,733)	(1,636)	Intangible assets and property, plant and equipment additions	(3,350)	(3,256)
(106)	(98)	Exploration expenditures charged to expenses	(213)	(213)
(50)	(596)	Acquisitions of subsidiaries, net of cash acquired	(105)	(609)
(60)	159	Investments in equity affiliates and other securities	(107)	(372)
(151)	(216)	Increase in long-term loans	(434)	(370)
<b>(2,100)</b>	<b>(2,387)</b>	<b>Total expenditures</b>	<b>(4,209)</b>	<b>(4,820)</b>
25	47	Proceeds from sale of intangible assets and property, plant and equipment	103	164
5	12	Proceeds from sale of subsidiaries, net of cash sold	5	533
339	1,662	Proceeds from sale of non-current investments	652	1,985
94	227	Repayment of long-term loans	289	433
<b>463</b>	<b>1,948</b>	<b>Total divestitures</b>	<b>1,049</b>	<b>3,115</b>
(317)	(297)	(Increase) / Decrease in short-term investments	(279)	(245)
<b>(1,954)</b>	<b>(736)</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(3,439)</b>	<b>(1,950)</b>
		<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
		Issuance and repayment of shares :		
437	7	Parent company's shareholders	443	7
(57)	(1,008)	Share buy-back	(465)	(1,660)
8	6	Minority shareholders	18	6
-	-	Subsidiaries' redeemable preferred shares	-	-
		Cash dividends paid :		
(2,514)	(2,277)	Parent company's shareholders	(2,514)	(2,277)
(81)	(114)	Minority shareholders	(84)	(120)
245	11	Net issuance / (repayment) of long-term debt	1,084	52
(4,222)	(2,483)	Increase / (Decrease) in short-term borrowings and bank overdrafts	(395)	559
(3)	(6)	Other changes, net	(5)	(11)
<b>(6,187)</b>	<b>(5,864)</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(1,918)</b>	<b>(3,444)</b>
<b>(5,291)</b>	<b>(4,088)</b>	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(49)</b>	<b>1,690</b>
263	(67)	Effect of exchange rates and changes in reporting entity on cash and cash equivalents	338	(154)
8,891	10,291	Cash and cash equivalents at the beginning of the period	3,574	4,600
<b>3,863</b>	<b>6,136</b>	<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>3,863</b>	<b>6,136</b>

## BUSINESS SEGMENTS INFORMATION

TotalFinaElf

in millions of euros

2nd Quarter 2002 (excluding non-recurring items)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
- Non-Group sales	3,888	17,387	5,157	3	-	26,435
- Intersegment sales	2,843	368	106	29	(3,346)	-
<b>Total sales</b>	<b>6,731</b>	<b>17,755</b>	<b>5,263</b>	<b>32</b>	<b>(3,346)</b>	<b>26,435</b>
Depreciation, depletion and amortization of tangible assets	(861)	(224)	(206)	(12)	-	(1,303)
<b>Operating income excluding non-recurring items</b>	<b>2,325</b>	<b>278</b>	<b>242</b>	<b>(40)</b>	-	<b>2,805</b>
Amortization of intangible assets and acquisition goodwill	(6)	(42)	(63)	(6)	-	(117)
Equity in income (loss) of affiliates	33	42	-	99	-	174
Other items in net operating income	54	5	(13)	101	-	147
Tax on net operating income	(1,205)	(65)	(59)	43	-	(1,286)
<b>Net operating income excluding non-recurring items</b>	<b>1,201</b>	<b>218</b>	<b>107</b>	<b>197</b>	-	<b>1,723</b>
Net cost of net debt						(42)
Minority interests and dividends on subsidiaries' redeemable preferred shares						(49)
<b>Net income excluding non-recurring items</b>						<b>1,632</b>
Gross expenditures	1,556	228	284	32	-	2,100
Divestitures at selling price	106	47	9	301	-	463
Cash flow from operating activities	1,705	805	48	292	-	2,850

2nd Quarter 2001 (excluding non-recurring items)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
- Non-Group sales	3,469	19,678	5,205	9	-	28,361
- Intersegment sales	3,244	571	146	9	(3,970)	-
<b>Total sales</b>	<b>6,713</b>	<b>20,249</b>	<b>5,351</b>	<b>18</b>	<b>(3,970)</b>	<b>28,361</b>
Depreciation, depletion and amortization of tangible assets	(697)	(239)	(204)	(11)	-	(1,151)
<b>Operating income excluding non-recurring items</b>	<b>2,585</b>	<b>904</b>	<b>290</b>	<b>(18)</b>	-	<b>3,761</b>
Amortization of intangible assets and acquisition goodwill	(8)	(24)	(47)	(5)	-	(84)
Equity in income (loss) of affiliates	69	49	2	91	-	211
Other items in net operating income	93	3	(5)	19	-	110
Tax on net operating income	(1,425)	(264)	(94)	49	-	(1,734)
<b>Net operating income excluding non-recurring items</b>	<b>1,314</b>	<b>668</b>	<b>146</b>	<b>136</b>	-	<b>2,264</b>
Net cost of net debt						(88)
Minority interests and dividends on subsidiaries' redeemable preferred shares						(49)
<b>Net income excluding non-recurring items</b>						<b>2,127</b>
Gross expenditures	1,509	375	346	157	-	2,387
Divestitures at selling price	228	60	34	1,626	-	1,948
Cash flow from operating activities	2,075	849	313	(725)	-	2,512

1st Half 2002 (excluding non-recurring items)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
- Non-Group sales	8,017	32,290	9,905	7	-	50,219
- Intersegment sales	5,463	733	181	53	(6,430)	-
<b>Total sales</b>	<b>13,480</b>	<b>33,023</b>	<b>10,086</b>	<b>60</b>	<b>(6,430)</b>	<b>50,219</b>
Depreciation, depletion and amortization of tangible assets	(1,711)	(453)	(413)	(22)	-	(2,599)
<b>Operating income excluding non-recurring items</b>	<b>4,341</b>	<b>573</b>	<b>363</b>	<b>(106)</b>	-	<b>5,171</b>
Amortization of intangible assets and acquisition goodwill	(11)	(64)	(103)	(7)	-	(185)
Equity in income (loss) of affiliates	119	101	-	195	-	415
Other items in net operating income	109	19	(20)	114	-	222
Tax on net operating income	(2,291)	(161)	(93)	154	-	(2,391)
<b>Net operating income excluding non-recurring items</b>	<b>2,267</b>	<b>468</b>	<b>147</b>	<b>350</b>	-	<b>3,232</b>
Net cost of net debt						(82)
Minority interests and dividends on subsidiaries' redeemable preferred shares						(99)
<b>Net income excluding non-recurring items</b>						<b>3,051</b>
Gross expenditures	3,199	360	540	110	-	4,209
Divestitures at selling price	329	82	41	597	-	1,049
Cash flow from operating activities	3,397	1,386	38	487	-	5,308

1st Half 2001 (excluding non-recurring items)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
- Non-Group sales	7,510	37,665	10,488	20	-	55,683
- Intersegment sales	6,540	1,099	241	17	(7,897)	-
<b>Total sales</b>	<b>14,050</b>	<b>38,764</b>	<b>10,729</b>	<b>37</b>	<b>(7,897)</b>	<b>55,683</b>
Depreciation, depletion and amortization of tangible assets	(1,341)	(474)	(397)	(22)	-	(2,234)
<b>Operating income excluding non-recurring items</b>	<b>5,158</b>	<b>1,760</b>	<b>609</b>	<b>(99)</b>	-	<b>7,428</b>
Amortization of intangible assets and acquisition goodwill	(9)	(42)	(92)	(7)	-	(150)
Equity in income (loss) of affiliates	192	103	5	189	-	489
Other items in net operating income	177	123	(7)	19	-	312
Tax on net operating income	(2,782)	(579)	(189)	113	-	(3,437)
<b>Net operating income excluding non-recurring items</b>	<b>2,736</b>	<b>1,365</b>	<b>326</b>	<b>215</b>	-	<b>4,642</b>
Net cost of net debt						(204)
Minority interests and dividends on subsidiaries' redeemable preferred shares						(105)
<b>Net income excluding non-recurring items</b>						<b>4,333</b>
Gross expenditures	3,347	504	746	223	-	4,820
Divestitures at selling price	380	982	112	1,641	-	3,115
Cash flow from operating activities	4,190	1,857	680	357	-	7,084