

TOTAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR

THE FIRST NINE MONTHS OF 2006

(unaudited)

I. ACCOUNTING POLICIES

The interim consolidated financial statements of TOTAL S.A. and its subsidiaries (the Group) as of September 30, 2006 have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting". The accounting policies applied for the consolidated financial statements as of September 30, 2006 do not differ significantly from those applied for the consolidated financial statements as of December 31, 2005 which have been prepared on the basis of IFRS (International Financial Reporting Standards) as adopted by the European Union. The new accounting standards and amendments as adopted by the European Union and mandatory for the annual period beginning January 1, 2006, are described in the note 1V to the consolidated financial statements as of December 31, 2005 and have no material effect on the Group's consolidated financial statements for the first nine months of 2006.

The preparation of financial statements in accordance with IFRS requires management to make estimates and apply 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. Management reviews these estimates and assumptions on a continuous basis, by reference to past experience and various other factors considered as reasonable which form the basis for assessing the book value of assets and liabilities. Actual results may differ significantly from these estimates, if different assumptions or circumstances apply.

Lastly, when a specific transaction is not dealt with in any standards or interpretations, management applies its judgment to define and apply accounting policies that will lead to relevant and reliable information, so that the financial statements:

- give a true and fair value of the Group's financial position, financial performance and cash flows;
- reflect the substance of transactions;
- are neutral;
- are prepared on a prudent basis;
- are complete in all material aspects.

The financial statements have been prepared on a historical cost basis, except for some financial assets and liabilities that have been measured at fair value.

II. CHANGES IN THE GROUP STRUCTURE, MAIN ACQUISITIONS AND DIVESTITURES

After approval on October 13, 2006 by the European Commission, Banco Santander Central Hispano (Santander) sold 4.35% of Cepsa's share capital to TOTAL at a price of 4.54 euros per share, for a total transaction amount close to 53 million euros. The transaction follows the agreement signed on August 2, 2006 by TOTAL and Santander to implement the provisions of the partial award rendered on March 24, 2006 by the Netherlands Arbitration Institute, which adjudicated their dispute concerning Cepsa.

As a result TOTAL now holds 48.83% of Cepsa.

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In 2004, TOTAL announced a reorganization of its Chemical segment to regroup its chlorochemicals, intermediates and performance polymers in a new entity that was named Arkema on October 1, 2004.

The Shareholders' meeting on May 12, 2006 approved a resolution related to the spin-off of Arkema and the distribution of Arkema shares to TOTAL shareholders. Pursuant to this approval, Arkema shares were publicly listed on May 18, 2006 on the Eurolist by Euronext market in Paris. For all periods presented, the contribution of Arkema entities to the consolidated net income is presented on the line "Consolidated net income from discontinued operations" on the face of the income statement. Detailed information on the impact of this transaction is presented in note VIII.

III. ADJUSTING ITEMS

The financial information for each business segment is reported in accordance with the Group's internal reporting system used by the management to assess the financial performance and the allocation of resources.

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

Special items, together with the inventory effect and the Group's equity share of amortization of intangible assets related to the Sanofi-Aventis merger, form the adjusting items. The detail of these adjusting items is presented below.

The adjusted results (adjusted operating income, adjusted net operating income, adjusted net income) are defined as replacement cost results, adjusted for special items, and excluding TOTAL's equity share of amortization of intangible assets related to the Sanofi-Aventis merger.

ADJUSTMENTS TO OPERATING INCOME

<i>(in millions of euros)</i>		Upstream	Downstream	Chemicals	Corporate	Total
3rd quarter 2006	Inventory valuation effect	-	(658)	(23)	-	(681)
	Restructuring charges	-	-	(10)	-	(10)
	Asset impairment charges	-	-	(50)	-	(50)
	Other items	-	-	(62)	(9)	(71)
Total		-	(658)	(145)	(9)	(812)
3rd quarter 2005	Inventory valuation effect	-	958	108	-	1,066
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	-	-	-	-	-
	Other items	-	-	-	-	-
Total		-	958	108	-	1,066
9 months 2006	Inventory valuation effect	-	6	69	-	75
	Restructuring charges	-	-	(33)	-	(33)
	Asset impairment charges	-	-	(50)	-	(50)
	Other items	-	-	(94)	(20)	(114)
Total		-	6	(108)	(20)	(122)
9 months 2005	Inventory valuation effect	-	2,113	66	-	2,179
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	-	-	(11)	-	(11)
	Other items	-	-	-	-	-
Total		-	2,113	55	-	2,168

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Notes to the consolidated financial statements for the first nine months of 2006

ADJUSTMENTS TO NET INCOME, GROUP SHARE

<i>(in millions of euros)</i>		Upstream	Downstream	Chemicals	Corporate	Total
3rd quarter 2006	Inventory valuation effect	-	(465)	(13)	-	(478)
	TOTAL's equity share of special items recorded by Sanofi-Aventis	-	-	-	(2)	(2)
	TOTAL's equity share of adjustments related to the Sanofi-Aventis merger	-	-	-	(82)	(82)
	Restructuring charges	-	-	(80)	-	(80)
	Asset impairment charges	-	-	(32)	-	(32)
	Gains (losses) on sales of assets	-	-	-	-	-
	Other items	(71)	-	(36)	89	(18)
Total		(71)	(465)	(161)	5	(692)
3rd quarter 2005	Inventory valuation effect	-	655	74	-	729
	TOTAL's equity share of special items recorded by Sanofi-Aventis	-	-	-	(87)	(87)
	TOTAL's equity share of adjustments related to the Sanofi-Aventis merger	-	-	-	(112)	(112)
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	-	-	-	-	-
	Gains (losses) on sales of assets	-	-	-	-	-
	Other items	-	-	(11)	-	(11)
Total		-	655	63	(199)	519
9 months 2006	Inventory valuation effect	-	28	50	-	78
	TOTAL's equity share of special items recorded by Sanofi-Aventis	-	-	-	(35)	(35)
	TOTAL's equity share of adjustments related to the Sanofi-Aventis merger	-	-	-	(251)	(251)
	Restructuring charges	-	-	(139)	-	(139)
	Asset impairment charges	-	-	(32)	-	(32)
	Gains (losses) on sales of assets	130	-	-	-	130
	Other items	(71)	-	(67)	82	(56)
Total		59	28	(188)	(204)	(305)
9 months 2005	Inventory valuation effect	-	1,454	48	-	1,502
	TOTAL's equity share of special items recorded by Sanofi-Aventis	-	-	-	(165)	(165)
	TOTAL's equity share of adjustments related to the Sanofi-Aventis merger	-	-	-	(247)	(247)
	Restructuring charges	-	-	(90)	-	(90)
	Asset impairment charges	-	-	(8)	-	(8)
	Gains (losses) on sales of assets	-	-	-	-	-
	Other items	-	-	(11)	-	(11)
Total		-	1,454	(61)	(412)	981

IV. SHAREHOLDERS' EQUITY

The Shareholders' Meeting held on May 12, 2006 decided to split by four the par value of shares comprising the share capital, which remains unchanged. So, the number of common shares has been multiplied by four.

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

As of September 30, 2006 TOTAL S.A. held 49,263,377 of its own shares, representing 2.03% of its share capital, detailed as follows:

- 30,183,377 shares allocated to cover TOTAL share purchase option plans and restricted share grants for Group employees;
- 19,080,000 shares purchased for cancellation and detailed as follow:
 - 4,100,000 shares purchased from November to December 2005 and 62,000,000 shares purchased during the first 9 months of 2006, pursuant to the authorization granted by the Shareholders' Meeting held on May 17, 2005,
 - 47,020,000 shares cancelled pursuant to the decision of the Board of Directors held on July 18, 2006.

These 49,263,377 shares are deducted from the consolidated shareholders' equity.

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Notes to the consolidated financial statements for the first nine months of 2006

TOTAL shares held by Group subsidiaries

As of September 30, 2006 TOTAL S.A. held indirectly through its subsidiaries 100,331,268 of its own shares, representing 4.14% of its share capital, detailed as follow:

- 2,023,672 shares held by a consolidated subsidiary, TOTAL Nucléaire. These shares were initially acquired in order to realize short-term cash investments.
- 98,307,596 shares held by subsidiaries of Elf Aquitaine (Financière Valorgest, Sogapar and Fingestval).

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

Paid dividend

The Shareholders' Meeting of May 12, 2006 approved the payment of cash dividend of 6.48 euros per share (before the four-for-one share split) for the fiscal year 2005. Taking into account an interim dividend of 3 euros per share paid on November 24, 2005, the remaining balance of 3.48 euros per share (0.87 euro per share after the four-for-one share split) was paid on May 18, 2006.

On November 7, 2006, the Board of Directors decided to pay an interim dividend of 0.87 euro per share for the fiscal year 2006.

V. NON-CURRENT FINANCIAL DEBT

The Group issued debenture loans through its subsidiary TOTAL Capital during the first nine months of 2006:

- Debenture 4.125% 2006-2012 (100 million CAD)
- Debenture 5.625% 2006-2012 (100 million AUD)
- Debenture 2.375% 2006-2016 (100 million CHF)
- Debenture 3.25% 2006-2012 (100 million EUR)
- Debenture 2.375% 2006-2016 (100 million CHF)
- Debenture 5% 2006-2007 (100 million GBP)
- Debenture 2.375% 2006-2016 (200 million CHF)
- Debenture 2.375% 2006-2016 (100 million CHF)
- Debenture 3.125% 2006-2018 (200 million CHF)
- Debenture 3.75% 2006-2010 (100 million EUR)
- Debenture 4.625% 2006-2012 (50 million GBP)
- Debenture 3.875% 2006-2011 (300 million EUR)
- Debenture Euribor 3 months + 0.04% 2006-2011 (42 million EUR)
- Debenture 3.75% 2006-2010 (50 million EUR)

The Group reimbursed debenture loans during the first nine months of 2006:

- Debenture 3.50% 2000-2006 (200 million CHF)
- Debenture 3.875% 1999-2006 (300 million EUR)
- Debenture 3.780% 1999-2006 (20 million FRF)

In the context of its active cash management, the Group may temporarily increase its non-current borrowings, particularly in the form of commercial paper. The non-current borrowings and the cash and cash equivalents resulting from this cash management in the quarterly financial statements are not necessarily representative of a longer-term position.

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VI. OTHER RISKS AND CONTINGENT LIABILITIES

Antitrust Investigations

In May 2006, the European Commission announced it was fining Arkema France, TOTAL S.A. and Elf Aquitaine in connection with investigations regarding two lines of chemicals products. The Commission had filed complaints against these companies in January and May 2005 respectively. In the first case, Arkema France was fined 78.66 million euros. TOTAL S.A. was held jointly liable for 42 million euros and Elf Aquitaine was held jointly liable for 65.1 million euros. In the second case, Arkema France was fined 219.13 million euros. TOTAL S.A. was held jointly liable for 140.4 million euros and Elf Aquitaine was held jointly liable for 181.35 million euros. The companies involved appealed these decisions.

In September 2006, the European Commission announced it was fining Total Nederland and TOTAL S.A. in connection with investigations regarding antitrust practices on the bitumen market in the Netherlands. The Commission had filed a complaint against these companies in October 2004.

Total Nederland was fined 20.25 millions euros, of which TOTAL S.A. was held jointly liable for 13.5 millions euros. The companies involved intend to appeal this decision.

These decisions have no significant impact on the consolidated financial statements of the first nine months of 2006.

Venezuela

In June 2005, the Group was informed by the Venezuelan government of a change in the method for calculating royalties on the Sincor field. Since then, the Group paid a higher amount of royalties, with reservations. In May 2006, the prevailing petroleum law was amended establishing a new extraction tax in addition to the royalty for a cumulative effect of 33.33%

The Group also received a notice of additional corporate income tax assessments for the years 2001-2004 for the company TOGV holding an interest in the Jusepin field, and another one for 2001 for the company TOTV holding an interest in the Sincor field. In the first case the file was closed during the first half of 2006. In the second case, the Group is waiting for the tax authorities' answer to its arguments.

In addition the Venezuelan government requested that, before April 1, 2006, the Jusepin contract be transformed and made similar requests to all companies operating under this type of contract. On March 31, 2006, TOTAL and the Venezuelan authorities did not reach an agreement and the control of Jusepin field operations has been taken by the state-owned company Petroleos de Venezuela S.A. (PDVSA) since that date. Settlement negotiations are on going on this matter with the authorities.

Buncefield

On December 11, 2005, several explosions followed by a major fire occurred at Buncefield, north of London, in an oil storage depot operated by HOSL, a company in which the British subsidiary of TOTAL holds 60% and another oil group holds 40%.

The explosion injured forty people, most of whom suffered slight wounds, and caused property damage to the depot and the buildings and homes located nearby. The HSE Investigation Board has indicated that the explosion was caused by the overflow of a tank at the depot. The final HSE report detailing the circumstances and the exact cause of the explosion is expected to be released before the end of this year. At this stage, responsibility for the explosion has not yet been determined.

The Group is insured for damage to these facilities, operating losses and claims from third parties under its civil liability and believes that, based on the current information available, this accident should not have a significant impact on its financial position, cash flows or results.

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VII. INFORMATION BY BUSINESS SEGMENT

Amounts in millions of euros

9 months 2006	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	15,822	87,026	14,503	18		117,369
Intersegment sales	15,621	3,883	957	127	(20,588)	-
Excise taxes	-	(14,577)	-	-		(14,577)
Revenues from sales	31,443	76,332	15,460	145	(20,588)	102,792
Operating expenses	(13,013)	(72,617)	(14,281)	(491)	20,588	(79,814)
Depreciation, depletion, and amortization of tangible assets and leasehold rights	(2,453)	(815)	(446)	(28)		(3,742)
Operating income	15,977	2,900	733	(374)	-	19,236
Equity in income (loss) of affiliates and other items	887	233	(121)	592		1,591
Tax on net operating income	(9,995)	(861)	(153)	192		(10,817)
Net operating income	6,869	2,272	459	410		10,010
Net cost of net debt						(170)
Minority interests and dividends on subsidiaries' redeemable preferred shares						(292)
Net income from continuing operations Group share						9,548
Net income from discontinued operations Group share						(5)
Net income Group share						9,543

9 months 2006 (adjustments) (*)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	-	-	-	-	-	-
Intersegment sales	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-
Revenues from sales						-
Operating expenses	-	6	(58)	(20)		(72)
Depreciation, depletion, and amortization of tangible assets and leasehold rights	-	-	(50)	-		(50)
Operating income (1)	-	6	(108)	(20)		(122)
Equity in income (loss) of affiliates and other items (2)	195	23	(149)	(191)		(122)
Tax on net operating income	(150)	8	87	6		(49)
Net operating income (1)	45	37	(170)	(205)		(293)
Net cost of net debt						-
Minority interests and dividends on subsidiaries' redeemable preferred shares						7
Net income from continuing operations Group share						(286)
Net income from discontinued operations Group share						(19)
Net income Group share						(305)

(*) Adjustments include special items, inventory valuation effect and equity share of amortization of intangible assets related to the Sanofi-Aventis merger

(1) Of which inventory valuation effect

On operating income	-	6	69	-
On net operating income	-	37	49	-

(2) Of which equity share of amortization of intangible assets related to the Sanofi-Aventis merger

9 months 2006 (adjusted)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	15,822	87,026	14,503	18		117,369
Intersegment sales	15,621	3,883	957	127	(20,588)	-
Excise taxes	-	(14,577)	-	-		(14,577)
Revenues from sales	31,443	76,332	15,460	145	(20,588)	102,792
Operating expenses	(13,013)	(72,623)	(14,223)	(471)	20,588	(79,742)
Depreciation, depletion, and amortization of tangible assets and leasehold rights	(2,453)	(815)	(396)	(28)		(3,692)
Operating income	15,977	2,894	841	(354)		19,358
Equity in income (loss) of affiliates and other items	692	210	28	783		1,713
Tax on net operating income	(9,845)	(869)	(240)	186		(10,768)
Net operating income	6,824	2,235	629	615		10,303
Net cost of net debt						(170)
Minority interests and dividends on subsidiaries' redeemable preferred shares						(299)
Net income from continuing operations Group share						9,834
Net income from discontinued operations Group share						14
Net income Group share						9,848

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Amounts in millions of euros

3 rd quarter 2006	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	4,684	28,818	4,849	6		38,357
Intersegment sales	4,782	1,292	362	40	(6,476)	-
Excise taxes	-	(4,829)	-	-	-	(4,829)
Revenues from sales	9,466	25,281	5,211	46	(6,476)	33,528
Operating expenses	(3,631)	(24,665)	(4,823)	(159)	6,476	(26,802)
Depreciation, depletion, and amortization of tangible assets and leasehold rights	(835)	(272)	(183)	(9)		(1,299)
Operating income	5,000	344	205	(122)		5,427
Equity in income (loss) of affiliates and other items	252	84	(94)	252		494
Tax on net operating income	(3,304)	(94)	(25)	108		(3,315)
Net operating income	1,948	334	86	238		2,606
Net cost of net debt						(111)
Minority interests and dividends on subsidiaries' redeemable preferred shares						(63)
Net income from continuing operations Group share						2,432
Net income from discontinued operations Group share						(13)
Net income Group share						2,419

3 rd quarter 2006 (adjustments) (*)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales						
Intersegment sales						
Excise taxes						
Revenues from sales						
Operating expenses	-	(658)	(95)	(9)		(762)
Depreciation, depletion, and amortization of tangible assets and leasehold rights	-	-	(50)	-		(50)
Operating income (1)	-	(658)	(145)	(9)		(812)
Equity in income (loss) of affiliates and other items (2)	-	(5)	(99)	12		(92)
Tax on net operating income	(85)	199	82	2		198
Net operating income (1)	(85)	(464)	(162)	5		(706)
Net cost of net debt						-
Minority interests and dividends on subsidiaries' redeemable preferred shares						14
Net income from continuing operations Group share						(692)
Net income from discontinued operations Group share						-
Net income Group share						(692)

(*) Adjustments include special items, inventory valuation effect and equity share of amortization of intangible assets related to the Sanofi-Aventis merger

(1) Of which inventory valuation effect

On operating income	-	(658)	(23)	-
On net operating income	-	(464)	(14)	-

(2) Of which equity share of amortization of intangible assets related to the Sanofi-Aventis merger

3 rd quarter 2006 (adjusted)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	4,684	28,818	4,849	6		38,357
Intersegment sales	4,782	1,292	362	40	(6,476)	-
Excise taxes	-	(4,829)	-	-	-	(4,829)
Revenues from sales	9,466	25,281	5,211	46	(6,476)	33,528
Operating expenses	(3,631)	(24,007)	(4,728)	(150)	6,476	(26,040)
Depreciation, depletion, and amortization of tangible assets and leasehold rights	(835)	(272)	(133)	(9)		(1,249)
Operating income	5,000	1,002	350	(113)		6,239
Equity in income (loss) of affiliates and other items	252	89	5	240		586
Tax on net operating income	(3,219)	(293)	(107)	106		(3,513)
Net operating income	2,033	798	248	233		3,312
Net cost of net debt						(111)
Minority interests and dividends on subsidiaries' redeemable preferred shares						(77)
Net income from continuing operations Group share						3,124
Net income from discontinued operations Group share						(13)
Net income Group share						3,111

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Amounts in millions of euros

9 months 2005	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	14,080	72,471	12,471	20		99,042
Intersegment sales	13,936	3,135	526	108	(17,705)	-
Excise taxes	-	(15,503)	-	-		(15,503)
Revenues from sales	28,016	60,103	12,997	128	(17,705)	83,539
Operating expenses	(12,184)	(54,390)	(11,694)	(358)	17,705	(60,921)
Depreciation, depletion, and amortization of tangible assets and leasehold rights	(2,411)	(784)	(385)	(24)		(3,604)
Operating income	13,421	4,929	918	(254)		19,014
Equity in income (loss) of affiliates and other items	393	294	39	248		974
Tax on net operating income	(7,917)	(1,641)	(271)	142		(9,687)
Net operating income	5,897	3,582	686	136		10,301
Net cost of net debt						(130)
Minority interests and dividends on subsidiaries' redeemable preferred shares						(269)
Net income from continuing operations Group share						9,902
Net income from discontinued operations Group share						30
Net income Group share						9,932

9 months 2005 (adjustments) (*)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales						
Intersegment sales						
Excise taxes						
Revenues from sales						
Operating expenses	-	2,113	66	-		2,179
Depreciation, depletion, and amortization of tangible assets and leasehold rights	-	-	(11)	-		(11)
Operating income (1)	-	2,113	55	-		2,168
Equity in income (loss) of affiliates and other items (2)	-	48	5	(414)		(361)
Tax on net operating income	-	(696)	(19)	-		(715)
Net operating income (1)	-	1,465	41	(414)		1,092
Net cost of net debt						-
Minority interests and dividends on subsidiaries' redeemable preferred shares						(9)
Net income from continuing operations Group share						1,083
Net income from discontinued operations Group share						(102)
Net income Group share						981

(*) Adjustments include special items, inventory valuation effect and equity share of amortization of intangible assets related to the Sanofi-Aventis merger

(1) Of which inventory valuation effect

On operating income	-	2,113	66	-		
On net operating income	-	1,465	48	-		

(2) Of which equity share of amortization of intangible assets related to the Sanofi-Aventis merger

	-	-	-	(249)		
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9 months 2005 (adjusted)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	14,080	72,471	12,471	20		99,042
Intersegment sales	13,936	3,135	526	108	(17,705)	-
Excise taxes	-	(15,503)	-	-		(15,503)
Revenues from sales	28,016	60,103	12,997	128	(17,705)	83,539
Operating expenses	(12,184)	(56,503)	(11,760)	(358)	17,705	(63,100)
Depreciation, depletion, and amortization of tangible assets and leasehold rights	(2,411)	(784)	(374)	(24)		(3,593)
Operating income (1)	13,421	2,816	863	(254)		16,846
Equity in income (loss) of affiliates and other items (2)	393	246	34	662		1,335
Tax on net operating income	(7,917)	(945)	(252)	142		(8,972)
Net operating income (1)	5,897	2,117	645	550		9,209
Net cost of net debt						(130)
Minority interests and dividends on subsidiaries' redeemable preferred shares						(260)
Net income from continuing operations Group share						8,819
Net income from discontinued operations Group share						132
Net income Group share						8,951

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Amounts in millions of euros

3 rd quarter 2005	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	5,065	27,936	4,042	12		37,055
Intersegment sales	5,543	1,171	124	30	(6,868)	-
Excise taxes	-	(5,206)	-	-		(5,206)
Revenues from sales	10,608	23,901	4,166	42	(6,868)	31,849
Operating expenses	(4,592)	(21,697)	(3,827)	(123)	6,868	(23,371)
Depreciation, depletion, and amortization of tangible assets and leasehold rights	(817)	(265)	(123)	(8)		(1,213)
Operating income	5,199	1,939	216	(89)		7,265
Equity in income (loss) of affiliates and other items	140	67	14	55		276
Tax on net operating income	(3,137)	(640)	(56)	61		(3,772)
Net operating income	2,202	1,366	174	27		3,769
Net cost of net debt						(40)
Minority interests and dividends on subsidiaries' redeemable preferred shares						(103)
Net income from continuing operations Group share						3,626
Net income from discontinued operations Group share						19
Net income Group share						3,645

3 rd quarter 2005 (adjustments) (*)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales						
Intersegment sales						
Excise taxes						
Revenues from sales						
Operating expenses	-	958	108	-		1,066
Depreciation, depletion, and amortization of tangible assets and leasehold rights	-	-	-	-		-
Operating income (1)	-	958	108	-		1,066
Equity in income (loss) of affiliates and other items (2)	-	18	2	(200)		(180)
Tax on net operating income	-	(316)	(36)	-		(352)
Net operating income (1)	-	660	74	(200)		534
Net cost of net debt						-
Minority interests and dividends on subsidiaries' redeemable preferred shares						(4)
Net income from continuing operations Group share						530
Net income from discontinued operations Group share						(11)
Net income Group share						519

(*) Adjustments include special items, inventory valuation effect and equity share of amortization of intangible assets related to the Sanofi-Aventis merger

(1) Of which inventory valuation effect

On operating income	-	958	108	-		
On net operating income	-	660	74	-		

(2) Of which equity share of amortization of intangible assets related to the Sanofi-Aventis merger

	-	-	-	(112)		
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3 rd quarter 2005 (adjusted)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	5,065	27,936	4,042	12		37,055
Intersegment sales	5,543	1,171	124	30	(6,868)	-
Excise taxes	-	(5,206)	-	-		(5,206)
Revenues from sales	10,608	23,901	4,166	42	(6,868)	31,849
Operating expenses	(4,592)	(22,655)	(3,935)	(123)	6,868	(24,437)
Depreciation, depletion, and amortization of tangible assets and leasehold rights	(817)	(265)	(123)	(8)		(1,213)
Operating income (1)	5,199	981	108	(89)		6,199
Equity in income (loss) of affiliates and other items (2)	140	49	12	255		456
Tax on net operating income	(3,137)	(324)	(20)	61		(3,420)
Net operating income (1)	2,202	706	100	227		3,235
Net cost of net debt						(40)
Minority interests and dividends on subsidiaries' redeemable preferred shares						(99)
Net income from continuing operations Group share						3,096
Net income from discontinued operations Group share						30
Net income Group share						3,126

TOTAL

Notes to the consolidated financial statements for the first nine months of 2006

VIII. SPIN-OFF OF ARKEMA

The spin-off of Arkema led to the distribution of Arkema shares to TOTAL shareholders (other than TOTAL S.A). This operation can be analyzed as an exchange of non-monetary assets for TOTAL S.A. shareholders.

As International Financial Reporting Standards (IFRS) do not contain specific rules for this type of transaction, the accounting treatment of the spin-off in TOTAL's consolidated financial statements has been based on Generally Accepted Accounting Principles in the United States (US GAAP), and more particularly on opinion APB 29 (Accounting Principles Board Opinions) "Accounting for Non-monetary Transactions".

All assets and liabilities which were spun off have been derecognized on the basis of their net book value, with a corresponding decrease of consolidated shareholders' equity and no impact on the Group's consolidated net income.

The spin-off of Arkema was approved by the Shareholders' Meeting held on May 12, 2006. Since Arkema's results for the period between April 1, 2006 and May 12, 2006, were not material, the deconsolidation has been completed on the basis of Arkema book values as of March 31, 2006, taking into account in addition the capital increase that took place in April 2006.

In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", the contribution of Arkema entities has been reported as discontinued operations since Arkema can be clearly distinguished and has been spun off in a single and coordinated plan.

Financial information related to the Arkema's contribution to the consolidated accounts is presented below. This contributive information is not directly comparable to the combined and pro-forma accounts filed by Arkema for the purpose of its listing, as the latter have been based on specific conventions mainly related to the consolidation perimeter, accounting methods and indicators.

Tax losses of Arkema entities, as they occurred, have been used in the consolidated tax return of the Group.

Statement of income <i>(in millions of euros)</i>	9 months 2006	9 months 2005
Revenues from sales	1,497	4,184
Purchases and other operating expenses	(1,377)	(3,782)
Depreciation of tangible assets	(53)	(172)
Operating income	67	230
Equity in income (loss) of affiliates, others	(42)	(168)
Taxes	(30)	(31)
Net Income	(5)	31

TOTAL

Notes to the consolidated financial statements for the first nine months of 2006

Balance sheet

<i>(in millions of euros)</i>	Sept 30, 2006 ⁽¹⁾	Sept 30, 2005
Non-current assets	1,995	2,292
Working capital	1,501	1,352
Provisions and other non-current liabilities	(1,090)	(1,362)
Capital employed	2,406	2,282
Net debt	(144)	(1,317)
Shareholders' equity	2,262	965

⁽¹⁾ Detailed assets and liabilities which have been spun-off as of May 12, 2006

Statement of cash flows

<i>(in millions of euros)</i>	9 months 2006	9 months 2005
Cash flow from operating activities	53	60
Cash flow used in investing activities	(76)	(212)
Cash flow from financing activities	(109)	39
Net increase/decrease in cash and cash equivalents	(132)	(113)
Effect of exchange rates and changes in reporting entity	113	88
Cash and cash equivalents at the beginning of the period	84	91
Cash and cash equivalent at the end of the period	65	66

Earnings per share and fully-diluted earnings per share are presented below for continuing and discontinued operations.

Earnings per share

<i>(in euros)</i>	9 months 2006	9 months 2005
Earnings per share of continued operations	4.15	4.21
Earnings per share of discontinued operations	-	0.01
Earnings per share	4.15	4.22

Fully-diluted earnings per share

<i>(in euros)</i>	9 months 2006	9 months 2005
Fully-diluted earnings per share of continued operations	4.11	4.19
Fully-diluted earnings per share of discontinued operations	-	0.01
Fully-diluted earnings per share	4.11	4.20