

TotalFinaElf accounts

4th quarter and full year 2002 consolidated accounts, French GAAP

CONSOLIDATED STATEMENT OF INCOME

TotalFinaElf

4th Quarter 2002	4th Quarter 2001	in millions of euros (1)	2002	2001
26,898	23,689	Sales	102,540	105,318
(22,817)	(20,024)	Operating expenses	(86,622)	(87,760)
(1,915)	(1,346)	Depreciation, depletion and amortization	(5,792)	(4,781)
		Operating income		
(48)	(95)	Corporate	(210)	(252)
2,214	2,414	Business segments*	10,336	13,029
2,166	2,319	Total operating income	10,126	12,777
(68)	18	Interest expense, net	(195)	(184)
51	48	Dividend income from non-consolidated subsidiaries	170	159
(2)	(3)	Dividends on subsidiaries' redeemable preferred shares	(10)	(19)
143	(947)	Other income (expense)	243	283
(1,150)	(826)	Provision for income taxes	(5,034)	(5,874)
222	259	Equity in income (loss) of affiliates	866	1,001
1,362	868	Income before amortization of acquisition goodwill	6,166	8,143
(94)	(195)	Amortization of acquisition goodwill	(212)	(319)
1,268	673	Consolidated Net Income	5,954	7,824
(104)	21	of which minority interest	13	166
1,372	652	NET INCOME **	5,941	7,658
2.08	0.96	Earnings per share (euros)***	8.92	11.05
2,894	2,506	* Operating income from business segments, excluding non-recurring items	10,995	13,121
1,461	1,364	Net operating income from business segments, excluding non-recurring items	5,868	7,564
1,609	1,424	** Net income (Group share), excluding non-recurring items	6,260	7,518
2.44	2.11	*** Earnings per share, excluding non-recurring items (euros)	9.40	10.85

(1) except earnings per share

CONSOLIDATED STATEMENT OF CASH FLOW

TotalFinaElf

4th Quarter 2002	4th Quarter 2001	in millions of euros	2002	2001
		CASH FLOW FROM OPERATING ACTIVITIES		
1,268	673	Consolidated net income	5,954	7,824
2,080	1,685	Depreciation, depletion and amortization	6,241	5,390
(154)	690	Long-term liabilities, valuation allowances and deferred taxes	(264)	1,153
-	(449)	Impact of coverage of pension benefit plans	-	(449)
165	168	Unsuccessful exploration costs	487	571
(358)	(363)	(Gains) / Losses on sales of assets	(862)	(1,735)
(167)	(242)	Equity in income of affiliates (in excess of) / less than dividends received	(479)	(709)
1	1	Other changes, net	(7)	(56)
2,835	2,163	Cash flow from operating activities before changes in working capital	11,070	11,989
(602)	(754)	(Increase) / Decrease in operating assets and liabilities	(64)	314
2,233	1,409	CASH FLOW FROM OPERATING ACTIVITIES	11,006	12,303
		CASH FLOW FROM INVESTING ACTIVITIES		
(1,974)	(2,483)	Intangible assets and property, plant and equipment additions	(6,942)	(7,517)
(146)	(164)	Exploration expenditures charged to expenses	(432)	(521)
(22)	(168)	Acquisitions of subsidiaries, net of cash acquired	(127)	(1,051)
(46)	(12)	Investments in equity affiliates and other securities	(298)	(539)
(135)	(272)	Increase in long-term loans	(858)	(938)
(2,323)	(3,099)	Total expenditures	(8,657)	(10,566)
124	86	Proceeds from sale of intangible assets and property, plant and equipment	290	409
(8)	(32)	Proceeds from sale of subsidiaries, net of cash sold	5	721
543	1,098	Proceeds from sale of non-current investments	1,346	4,634
141	559	Repayment of long-term loans	672	1,240
800	1,711	Total divestitures	2,313	7,004
(83)	6	(Increase) / Decrease in short-term investments	(505)	(428)
(1,606)	(1,382)	CASH FLOW FROM INVESTING ACTIVITIES	(6,849)	(3,990)
		CASH FLOW FROM FINANCING ACTIVITIES		
14	9	Issuance and repayment of shares :		
		Parent company's shareholders	461	24
(1,417)	(1,930)	Share buy-back	(2,945)	(5,605)
7	12	Minority shareholders	32	12
-	-	Subsidiaries' redeemable preferred shares	-	-
-	-	Cash dividends paid :		
		Parent company's shareholders	(2,514)	(2,278)
(7)	(26)	Minority shareholders	(100)	(151)
455	(148)	Net issuance / (repayment) of long-term debt	1,642	(185)
(5,271)	(4,617)	Increase / (Decrease) in short-term borrowings and bank overdrafts	746	(1,330)
(2)	(3)	Other changes, net	(10)	(19)
(6,221)	(6,703)	CASH FLOW FROM FINANCING ACTIVITIES	(2,688)	(9,532)
(5,594)	(6,676)	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	1,469	(1,219)
(229)	(16)	Effect of exchange rates and changes in reporting entity on cash and cash equivalents	(77)	193
10,789	10,266	Cash and cash equivalents at the beginning of the period	3,574	4,600
4,966	3,574	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4,966	3,574

BUSINESS SEGMENTS INFORMATION

TotalFinaElf

in millions of euros

4th Quarter 2002 (excluding non-recurring items)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	4,381	17,930	4,587	-	-	26,898
Intersegment sales	2,860	441	73	36	(3,410)	-
Total sales	7,241	18,371	4,660	36	(3,410)	26,898
Depreciation, depletion and amortization of tangible assets	(836)	(217)	(213)	(12)		(1,278)
Operating income excluding non-recurring items	2,520	229	145	(48)		2,846
Amortization of intangible assets and acquisition goodwill						(108)
Equity in income (loss) of affiliates						222
Other items in net operating income						91
Tax on net operating income						(1,351)
Net operating income excluding non-recurring items	1,196	244	21	239		1,700
Net cost of net debt						(59)
Dividends on subsidiaries' redeemable preferred shares						(2)
Minority interests						(30)
Net income excluding non-recurring items						1,609
Gross expenditures	1,493	465	371	(6)		2,323
Divestitures at selling price	133	114	37	516		800
Cash flow from operating activities	2,210	(188)	636	(325)		2,233

4th Quarter 2001 (excluding non-recurring items)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	3,677	15,807	4,207	(2)	-	23,689
Intersegment sales	2,851	226	80	24	(3,181)	-
Total sales	6,528	16,033	4,287	22	(3,181)	23,689
Depreciation, depletion and amortization of tangible assets	(846)	(247)	(186)	(3)		(1,282)
Operating income excluding non-recurring items	1,617	628	261	(95)		2,411
Amortization of intangible assets and acquisition goodwill						(115)
Equity in income (loss) of affiliates						259
Other items in net operating income						266
Tax on net operating income						(1,302)
Net operating income excluding non-recurring items	717	469	178	155		1,519
Net cost of net debt						(47)
Dividends on subsidiaries' redeemable preferred shares						(3)
Minority interests						(45)
Net income excluding non-recurring items						1,424
Gross expenditures	2,210	356	528	5		3,099
Divestitures at selling price	344	54	225	1,088		1,711
Cash flow from operating activities	1,969	2,217	369	(3,146)		1,409

BUSINESS SEGMENTS INFORMATION

TotalFinaElf

in millions of euros

2002 (excluding non-recurring items)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	16,225	66,984	19,317	14	-	102,540
Intersegment sales	11,525	2,002	355	117	(13,999)	-
Total sales	27,750	68,986	19,672	131	(13,999)	102,540
Depreciation, depletion and amortization of tangible assets	(3,362)	(896)	(826)	(49)		(5,133)
Operating income excluding non-recurring items	9,309	909	777	(210)		10,785
Amortization of intangible assets and acquisition goodwill	(21)	(99)	(217)	(18)		(355)
Equity in income (loss) of affiliates	234	214	6	412		866
Other items in net operating income	189	61	40	157		447
Tax on net operating income	(5,063)	(239)	(232)	429		(5,105)
Net operating income excluding non-recurring items	4,648	846	374	770		6,638
Net cost of net debt						(196)
Dividends on subsidiaries' redeemable preferred shares						(10)
Minority interests						(172)
Net income excluding non-recurring items						6,260
Gross expenditures	6,122	1,112	1,237	186		8,657
Divestitures at selling price	603	283	140	1,287		2,313
Cash flow from operating activities	7,721	1,447	1,053	785		11,006
Balance sheet as of December 31, 2002						
Property, plant and equipment, net	25,189	7,061	6,047	295		38,592
Intangible assets, net	264	473	1,940	75		2,752
Investments in equity affiliates	1,409	1,431	328	3,466		6,634
Total non-current assets	29,109	10,341	9,279	5,281		54,010
Capital employed	18,998	10,207	9,341*	3,580		42,126

2001 (excluding non-recurring items)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	14,365	71,373	19,560	20	-	105,318
Intersegment sales	12,572	1,912	406	95	(14,985)	-
Total sales	26,937	73,285	19,966	115	(14,985)	105,318
Depreciation, depletion and amortization of tangible assets	(2,944)	(948)	(790)	(35)		(4,717)
Operating income excluding non-recurring items	9,022	3,004	1,095	(252)		12,869
Amortization of intangible assets and acquisition goodwill	(16)	(92)	(217)	(9)		(334)
Equity in income (loss) of affiliates	330	204	15	452		1,001
Other items in net operating income	441	138	54	107		740
Tax on net operating income	(5,125)	(945)	(344)	231		(6,183)
Net operating income excluding non-recurring items	4,652	2,309	603	529		8,093
Net cost of net debt						(366)
Dividends on subsidiaries' redeemable preferred shares						(19)
Minority interests						(190)
Net income excluding non-recurring items						7,518
Gross expenditures	7,496	1,180	1,611	279		10,566
Divestitures at selling price	1,116	1,079	541	4,268		7,004
Cash flow from operating activities	8,085	4,374	1,261	(1,417)		12,303
Balance sheet as of December 31, 2001						
Property, plant and equipment, net	26,835	7,602	6,547	290		41,274
Intangible assets, net	390	538	2,243	25		3,196
Investments in equity affiliates	1,523	1,305	230	3,416		6,474
Total non-current assets	31,072	10,875	9,996	4,697		56,640
Capital employed	20,839	10,995	10,552*	3,163		45,549

*after taking into account a contingency reserve related to Toulouse-AZF plant explosion of 995 million euro (pre-tax) in 2002 and 941 million euro (pre-tax) in 2001