

# **TotalFinaElf accounts**

First quarter 2003 consolidated accounts, French GAAP

# CONSOLIDATED STATEMENT OF INCOME

## TotalFinaElf

Amounts in millions of euros (1)	1st quarter 2003 <i>(unaudited)</i>	1st quarter 2002 <i>(unaudited)</i>
Sales	28,303	23,784
Operating expenses	(23,210)	(20,122)
Depreciation, depletion, and amortization	(1,229)	(1,296)
<b>Operating income</b>		
Corporate	(55)	(66)
Business segments *	3,919	2,432
<b>Total operating income</b>	<b>3,864</b>	<b>2,366</b>
Interest expense, net	(42)	(35)
Dividend income on non-consolidated subsidiaries	5	6
Dividends on subsidiaries' redeemable preferred shares	(2)	(2)
Other income (expense), net	(263)	(14)
Provision for income taxes	(1,597)	(1,049)
Equity in income (loss) of affiliates	251	241
<b>Income before amortization of acquisition goodwill</b>	<b>2,216</b>	<b>1,513</b>
Amortization of acquisition goodwill	(30)	(36)
<b>Consolidated net income</b>	<b>2,186</b>	<b>1,477</b>
of which minority interest	66	48
<b>NET INCOME **</b>	<b>2,120</b>	<b>1,429</b>
Earnings per share (euro)***	3.28	2.13
<b>* Operating income from business segments, excluding non-recurring items</b>	<b>3,919</b>	<b>2,432</b>
Net operating income from business segments, excluding non-recurring items	2,051	1,356
<b>** Net income (Group share), excluding non-recurring items</b>	<b>2,120</b>	<b>1,419</b>
<b>*** Earnings per share, excluding non-recurring items (euro)</b>	<b>3.28</b>	<b>2.12</b>

(1) Except for earnings per share

# CONSOLIDATED BALANCE SHEET

TotalFinaElf

	Amounts in millions of euros		
	March 31, 2003	December 31, 2002	March 31, 2002
	(unaudited)		(unaudited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS :</b>			
Intangible assets	2,248	2,752	3,232
Property, plant, and equipment, net	37,773	38,592	41,833
Equity affiliates : investments and loans	7,857	7,710	7,952
Other investments	1,221	1,221	1,424
Other non-current assets	3,851	3,735	3,101
<b>Total non-current assets</b>	<b>52,950</b>	<b>54,010</b>	<b>57,542</b>
<b>CURRENT ASSETS :</b>			
Inventories	5,982	6,515	6,416
Accounts receivable	13,498	13,087	14,784
Prepaid expenses and other current assets	4,637	5,243	7,138
Short-term investments	1,489	1,508	966
Cash and cash equivalents	13,117	4,966	8,891
<b>Total current assets</b>	<b>38,723</b>	<b>31,319</b>	<b>38,195</b>
<b>TOTAL ASSETS</b>	<b>91,673</b>	<b>85,329</b>	<b>95,737</b>
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>			
<b>SHAREHOLDERS' EQUITY :</b>			
Common shares	6,874	6,872	7,061
Paid-in surplus and retained earnings	32,689	30,514	31,986
Cumulative translation adjustment	(1,463)	(830)	1,365
Treasury shares	(6,001)	(4,410)	(5,331)
<b>Total shareholders' equity</b>	<b>32,099</b>	<b>32,146</b>	<b>35,081</b>
<b>SUBSIDIARIES' REDEEMABLE PREFERRED SHARES</b>	<b>459</b>	<b>477</b>	<b>573</b>
<b>MINORITY INTEREST</b>	<b>715</b>	<b>724</b>	<b>929</b>
<b>LONG-TERM LIABILITIES :</b>			
Deferred income taxes	6,121	6,390	6,567
Employee benefits	3,931	4,103	3,352
Other liabilities	6,708	6,150	6,289
<b>Total long-term liabilities</b>	<b>16,760</b>	<b>16,643</b>	<b>16,208</b>
<b>LONG-TERM DEBT</b>	<b>10,728</b>	<b>10,157</b>	<b>12,047</b>
<b>CURRENT LIABILITIES :</b>			
Accounts payable	9,961	10,236	10,564
Other creditors and accrued liabilities	10,444	9,850	12,653
Short-term borrowings and bank overdrafts	10,507	5,096	7,682
<b>Total current liabilities</b>	<b>30,912</b>	<b>25,182</b>	<b>30,899</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>91,673</b>	<b>85,329</b>	<b>95,737</b>

# CONSOLIDATED STATEMENT OF CASH FLOW

## TotalFinaElf

Amounts in millions of euros	1st quarter 2003 <i>(unaudited)</i>	1st quarter 2002 <i>(unaudited)</i>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Consolidated net income	2,186	1,477
Depreciation, depletion, and amortization	1,298	1,377
Long-term liabilities, valuation allowances, and deferred taxes	(406)	52
Unsuccessful exploration costs	60	124
(Gains)/Losses on sales of assets	204	(233)
Equity in income of affiliates (in excess of)/less than dividends received	(178)	(203)
Other changes, net	2	2
<b>Cash flow from operating activities before changes in working capital</b>	<b>3,166</b>	<b>2,596</b>
(Increase)/Decrease in operating assets and liabilities	656	(138)
<b>CASH FLOW FROM OPERATING ACTIVITIES (1)</b>	<b>3,822</b>	<b>2,458</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Intangible assets and property, plant, and equipment additions	(1,211)	(1,617)
Exploration expenditures charged to expenses	(53)	(107)
Acquisitions of subsidiaries, net of cash acquired	-	(55)
Investments in equity affiliates and other securities	(5)	(47)
Increase in long-term loans	(225)	(283)
<b>Total expenditures</b>	<b>(1,494)</b>	<b>(2,109)</b>
Proceeds from sale of intangible assets and property, plant, and equipment	77	78
Proceeds from sale of subsidiaries, net of cash sold	733	-
Proceeds from sale of non-current investments	2	313
Repayment of long-term loans	181	195
<b>Total divestitures</b>	<b>993</b>	<b>586</b>
(Increase)/Decrease in short-term investments	19	38
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(482)</b>	<b>(1,485)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issuance and repayment of shares :		
Parent company's shareholders	1	6
Share buy back	(1,591)	(408)
Minority shareholders	7	10
Subsidiaries' redeemable preferred shares	-	-
Cash dividends paid :		
- Parent company's shareholders	-	-
- Minority shareholders	(12)	(3)
Net issuance/(repayment) of long-term debt	992	839
Increase/(Decrease) in short-term borrowings and bank overdrafts	5,445	3,827
Other changes, net	(2)	(2)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>4,840</b>	<b>4,269</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>8,180</b>	<b>5,242</b>
Effect of exchange rates and changes in reporting entity on cash & cash equivalents	(29)	75
Cash and cash equivalents at the beginning of the year or period	4,966	3,574
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>13,117</b>	<b>8,891</b>

(1) including 182 millions of euros paid relating to the Toulouse AZF plant explosion, offset by a long-term liability write-back.

## BUSINESS SEGMENTS INFORMATION

TotalFinaElf

(unaudited)

In millions of euros

1st quarter 2003	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
- Non-Group sales	5,022	18,718	4,553	10	-	28,303
- Intersegment sales	3,164	700	151	29	(4,044)	-
<b>Total sales</b>	<b>8,186</b>	<b>19,418</b>	<b>4,704</b>	<b>39</b>	<b>(4,044)</b>	<b>28,303</b>
Depreciation, depletion, and amortization of tangible assets	(829)	(210)	(180)	(10)	-	(1,229)
<b>Operating income</b>	<b>3,025</b>	<b>779</b>	<b>115</b>	<b>(55)</b>	-	<b>3,864</b>
Amortization of intangible assets and acquisition goodwill	-	-	-	-	-	(60)
Equity in income (loss) of affiliates	-	-	-	-	-	251
Other items in net operating income	-	-	-	-	-	(207)
Tax on net operating income	-	-	-	-	-	(1,617)
<b>Net operating income</b>	<b>1,405</b>	<b>585</b>	<b>61</b>	<b>180</b>	-	<b>2,231</b>
Net cost of net debt	-	-	-	-	-	(43)
Minority interests and dividends on subsidiaries redeemable preferred shares	-	-	-	-	-	(68)
<b>Net income</b>	-	-	-	-	-	<b>2,120</b>

1st quarter 2003 (non-recurring items)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
- Non-Group sales	-	-	-	-	-	-
- Intersegment sales	-	-	-	-	-	-
<b>Total sales</b>	-	-	-	-	-	-
Depreciation, depletion, and amortization of tangible assets	-	-	-	-	-	-
<b>Operating income</b>	-	-	-	-	-	-
Amortization of intangible assets and acquisition goodwill	-	-	-	-	-	-
Equity in income (loss) of affiliates	-	-	-	-	-	-
Other items in net operating income	-	-	-	-	-	-
Tax on net operating income	-	-	-	-	-	-
<b>Net operating income</b>	-	-	-	-	-	-
Net cost of net debt	-	-	-	-	-	-
Minority interests and dividends on subsidiaries redeemable preferred shares	-	-	-	-	-	-
<b>Net income</b>	-	-	-	-	-	-

1st quarter 2003 (excluding non-recurring items)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
- Non-Group sales	5,022	18,718	4,553	10	-	28,303
- Intersegment sales	3,164	700	151	29	(4,044)	-
<b>Total sales</b>	<b>8,186</b>	<b>19,418</b>	<b>4,704</b>	<b>39</b>	<b>(4,044)</b>	<b>28,303</b>
Depreciation, depletion, and amortization of tangible assets	(829)	(210)	(180)	(10)	-	(1,229)
<b>Operating income</b>	<b>3,025</b>	<b>779</b>	<b>115</b>	<b>(55)</b>	-	<b>3,864</b>
Amortization of intangible assets and acquisition goodwill	-	-	-	-	-	(60)
Equity in income (loss) of affiliates	-	-	-	-	-	251
Other items in net operating income	-	-	-	-	-	(207)
Tax on net operating income	-	-	-	-	-	(1,617)
<b>Net operating income</b>	<b>1,405</b>	<b>585</b>	<b>61</b>	<b>180</b>	-	<b>2,231</b>
Net cost of net debt	-	-	-	-	-	(43)
Minority interests and dividends on subsidiaries redeemable preferred shares	-	-	-	-	-	(68)
<b>Net income</b>	-	-	-	-	-	<b>2,120</b>

1st quarter 2003	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Gross expenditures	1,166	125	175	28	-	1,494
Divestitures at selling price	180	44	755	14	-	993
Cash flow from operating activities (1)	2,571	1,560	(81)	(228)	-	3,822

(1) In the Chemicals segment, positive cash flow from operating activities of 101 M€ excluding disbursements of 182 M€ related to the reserve established after the explosion at the Toulouse-AZF plant

## BUSINESS SEGMENTS INFORMATION

### TotalFinaElf

(unaudited)

In millions of euros

1st quarter 2002	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
- Non-Group sales	4,129	14,903	4,748	4	-	23,784
- Intersegment sales	2,620	365	75	24	(3,084)	-
<b>Total sales</b>	<b>6,749</b>	<b>15,268</b>	<b>4,823</b>	<b>28</b>	<b>(3,084)</b>	<b>23,784</b>
Depreciation, depletion, and amortization of tangible assets	(850)	(229)	(207)	(10)	-	(1,296)
<b>Operating income</b>	<b>2,016</b>	<b>295</b>	<b>121</b>	<b>(66)</b>	-	<b>2,366</b>
Amortization of intangible assets and acquisition goodwill	-	-	-	-	-	(68)
Equity in income (loss) of affiliates	-	-	-	-	-	241
Other items in net operating income	-	-	-	-	-	58
Tax on net operating income	-	-	-	-	-	(1,078)
<b>Net operating income</b>	<b>1,066</b>	<b>250</b>	<b>(93)</b>	<b>296</b>	-	<b>1,519</b>
Net cost of net debt	-	-	-	-	-	(40)
Minority interests and dividends on subsidiaries redeemable preferred shares	-	-	-	-	-	(50)
<b>Net income</b>	-	-	-	-	-	<b>1,429</b>

1st quarter 2002 (non-recurring items)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
- Non-Group sales	-	-	-	-	-	-
- Intersegment sales	-	-	-	-	-	-
<b>Total sales</b>	-	-	-	-	-	-
Depreciation, depletion, and amortization of tangible assets	-	-	-	-	-	-
<b>Operating income</b>	-	-	-	-	-	-
Amortization of intangible assets and acquisition goodwill	-	-	-	-	-	-
Equity in income (loss) of affiliates	-	-	-	-	-	-
Other items in net operating income	-	-	-	-	-	(17)
Tax on net operating income	-	-	-	-	-	27
<b>Net operating income</b>	-	-	<b>(133)</b>	<b>143</b>	-	<b>10</b>
Net cost of net debt	-	-	-	-	-	-
Minority interests and dividends on subsidiaries redeemable preferred shares	-	-	-	-	-	-
<b>Net income</b>	-	-	-	-	-	-

1st quarter 2002 (excluding non-recurring items)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
- Non-Group sales	4,129	14,903	4,748	4	-	23,784
- Intersegment sales	2,620	365	75	24	(3,084)	-
<b>Total sales</b>	<b>6,749</b>	<b>15,268</b>	<b>4,823</b>	<b>28</b>	<b>(3,084)</b>	<b>23,784</b>
Depreciation, depletion, and amortization of tangible assets	(850)	(229)	(207)	(10)	-	(1,296)
<b>Operating income</b>	<b>2,016</b>	<b>295</b>	<b>121</b>	<b>(66)</b>	-	<b>2,366</b>
Amortization of intangible assets and acquisition goodwill	-	-	-	-	-	(68)
Equity in income (loss) of affiliates	-	-	-	-	-	241
Other items in net operating income	-	-	-	-	-	75
Tax on net operating income	-	-	-	-	-	(1,105)
<b>Net operating income</b>	<b>1,066</b>	<b>250</b>	<b>40</b>	<b>153</b>	-	<b>1,509</b>
Net cost of net debt	-	-	-	-	-	(40)
Minority interests and dividends on subsidiaries redeemable preferred shares	-	-	-	-	-	(50)
<b>Net income</b>	-	-	-	-	-	<b>1,419</b>

1st quarter 2002	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Gross expenditures	1,643	132	256	78	-	2,109
Divestitures at selling price	223	35	32	296	-	586
Cash flow from operating activities	1,692	581	(10)	195	-	2,458