

# **Total financial statements**

---

Third quarter and first nine months 2003 consolidated accounts, French GAAP



# CONSOLIDATED STATEMENTS OF INCOME

## Total

Third quarter 2003 <i>(unaudited)</i>	Third quarter 2002 <i>(unaudited)</i>	Amounts in millions of euros (1)	9 months 2003 <i>(unaudited)</i>	9 months 2002 <i>(unaudited)</i>
24,469	25,423	Sales	77,119	75,642
(20,307)	(21,331)	Operating expenses	(63,815)	(63,805)
(1,264)	(1,257)	Depreciation, depletion, and amortization	(3,672)	(3,877)
		<b>Operating income</b>		
(41)	(56)	Corporate	(163)	(162)
2,939	2,891	Business segments *	9,795	8,122
<b>2,898</b>	<b>2,835</b>	<b>Total operating income</b>	<b>9,632</b>	<b>7,960</b>
(27)	(60)	Interest expense, net	(111)	(127)
20	35	Dividend income on non-consolidated subsidiaries	96	119
(1)	(3)	Dividends on subsidiaries' redeemable preferred shares	(4)	(8)
(134)	81	Other income (expense), net	(628)	100
(1,317)	(1,398)	Provision for income taxes	(4,168)	(3,884)
342	229	Equity in income (loss) of affiliates	868	644
<b>1,781</b>	<b>1,719</b>	<b>Income before amortization of acquisition goodwill</b>	<b>5,685</b>	<b>4,804</b>
(32)	(34)	Amortization of acquisition goodwill	(98)	(118)
<b>1,749</b>	<b>1,685</b>	<b>Consolidated net income</b>	<b>5,587</b>	<b>4,686</b>
39	48	of which minority interest	152	117
<b>1,710</b>	<b>1,637</b>	<b>NET INCOME **</b>	<b>5,435</b>	<b>4,569</b>
2.71	2.45	Earnings per share (euro)***	8.52	6.82
2,939	2,824	* Operating income from business segments, excluding non-recurring items	9,795	8,101
1,570	1,525	Net operating income from business segments, excluding non-recurring items	5,340	4,407
1,710	1,600	** Net income (Group share), excluding non-recurring items	5,597	4,651
2.71	2.40	*** Earnings per share, excluding non-recurring items (euro)	8.77	6.94

(1) Except for earnings per share

# CONSOLIDATED BALANCE SHEETS

## Total

	Amounts in millions of euros			
	30/09/2003 (unaudited)	30/06/2003 (unaudited)	31/12/2002	30/09/2002 (unaudited)
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS :</b>				
Intangible assets, net	2,089	2,205	2,752	3,001
Property, plant, and equipment, net	37,146	36,661	38,592	39,972
Equity affiliates : investments and loans	8,078	7,738	7,710	7,833
Other investments	1,228	1,235	1,221	1,241
Other non-current assets	3,527	3,669	3,735	3,130
<b>Total non-current assets</b>	<b>52,068</b>	<b>51,508</b>	<b>54,010</b>	<b>55,177</b>
<b>CURRENT ASSETS :</b>				
Inventories, net	6,163	5,980	6,515	6,366
Accounts receivable, net	12,111	12,418	13,087	13,117
Prepaid expenses and other current assets	5,057	4,950	5,243	5,794
Short-term investments	1,413	1,663	1,508	1,426
Cash and cash equivalents	9,676	9,532	4,966	10,789
<b>Total current assets</b>	<b>34,420</b>	<b>34,543</b>	<b>31,319</b>	<b>37,492</b>
<b>TOTAL ASSETS</b>	<b>86,488</b>	<b>86,051</b>	<b>85,329</b>	<b>92,669</b>
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>				
<b>SHAREHOLDERS' EQUITY :</b>				
Common shares	6,788	6,881	6,872	7,103
Paid-in surplus and retained earnings	32,352	31,776	30,514	33,004
Cumulative translation adjustment	(2,197)	(1,946)	(830)	(102)
Treasury shares	(6,662)	(6,960)	(4,410)	(6,451)
<b>Total shareholders' equity</b>	<b>30,281</b>	<b>29,751</b>	<b>32,146</b>	<b>33,554</b>
<b>SUBSIDIARIES' REDEEMABLE PREFERRED SHARES</b>	<b>429</b>	<b>438</b>	<b>477</b>	<b>507</b>
<b>MINORITY INTEREST</b>	<b>637</b>	<b>620</b>	<b>724</b>	<b>837</b>
<b>LONG-TERM LIABILITIES :</b>				
Deferred income taxes	5,628	6,106	6,390	6,586
Employee benefits	4,009	3,896	4,103	3,231
Other liabilities	6,623	6,462	6,150	5,957
<b>Total long-term liabilities</b>	<b>16,260</b>	<b>16,464</b>	<b>16,643</b>	<b>15,774</b>
<b>LONG-TERM DEBT</b>	<b>9,849</b>	<b>9,906</b>	<b>10,157</b>	<b>10,989</b>
<b>CURRENT LIABILITIES :</b>				
Accounts payable	9,496	9,256	10,236	9,303
Other creditors and accrued liabilities	10,771	10,331	9,850	11,942
Short-term borrowings and bank overdrafts	8,765	9,285	5,096	9,763
<b>Total current liabilities</b>	<b>29,032</b>	<b>28,872</b>	<b>25,182</b>	<b>31,008</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>86,488</b>	<b>86,051</b>	<b>85,329</b>	<b>92,669</b>

# CONSOLIDATED STATEMENTS OF CASH FLOWS

## Total

Third quarter 2003 (unaudited)	Third quarter 2002 (unaudited)	Amounts in millions of euros	9 months 2003 (unaudited)	9 months 2002 (unaudited)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
1,749	1,685	Consolidated net income	5,587	4,686
1,340	1,337	Depreciation, depletion, and amortization	3,904	4,161
(243)	(235)	Long-term liabilities, valuation allowances, and deferred taxes	(409)	(110)
90	78	Unsuccessful exploration costs	251	322
(28)	(96)	(Gains)/Losses on sales of assets	127	(504)
(298)	(180)	Equity in income of affiliates (in excess of)/less than dividends received	(489)	(312)
6	3	Other changes, net	9	(8)
<b>2,616</b>	<b>2,592</b>	<b>Cash flow from operating activities before changes in working capital</b>	<b>8,980</b>	<b>8,235</b>
633	873	(Increase)/Decrease in operating assets and liabilities	1,225	538
<b>3,249</b>	<b>3,465</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES (1)</b>	<b>10,205</b>	<b>8,773</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
(1,384)	(1,618)	Intangible assets and property, plant, and equipment additions	(3,915)	(4,968)
(92)	(73)	Exploration expenditures charged to expenses	(234)	(286)
(345)	-	Acquisitions of subsidiaries, net of cash acquired	(337)	(105)
(42)	(145)	Investments in equity affiliates and other securities	(80)	(252)
(53)	(289)	Increase in long-term loans	(352)	(723)
<b>(1,916)</b>	<b>(2,125)</b>	<b>Total expenditures</b>	<b>(4,918)</b>	<b>(6,334)</b>
22	63	Proceeds from sale of intangible assets and property, plant, and equipment	148	166
(1)	8	Proceeds from sale of subsidiaries, net of cash sold	734	13
21	151	Proceeds from sale of non-current investments	89	803
108	242	Repayment of long-term loans	329	531
<b>150</b>	<b>464</b>	<b>Total divestitures</b>	<b>1,300</b>	<b>1,513</b>
263	(143)	(Increase)/Decrease in short-term investments	108	(422)
<b>(1,503)</b>	<b>(1,804)</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(3,510)</b>	<b>(5,243)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Issuance and repayment of shares :				
24	4	Parent company's shareholders	69	447
(966)	(1,063)	Purchase of treasury shares	(3,516)	(1,528)
14	7	Minority shareholders	37	25
-	-	Subsidiaries' redeemable preferred shares	-	-
Cash dividends paid :				
-	-	- Parent company's shareholders	(2,571)	(2,514)
(6)	(9)	- Minority shareholders	(114)	(93)
(131)	103	Net issuance/(repayment) of long-term debt	1,278	1,187
(437)	6,412	Increase/(Decrease) in short-term borrowings and bank overdrafts	3,070	6,017
(1)	(3)	Other changes, net	(4)	(8)
<b>(1,503)</b>	<b>5,451</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(1,751)</b>	<b>3,533</b>
<b>243</b>	<b>7,112</b>	<b>Net increase/decrease in cash and cash equivalents</b>	<b>4,944</b>	<b>7,063</b>
(99)	(186)	Effect of exchange rates and changes in reporting entity on cash & cash equivalents	(234)	152
9,532	3,863	Cash and cash equivalents at the beginning of the year or period	4,966	3,574
<b>9,676</b>	<b>10,789</b>	<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>9,676</b>	<b>10,789</b>

(1) including payments relating to the Toulouse AZF plant explosion, offset by a long-term liability write-back of 302 millions of euros for the third quarter 2003, 634 millions of euros for the first nine months of 2003.

## BUSINESS SEGMENTS INFORMATION

### Total

(unaudited)

Amounts in millions of euros

Third quarter 2003	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
- Non-Group sales	4,263	16,014	4,182	10	-	24,469
- Intersegment sales	2,860	561	165	23	(3,609)	-
<b>Total sales</b>	<b>7,123</b>	<b>16,575</b>	<b>4,347</b>	<b>33</b>	<b>(3,609)</b>	<b>24,469</b>
Depreciation, depletion, and amortization of tangible assets	(841)	(228)	(182)	(13)	-	(1,264)
<b>Operating income</b>	<b>2,502</b>	<b>335</b>	<b>102</b>	<b>(41)</b>	-	<b>2,898</b>
Amortization of intangible assets and acquisition goodwill	(3)	(24)	(37)	(6)	-	(70)
Equity in income (loss) of affiliates and other items	36	77	6	148	-	267
Tax on net operating income	(1,294)	(101)	(29)	103	-	(1,321)
<b>Net operating income</b>	<b>1,241</b>	<b>287</b>	<b>42</b>	<b>204</b>	-	<b>1,774</b>
Net cost of net debt	-	-	-	-	-	(24)
Minority interests and dividends on subsidiaries' redeemable preferred shares	-	-	-	-	-	(40)
<b>Net income</b>	-	-	-	-	-	<b>1,710</b>

Third 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 and other items	-	-	-	-	-	-
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>	-	-	-	-	-	-

Third quarter 2003 (excluding non-recurring items)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
- Non-Group sales	4,263	16,014	4,182	10	-	24,469
- Intersegment sales	2,860	561	165	23	(3,609)	-
<b>Total sales</b>	<b>7,123</b>	<b>16,575</b>	<b>4,347</b>	<b>33</b>	<b>(3,609)</b>	<b>24,469</b>
Depreciation, depletion, and amortization of tangible assets	(841)	(228)	(182)	(13)	-	(1,264)
<b>Operating income</b>	<b>2,502</b>	<b>335</b>	<b>102</b>	<b>(41)</b>	-	<b>2,898</b>
Amortization of intangible assets and acquisition goodwill	(3)	(24)	(37)	(6)	-	(70)
Equity in income (loss) of affiliates and other items	36	77	6	148	-	267
Tax on net operating income	(1,294)	(101)	(29)	103	-	(1,321)
<b>Net operating income</b>	<b>1,241</b>	<b>287</b>	<b>42</b>	<b>204</b>	-	<b>1,774</b>
Net cost of net debt	-	-	-	-	-	(24)
Minority interests and dividends on subsidiaries' redeemable preferred shares	-	-	-	-	-	(40)
<b>Net income</b>	-	-	-	-	-	<b>1,710</b>

Third quarter 2003	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Gross expenditures	1,258	212	453	(7)	-	1,916
Divestitures at selling price	85	63	10	(8)	-	150
Cash flow from operating activities (1)	2,569	269	281	130	-	3,249

(1) In the Chemicals segment, this figure amounts to 583 millions of euros excluding an amount of 302 millions of euros paid relating to the Toulouse AZF plant explosion

## BUSINESS SEGMENTS INFORMATION

### Total

(unaudited)

Amounts in millions of euros

Third quarter 2002	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
- Non-Group sales	3,827	16,764	4,825	7	-	25,423
- Intersegment sales	3,202	828	101	28	(4,159)	-
<b>Total sales</b>	<b>7,029</b>	<b>17,592</b>	<b>4,926</b>	<b>35</b>	<b>(4,159)</b>	<b>25,423</b>
Depreciation, depletion, and amortization of tangible assets	(816)	(226)	(200)	(15)	-	(1,257)
<b>Operating income</b>	<b>2,523</b>	<b>99</b>	<b>269</b>	<b>(56)</b>	<b>-</b>	<b>2,835</b>
Amortization of intangible assets and acquisition goodwill	(5)	(9)	(44)	(4)		(62)
Equity in income (loss) of affiliates and other items	80	72	82	200		434
Tax on net operating income	(1,436)	(33)	(98)	103		(1,464)
<b>Net operating income</b>	<b>1,162</b>	<b>129</b>	<b>209</b>	<b>243</b>		<b>1,743</b>
Net cost of net debt						(55)
Minority interests and dividends on subsidiaries' redeemable preferred shares						(51)
<b>Net income</b>						<b>1,637</b>

Third 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	(1)					(1)
<b>Operating income</b>	<b>75</b>	<b>(8)</b>				<b>67</b>
Amortization of intangible assets and acquisition goodwill						
Equity in income (loss) of affiliates and other items	(17)		5	83		71
Tax on net operating income	(81)	3	(2)	(21)		(101)
<b>Net operating income</b>	<b>(23)</b>	<b>(5)</b>	<b>3</b>	<b>62</b>		<b>37</b>
Net cost of net debt						
Minority interests and dividends on subsidiaries' redeemable preferred shares						
<b>Net income</b>						<b>37</b>

Third quarter 2002 (excluding non-recurring items)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
- Non-Group sales	3,827	16,764	4,825	7	-	25,423
- Intersegment sales	3,202	828	101	28	(4,159)	-
<b>Total sales</b>	<b>7,029</b>	<b>17,592</b>	<b>4,926</b>	<b>35</b>	<b>(4,159)</b>	<b>25,423</b>
Depreciation, depletion, and amortization of tangible assets	(815)	(226)	(200)	(15)		(1,256)
<b>Operating income</b>	<b>2,448</b>	<b>107</b>	<b>269</b>	<b>(56)</b>		<b>2,768</b>
Amortization of intangible assets and acquisition goodwill	(5)	(9)	(44)	(4)		(62)
Equity in income (loss) of affiliates and other items	97	72	77	117		363
Tax on net operating income	(1,355)	(36)	(96)	124		(1,363)
<b>Net operating income</b>	<b>1,185</b>	<b>134</b>	<b>206</b>	<b>181</b>		<b>1,706</b>
Net cost of net debt						(55)
Minority interests and dividends on subsidiaries' redeemable preferred shares						(51)
<b>Net income</b>						<b>1,600</b>

Third quarter 2002	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Gross expenditures	1,430	287	326	82		2,125
Divestitures at selling price	141	87	62	174		464
Cash flow from operating activities	2,214	249	379	623		3,465

## BUSINESS SEGMENTS INFORMATION

### Total

(unaudited)

Amounts in millions of euros

9 months 2003	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
- Non-Group sales	13,553	50,617	12,925	24		77,119
- Intersegment sales	8,650	1,712	414	81	(10,857)	-
<b>Total sales</b>	<b>22,203</b>	<b>52,329</b>	<b>13,339</b>	<b>105</b>	<b>(10,857)</b>	<b>77,119</b>
Depreciation, depletion, and amortization of tangible assets	(2,447)	(652)	(548)	(25)		(3,672)
<b>Operating income</b>	<b>7,824</b>	<b>1,570</b>	<b>401</b>	<b>(163)</b>		<b>9,632</b>
Amortization of intangible assets and acquisition goodwill	(11)	(72)	(106)	(16)		(205)
Equity in income (loss) of affiliates and other items	195	233	(389)	446		485
Tax on net operating income	(4,144)	(453)	100	285		(4,212)
<b>Net operating income</b>	<b>3,864</b>	<b>1,278</b>	<b>6</b>	<b>552</b>		<b>5,700</b>
Net cost of net debt						(109)
Minority interests and dividends on subsidiaries' redeemable preferred shares						(156)
<b>Net income</b>						<b>5,435</b>

9 months 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 and other items	-	-	(213)	40		(173)
Tax on net operating income	-	-	21	(10)		11
<b>Net operating income</b>	-	-	<b>(192)</b>	<b>30</b>		<b>(162)</b>
Net cost of net debt						-
Minority interests and dividends on subsidiaries' redeemable preferred shares						-
<b>Net income</b>						<b>(162)</b>

9 months 2003 (excluding non-recurring items)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
- Non-Group sales	13,553	50,617	12,925	24	-	77,119
- Intersegment sales	8,650	1,712	414	81	(10,857)	-
<b>Total sales</b>	<b>22,203</b>	<b>52,329</b>	<b>13,339</b>	<b>105</b>	<b>(10,857)</b>	<b>77,119</b>
Depreciation, depletion, and amortization of tangible assets	(2,447)	(652)	(548)	(25)		(3,672)
<b>Operating income</b>	<b>7,824</b>	<b>1,570</b>	<b>401</b>	<b>(163)</b>		<b>9,632</b>
Amortization of intangible assets and acquisition goodwill	(11)	(72)	(106)	(16)		(205)
Equity in income (loss) of affiliates and other items	195	233	(176)	406		658
Tax on net operating income	(4,144)	(453)	79	295		(4,223)
<b>Net operating income</b>	<b>3,864</b>	<b>1,278</b>	<b>198</b>	<b>522</b>		<b>5,862</b>
Net cost of net debt						(109)
Minority interests and dividends on subsidiaries' redeemable preferred shares						(156)
<b>Net income</b>						<b>5,597</b>

9 months 2003	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Gross expenditures	3,554	531	788	45		4,918
Divestitures at selling price	309	120	797	74		1,300
Cash flow from operating activities (1)	7,024	3,312	96	(227)		10,205

(1) In the Chemicals segment, this figure amounts to 730 millions of euros excluding an amount of 634 millions of euros paid relating to the Toulouse AZF plant explosion

## BUSINESS SEGMENTS INFORMATION

### Total

(unaudited)

Amounts in millions of euros

9 months 2002	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
- Non-Group sales	11,844	49,054	14,730	14	-	75,642
- Intersegment sales	8,665	1,561	282	81	(10,589)	-
<b>Total sales</b>	<b>20,509</b>	<b>50,615</b>	<b>15,012</b>	<b>95</b>	<b>(10,589)</b>	<b>75,642</b>
Depreciation, depletion, and amortization of tangible assets	(2,548)	(679)	(613)	(37)		(3,877)
<b>Operating income</b>	<b>6,834</b>	<b>656</b>	<b>632</b>	<b>(162)</b>		<b>7,960</b>
Amortization of intangible assets and acquisition goodwill	(16)	(73)	(147)	(11)		(247)
Equity in income (loss) of affiliates and other items	308	192	(259)	864		1,105
Tax on net operating income	(3,893)	(189)	(84)	179		(3,987)
<b>Net operating income</b>	<b>3,233</b>	<b>586</b>	<b>142</b>	<b>870</b>		<b>4,831</b>
Net cost of net debt						(137)
Minority interests and dividends on subsidiaries' redeemable preferred shares						(125)
<b>Net income</b>						<b>4,569</b>

9 months 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	(22)					(22)
<b>Operating income</b>	<b>45</b>	<b>(24)</b>				<b>21</b>
Amortization of intangible assets and acquisition goodwill						
Equity in income (loss) of affiliates and other items	(17)	-	(316)	438		105
Tax on net operating income	(247)	8	105	(99)		(233)
<b>Net operating income</b>	<b>(219)</b>	<b>(16)</b>	<b>(211)</b>	<b>339</b>		<b>(107)</b>
Net cost of net debt						
Minority interests and dividends on subsidiaries' redeemable preferred shares						25
<b>Net income</b>						<b>(82)</b>

9 months 2002 (excluding non-recurring items)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
- Non-Group sales	11,844	49,054	14,730	14	-	75,642
- Intersegment sales	8,665	1,561	282	81	(10,589)	-
<b>Total sales</b>	<b>20,509</b>	<b>50,615</b>	<b>15,012</b>	<b>95</b>	<b>(10,589)</b>	<b>75,642</b>
Depreciation, depletion, and amortization of tangible assets	(2,526)	(679)	(613)	(37)		(3,855)
<b>Operating income</b>	<b>6,789</b>	<b>680</b>	<b>632</b>	<b>(162)</b>		<b>7,939</b>
Amortization of intangible assets and acquisition goodwill	(16)	(73)	(147)	(11)		(247)
Equity in income (loss) of affiliates and other items	325	192	57	426		1,000
Tax on net operating income	(3,646)	(197)	(189)	278		(3,754)
<b>Net operating income</b>	<b>3,452</b>	<b>602</b>	<b>353</b>	<b>531</b>		<b>4,938</b>
Net cost of net debt						(137)
Minority interests and dividends on subsidiaries' redeemable preferred shares						(150)
<b>Net income</b>						<b>4,651</b>

9 months 2002	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Gross expenditures	4,629	647	866	192		6,334
Divestitures at selling price	470	169	103	771		1,513
Cash flow from operating activities	5,611	1,635	417	1,110		8,773