

TOTAL FINA ELF

Paris, May 17, 2001

TotalFinaElf reports First Quarter 2001 net income of 2.20 billion euros, an increase of 33% compared to the First Quarter of 2000

The Board of Directors of TotalFinaElf met on May 17, 2001 and re-elected Mr. Thierry Desmarest as Chairman and CEO. The Board also reviewed the Group's estimated results for the first quarter of 2001.

Consolidated sales rose to 27.3 billion euros in the first quarter of 2001, an increase of 5% as compared to the 2000 first quarter.

The oil market environment was favorable during the 2001 first quarter. The dollar appreciated by 8% relative to the euro, with the average exchange rate settling to 0.92 dollar per euro for the first quarter of 2001 versus 0.99 for the first quarter of 2000. The average Brent oil price was slightly lower at \$25.8/b, a 4% decrease from \$26.9/b in the 2000 first quarter. Refining margins increased by 6% to \$15.1/ton in the 2001 first quarter from \$14.2/ton for the same period in 2000.

Operating income from the business segments rose to 3.75 billion euros, a 15% increase as compared to the first quarter of 2000.

Net operating income from the business segments rose to 2.29 billion euros in the first quarter of 2001 from 1.84 billion euros in the first quarter of 2000, an increase of 24%.

Net income (Group share) for the 2001 first quarter increased by 33% to 2.20 billion euros from 1.65 billion euros in the same period last year. These results do not include any non-recurring items¹.

First quarter 2001 earnings per share, calculated based on fully-diluted weighted average shares of 706.2 million, rose to 3.12 euros per share, an increase of 33% from the 2.34 euros per share earned in the 2000 first quarter.

The net-debt-to-equity ratio at the end of the first quarter 2001 declined to an estimated 26% versus 33% at year-end 2000.

¹ Gains on asset sales (0.41 billion euros) in the first quarter of 2001 from Downstream divestments made per the EU Commission requirements have been taken as an increase to shareholders' equity, pending the interpretation of the French accounting standards (Article 215) by the accounting authorities.

in billion euros (French GAAP – Article 215)	1Q01	1Q00	Change
Sales	27.3	26.1	+ 5%
Operating income from business segments	3.75	3.26	+ 15%
Net operating income from business segments	2.29	1.84	+ 24%
Net income (Group share)	2.20	1.65	+ 33%
Earnings per share (euros)	3.12	2.34	+ 33%
Cash flow from operating activities before changes in working capital	3.42	2.98	+ 15%
Gross investments	2.17	1.48	+ 47%
Divestments based on selling price	1.06	0.12	-

UPSTREAM

Operating income from the Upstream segment increased by 8% to 2.58 billion euros as the positive impact of the stronger dollar compensated for the decline in the oil price.

Hydrocarbon production rose to 2.24 million barrels of oil equivalent per day (Mboe/d) in the 2001 first quarter compared to 2.22 Mboe/d for the same period in 2000, representing an increase of 1%. The underlying growth rate for production, excluding the impact of divestments, was 3%.

Several projects started production in the first quarter of 2001: the first development phase for the San Alberto gas reserves in southern Bolivia; first production from the new K4BE satellite platform in the Netherlands sector of the North Sea; and first production from the Atora oil field in Gabon. The major event was the start up at the end of the first quarter of the Elgin-Franklin field in the UK sector of the North Sea.

The 2001 exploration program has already yielded positive results: a new discovery of gas reserves on Block XX in Bolivia ; a second oil discovery on Block NC 186 in Libya ; and the announcement of a second positive well on the Kashagan structure (Kashagan West 1) in Kazakhstan.

In the 2001 first quarter, TotalFinaElf finalized the acquisition of the TransCanada Pipelines Limited (TCPL) interests in Latin American gas pipelines.

Regarding the Dolphin project, (TotalFinaElf, 24.5%), an agreement was signed in March 2001 for the production and export of 2 billion cubic feet of natural gas per day from Qatar to the United Arab Emirates and Oman. TotalFinaElf will be the operator of the upstream part of the project. First production is expected to start by 2005.

The other Upstream projects in the company's portfolio are developing satisfactorily, according to schedule and should allow the Group to achieve its production targets.

Upstream key figures	1Q01	1Q00	Change
· Hydrocarbon production (Mboe/d)	2.24	2.22	+ 1%
• Liquids (Mb/d)	1.48	1.48	-
• Gas (Bcf/d)	4.19	4.04	+ 4%
· Operating income (B€)	2.58	2.39	+ 8%
• Investments (B€)	1.69	1.08	+ 56%

DOWNSTREAM

Operating income for the Downstream segment increased by 77% to 0.85 billion euros in the 2001 first quarter from 0.48 billion euros in the 2000 first quarter. The Downstream segment benefited from higher refining margins and a stronger dollar.

Refining volumes remained stable at 2.5 million barrels per day in the 2001 first quarter.

Synergies and productivity gains stemming from the mergers contributed to the strong improvement in the performance of the Downstream segment.

Downstream key figures	1Q01	1Q00	Change
· Refinery runs* (Mb/d)	2.50	2.48	+ 1%
· Operating income (B€)	0.85	0.48	+ 77%
· Investments (B€)	0.12	0.14	- 14%

* including share of Cepsa

CHEMICALS

Sales for the Chemicals segment rose to 5.28 billion euros in the 2001 first quarter, a 5% increase compared to the same quarter last year. Operating income decreased by 18% to 0.32 billion euros. The decrease was due to lower margins in the Petrochemicals & Plastics sector and the slowdown in North America in the Specialties.

Chemicals key figures (in billion euros)	1Q01	1Q00	Change
• Sales	5.28	5.03	+ 5%
• Sales by sector			
• Petrochemicals & Plastics	2.01	1.98	+ 2%
• Intermediates & Performance Polymers	1.31	1.20	+ 9%
• Specialties	1.96	1.85	+ 6%
• Operating income	0.32	0.39	- 18%
• Operating income by sector			
• Petrochemicals & Plastics	0.06	0.11	- 45%
• Intermediates & Performance Polymers	0.14	0.15	- 7%
• Specialties	0.13	0.14	- 7%
• Investments	0.35	0.25	+ 40%

OVERVIEW

Synergies and productivity gains are being implemented satisfactorily and according to plan.

The 2001 investment program is progressing as scheduled. Approximately 80% of the first quarter 2001 investments were dedicated to the Upstream.

More than 80% of the 2001 divestment program of 2.5 billion euros has been realized thus far, following the finalization of sales agreements for Downstream assets in France, the sale of the interest in Ultramar Diamond Shamrock (UDS), and a further 2.3% stake of Sanofi-Synthélabo sold in April for 1 billion euros.

TotalFinaElf bought back 7.5 million of its own shares between January 1 and the end of April 2001.

Since the beginning of the second quarter, the oil market environment has remained favorable. Oil prices, refining margins and the dollar-euro exchange rate have held at relatively high levels. The petroleum activities continue to progress well.

