

# Outlook

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# Strategy confirmed

- *Priority to Upstream growth to assure good profitability over the long term*
  - **concentrate exploration on large-scale prospects**
  - **breakeven below \$10/boe for all projects**
- *Limit Downstream investments and emphasize self-help programs to improve performance*
  - **continue to improve operating income without any increase in capital employed**
- *Optimize Chemicals*
  - **fixed cost reduction**
  - **portfolio management**
- *Further EPS enhancement through share buy-backs funded primarily by sales of non-strategic assets*

# Active management of asset portfolio

Investments in business segments: 4.6 B€ in 1H01



Divestments\*: 2.7 B€ in 1H01



Active divestment program continues into 2H01

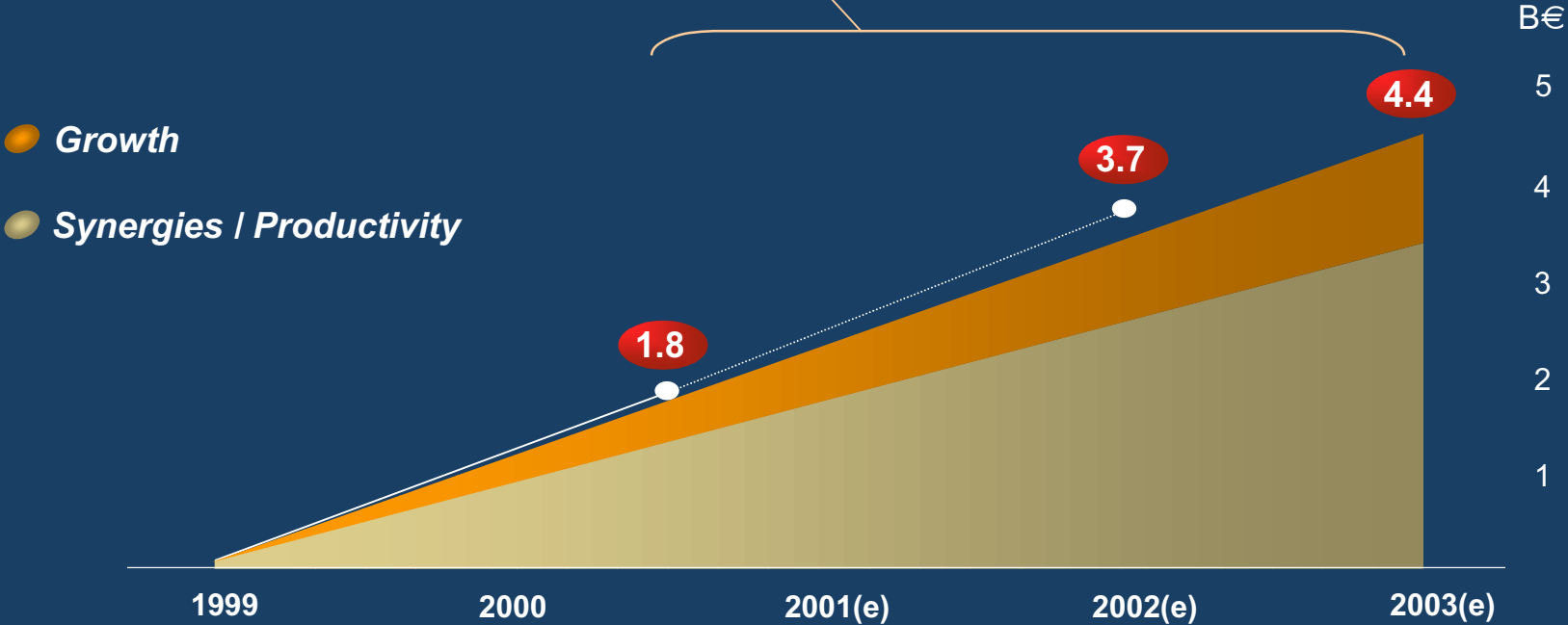
- Cogema, Soplaryl (Chemicals), Sanofi-Synthélabo\*\* ..., approximately 1.3 B€ already committed

\*excluding repayment of long-term loans  
 \*\*as of August 31, 2001, interest reduced to 28.7% representing market value of more than 15 B€

# Realization of self-help programs ahead of schedule

## Gains still to come

- impact of production growth
- full benefit of restructuring headquarters and subsidiaries
- impact of early retirement and voluntary termination programs
- ongoing productivity programs (procurement, I/T...)
- optimization of Chemicals



based on a constant environment

- *Strong production profile*
  - growing at approx. 6% per year through 2005
  - ability to sustain strong growth beyond 2005
- *Most ambitious self-help program among the Majors*
  - impact of synergies/productivity programs concentrated in 2001-2002
  - at least + 2.6 B€ annual enhancement to operating income still to be realized by year-end 2003
- *Dynamic portfolio management*
  - 5.3 B€ asset sales in 2000 and 1H01
  - 2000-2003 divestment program raised from 10 B€ to 12 B€
- *Most aggressive share buy-back program in the sector\**
  - 5 B€ for share buy-backs over the past 12 months (Sept. 2000 to Aug. 2001)
  - program raised to 3.5% of capital for full-year 2001

\*relative to size