TOTAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST SIX MONTHS OF 2007

(unaudited)

I. Accounting policies

The interim consolidated financial statements of TOTAL S.A. and its subsidiaries (the Group) as of June 30, 2007 have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting". The accounting policies applied for the consolidated financial statements as of June 30, 2007 do not differ significantly from those applied for the consolidated financial statements as of December 31, 2006 which have been prepared on the basis of IFRS (International Financial Reporting Standards) as adopted by the European Union. The new accounting standards and amendments as adopted by the European Union and mandatory for the annual period beginning January 1, 2007, are described in the note 1X to the consolidated financial statements as of December 31, 2006 and have no material effect on the Group's consolidated financial statements for the first six months of 2007.

The preparation of financial statements in accordance with IFRS requires management to make estimates and apply assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of preparation of the financial statements and reported income and expenses for the period. Management reviews these estimates and assumptions on a continuous basis, by reference to past experience and various other factors considered as reasonable which form the basis for assessing the book value of assets and liabilities. Actual results may differ significantly from these estimates, if different assumptions or circumstances apply.

Lastly, when a specific transaction is not dealt with in any standards or interpretations, management applies its judgment to define and apply accounting policies that will lead to relevant and reliable information, so that the financial statements:

- give a true and fair value of the Group's financial position, financial performance and cash flows;
- reflect the substance of transactions;
- are neutral;
- are prepared on a prudent basis;
- are complete in all material aspects.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that have been measured at fair value.

II. Changes in the Group structure, main acquisitions and divestitures

There were no major changes during the first six months of 2007.

III. Adjustment items

Financial information by business segment is reported in accordance with the internal reporting system and shows internal segment information that is used to manage and measure the performance of TOTAL.

Performance indicators excluding the adjustment items, such as adjusted operating income, adjusted net operating income, and adjusted net income are meant to facilitate the analysis of the financial performance and the comparison of income between periods.

Adjustment items include:

(i) Special items

Due to their unusual nature or particular significance, certain transactions qualified as "special items" are excluded from the business segment figures. In general, special items relate to transactions that are significant, infrequent or unusual. However, in some instances, transactions such as restructuring costs or asset disposals, which are not considered to be representative of the normal course of business, may be qualified as special items although they may have occurred within prior years or are likely to occur again within the coming years.

(ii) Inventory valuation effect

The adjusted results of the Downstream and Chemical segments are also presented according to the replacement cost method. This method is used to assess the segments' performance and ensure the comparability of the segments' results with those of its competitors, mainly North American.

In the replacement cost method, which approximates the LIFO (Last-In, First-Out) method, the variation of inventory values in the income statement is determined by the average price of the period rather than the historical value. The inventory valuation effect is the difference between the results according to FIFO (First-In, First-Out) and replacement cost.

(iii) Portion of intangible assets amortization related to the Sanofi-Aventis merger

The detail of the adjustment items is presented in the table below.

The adjusted results (adjusted operating income, adjusted net operating income, adjusted net income) are defined as replacement cost results, adjusted for special items, and excluding TOTAL's equity share of amortization of intangible assets related to the Sanofi-Aventis merger.

ADJUSTMENTS TO OPERATING INCOME

(in millions of euros)		Upstream	Downstream	Chemicals	Corporate	Total
1st half 2007	Inventory valuation effect	-	730	163	-	893
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	-	-	-	-	-
	Other items	-	-	-	-	-
Total		**-**	**730**	**163**	**-**	**893**
1st half 2006	Inventory valuation effect	-	664	92	-	756
	Restructuring charges	-	-	(23)	-	(23)
	Asset impairment charges	-	-	-	-	-
	Other items	-	-	(32)	(11)	(43)
Total		**-**	**664**	**37**	**(11)**	**690**
2nd quarter 2007	Inventory valuation effect	-	623	96	-	719
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	-	-	-	-	-
	Other items	-	-	-	-	-
Total		**-**	**623**	**96**	**-**	**719**
2nd quarter 2006	Inventory valuation effect	-	291	92	-	383
	Restructuring charges	-	-	(23)	-	(23)
	Asset impairment charges	-	-	-	-	-
	Other items	-	-	(27)	(11)	(38)
Total		**-**	**291**	**42**	**(11)**	**322**

ADJUSTMENTS TO NET INCOME, GROUP SHARE

(in millions of euros)		Upstream	Downstream	Chemicals	Corporate	Total
1st half 2007	Inventory valuation effect	-	507	109	-	616
	TOTAL's equity share of special items recorded by Sanofi-Aventis	-	-	-	-	-
	TOTAL's equity share of adjustments related to the Sanofi-Aventis merger	-	-	-	(148)	(148)
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	-	-	-	-	-
	Gains (losses) on sales of assets	-	-	-	-	-
	Other items	-	-	-	(100)	(100)
Total		**-**	**507**	**109**	**(248)**	**368**
1st half 2006	Inventory valuation effect	-	493	63	-	556
	TOTAL's equity share of special items recorded by Sanofi-Aventis	-	-	-	(33)	(33)
	TOTAL's equity share of adjustments related to the Sanofi-Aventis merger	-	-	-	(169)	(169)
	Restructuring charges	-	-	(59)	-	(59)
	Asset impairment charges	-	-	-	-	-
	Gains (losses) on sales of assets	130	-	-	-	130
	Other items	-	-	(31)	(7)	(38)
Total		**130**	**493**	**(27)**	**(209)**	**387**
2nd quarter 2007	Inventory valuation effect	-	418	65	-	483
	TOTAL's equity share of special items recorded by Sanofi-Aventis	-	-	-	-	-
	TOTAL's equity share of adjustments related to the Sanofi-Aventis merger	-	-	-	(72)	(72)
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	-	-	-	-	-
	Gains (losses) on sales of assets	-	-	-	-	-
	Other items	-	-	-	(100)	(100)
Total		**-**	**418**	**65**	**(172)**	**311**
2nd quarter 2006	Inventory valuation effect	-	214	62	-	276
	TOTAL's equity share of special items recorded by Sanofi-Aventis	-	-	-	(35)	(35)
	TOTAL's equity share of adjustments related to the Sanofi-Aventis merger	-	-	-	(86)	(86)
	Restructuring charges	-	-	(44)	-	(44)
	Asset impairment charges	-	-	-	-	-
	Gains (losses) on sales of assets	-	-	-	-	-
	Other items	-	-	(24)	(7)	(31)
Total		**-**	**214**	**(6)**	**(128)**	**80**

IV. Shareholders’ equity

Treasury shares (TOTAL shares held by TOTAL S.A.)

As of June 30, 2007 TOTAL S.A. held 36,812,150 of its own shares, representing 1.54% of its share capital, detailed as follows:

- 22,812,150 shares allocated to cover TOTAL share purchase option plans and restricted share grants for Group employees;
- 14,000,000 shares purchased during the first six months of 2007 for cancellation, pursuant to the authorizations granted by the Shareholders’ Meetings held on May 12, 2006 and May 11, 2007.

These 36,812,150 shares are deducted from the consolidated shareholders’ equity.

TOTAL shares held by Group subsidiaries

As of June 30, 2007 TOTAL S.A. held indirectly through its subsidiaries 100,331,268 of its own shares, representing 4.19% of its share capital, detailed as follow:

- 2,023,672 shares held by a consolidated subsidiary, Total Nucléaire, 100% indirectly controlled by TOTAL S.A.;
- 98,307,596 shares held by subsidiaries of Elf Aquitaine (Financière Valorgest, Sogapar and Fingestval).

These 100,331,268 shares are deducted from the consolidated shareholders’ equity.

Dividend

The Shareholders' Meeting of May 11, 2007 approved the payment of cash dividend of 1.87 euros per share for the fiscal year 2006. Taking into account an interim dividend of 0.87 euro per share paid on November 17, 2006, the remaining balance of 1 euro per share was paid on May 18, 2007.

V. Non-current financial debt

The Group issued debenture loans through its subsidiary TOTAL Capital during the first six months of 2007:

- Debenture 4.125% 2007-2013 (300 million EUR)
- Debenture 5.5% 2007-2013 (200 million GBP)
- Debenture 2.625% 2007-2014 (400 million CHF)
- Debenture 5% 2007-2011 (100 million USD)
- Debenture 5% 2007-2012 (500 million USD)
- Debenture 4.7% 2007-2017 (300 million EUR)
- Debenture 6.5% 2007-2012 (100 million AUD)
- Debenture 5.5% 2007-2013 (50 million GBP)
- Debenture 4.875% 2007-2010 (50 million GBP)
- Debenture 5% 2007-2012 (300 million USD)
- Debenture 3.125% 2007-2015 (200 million CHF)
- Debenture 1.723% 2007-2014 (8.000 million JPY)

The Group reimbursed debenture loans during the first six months of 2007:

- Debenture 4.74% 2002-2007 (75 million USD)
- Debenture 5.125% 2002-2007 (300 million USD)
- Debenture 3% 2002-2007 (600 million CHF)
- Debenture 3% 2002-2007 (400 million CHF)
- Debenture LIBOR USD 3 months + 0.060% 2002-2007 (50 million USD)
- Debenture LIBOR USD 3 months + 0.065% 2002-2007 (250 million USD)

In the context of its active cash management, the Group may temporarily increase its non-current borrowings, particularly in the form of commercial paper. The non-current borrowings, the cash and cash equivalents and the current financial assets resulting from this cash management in the quarterly financial statements are not necessarily representative of a longer-term position.

VI. Related parties

The related parties are principally all the investments carried under the equity method and subsidiaries excluded from consolidation. There were no major changes concerning the main transactions with related parties during the first six months of 2007.

VII. Other risks and contingent liabilities

Antitrust investigations

1. Following investigations into certain commercial practices in the chemicals industry in the United States, certain chemicals subsidiaries of the Arkema group are involved in several civil liability lawsuits in the United States and Canada for violations of antitrust laws. TOTAL S.A. has been named in certain of these suits as the parent company.

   In Europe, the European Commission commenced investigations in 2000, 2003 and 2004 into alleged anti-competitive practices involving certain products sold by Arkema[1]. In January 2005, following one of these

[1] Arkema is used in this section to designate those companies of the Arkema group whose ultimate parent company is Arkema S.A.. Arkema became an independent company after being spun-off from TOTAL S.A. in May 2006.

investigations, the European Commission fined Arkema 13.5 M€ and jointly fined Arkema and Elf Aquitaine 45 M€. Arkema and Elf Aquitaine have appealed these decisions to the Court of First Instance of the European Union

The Commission notified Arkema, TOTAL S.A. and Elf Aquitaine of complaints concerning two other product lines in January and August 2005, respectively. Arkema has cooperated with the authorities in these procedures and investigations. As a result of these proceedings, in May 2006 the European Commission fined Arkema 78.7 M€ and 219.1 M€, respectively. Elf Aquitaine was held jointly and severally liable for, respectively, 65.1 M€ and 181.35 M€ of these fines while TOTAL S.A. was held jointly and severally liable, respectively, for 42 M€ and 140.4 M€. TOTAL S.A., Elf Aquitaine and Arkema have appealed these decisions to the Court of First Instance of the European Union.

No facts have been alleged that would implicate TOTAL S.A. or Elf Aquitaine in the practices questioned in these proceedings and the fines received are based solely on their status as parent companies.

Arkema began implementing compliance procedures in 2001 that are designed to prevent its employees from violating antitrust provisions. However, it is not possible to exclude the possibility that the relevant authorities could commence additional proceedings involving Arkema and TOTAL S.A. and Elf Aquitaine.

2. As part of the agreement relating to the spin-off of Arkema, TOTAL S.A. or certain other Group companies agreed to grant Arkema guarantees for certain risks related to antitrust proceedings arising from events prior to the spin-off.

   These guarantees cover, for a period of ten years, 90% of amounts paid by Arkema companies related to (i) fines imposed by European authorities or European member-states for competition law violations, (ii) fines imposed by American courts or antitrust authorities for federal antitrust violations or violations of the competition laws of U.S. states, (iii) damages awarded in civil proceedings related to the government proceedings mentioned above, and (iv) certain costs related to these proceedings.

   The guarantee covering anticompetition violations in Europe applies to amounts that exceed a 176.5 M€ threshold.

   If one or more individuals or legal entities, acting alone or together, directly or indirectly holds more than one-third of the voting rights of Arkema, or if the Arkema transfers more than 50% of its assets (as calculated under the enterprise valuation method, as of the date of the transfer) to a third party or parties acting together, irrespective of the type or number of transfers, these guarantees will become void.

   On the other hand, the agreements provide that Arkema will indemnify TOTAL S.A. or any Group companies for 10% of any amount that TOTAL S.A. or any Group companies are required to pay under any of the proceedings covered by these guarantees.

3. The Group has recorded provisions amounting to 138 M€ in its consolidated accounts as of June 30, 2007 to cover the risks mentioned above.

4. Moreover, as a result of investigations started by the European Commission in October 2002 concerning certain Refining & Marketing subsidiaries of the Group, Total Nederland N.V. and TOTAL S.A. received a statement of objections in October 2004. These proceedings resulting in Total Nederland N.V. being fined 20.25 M€ and in TOTAL S.A. being held jointly responsible for 13.5 M€ of this amount, although no facts implicating TOTAL S.A. in the practices under investigation were alleged. TOTAL S.A. and Total Nederland N.V. have appealed this decision to the Court of First Instance of the European Union.

   In addition, in May 2007, Total France and TOTAL S.A. received a statement of objections regarding alleged antitrust practices regarding another product line of the Refining & Marketing branch. No facts have been alleged that implicate TOTAL S.A. in the practices under investigation.

5. Given the discretionary powers granted to the European Commission for determining fines, it is not currently possible to determine with certainty the outcome of these investigations and proceedings. TOTAL S.A. and Elf Aquitaine are contesting their liability and the method of determining these fines. Although it is not possible to predict the outcome of these proceedings, the Group believes that they will not have a material adverse effect on its financial condition or results.

Buncefield

On December 11, 2005, several explosions followed by a major fire occurred at Buncefield, north of London, in an oil storage depot. This depot is operated by HOSL, a company in which the British subsidiary of TOTAL holds 60% and another oil group holds 40%.

The explosion injured 40 people, most of whom suffered slight injuries, and caused property damage to the depot and the buildings and homes located nearby. The HSE Investigation Board has indicated that the explosion was caused by the overflow of a tank at the depot. The final HSE report detailing the circumstances and the exact cause of the explosion is expected to be released before the end of 2007. At this stage, responsibility for the explosion has not yet been determined.

The Group is insured for damage to these facilities, operating losses and claims from third parties under its civil liability and believes that, based on the current information available, this accident should not have a significant impact on its financial position, cash flows or results.

Venezuela

On March 31, 2006, the Venezuelan government terminated all "*operating contracts*" signed in the 1990s and decided to transfer the management of fields concerned to new mixed companies to be created with the state-owned company PDVSA (Petróleos de Venezuela S.A.) as the majority owner. The Venezuelan government and the Group did not reach an agreement on the terms of the transfer of the Jusepin field under the initial timetable. However, subsequent negotiations led to a settlement, announced in March 2007, under which the Venezuelan government committed to indemnify the Group for $137.5 million. This indemnification was made during the second quarter 2007.

The Venezuelan government has modified the legal and tax framework for the Sincor project several times. In May 2006, the hydrocarbons law was amended with immediate effect to establish a new extraction tax, calculated on the same basis as for royalties, and bringing the overall tax rate to 33.33%. In September 2006, the corporate income tax was modified to increase the rate on oil activities (excluding natural gas) to 50%. This new tax rate came into effect in 2007.

The government has also expressed its intention to apply this law to the "*Strategic Associations*" which operate the extra-heavy oil projects in the Orinoco region. On January 18, 2007, the Venezuelan National Assembly approved a law granting, for an 18-month period, the Venezuelan president the power to govern by decree in various subjects, in particular regarding hydrocarbons. On February 26, 2007, the Venezuelan president signed a decree providing for the transformation of the Strategic Associations from the Faja region, including the Sincor project, into mixed companies with the government having a minimum interest of 60%. The legislation further states that control of operations was to be transferred to the PDVSA companies no later than April 30, 2007 and set a four-month period (with an additional two months for submission to the National Assembly), from the date of the decree, for private companies to agree to the terms and conditions of their participation in the newly created mixed companies. On April 25, 2007, TOTAL signed an agreement, with the approval of the Ministry of People's Power for Energy and Oil, with PDVSA and Statoil. Under this agreement, effective as of May 1, 2007 the control of operations of the Sincor project was temporarily transferred to PDVSA in anticipation of the transformation of the association into a mixed company. On June 26, 2007, TOTAL signed a memorandum of understanding with PDVSA and Statoil, with the approval of the Ministry of People's Power for Energy and Oil, for the transformation of the Sincor association into a mixed company.

Under the terms of the memorandum of understanding, TOTAL's interest in the project will be reduced from 47% to 30.323%, PDVSA's interest will be increased to 60% and Statoil will have a 9.677% interest. The agreement also sets out the indemnification that will be paid to TOTAL, which was negotiated based on the value of the assets. The terms and conditions of this transformation are to be submitted to the National Assembly for approval no later than August 26, 2007.

In 2006, the Group received two corporation tax adjustment notices. The first concerned the company holding the Group's interest in the Jusepin operating contract, for which the 2001-2004 examination was closed in the first half 2006, whereas the examination for 2005 is still under way. The second is related to the company which holds the Group's interest in the Sincor project, for which the Group received a response from the tax authorities on May 23, 2007. The Group also received tax adjustment notices for the 2002-2003 and 2004-2005 periods during the first half 2007. A settlement for the periods from 2001 to 2005 has been reached, which does not have a material impact on the Group's results.

VIII. Information by business segment

1st half 2007 (in millions of euros)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	9,690	56,363	10,065	19	-	76,137
Intersegment sales	9,816	2,444	501	67	(12,828)	-
Excise taxes	-	(10,961)	-	-	-	(10,961)
Revenues from sales	**19,506**	**47,846**	**10,566**	**86**	**(12,828)**	**65,176**
Operating expenses	(8,872)	(44,551)	(9,467)	(292)	12,828	(50,354)
Depreciation, depletion and amortization of tangible assets and leasehold rights	(1,819)	(588)	(243)	(15)	-	(2,665)
Operating income	**8,815**	**2,707**	**856**	**(221)**	**-**	**12,157**
Equity in income (loss) of affiliates and other items	667	126	37	274	-	1,104
Tax on net operating income	(5,429)	(856)	(271)	83	-	(6,473)
Net operating income	**4,053**	**1,977**	**622**	**136**	**-**	**6,788**
Net cost of net debt						(155)
Minority interests						(173)
Net income from continuing operations						**6,460**
Net income from discontinued operations						-
Net income						**6,460**

1st half 2007 (adjustments) (*)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales						
Intersegment sales						
Excise taxes						
Revenues from sales						
Operating expenses	-	730	163	-		893
Depreciation, depletion and amortization of tangible assets and leasehold rights	-	-	-	-		-
Operating income (1)	**-**	**730**	**163**	**-**		**893**
Equity in income (loss) of affiliates and other items (2)	-	24	-	(248)		(224)
Tax on net operating income	-	(240)	(54)	-		(294)
Net operating income (1)	**-**	**514**	**109**	**(248)**		**375**
Net cost of net debt						-
Minority interests						(7)
Net income from continuing operations						**368**
Net income from discontinued operations						-
Net income						**368**

(*) Adjustments include special items, inventory valuation effect and equity share of amortization of intangible assets related to the Sanofi-Aventis merger

	Upstream	Downstream	Chemicals	Corporate
(1) Of which inventory valuation effect				
On operating income	-	730	163	-
On net operating income	-	514	109	-
(2) Of which equity share of amortization of intangible assets related to the Sanofi-Aventis merger	-	-	-	(148)

1st half 2007 (adjusted)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	9,690	56,363	10,065	19	-	76,137
Intersegment sales	9,816	2,444	501	67	(12,828)	-
Excise taxes	-	(10,961)	-	-	-	(10,961)
Revenues from sales	**19,506**	**47,846**	**10,566**	**86**	**(12,828)**	**65,176**
Operating expenses	(8,872)	(45,281)	(9,630)	(292)	12,828	(51,247)
Depreciation, depletion and amortization of tangible assets and leasehold rights	(1,819)	(588)	(243)	(15)	-	(2,665)
Adjusted operating income	**8,815**	**1,977**	**693**	**(221)**	**-**	**11,264**
Equity in income (loss) of affiliates and other items	667	102	37	522	-	1,328
Tax on net operating income	(5,429)	(616)	(217)	83	-	(6,179)
Adjusted net operating income	**4,053**	**1,463**	**513**	**384**	**-**	**6,413**
Net cost of net debt						(155)
Minority interests						(166)
Adjusted net income from continuing operations						**6,092**
Adjusted net income from discontinued operations						-
Adjusted net income						**6,092**

1st half 2007	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Total expenditures	4,098	645	346	15		5,104
Divestitures at selling price	364	50	48	4		466
Cash flow from operating activities	7,647	3,337	361	(1,368)		9,977

1st half 2006 (in millions of euros)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	11,138	58,208	9,654	12	-	79,012
Intersegment sales	10,839	2,591	595	87	(14,112)	-
Excise taxes	-	(9,748)	-	-	-	(9,748)
Revenues from sales	**21,977**	**51,051**	**10,249**	**99**	**(14,112)**	**69,264**
Operating expenses	(9,382)	(47,952)	(9,458)	(332)	14,112	(53,012)
Depreciation, depletion and amortization of tangible assets and leasehold rights	(1,618)	(543)	(263)	(19)	-	(2,443)
Operating income	**10,977**	**2,556**	**528**	**(252)**	**-**	**13,809**
Equity in income (loss) of affiliates and other items	635	149	(27)	340	-	1,097
Tax on net operating income	(6,691)	(767)	(128)	84	-	(7,502)
Net operating income	**4,921**	**1,938**	**373**	**172**	**-**	**7,404**
Net cost of net debt						(59)
Minority interests						(229)
Net income from continuing operations						**7,116**
Net income from discontinued operations						8
Net income						**7,124**

1st half 2006 (adjustments) (*)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales						
Intersegment sales						
Excise taxes						
Revenues from sales						
Operating expenses	-	664	37	(11)		690
Depreciation, depletion and amortization of tangible assets and leasehold rights	-	-	-	-		-
Operating income (1)	**-**	**664**	**37**	**(11)**		**690**
Equity in income (loss) of affiliates and other items (2)	195	28	(50)	(203)		(30)
Tax on net operating income	(65)	(191)	5	4		(247)
Net operating income (1)	**130**	**501**	**(8)**	**(210)**		**413**
Net cost of net debt						-
Minority interests						(7)
Net income from continuing operations						**406**
Net income from discontinued operations						(19)
Net income						**387**

(*) Adjustments include special items, inventory valuation effect and equity share of amortization of intangible assets related to the Sanofi-Aventis merger

	Upstream	Downstream	Chemicals	Corporate
(1) Of which inventory valuation effect				
On operating income	-	664	92	-
On net operating income	-	501	63	-
(2) Of which equity share of amortization of intangible assets related to the Sanofi-Aventis merger	-	-	-	(170)

1st half 2006 (adjusted)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	11,138	58,208	9,654	12	-	79,012
Intersegment sales	10,839	2,591	595	87	(14,112)	-
Excise taxes	-	(9,748)	-	-	-	(9,748)
Revenues from sales	**21,977**	**51,051**	**10,249**	**99**	**(14,112)**	**69,264**
Operating expenses	(9,382)	(48,616)	(9,495)	(321)	14,112	(53,702)
Depreciation, depletion and amortization of tangible assets and leasehold rights	(1,618)	(543)	(263)	(19)	-	(2,443)
Adjusted operating income	**10,977**	**1,892**	**491**	**(241)**	**-**	**13,119**
Equity in income (loss) of affiliates and other items	440	121	23	543	-	1,127
Tax on net operating income	(6,626)	(576)	(133)	80	-	(7,255)
Adjusted net operating income	**4,791**	**1,437**	**381**	**382**	**-**	**6,991**
Net cost of net debt						(59)
Minority interests						(222)
Adjusted net income from continuing operations						**6,710**
Adjusted net income from discontinued operations						27
Adjusted net income						**6,737**

1st half 2006	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Total expenditures	4,290	689	500	50		5,529
Divestitures at selling price	855	63	95	8		1,021
Cash flow from operating activities	7,202	2,185	(44)	(458)		8,885

2nd quarter 2007 (in millions of euros)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	4,456	29,562	5,070	6	-	39,094
Intersegment sales	5,073	1,201	269	25	(6,568)	-
Excise taxes	-	(5,595)	-	-	-	(5,595)
Revenues from sales	**9,529**	**25,168**	**5,339**	**31**	**(6,568)**	**33,499**
Operating expenses	(4,148)	(23,244)	(4,812)	(143)	6,568	(25,779)
Depreciation, depletion and amortization of tangible assets and leasehold rights	(941)	(297)	(119)	(8)	-	(1,365)
Operating income	**4,440**	**1,627**	**408**	**(120)**	**-**	**6,355**
Equity in income (loss) of affiliates and other items	397	72	14	59	-	542
Tax on net operating income	(2,745)	(519)	(123)	51	-	(3,336)
Net operating income	**2,092**	**1,180**	**299**	**(10)**	**-**	**3,561**
Net cost of net debt						(66)
Minority interests						(84)
Net income from continuing operations						**3,411**
Net income from discontinued operations						-
Net income						**3,411**

2nd quarter 2007 (adjustments) (*)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales						
Intersegment sales						
Excise taxes						
Revenues from sales						
Operating expenses	-	623	96	-		719
Depreciation, depletion and amortization of tangible assets and leasehold rights	-	-	-	-		-
Operating income [(1)]	**-**	**623**	**96**	**-**		**719**
Equity in income (loss) of affiliates and other items [(2)]	-	6	1	(172)		(165)
Tax on net operating income	-	(204)	(32)	-		(236)
Net operating income [(1)]	**-**	**425**	**65**	**(172)**		**318**
Net cost of net debt						-
Minority interests						(7)
Net income from continuing operations						**311**
Net income from discontinued operations						-
Net income						**311**

(*) Adjustments include special items, inventory valuation effect and equity share of amortization of intangible assets related to the Sanofi-Aventis merger

	Upstream	Downstream	Chemicals	Corporate
[(1)] Of which inventory valuation effect				
On operating income	-	623	96	-
On net operating income	-	425	65	-
[(2)] Of which equity share of amortization of intangible assets related to the Sanofi-Aventis merger	-	-	-	(72)

2nd quarter 2007 (adjusted)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	4,456	29,562	5,070	6	-	39,094
Intersegment sales	5,073	1,201	269	25	(6,568)	-
Excise taxes	-	(5,595)	-	-	-	(5,595)
Revenues from sales	**9,529**	**25,168**	**5,339**	**31**	**(6,568)**	**33,499**
Operating expenses	(4,148)	(23,867)	(4,908)	(143)	6,568	(26,498)
Depreciation, depletion and amortization of tangible assets and leasehold rights	(941)	(297)	(119)	(8)	-	(1,365)
Adjusted operating income	**4,440**	**1,004**	**312**	**(120)**	**-**	**5,636**
Equity in income (loss) of affiliates and other items	397	66	13	231	-	707
Tax on net operating income	(2,745)	(315)	(91)	51	-	(3,100)
Adjusted net operating income	**2,092**	**755**	**234**	**162**	**-**	**3,243**
Net cost of net debt						(66)
Minority interests						(77)
Adjusted net income from continuing operations						**3,100**
Adjusted net income from discontinued operations						-
Adjusted net income						**3,100**

2nd quarter 2007	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Total expenditures	2,109	401	173	7		2,690
Divestitures at selling price	191	28	1	2		222
Cash flow from operating activities	3,312	1,432	254	(1,409)		3,589

2nd quarter 2006 (in millions of euros)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	5,424	30,516	4,965	4	-	40,909
Intersegment sales	5,439	1,256	443	44	(7,182)	-
Excise taxes	-	(5,141)	-	-	-	(5,141)
Revenues from sales	**10,863**	**26,631**	**5,408**	**48**	**(7,182)**	**35,768**
Operating expenses	(4,702)	(25,021)	(4,972)	(192)	7,182	(27,705)
Depreciation, depletion and amortization of tangible assets and leasehold rights	(785)	(283)	(134)	(10)	-	(1,212)
Operating income	**5,376**	**1,327**	**302**	**(154)**	**-**	**6,851**
Equity in income (loss) of affiliates and other items	252	75	(44)	139	-	422
Tax on net operating income	(3,237)	(394)	(73)	31	-	(3,673)
Net operating income	**2,391**	**1,008**	**185**	**16**	**-**	**3,600**
Net cost of net debt						(18)
Minority interests						(141)
Net income from continuing operations						**3,441**
Net income from discontinued operations						-
Net income						**3,441**

2nd quarter 2006 (adjustments) (*)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales						
Intersegment sales						
Excise taxes						
Revenues from sales						
Operating expenses	-	291	42	(11)		322
Depreciation, depletion and amortization of tangible assets and leasehold rights	-	-	-	-		-
Operating income (1)	**-**	**291**	**42**	**(11)**		**322**
Equity in income (loss) of affiliates and other items (2)	-	10	(51)	(122)		(163)
Tax on net operating income	-	(80)	3	4		(73)
Net operating income (1)	**-**	**221**	**(6)**	**(129)**		**86**
Net cost of net debt						-
Minority interests						(6)
Net income from continuing operations						**80**
Net income from discontinued operations						-
Net income						**80**

(*) Adjustments include special items, inventory valuation effect and equity share of amortization of intangible assets related to the Sanofi-Aventis merger

(1) Of which inventory valuation effect				
On operating income	-	291	92	-
On net operating income	-	221	62	-
(2) Of which equity share of amortization of intangible assets related to the Sanofi-Aventis merger	-	-	-	(87)

2nd quarter 2006 (adjusted)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	5,424	30,516	4,965	4	-	40,909
Intersegment sales	5,439	1,256	443	44	(7,182)	-
Excise taxes	-	(5,141)	-	-	-	(5,141)
Revenues from sales	**10,863**	**26,631**	**5,408**	**48**	**(7,182)**	**35,768**
Operating expenses	(4,702)	(25,312)	(5,014)	(181)	7,182	(28,027)
Depreciation, depletion and amortization of tangible assets and leasehold rights	(785)	(283)	(134)	(10)	-	(1,212)
Adjusted operating income	**5,376**	**1,036**	**260**	**(143)**	**-**	**6,529**
Equity in income (loss) of affiliates and other items	252	65	7	261	-	585
Tax on net operating income	(3,237)	(314)	(76)	27	-	(3,600)
Adjusted net operating income	**2,391**	**787**	**191**	**145**	**-**	**3,514**
Net cost of net debt						(18)
Minority interests						(135)
Adjusted net income from continuing operations						**3,361**
Adjusted net income from discontinued operations						-
Adjusted net income						**3,361**

2nd quarter 2006	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Total expenditures	2,209	368	176	26		2,779
Divestitures at selling price	502	50	67	5		624
Cash flow from operating activities	3,371	984	(7)	(302)		4,046

IX. Reconciliation between information by business segment and the consolidated statement on income

1st half 2007 (in millions of euros)	Adjusted	Adjustment items	Consolidated statement of income
Sales	**76,137**	**-**	**76,137**
Excise taxes	(10,961)	-	(10,961)
Revenues from sales	65,176	-	65,176
Purchases, net of inventory variation	(41,987)	893	(41,094)
Other operating expenses	(8,791)	-	(8,791)
Exploration costs	(469)	-	(469)
Depreciation, depletion and amortization of tangible assets and leasehold rights	(2,665)	-	(2,665)
Operating income			
Corporate	(221)	-	(221)
Business segments	11,485	893	12,378
Total operating income	**11,264**	**893**	**12,157**
Other income	156	-	156
Other expense	(66)	(100)	(166)
Financial interest on debt	(877)	-	(877)
Financial income from marketable securities and cash equivalents	631	-	631
Cost of net debt	(246)	-	(246)
Other financial income	337	-	337
Other financial expense	(141)	-	(141)
Income taxes	(6,088)	(294)	(6,382)
Equity in income (loss) of affiliates	1,042	(124)	918
Consolidated net income from continuing operations (Group without Arkema)	**6,258**	**375**	**6,633**
Consolidated net income from discontinued operations (Arkema)	-	-	-
Consolidated net income	**6,258**	**375**	**6,633**
Group share	6,092	368	6,460
Minority interests	166	7	173

1st half 2006 (in millions of euros)	Adjusted	Adjustment items	Consolidated statement of income
Sales	**79,012**	**-**	**79,012**
Excise taxes	(9,748)	-	(9,748)
Revenues from sales	69,264	-	69,264
Purchases, net of inventory variation	(43,585)	756	(42,829)
Other operating expenses	(9,856)	(66)	(9,922)
Exploration costs	(261)	-	(261)
Depreciation, depletion and amortization of tangible assets and leasehold rights	(2,443)	-	(2,443)
Operating income			
Corporate	(241)	(11)	(252)
Business segments	13,360	701	14,061
Total operating income	**13,119**	**690**	**13,809**
Other income	139	194	333
Other expense	(193)	(50)	(243)
Financial interest on debt	(715)	-	(715)
Financial income from marketable securities and cash equivalents	611	-	611
Cost of net debt	(104)	-	(104)
Other financial income	307	-	307
Other financial expense	(120)	-	(120)
Income taxes	(7,210)	(247)	(7,457)
Equity in income (loss) of affiliates	994	(174)	820
Consolidated net income from continuing operations (Group without Arkema)	**6,932**	**413**	**7,345**
Consolidated net income from discontinued operations (Arkema)	27	(19)	8
Consolidated net income	**6,959**	**394**	**7,353**
Group share	6,737	387	7,124
Minority interests	222	7	229

2nd quarter 2007 (in millions of euros)	Adjusted	Adjustment items	Consolidated statement of income
Sales	**39,094**	**-**	**39,094**
Excise taxes	(5,595)	-	(5,595)
Revenues from sales	33,499	-	33,499
Purchases, net of inventory variation	(22,104)	719	(21,385)
Other operating expenses	(4,139)	-	(4,139)
Exploration costs	(255)	-	(255)
Depreciation, depletion and amortization of tangible assets and leasehold rights	(1,365)	-	(1,365)
Operating income			
Corporate	(120)	-	(120)
Business segments	5,756	719	6,475
Total operating income	**5,636**	**719**	**6,355**
Other income	60	-	60
Other expense	(2)	(100)	(102)
Financial interest on debt	(447)	-	(447)
Financial income from marketable securities and cash equivalents	337	-	337
Cost of net debt	(110)	-	(110)
Other financial income	209	-	209
Other financial expense	(74)	-	(74)
Income taxes	(3,056)	(236)	(3,292)
Equity in income (loss) of affiliates	514	(65)	449
Consolidated net income from continuing operations (Group without Arkema)	**3,177**	**318**	**3,495**
Consolidated net income from discontinued operations (Arkema)	-	-	-
Consolidated net income	**3,177**	**318**	**3,495**
Group share	3,100	311	3,411
Minority interests	77	7	84

2nd quarter 2006 (in millions of euros)	Adjusted	Adjustment items	Consolidated statement of income
Sales	**40,909**	**-**	**40,909**
Excise taxes	(5,141)	-	(5,141)
Revenues from sales	35,768	-	35,768
Purchases, net of inventory variation	(22,770)	383	(22,387)
Other operating expenses	(5,111)	(61)	(5,172)
Exploration costs	(146)	-	(146)
Depreciation, depletion and amortization of tangible assets and leasehold rights	(1,212)	-	(1,212)
Operating income			
Corporate	(143)	(11)	(154)
Business segments	6,672	333	7,005
Total operating income	**6,529**	**322**	**6,851**
Other income	73	-	72
Other expense	(108)	(51)	(158)
Financial interest on debt	(387)	-	(387)
Financial income from marketable securities and cash equivalents	340	-	340
Cost of net debt	(47)	-	(47)
Other financial income	201	-	201
Other financial expense	(69)	-	(69)
Income taxes	(3,571)	(73)	(3,644)
Equity in income (loss) of affiliates	488	(112)	376
Consolidated net income from continuing operations (Group without Arkema)	**3,496**	**86**	**3,582**
Consolidated net income from discontinued operations (Arkema)	-	-	-
Consolidated net income	**3,496**	**86**	**3,582**
Group share	3,361	80	3,441
Minority interests	135	6	141