Financial report

1st half

2008

TOTAL

Content

Financial report – 1st half 2008

This is a free translation into English of the Chief Executive Officer's certification issued in French, and is provided solely for the convenience of English-speaking readers.

" I certify, to the best of my knowledge, that the condensed consolidated financial statements for the first half 2008 have been prepared in accordance with the applicable set of accounting standards and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation as a whole, and that the interim management report on pages 3 to 14 herein includes a fair review of the important events that have occurred during the first six months of the financial year, their impact condensed set of financial statements, major related parties transactions and the principal risks and uncertainties for the remaining six months of the financial year.

The independent auditor's report on their review of the above mentioned condensed consolidated financial statements is included on page 15 of this half-year financial report."

Christophe de Margerie
Chief Executive Officer

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The French language version of this *Rapport financier semestriel* (half-year financial report) was filed with the French Financial Markets Authority (*Autorité des marchés financiers*) on August 1, 2008 pursuant to paragraph III of Article L. 451-1-2 of the French Monetary and Financial Code.

Abbreviations

b:	barrel
cf:	cubic feet
/d:	per day
/y:	per year
€:	euro
$ and/or dollar:	US dollar
t:	metric ton
boe:	barrel oil equivalent
kboe/d:	thousand boe/d
kb/d:	thousand b/d
Btu:	British thermal unit
LNG:	liquefied natural gas
M:	million
B:	billion
TRCV:	Topping Reforming Cracking Visbreaking. Refining margin indicator after variable costs of a theoretical average refinery located in Rotterdam which processes a variety of crude oil representing the average supply in the area to provide main products quoted in this same area.
IFRS:	International Financial Reporting Standards

Definitions

The terms “TOTAL” and “Group” as used in this half-year financial report refer to TOTAL S.A. collectively with all of its direct and indirect consolidated subsidiaries located in, or outside of France.

The terms “Company” and “issuer” as used in this half-year financial report refer only to TOTAL S.A., the parent company of the Group.

Financial report – 1st half 2008

Key figures and consolidated accounts (1)

in millions of euros except earnings per share and number of shares	1H08	1H07	1H08 vs 1H07
Sales	92,413	76,137	+21%
Adjusted operating income from business segments	14,905	11,485	+30%
Adjusted net operating income from business segments	6,956	6,029	+15%
• Upstream	5,830	4,053	+44%
• Downstream	898	1,463	-39%
• Chemicals	228	513	-56%
Adjusted net income	6,977	6,092	+15%
Adjusted fully-diluted earnings per share (euros)	3.10	2.67	+16%
Fully-diluted weighted-average shares (millions)	2,253.4	2,279.7	-1%
Net income (Group share)	8,334	6,460	+29%
Investments	5,511	5,104	+8%
Divestments	924	466	+98%
Cash flow from operating activities	7,238	9,977	-27%
Adjusted cash flow	9,129	8,679	+5%

expressed in millions of dollars (2) except earnings per share and number of shares	1H08	1H07	1H08 vs 1H07
Sales	141,429	101,194	+40%
Adjusted operating income from business segments	22,811	15,265	+49%
Adjusted net operating income from business segments	10,645	8,013	+33%
• Upstream	8,922	5,387	+66%
• Downstream	1,374	1,944	-29%
• Chemicals	349	682	-49%
Adjusted net income	10,678	8,097	+32%
Adjusted fully-diluted earnings per share (dollars)	4.74	3.55	+33%
Fully-diluted weighted-average shares (millions)	2,253.4	2,279.7	-1%
Net income (Group share)	12,754	8,586	+49%
Investments	8,434	6,784	+24%
Divestments	1,414	619	x2.3
Cash flow from operating activities	11,077	13,260	-16%
Adjusted cash flow	13,971	11,535	+21%

(1) Adjusted income (adjusted operating income, adjusted net operating income and adjusted net income) is defined as income using replacement cost, adjusted for special items and excluding TOTAL's equity share of amortization of intangibles related to the Sanofi-Aventis merger; adjusted cash flow is defined as cash flow from operating activities before changes in working capital at replacement cost; adjustment items are listed on page 12.
(2) dollar amounts represent euro amounts converted at the average €-$ exchange rate for the period: 1.5304 $/€ in the first half 2008 and 1.3291 $/€ in the first half 2007.

Group results

Operating income

Compared to the first half 2007, the first half 2008 oil environment was marked by a 72% increase in the average price of Brent to 109.0 $/b. The TRCV European refining margin indicator decreased by 15% to 32.4 $/t. The environment for TOTAL's petrochemicals was unfavorable, mainly due to the sharp increase in the price of naphtha and the decrease in Atlantic Basin product demand.

The euro-dollar exchange rate was 1.53 $/€ in the first half 2008 compared to 1.33 $/€ in the first half 2007.

In this context, the adjusted operating income from the business segments was 14,905 M€, an increase of 30% compared to the first half 2007(1).

The effective tax rate for the business segments was 59% in the first half 2008 compared to 54% in the first half 2007, essentially due to the Upstream segment's larger contribution to the results.

Adjusted net operating income from the business segments was 6,956 M€ compared to 6,029 M€ in the first half 2007, an increase of 15%. The smaller increase, compared to the percentage increase in operating income, is essentially due to the increase in the effective tax rate between the two periods.

Expressed in dollars, adjusted net operating income from the business segments increased by 33%.

Net income

Adjusted net income increased by 15% to 6,977 M€ in the first half 2008 from 6,092 M€ in the first half 2007.

This excludes the after-tax inventory effect, special items, and the Group's equity share of the amortization of intangibles related to the Sanofi-Aventis merger.

- The after-tax inventory effect had a positive impact on net income of 1,428 M€ in the first half 2008 and 616 M€ in the first half 2007.
- Special items had a positive impact on net income of 78 M€ in the first half 2008 and a negative impact on net income of 100 M€ in the first half 2007(2).
- The Group's share of the amortization of intangibles related to the Sanofi-Aventis merger had a negative impact on net income of 149 M€ in the first half 2008 and 148 M€ in the first half 2007.

Net income (Group share) was 8,334 M€ compared to 6,460 M€ in the first half 2007.

During the first half 2008, the Group bought back 16 million of its shares for 818 M€. There were 2,252.5 million fully-diluted shares outstanding on June 30, 2008 compared to 2,278.6 million on June 30, 2007. The Group continued to buy back shares in July 2008, acquiring 2.1 million shares for 107 M€.

Adjusted fully-diluted earnings per share, based on 2,253.4 million fully-diluted weighted-average shares rose to 3.10 euros compared to 2.67 euros in the first half 2007, an increase of 16%, which is greater than the increase in adjusted net income thanks to the share buyback.

Expressed in dollars, adjusted fully-diluted earnings per share increased by 33% to 4.74 in the first half 2008 from 3.55 in the first half 2007.

(1) there were no special items affecting operating income from the business segments in the first half of 2007 and first half of 2008.
(2) detail shown on page 12.

Investments – divestments

Investments, excluding acquisitions and including net investments in equity affiliates and non-consolidated companies, were 4.6 B€ (7.0 B$) in the first half 2008 compared to 4.8 B€ (6.4 B$) in the first half 2007.

Acquisitions were 95 M€ in the first half 2008.

Asset sales in the first half 2008 were 195 M€.

Net investments[(1)] were 7.0 B$ in the first half 2008.

Cash Flow

Cash flow from operating activities was 7,238 M€ in the first half 2008, a decrease of 27% compared to the first half 2007, mainly due to a significant increase in working capital requirements essentially linked to the sharp rise in hydrocarbon prices between the two periods.

Adjusted cash flow[(2)] was 9,129 M€, an increase of 5%. Expressed in dollars, adjusted cash flow was 14.0 B$, an increase of 21%.

Net cash flow[(3)] was 2,651 M€ compared to 5,339 M€ in the first half 2007. Expressed in dollars, net cash flow was 4.1 B$ in the first half 2008.

The net-debt-to-equity ratio was 25% on June 30, 2008 compared to 21% on March 31, 2008 and 26% on June 30, 2007[(4)], in line with the targets of the Group.

(1) net investments = investments including acquisitions and net investments in equity affiliates and non-consolidated companies – asset sales + net financing for employees related to stock purchase plans.
(2) adjusted cash flow = cash flow from operating activities at replacement cost before changes in working capital.
(3) net cash flow = cash flow from operations + divestments – gross investments.
(4) detail shown on page 12.

Analysis of business segment results

Upstream

Environment – liquids and gas price realizations*

	1H08	1H07	1H08 vs 1H07
Brent ($/b)	109.0	63.2	+72%
Average liquids price ($/b)	102.8	60.2	+71%
Average gas price ($/Mbtu)	6.97	5.32	+31%
Average hydrocarbons price ($/boe)	78.8	49.9	+58%

* *consolidated subsidiaries, excluding fixed margin and buy-back contracts*

TOTAL's average realized liquids price increased in line with Brent by 71% for the first half 2008 compared to the first half 2007.

The average realized price for TOTAL's natural gas increased by 31% compared to the first half 2007.

Production

Hydrocarbon production	1H08	1H07	1H08 vs 1H07
Combined production (kboe/d)	2,389	2,376	+1%
• Liquids (kb/d)	1,491	1,513	-1%
• Gas (Mcf/d)	4,880	4,689	+4%

In the first half 2008, hydrocarbon production was 2,389 kboe/d, an increase of 0.5% compared to the first half 2007, mainly as a result of:

- +3.5% of net growth, primarily from the start-ups and ramp-ups of major new fields, such as Dalia, Rosa and Dolphin,
- -1% for the shutdown of Elgin-Franklin for nearly a month following an incident in the amine column,
- +1% for the absence of OPEC reductions,
- -2.5% for the price effect(1),
- -0.5% for changes in the portfolio.

(1) impact of changing hydrocarbon prices on entitlement volumes.

Results

in millions of euros	1H08	1H07	1H08 vs 1H07
Adjusted operating income*	13,387	8,815	+52%
Adjusted net operating income*	5,830	4,053	+44%
• includes income from equity affiliates	599	377	+59%
Investments	4,254	4,098	+4%
Divestments	672	364	+85%
Cash flow	7,894	7,647	+3%
Adjusted cash flow	7,749	5,977	+30%

* *detail of adjustment items shown in business segment information.*

Adjusted net operating income for the Upstream segment in the first half 2008 was 5,830 M€ compared to 4,053 M€ in the first half 2007, an increase of 44%. Expressed in dollars, adjusted net operating income for the Upstream segment rose by 3.5 B$, an increase of 66% mainly due to the increase in hydrocarbon prices.

The return on average capital employed (ROACE [1]) for the Upstream segment for the twelve months ended June 30, 2008 was 41%. For the twelve months ended March 31, 2008 it was 38% and for the full year 2007 it was 34%.

(1) calculated based on adjusted net operating income and average capital employed, using replacement cost, as shown on page 13.

Downstream

Refinery throughput and utilization rates*

	1H08	1H07	1H08 vs 1H07
Total refinery throughput (kb/d)	2,341	2,386	-2%
• France	931	961	-3%
• Rest of Europe	1,111	1,139	-2%
• Rest of world	299	286	+5%
Utilization rates			
• Based on crude only	86%	86%	
• Based on crude and other feedstock	90%	88%	

* *includes share of CEPSA.*

First half 2008 refinery throughput decreased by 2% compared to first half 2007. Excluding the impact of the November 2007 sale of the Milford Haven refinery in the UK, refinery throughput increased by 1%.

First half 2008 scheduled turnarounds resulted in a complete shutdown of the Leuna refinery and partial shutdowns of the Normandy, Port Arthur, Flanders and Grandpuits refineries.

In the first half 2007, there were scheduled partial turnarounds at the Donges, Antwerp, Port Arthur, Vlissingen, and Flanders refineries and a full turnaround at the Rome refinery.

The first half 2008 utilization rate based on crude throughput was 86%, stable compared to the first half 2007.

The utilization rate based on the throughput of crude and other feedstock increased compared to the first half 2007.

Results

(in millions of euros except TRCV refining margins)	1H08	1H07	1H08 vs 1H07
European refining margin indicator – TRCV ($/t)	32.4	37.9	-15%
Adjusted operating income*	1,242	1,977	-37%
Adjusted net operating income*	898	1,463	-39%
• includes income from equity affiliates	17	138	-88%
Investments	808	645	+25%
Divestments	152	50	x3.0
Cash flow	(223)	3,337	na
Adjusted cash flow	1,143	2,038	-44%

* *detail of adjustment items shown in business segment information.*

Adjusted net operating income for the Downstream segment was 898 M€ in the first half 2008, a decrease of 39% compared to the first half 2007.

Expressed in dollars, adjusted net operating income from the Downstream segment decreased by 29% or 0.6 B$, reflecting generally the less favorable environment for refining and marketing.

The ROACE[1] for the Downstream segment for the twelve months ended June 30, 2008 was 16%. For the twelve months ended March 31, 2008 it was 19% and for the full year 2007 it was 21%.

(1) calculated based on adjusted net operating income and average capital employed, using replacement cost, as shown on page 13.

Chemicals

in millions of euros	1H08	1H07	1H08 vs 1H07
Sales	10,707	10,065	+6%
• Base chemicals	7,052	6,353	+11%
• Specialties	3,655	3,712	-2%
Adjusted operating income *	276	693	-60%
Adjusted net operating income *	228	513	-56%
• Base chemicals	38	299	-87%
• Specialties	195	217	-10%
Investments	385	346	+11%
Divestments	19	48	-60%
Cash flow	(33)	361	na
Adjusted cash flow	418	631	-34%

* *detail of adjustment items shown in business segment information.*

In the first half 2008, adjusted net operating income for the Chemicals segment was 228 M€ compared to 513 M€ in the first half 2007, a decrease of 56% resulting mainly from the weakness in the environment. Expressed in dollars, the decrease was 49%, or 0.3 B$.

The ROACE(1) for the Chemicals segment for the twelve months ended June 30, 2008 was 8%. For the twelve months ended March 31, 2008 it was 10% and for the full year 2007 it was 12%.

(1) calculated based on adjusted net operating income and average capital employed, using replacement cost, as shown on page 13.

Cancellation of outstanding shares

The Board of Directors met on July 31, 2008 and approved the cancellation of the 30,000,000 shares bought in 2007. The share capital has been adjusted to 5,926,006,207.50 euros represented by 2,370,402,483 shares with a par value of 2.5 €.

TOTAL S.A. – parent company accounts

Net income for TOTAL S.A., the parent company, was 3,083 M€ in the first half of 2008 compared to 2,804 M€ in the first half of 2007.

Summary and outlook

The ROACE for the twelve months ended June 30, 2008 was 25% for the Group and 29% for the business segments compared respectively to 26% and 28% for the twelve months ended March 31, 2008 and 24% and 27% for the full year 2007.

Return on equity for the twelve months ended June 30, 2008 was 30%.

In the first half 2008, implementation of the ambitious investment program progressed as planned.

The Group maintains its net-debt-to-equity ratio within the 20-30% band.

Since the start of the third quarter 2008, oil prices have remained at high levels. European refining margins have retreated compared to the average level of the second quarter, but distillate margins are still attractive. Petrochemical margins continue to be hurt by high naphtha prices and weak demand in the Atlantic Basin.

Moho Bilondo in offshore Congo and Jura in the UK North Sea are expected to ramp up gradually over the coming months. Production from Al Jurf in Libya is expected to be restored in the fourth quarter.

The Group plans to continue to adapt its refining and petrochemicals activities to new market trends, notably by improving the energy efficiency of its facilities, by responding to the growing demand for diesel and by managing its surplus of gasoline in Europe.

With a solid portfolio of assets, TOTAL is well positioned to continue to benefit from this volatile but favorable oil market environment.

Other information

Operating information by segment first half 2008

Upstream

COMBINED LIQUIDS AND GAS PRODUCTION BY REGION (KBOE/D)	1H08	1H07	1H08 vs 1H07
Europe	614	695	-12%
Africa	822	790	+4%
North America	15	24	-37%
Far East	249	251	-1%
Middle East	435	380	+14%
South America	226	225	-
Rest of world	28	11	x2.5
Total production	**2,389**	**2,376**	**+1%**
Includes equity and non-consolidated affiliates	407	325	+25%

LIQUIDS PRODUCTION BY REGION (KB/D)	1H08	1H07	1H08 vs 1H07
Europe	299	344	-13%
Africa	691	675	+2%
North America	11	16	-31%
Far East	27	29	-7%
Middle East	333	324	+3%
South America	118	116	+2%
Rest of world	12	9	+33%
Total production	**1,491**	**1,513**	**-1%**
Includes equity and non-consolidated affiliates	353	272	+30%

GAS PRODUCTION BY REGION (MCF/D)	1H08	1H07	1H08 vs 1H07
Europe	1,707	1,901	-10%
Africa	678	591	+15%
North America	21	39	-46%
Far East	1,228	1,244	-1%
Middle East	564	296	x1.9
South America	600	602	-
Rest of world	82	16	x5.1
Total production	**4,880**	**4,689**	**+4%**
Includes equity and non-consolidated affiliates	294	284	+4%

LIQUEFIED NATURAL GAS (LNG)	1H08	1H07	1H08 vs 1H07
LNG sales* (Mt)**	4.57	4.43	+3%

* *sales, Group share, excluding trading.* ** *1 Mt/y = approx. 133 Mcf/d.*

Downstream

REFINED PRODUCTS SALES BY REGION (KB/D)*	1H08	1H07	1H08 vs 1H07
Europe	**2,071**	2,244	-8%
Africa	**280**	283	-1%
Americas	**188**	120**	+57%
Rest of world	**144**	141	+2%
Total consolidated sales	**2,683**	**2,788****	**-4%**
Trading	**950**	922	+3%
Total refined product sales	**3,633**	**3,710****	**-2%**

* *includes share of CEPSA.*
** *the method of calculating volumes for Port Arthur was changed effective in 2008*

Adjustment items

Adjustments to operating income from the business segments

in millions of euros	1H08	1H07
Special items affecting operating income from the business segments	-	-
• Restructuring charges	-	-
• Impairments	-	-
• Other	-	-
Pre-tax inventory effect : FIFO vs. replacement cost	2,062	893
Total adjustments affecting operating income from the business segments	**2,062**	**893**

Adjustments to net income (Group share)

in millions of euros	1H08	1H07
Special items affecting net income (Group share)	78	(100)
• Equity share of special items recorded by Sanofi-Aventis	-	-
• Gain on asset sales	147	-
• Restructuring charges	(44)	-
• Impairments	-	-
• Other	(25)	(100)
Adjustment related to the Sanofi-Aventis merger* (share of amortization of intangible assets)	(149)	(148)
After-tax inventory effect : FIFO vs. replacement cost	1,428	616
Total adjustments to net income	**1,357**	**368**

* *based on TOTAL's share in Sanofi-Aventis of 13% at 6/30/2008 and 6/30/2007*

Investments – Divestments

in millions of euros	1H08	1H07	1H08 vs 1H07
Investments excluding acquisitions*	4,589	4,796	-4%
• Capitalized exploration	377	403	-6%
• Net investments in equity affiliates and non-consolidated companies	(410)	64	na
Acquisitions	95	67	+42%
Asset sales	195	173	+13%
Net investments**	4,587	4,638	-1%

* *includes net investments in equity affiliates and non-consolidated companies.*
** *net investments = investments including acquisitions and net investments in equity affiliates and non-consolidated companies – asset sales + net financing for employees related to stock purchase plans.*

Net-debt-to-equity ratio

in millions of euros	6/30/2008	6/30/2007
Current borrowings	4,795	9,809
Net current financial assets	(49)	(10,790)
Non-current financial debt	14,777	15,045
Hedging instruments of non-current debt	(540)	(287)
Cash and cash equivalents	(7,245)	(2,858)
Net debt	**11,738**	**10,919**
Shareholders equity	48,273	43,657
Estimated dividend payable*	(2,315)	(2,110)
Minority interests	855	817
Equity	**46,813**	**42,364**
Net-debt-to-equity ratio	**25.1%**	**25.8%**

* *for 6/30/2008, based on a dividend of 2.07 €/share of 2.5 € of par value*

Effective tax rates

Average tax rates*	1H08	1H07
Upstream	61.8%	60.1%
Group	58.6%	54.0%

* *tax on adjusted net operating income / (adjusted net operating income – income from affiliates, dividends received from investments, and impairments of acquisition goodwill + tax on adjusted net operating income).*

Return on average capital employed

For the twelve months ended June 30, 2008

in millions of euros	Upstream	Downstream	Chemicals**	Segments	Group
Adjusted net operating income	10,626	1,970	562	13,158	13,810
Capital employed at 6/30/2007*	25,218	11,204	7,264	43,686	52,645
Capital employed at 6/30/2008*	26,676	13,491	7,394	47,561	56,107
ROACE	**41.0%**	**16.0%**	**7.7%**	**28.8%**	**25.4%**

* *at replacement cost (excluding after-tax inventory effect).*
** *capital employed for Chemicals reduced for the Toulouse-AZF provision of 146 M€ pre-tax at 6/30/2007 and 126 M€ pre-tax at 6/30/2008.*

For the twelve months ended March 31, 2008

in millions of euros	Upstream	Downstream	Chemicals**	Segments	Group
Adjusted net operating income	9,619	2,138	726	12,483	13,147
Capital employed at 3/31/2007*	24,808	11,442	7,129	43,379	50,773
Capital employed at 3/31/2008*	25,731	11,415	7,266	44,412	52,015
ROACE	**38.1%**	**18.7%**	**10.1%**	**28.4%**	**25.6%**

* *at replacement cost (excluding after-tax inventory effect).*
** *capital employed for Chemicals reduced for the Toulouse-AZF provision of 153 M€ pre-tax at 3/31/2007 and 129 M€ pre-tax at 3/31/2008.*

For the twelve months ended December 31, 2007

in millions of euros	Upstream	Downstream	Chemicals**	Segments	Group
Adjusted net operating income	8,849	2,535	847	12,231	12,881
Capital employed at 12/31/2006*	25,543	12,384	6,920	44,847	52,263
Capital employed at 12/31/2007*	27,062	12,190	7,033	46,285	54,158
ROACE	**33.6%**	**20.6%**	**12.1%**	**26.8%**	**24.2%**

* *at replacement cost (excluding after-tax inventory effect).*
** *capital employed for Chemicals reduced for the Toulouse-AZF provision of 176 M€ pre-tax at 12/31/2006 and 134 M€ pre-tax at 12/31/2007.*

Principal risks and uncertainties for the remaining six months of 2008

The Group and its businesses are subject to various risks relating to changing political, economic, monetary, legal, environmental, social, industry, competitive, operating and financial conditions. A description of such risk factors is provided in TOTAL's Registration Document filed with the *Autorité des marches financiers* (French Financial markets authority) on April 2, 2008 under the reference D. 08-0185. These conditions are subject to change not only in the six months remaining in the financial year but also in the years to come.

Additionally, a description of certain risks is included in the notes to the consolidated accounts for the first half of 2008 on page 26 of this first half 2008 financial report.

Disclaimer

This document may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, business, strategy and plans of TOTAL. Such statements are based on a number of assumptions that could ultimately prove inaccurate, and are subject to a number of risk factors, including currency fluctuations, the price of petroleum products, the ability to realize cost reductions and operating efficiencies without unduly disrupting business operations, environmental regulatory considerations and general economic and business conditions. TOTAL does not assume any obligation to update publicly any forward-looking statement, whether as a result of new information, future events or otherwise. Further information on factors which could affect the company's financial results is provided in documents filed by the Group and its affiliates with the French Autorité des marchés financiers and the US Securities and Exchange Commission.

Business segment information is presented in accordance with the Group internal reporting system used by the Chief operating decision maker to measure performance and allocate resources internally. Due to their particular nature or 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 certain instances, certain transactions such as restructuring costs or assets disposals, which are not considered to be representative of normal course of business, may be qualified as special items although they may have occurred within prior years or are likely to recur within following years.

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.

In this framework, performance measures such as adjusted operating income, adjusted net operating income and adjusted net income are defined as incomes using replacement cost, adjusted for special items and excluding TOTAL's equity share of the amortization of intangibles related to the Sanofi-Aventis merger. They are meant to facilitate the analysis of the financial performance and the comparison of income between periods.

Dollar amounts presented herein represent euro amounts converted at the average euro-dollar exchange rate for the applicable period and are not the result of financial statements prepared in dollars.

Condensed consolidated financial statements – 1st half 2008

Statutory auditor's report (review of the consolidated financial statements)

This is a free translation into English of the statutory auditors' review report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and constructed in accordance with, French law and professional auditing standards applicable in France.

For the six-month period ended June 30, 2008

Statutory auditors' review report on the half-year consolidated financial statements

To the Shareholders,

In our capacity as statutory auditors and in accordance with the requirements of articles L. 232-7 of the French Commercial Law ("Code de commerce") and L.451-1-2 III of French Monetary and Financial Law ("Code Monétaire et Financier"), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of TOTAL S.A., for the six-month period ended June 30, 2008,
- the verification of information contained in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of the Chief Executive Officer and are reviewed by the board of directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – the standard of the IFRS adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information given in the half-year management report on the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Paris-La Défense, July 31st, 2008

The statutory auditors

French original report signed by

KPMG audit *A department of KPMG S.A.*		Ernst & Young Audit	
René Amirkhanian	Jay Nirsimloo	Gabriel Galet	Philippe Diu

Consolidated statement of income

TOTAL

(unaudited)

(M€) (a)	1st half 2008	1st half 2007
Sales	**92,413**	**76,137**
Excise taxes	(9,826)	(10,961)
Revenues from sales	82,587	65,176
Purchases, net of inventory variation	(53,577)	(41,094)
Other operating expenses	(9,271)	(8,791)
Exploration costs	(393)	(469)
Depreciation, depletion, and amortization of tangible assets and mineral interests	(2,678)	(2,665)
Other income	168	156
Other expense	(169)	(166)
Financial interest on debt	(461)	(877)
Financial income from marketable securities and cash equivalents	242	631
Cost of net debt	(219)	(246)
Other financial income	345	337
Other financial expense	(151)	(141)
Income taxes	(9,148)	(6,382)
Equity in income (loss) of affiliates	1,084	918
Consolidated net income	**8,578**	**6,633**
Group share*	8,334	6,460
Minority interests	244	173
Earnings per share (euros)	3.72	2.86
Fully-diluted earnings per share (euros)**	3.70	2.83
* Adjusted net income	6,977	6,092
** Adjusted fully-diluted earnings per share (euros)	3.10	2.67

(a) Except for earnings per share

Consolidated statement of income

TOTAL

(unaudited)

(M€) [a]	2nd quarter 2008	1st quarter 2008	2nd quarter 2007
Sales	**48,200**	**44,213**	**39,094**
Excise taxes	(4,900)	(4,926)	(5,595)
Revenues from sales	43,300	39,287	33,499
Purchases, net of inventory variation	(27,958)	(25,619)	(21,385)
Other operating expenses	(4,439)	(4,832)	(4,139)
Exploration costs	(203)	(190)	(255)
Depreciation, depletion, and amortization of tangible assets and mineral interests	(1,384)	(1,294)	(1,365)
Other income	15	153	60
Other expense	(121)	(48)	(102)
Financial interest on debt	(204)	(257)	(447)
Financial income from marketable securities and cash equivalents	113	129	337
Cost of net debt	(91)	(128)	(110)
Other financial income	229	116	209
Other financial expense	(80)	(71)	(74)
Income taxes	(4,931)	(4,217)	(3,292)
Equity in income (loss) of affiliates	538	546	449
Consolidated net income	**4,875**	**3,703**	**3,495**
Group share*	4,732	3,602	3,411
Minority interests	143	101	84
Earnings per share (euros)	2.12	1.61	1.51
Fully-diluted earnings per share (euros)***	2.10	1.60	1.50
* Adjusted net income	3,723	3,254	3,100
** Adjusted fully-diluted earnings per share (euros)	1.65	1.44	1.36

(a) Except for earnings per share.

Consolidated balance sheet

TOTAL

(M€) ASSETS	June 30, 2008 *(unaudited)*	March 31, 2008 *(unaudited)*	December 31, 2007	June 30, 2007 *(unaudited)*
Non-current assets				
Intangible assets, net	4,381	4,374	4,650	4,729
Property, plant and equipment, net	41,756	40,436	41,467	42,090
Equity affiliates: investments and loans	14,524	15,039	15,280	13,619
Other investments	1,246	1,215	1,291	1,385
Hedging instruments of non-current financial debt	540	651	460	287
Other non-current assets	2,179	2,066	2,155	1,801
Total non-current assets	**64,626**	**63,781**	**65,303**	**63,911**
Current assets				
Inventories, net	17,185	13,892	13,851	12,009
Accounts receivable, net	21,856	18,664	19,129	17,024
Other current assets	9,644	8,261	8,006	7,155
Current financial assets	223	403	1,264	10,883
Cash and cash equivalents	7,245	8,341	5,988	2,858
Total current assets	**56,153**	**49,561**	**48,238**	**49,929**
Total assets	**120,779**	**113,342**	**113,541**	**113,840**

LIABILITIES & SHAREHOLDERS' EQUITY				
Shareholders' equity				
Common shares	6,003	5,990	5,989	5,983
Paid-in surplus and retained earnings	55,024	52,376	48,797	44,238
Currency translation adjustment	(6,483)	(6,653)	(4,396)	(1,885)
Treasury shares	(6,271)	(5,963)	(5,532)	(4,679)
Total shareholders' equity – Group share	**48,273**	**45,750**	**44,858**	**43,657**
Minority interests	**855**	**833**	**842**	**817**
Total shareholders' equity	**49,128**	**46,583**	**45,700**	**44,474**
Non-current liabilities				
Deferred income taxes	7,748	7,840	7,933	7,442
Employee benefits	2,533	2,489	2,527	2,814
Other non-current liabilities	6,567	6,431	6,843	6,359
Total non-current liabilities	**16,848**	**16,760**	**17,303**	**16,615**
Non-current financial debt	**14,777**	**13,388**	**14,876**	**15,045**
Current liabilities				
Accounts payable	19,297	17,240	18,183	14,418
Other creditors and accrued liabilities	15,760	14,345	12,806	13,386
Current borrowings	4,795	4,861	4,613	9,809
Other current financial liabilities	174	165	60	93
Total current liabilities	**40,026**	**36,611**	**35,662**	**37,706**
Total liabilities and shareholders' equity	**120,779**	**113,342**	**113,541**	**113,840**

Consolidated statement of cash flow

TOTAL

(unaudited)

(M€) CASH FLOW FROM OPERATING ACTIVITIES	1st half 2008	1st half 2007
Consolidated net income	8,578	6,633
Depreciation, depletion and amortization	2,887	2,933
Non-current liabilities, valuation allowances and deferred taxes	43	288
Impact of coverage of pension benefit plans	-	-
(Gains) Losses on disposals of assets	(168)	(141)
Undistributed affiliates' equity earnings	(198)	(329)
(Increase) Decrease in operating assets and liabilities	(3,953)	405
Other changes, net	49	188
Cash flow from operating activities	7,238	**9,977**
CASH FLOW USED IN INVESTING ACTIVITIES		
Intangible assets and property, plant and equipment additions	(4,946)	(4,632)
Acquisitions of subsidiaries, net of cash acquired	-	(20)
Investments in equity affiliates and other securities	(148)	(147)
Increase in non-current loans	(417)	(305)
Total expenditures	**(5,511)**	**(5,104)**
Proceeds from disposal of intangible assets and property, plant and equipment	22	90
Proceeds from disposal of subsidiaries, net of cash sold	84	-
Proceeds from disposal of non-current investments	89	83
Repayment of non-current loans	729	293
Total divestments	**924**	**466**
Cash flow used in investing activities	(4,587)	**(4,638)**
CASH FLOW USED IN FINANCING ACTIVITIES		
Issuance (Repayment) of shares:		
• Parent company shareholders	242	15
• Treasury shares	(711)	(568)
• Minority shareholders	(9)	-
Cash dividends paid to:		
• Parent company shareholders	(2,404)	(2,262)
• Minority shareholders	(128)	(162)
Net issuance (repayment) of non-current debt	2,065	2,413
Increase (Decrease) in current borrowings	(832)	2,507
Increase (Decrease) in current financial assets and liabilities	817	(6,968)
Other changes, net	-	-
Cash flow used in financing activities	**(960)**	**(5,025)**
Net increase (decrease) in cash and cash equivalents	**1,691**	**314**
Effect of exchange rates and changes in scope of consolidation	(434)	51
Cash and cash equivalents at the beginning of the period	5,988	2,493
Cash and cash equivalents at the end of the period	**7,245**	**2,858**

Consolidated statement of cash flow

TOTAL

(unaudited)

(M€) CASH FLOW FROM OPERATING ACTIVITIES	2nd quarter 2008	1st quarter 2008	2nd quarter 2007
Consolidated net income	4,875	3,703	3,495
Depreciation, depletion and amortization	1,482	1,405	1,495
Non-current liabilities, valuation allowances and deferred taxes	32	11	315
Impact of coverage of pension benefit plans	-	-	-
(Gains) Losses on disposals of assets	(15)	(153)	(66)
Undistributed affiliates' equity earnings	104	(302)	1
(Increase) Decrease in operating assets and liabilities	(4,563)	610	(1,693)
Other changes, net	7	42	42
Cash flow from operating activities	1,922	**5,316**	**3,589**
CASH FLOW USED IN INVESTING ACTIVITIES			
Intangible assets and property, plant and equipment additions	(2,619)	(2,327)	(2,509)
Acquisitions of subsidiaries, net of cash acquired	-	-	-
Investments in equity affiliates and other securities	(41)	(107)	(47)
Increase in non-current loans	(208)	(209)	(134)
Total expenditures	**(2,868)**	**(2,643)**	**(2,690)**
Proceeds from disposal of intangible assets and property, plant and equipment	16	6	18
Proceeds from disposal of subsidiaries, net of cash sold	84	-	-
Proceeds from disposal of non-current investments	20	69	64
Repayment of non-current loans	606	123	140
Total divestments	**726**	**198**	**222**
Cash flow used in investing activities	(2,142)	**(2,445)**	**(2,468)**
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES			
Issuance (Repayment) of shares:			
• Parent company shareholders	233	9	10
• Treasury shares	(284)	(427)	(295)
• Minority shareholders	-	(9)	-
Cash dividends paid to:			
• Parent company shareholders	(2,404)	-	(2,262)
• Minority shareholders	(127)	(1)	(133)
Net issuance (repayment) of non-current debt	1,562	503	1,309
Increase (Decrease) in current borrowings	55	(887)	(135)
Increase (Decrease) in current financial assets and liabilities	(18)	835	138
Other changes, net	-	-	-
Cash flow from (used in) financing activities	**(983)**	**23**	**(1,368)**
Net increase (decrease) in cash and cash equivalents	**(1,203)**	**2,894**	**(247)**
Effect of exchange rates and changes in scope of consolidation	107	(541)	143
Cash and cash equivalents at the beginning of the period	8,341	5,988	2,962
Cash and cash equivalents at the end of the period	**7,245**	**8,341**	**2,858**

Consolidated statement of changes in shareholders' equity

TOTAL

(unaudited)

(M€)	Common shares issued		Paid-in surplus and retained earnings	Currency translation adjustment	Treasury shares		Shareholders' equity	Minority interests	Total equity
	Number	Amount			Number	Amount			
As of January 1, 2007	**2,425,767,953**	**6,064**	**41,460**	**(1,383)**	**(161,200,707)**	**(5,820)**	**40,321**	**827**	**41,148**
Net income for the first half	-	-	6,460	-	-	-	6,460	173	6,633
Items recognized directly in equity	-	-	108	(502)	-	-	(394)	(21)	(415)
Total excluding transactions with shareholders	**-**	**-**	**6,568**	**(502)**	**-**	**-**	**6,066**	**152**	**6,218**
Dividend	-	-	(2,262)	-	-	-	(2,262)	(162)	(2,424)
Issuance of common shares	549,873	1	14	-	-	-	15	-	15
Purchase of treasury shares	-	-	-	-	(14,000,000)	(755)	(755)	-	(755)
Sale of treasury shares (a)	-	-	28	-	5,052,289	162	190	-	190
Share-based payments	-	-	82	-	-	-	82	-	82
Transactions with shareholders	**549,873**	**1**	**(2,138)**	**-**	**(8,947,711)**	**(593)**	**(2,730)**	**(162)**	**(2,892)**
Share cancellation	**(33,005,000)**	**(82)**	**(1,652)**	**-**	**33,005,000**	**1,734**	**-**	**-**	**-**
As of June 30, 2007	**2,393,312,826**	**5,983**	**44,238**	**(1,885)**	**(137,143,418)**	**(4,679)**	**43,657**	**817**	**44,474**
Net income for the second half	-	-	6,721	-	-	-	6,721	181	6,902
Items recognized directly in equity	-	-	9	(2,511)	-	-	(2,502)	(90)	(2,592)
Total excluding transactions with shareholders	**-**	**-**	**6,730**	**(2,511)**	**-**	**-**	**4,219**	**91**	**4,310**
Dividend	-	-	(2,248)	-	-	-	(2,248)	(66)	(2,314)
Issuance of common shares	2,219,271	6	68	-	-	-	74	-	74
Purchase of treasury shares	-	-	-	-	(18,387,355)	(1,032)	(1,032)	-	(1,032)
Sale of treasury shares (a)	-	-	(105)	-	4,109,541	179	74	-	74
Share-based payments	-	-	114	-	-	-	114	-	114
Transactions with shareholders	**2,219,271**	**6**	**(2,171)**	**-**	**(14,277,814)**	**(853)**	**(3,018)**	**(66)**	**(3,084)**
Share cancellation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
As of December 31, 2007	**2,395,532,097**	**5,989**	**48,797**	**(4,396)**	**(151,421,232)**	**(5,532)**	**44,858**	**842**	**45,700**
Net income for the first half	-	-	8,334	-	-	-	8,334	244	8,578
Items recognized directly in equity	-	-	(43)	(2,087)	-	-	(2,130)	(103)	(2,233)
Total excluding transactions with shareholders	**-**	**-**	**8,291**	**(2,087)**	**-**	**-**	**6,204**	**141**	**6,345**
Dividend	-	-	(2,404)	-	-	-	(2,404)	(128)	(2,532)
Issuance of common shares	5,678,338	14	228	-	-	-	242	-	242
Purchase of treasury shares	-	-	-	-	(16,000,000)	(818)	(818)	-	(818)
Sale of treasury shares (a)	-	-	28	-	2,679,805	79	107	-	107
Share-based payments	-	-	84	-	-	-	84	-	84
Transactions with shareholders	**5,678,338**	**14**	**(2,064)**	**-**	**(13,320,195)**	**(739)**	**(2,789)**	**(128)**	**(2,917)**
Share cancellation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
As of June 30, 2008	**2,401,210,435**	**6,003**	**55,024**	**(6,483)**	**(164,741,427)**	**(6,271)**	**48,273**	**855**	**49,128**

(a) Treasury shares related to the stock option purchase plans and restricted stock grants.

Notes to the consolidated financial statements for the first six months of 2008 (unaudited)

1) Accounting policies

The interim consolidated financial statements of TOTAL S.A. and its subsidiaries (the Group) as of June 30, 2008 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, 2008 do not differ significantly from those applied for the consolidated financial statements as of December 31, 2007 which have been prepared on the basis of IFRS (International Financial Reporting Standards) as adopted by the European Union and IFRS as issued by the IASB (International Accounting Standard Board). The new accounting standards and amendments mandatory for the annual period beginning January 1, 2008 are described in Note 1X to the consolidated financial statements as of December 31, 2007 and have no material effect on the Group's consolidated financial statements for the first six months of 2008.

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 an ongoing basis, by reference to past experience and various other factors considered as reasonable which form the basis for assessing the carrying amount of assets and liabilities. Actual results may differ significantly from these estimates, if different assumptions or circumstances apply. These judgments and estimates relate principally to the application of the successful efforts method for the oil and gas accounting, the valuation of long-lived assets, the provisions for asset retirement obligations and environmental remediation, the pensions and postretirement benefits and the income tax computation.

Lastly, when the accounting treatment of a specific transaction is not addressed by any accounting standard or interpretation, 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 view 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.

Pursuant to the accrual basis of accounting followed by the Group, the financial statements reflect the effects of transactions and other events when they occur. Assets and liabilities such as property, plant and equipment and intangible assets are usually measured at amortized cost. Financial assets and liabilities are usually measured at fair value.

2) Changes in the Group structure, main acquisitions and divestments

There were no major changes during the first six months of 2008.

3) 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 presented according to the replacement cost method. This method is used to assess the segments' performance and ensure the comparability of the segments' performance 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 statement of income is determined by the average prices 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 the replacement cost.

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

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.

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

ADJUSTMENTS TO OPERATING INCOME (M€)

2nd quarter 2008	Upstream	Downstream	Chemicals	Corporate	Total
Inventory valuation effect	-	1,457	230	-	1,687
Restructuring charges	-	-	-	-	-
Asset impairment charges	-	-	-	-	-
Other items	-	-	-	-	-
Total	**-**	**1,457**	**230**	**-**	**1,687**
2nd quarter 2007					
Inventory valuation effect	-	623	96	-	719
Restructuring charges	-	-	-	-	-
Asset impairment charges	-	-	-	-	-
Other items	-	-	-	-	-
Total	**-**	**623**	**96**	**-**	**719**
1st half 2008					
Inventory valuation effect	-	1,830	232	-	2,062
Restructuring charges	-	-	-	-	-
Asset impairment charges	-	-	-	-	-
Other items	-	-	-	-	-
Total	-	**1,830**	**232**	**-**	**2,062**
1st half 2007					
Inventory valuation effect	-	730	163	-	893
Restructuring charges	-	-	-	-	-
Asset impairment charges	-	-	-	-	-
Other items	-	-	-	-	-
Total	**-**	**730**	**163**	**-**	**893**

ADJUSTMENTS TO NET INCOME (M€)

2nd quarter 2008	Upstream	Downstream	Chemicals	Corporate	Total
Inventory valuation effect	-	1,001	153	-	1,154
TOTAL's equity share of special items recorded by Sanofi-Aventis	-	-	-	-	-
TOTAL's equity share of adjustments related to the Sanofi-Aventis merger	-	-	-	(78)	(78)
Restructuring charges	-	(35)	(9)	-	(44)
Asset impairment charges	-	-	-	-	-
Gains (Losses) on disposals of assets	-	-	-	2	2
Other items	-	-	(5)	(20)	(25)
Total	**-**	**966**	**139**	**(96)**	**1,009**
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 disposals of assets	-	-	-	-	-
Other items	-	-	-	(100)	(100)
Total	**-**	**418**	**65**	**(172)**	**311**
1st half 2008					
Inventory valuation effect	-	1,274	154	-	1,428
TOTAL's equity share of special items recorded by Sanofi-Aventis	-	-	-	-	-
TOTAL's equity share of adjustments related to the Sanofi-Aventis merger	-	-	-	(149)	(149)
Restructuring charges	-	(35)	(9)	-	(44)
Asset impairment charges	-	-	-	-	-
Gains (Losses) on disposals of assets	130	-	-	17	147
Other items	-	-	(5)	(20)	(25)
Total	**130**	**1,239**	**140**	**(152)**	**1,357**
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 disposals of assets	-	-	-	-	-
Other items	-	-	-	(100)	(100)
Total	**-**	**507**	**109**	**(248)**	**368**

4) Shareholders' equity

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

As of June 30, 2008, TOTAL S.A. held 64,410,159 of its own shares, representing 2.68% of its share capital, detailed as follows:

- 18,410,159 shares allocated to covering TOTAL share purchase option plans and restricted shares plans for Group employees;
- 46,000,000 shares purchased during 2007 and the first six months of 2008 for cancellation, pursuant to the authorizations granted by the shareholders' meetings held on May 12, 2006, May 11, 2007 and May 16, 2008.

These 64,410,159 shares are deducted from the consolidated shareholders' equity.

TOTAL shares held by Group subsidiaries

As of June 30, 2008, TOTAL S.A. held indirectly through its subsidiaries 100,331,268 of its own shares, representing 4.18% of its share capital, detailed as follows:

- 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 16, 2008 approved the payment of a cash dividend of € 2.07 per share for the fiscal year 2007. Taking into account an interim dividend of € 1 per share paid on November 16, 2007, the remaining balance of € 1.07 per share was paid on May 23, 2008.

5) Non-current financial debt

The Group issued bonds through its subsidiary Total Capital during the first six months of 2008:

- Bond 2.375% 2008-2012 (225 million CHF)
- Bond 3.125% 2008-2015 (100 million CHF)
- Bond 4.875% 2008-2010 (50 million GBP)
- Bond 7.500% 2008-2013 (100 million AUD)
- Bond 3.875% 2008-2011 (50 million EUR)
- Bond 3.250% 2008-2012 (50 millions EUR)
- Bond 2.375% 2008-2012 (100 million CHF)
- Bond 3.125% 2008-2013 (200 million CHF)
- Bond 3.875% 2008-2011 (100 million EUR)
- Bond 4.625% 2008-2012 (50 million GBP)
- Bond 3.125% 2008-2018 (100 million CHF)
- Bond 7.500% 2008-2011 (150 million AUD)
- Bond 3.125% 2008-2015 (100 million CHF)
- Bond 4.000% 2008-2013 (300 million USD)
- Bond 4.125% 2008-2013 (200 million EUR)
- Bond 5.500% 2008-2013 (50 million GBP)
- Bond 6.000% 2008-2012 (500 million NOK)
- Bond 3.875% 2008-2011 (150 million EUR)
- Bond 7.500% 2008-2013 (100 million AUD)

The Group reimbursed bonds during the first six months of 2008:

- Bond Pibor 3 months + 0.380% 1998-2008 (230 million FRF)
- Bond 5.000% 2003-2008 (100 million AUD)
- Bond 3.500% 2003-2008 (500 million EUR)
- Bond 4.250% 2003-2008 (100 million CAD)
- Bond 3.250% 2003-2008 (250 million USD)
- Bond 5.000% 2003-2008 (100 million AUD)
- Bond 3.500% 2003-2008 (100 million EUR)
- Bond 3.500% 2003-2008 (150 million EUR)
- Bond 3.250% 2004-2008 (50 million USD)
- Bond 3.250% 2004-2008 (50 million USD)
- Bond 3.250% 2004-2008 (100 million USD)
- Bond 2.000% 2003-2008 (300 million CHF)
- Bond 2.000% 2003-2008 (200 million CHF)

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

6) Related parties

The related parties are principally equity affiliates and non consolidated investments. There were no major changes concerning the main transactions with related parties during the first six months of 2008.

7) Other risks and contingent liabilities

TOTAL is not currently aware of any event, litigation, risks or contingent liabilities that are likely to have a material impact on the assets and liabilities, results, financial position or operations of the Group.

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 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.

Arkema and Elf Aquitaine received a statement of objections from the European Commission in August 2007 concerning alleged anti-competitive practices related to another line of chemical products. As a result Arkema and Elf Aquitaine have been condemned jointly and severally to an amount of 22.7 M€ and individually to an amount of 20.43 M€ for Arkema and 15.89 M€ for Elf Aquitaine. Companies concerned have decided to appeal this decision to the European court.

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 having started in 2006, 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 the risks related to anticompetition violations in Europe applies to amounts that rise above 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 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.

In the same way, 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, 2008 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 resulted, in September 2006, 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 as the Company has been included based solely on its status as the parent company.

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.

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

Buncefield

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

The explosion caused minor injuries to about 40 people and caused property damage to the depot and the buildings and homes located nearby. The official independent Investigation Board (supported by the HSE) has indicated that the explosion was caused by the overflow of a tank at the depot. The Board's final report detailing the circumstances and the exact cause of the explosion has not been released yet. At this stage, responsibility for the explosion has not yet been determined. The civil court procedure, concerning claims which have not been settled so far, is expected to start in the fourth quarter 2008.

The Group carries insurance for damage to its interests in these facilities, business interruption and civil liability claims from third parties, and believes that, based on the information currently available, this accident should not have a significant impact on its financial position, cash flows or results.

Venezuela

On February 26, 2007, the Venezuelan president signed a decree providing for the transformation of the Strategic Associations in the Faja region, including the Sincor project, into mixed companies with the government having an interest of at least 60%. The legislation further states that control of operations was to be transferred to PDVSA (Petróleos de Venezuela S.A.) no later than May 1, 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.

Within this framework, TOTAL signed two agreements with PDVSA and Statoil, with the approval of the ministry in charge of energy and oil:

- on April 25, 2007 an agreement according to which the control of Sincor operations was transferred temporarily from May 1, 2007, to PDVSA;
- on June 26, 2007, heads of agreement providing for the transformation of the Sincor association into a mixed company. Pursuant to these heads of agreement, TOTAL's interest in the project was to decrease from 47% to 30.323%, PDVSA's interest was to increase from 38% to 60% and Statoil's interest was to decrease from 15% to 9.677%. This agreement also provides for compensation to be awarded to TOTAL, with the amount to be negotiated based on the value of the assets.

The conditions of this transformation were approved by the National Assembly in October 2007. The presidential decrees regarding the creation of the mixed company, PetroCedeño, and the transfer of the rights to conduct the principal activities were published in the Venezuelan official gazette in November 9, 2007 and January 10, 2008. The finalization of the transformation process occurred on February 8, 2008.

PetroCedeño (previously Sincor) has been accounted for under the equity method for 30.323% in the Group's financial statements since December 31, 2007; special items related to this transformation into a mixed company were recorded in the first quarter 2008.

Kazakhstan

On January 14, 2008, members of NCSPSA (North Caspian Sea Production Sharing Agreement) and the Kazakh authorities signed a Memorandum of Understanding to end the dispute among them that began at the end of August 2007.

The various agreements needed to implement this Memorandum and the supplemental Memorandum of Understanding signed on June 25, 2008 are being finalized. An update of the costs and timetable for the first phase of development has been submitted to the authorities.

These Memorandums contemplate:

- a transfer of participating interest from foreign partners in favor of KMG (KazMunaiGas) that will lead to a decrease of TOTAL's participation from 18.52% to 16.81% ; and
- a modification of economic terms in favor of the Republic of Kazakhstan through (i) the creation of a Priority Payment representing a percentage of oil sales depending on oil price, (ii) an increase of the production bonus and (iii) a decrease of the interest rate on recoverable capital expenditures depending on oil price.

Budgetary approvals from the Kazakh authorities have been obtained to allow the project to continue without interruption.

Erika

In response to the decision handed down by the Paris Criminal Court on January 16, 2008, TOTAL S.A. has decided, on the one hand, to file an appeal against the decision and, on the other hand, to finally and irrevocably pay the amounts awarded by the court to those parties who request such payment.

At the current stage of the proceedings, TOTAL S.A. believes that, based on a reasonable estimate of its liability, the case will not have a material impact on the Group's financial situation or consolidated results.

8) Information by business segment

1st half 2008 (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	11,935	69,770	10,707	1	-	92,413
Intersegment sales	13,980	3,050	706	70	(17,806)	-
Excise taxes	-	(9,826)	-	-	-	(9,826)
Revenues from sales	**25,915**	**62,994**	**11,413**	**71**	**(17,806)**	**82,587**
Operating expenses	(10,697)	(59,346)	(10,648)	(356)	17,806	(63,241)
Depreciation, depletion, and amortization of tangible assets and mineral interests	(1,831)	(576)	(257)	(14)	-	(2,678)
Operating income	**13,387**	**3,072**	**508**	**(299)**	**-**	**16,668**
Equity in income (loss) of affiliates and other items	904	(13)	3	383	-	1,277
Tax on net operating income	(8,331)	(898)	(143)	150	-	(9,222)
Net operating income	**5,960**	**2,161**	**368**	**234**	**-**	**8,723**
Net cost of net debt						(145)
Minority interests						(244)
Net income						**8,334**

1st half 2008 (adjustments*) (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales						
Intersegment sales						
Excise taxes						
Revenues from sales						
Operating expenses	-	1,830	232	-		2,062
Depreciation, depletion, and amortization of tangible assets and mineral interests	-	-	-	-		-
Operating income[(a)]	**-**	**1,830**	**232**	**-**		**2,062**
Equity in income (loss) of affiliates and other items[(b)]	130	15	(22)	(152)		(29)
Tax on net operating income	-	(582)	(70)	-		(652)
Net operating income[(a)]	**130**	**1,263**	**140**	**(152)**		**1,381**
Net cost of net debt						-
Minority interests						(24)
Net income						**1,357**

(*) 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
(a) Of which inventory valuation effect				
On operating income	-	1,830	232	-
On net operating income	-	1,298	154	-
(b) Of which equity share of amortization of intangible assets related to the Sanofi-Aventis merger	-	-	-	(149)

1st half 2008 (adjusted) (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	11,935	69,770	10,707	1	-	92,413
Intersegment sales	13,980	3,050	706	70	(17,806)	-
Excise taxes	-	(9,826)	-	-	-	(9,826)
Revenues from sales	**25,915**	**62,994**	**11,413**	**71**	**(17,806)**	**82,587**
Operating expenses	(10,697)	(61,176)	(10,880)	(356)	17,806	(65,303)
Depreciation, depletion, and amortization of tangible assets and mineral interests	(1,831)	(576)	(257)	(14)	-	(2,678)
Adjusted operating income	**13,387**	**1,242**	**276**	**(299)**	**-**	**14,606**
Equity in income (loss) of affiliates and other items	774	(28)	25	535	-	1,306
Tax on net operating income	(8,331)	(316)	(73)	150	-	(8,570)
Adjusted net operating income	**5,830**	**898**	**228**	**386**	**-**	**7,342**
Net cost of net debt						(145)
Minority interests						(220)
Adjusted net income						**6,977**

1st half 2008 (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Total expenditures	4,254	808	385	64		5,511
Total divestments	672	152	19	81		924
Cash flow from operating activities	7,894	(223)	(33)	(400)		7,238

1st half 2007 (M€)	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 mineral interests	(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						**6,460**

1st half 2007 (adjustments*) (M€)	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 mineral interests	-	-	-	-		-
Operating income(a)	**-**	**730**	**163**	**-**		**893**
Equity in income (loss) of affiliates and other items(b)	-	24	-	(248)		(224)
Tax on net operating income	-	(240)	(54)	-		(294)
Net operating income(a)	**-**	**514**	**109**	**(248)**		**375**
Net cost of net debt						-
Minority interests						(7)
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
(a) Of which inventory valuation effect				
On operating income	*-*	*730*	*163*	*-*
On net operating income	*-*	*514*	*109*	*-*
(b) Of which equity share of amortization of intangible assets related to the Sanofi-Aventis merger	*-*	*-*	*-*	*(148)*

1st half 2007 (adjusted) (M€)	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 mineral interests	(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						**6,092**

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

2[nd] quarter 2008 (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	5,739	36,990	5,478	(7)	-	48,200
Intersegment sales	7,862	1,497	449	37	(9,845)	-
Excise taxes	-	(4,900)	-	-	-	(4,900)
Revenues from sales	**13,601**	**33,587**	**5,927**	**30**	**(9,845)**	**43,300**
Operating expenses	(5,679)	(31,095)	(5,491)	(180)	9,845	(32,600)
Depreciation, depletion, and amortization of tangible assets and mineral interests	(958)	(291)	(128)	(7)	-	(1,384)
Operating income	**6,964**	**2,201**	**308**	**(157)**	**-**	**9,316**
Equity in income (loss) of affiliates and other items	439	20	(11)	133	-	581
Tax on net operating income	(4,304)	(651)	(88)	78	-	(4,965)
Net operating income	**3,099**	**1,570**	**209**	**54**	**-**	**4,932**
Net cost of net debt						(57)
Minority interests						(143)
Net income						**4,732**

2[nd] quarter 2008 (adjustments*) (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales						
Intersegment sales						
Excise taxes						
Revenues from sales						
Operating expenses	-	1,457	230	-		1,687
Depreciation, depletion, and amortization of tangible assets and mineral interests	-	-	-	-		-
Operating income[(a)]	**-**	**1,457**	**230**	**-**		**1,687**
Equity in income (loss) of affiliates and other items[(b)]	-	(10)	(22)	(96)		(128)
Tax on net operating income	-	(464)	(69)	-		(533)
Net operating income[(a)]	**-**	**983**	**139**	**(96)**		**1,026**
Net cost of net debt						-
Minority interests						(17)
Net income						**1,009**

(*) 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
(a) Of which inventory valuation effect				
On operating income	-	1,457	230	-
On net operating income	-	1,018	153	-
(b) Of which equity share of amortization of intangible assets related to the Sanofi-Aventis merger	-	-	-	(78)

2nd quarter 2008 (adjusted) (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	5,739	36,990	5,478	(7)	-	48,200
Intersegment sales	7,862	1,497	449	37	(9,845)	-
Excise taxes	-	(4,900)	-	-	-	(4,900)
Revenues from sales	**13,601**	**33,587**	**5,927**	**30**	**(9,845)**	**43,300**
Operating expenses	(5,679)	(32,552)	(5,721)	(180)	9,845	(34,287)
Depreciation, depletion, and amortization of tangible assets and mineral interests	(958)	(291)	(128)	(7)	-	(1,384)
Adjusted operating income	**6,964**	**744**	**78**	**(157)**	**-**	**7,629**
Equity in income (loss) of affiliates and other items	439	30	11	229	-	709
Tax on net operating income	(4,304)	(187)	(19)	78	-	(4,432)
Adjusted net operating income	**3,099**	**587**	**70**	**150**	**-**	**3,906**
Net cost of net debt						(57)
Minority interests						(126)
Adjusted net income						**3,723**

2nd quarter 2008 (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Total expenditures	2,076	514	221	57		2,868
Total divestments	565	128	12	21		726
Cash flow from operating activities	3,643	(1,391)	169	(499)		1,922

2nd quarter 2007 (M€)	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 mineral interests	(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						**3,411**

2nd quarter 2007 (adjustments*) (M€)	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 mineral interests	-	-	-	-		-
Operating income(a)	**-**	**623**	**96**	**-**		**719**
Equity in income (loss) of affiliates and other items(b)	-	6	1	(172)		(165)
Tax on net operating income	-	(204)	(32)	-		(236)
Net operating income(a)	**-**	**425**	**65**	**(172)**		**318**
Net cost of net debt						-
Minority interests						(7)
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
(a) Of which inventory valuation effect				
On operating income	-	623	96	-
On net operating income	-	425	65	-
(b) Of which equity share of amortization of intangible assets related to the Sanofi-Aventis merger	-	-	-	(72)

2nd quarter 2007 (adjusted) (M€)	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 mineral interests	(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						**3,100**

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

9) Reconciliation between information by business segment and the consolidated statement of income

1st half 2008 (M€)	Adjusted	Adjustments	Consolidated statement of income
Sales	**92,413**	**-**	**92,413**
Excise taxes	(9,826)	-	(9,826)
Revenues from sales	82,587	-	82,587
Purchases, net of inventory variation	(55,639)	2,062	(53,577)
Other operating expenses	(9,271)	-	(9,271)
Exploration costs	(393)	-	(393)
Depreciation, depletion, and amortization of tangible assets and mineral interests	(2,678)	-	(2,678)
Other income	21	147	168
Other expense	(74)	(95)	(169)
Financial interest on debt	(461)	-	(461)
Financial income from marketable securities and cash equivalents	242	-	242
Cost of net debt	(219)	-	(219)
Other financial income	345	-	345
Other financial expense	(151)	-	(151)
Income taxes	(8,496)	(652)	(9,148)
Equity in income (loss) of affiliates	1,165	(81)	1,084
Consolidated net income	**7,197**	**1,381**	**8,578**
Group share	6,977	1,357	8,334
Minority interests	220	24	244

1st half 2007 (M€)	Adjusted	Adjustments	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 mineral interests	(2,665)	-	(2,665)
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	**6,258**	**375**	**6,633**
Group share	6,092	368	6,460
Minority interests	166	7	173

2nd quarter 2008 (M€)	Adjusted	Adjustments	Consolidated statement of income
Sales	**48,200**	**-**	**48,200**
Excise taxes	(4,900)	-	(4,900)
Revenues from sales	43,300	-	43,300
Purchases, net of inventory variation	(29,645)	1,687	(27,958)
Other operating expenses	(4,439)	-	(4,439)
Exploration costs	(203)	-	(203)
Depreciation, depletion, and amortization of tangible assets and mineral interests	(1,384)	-	(1,384)
Other income	13	2	15
Other expense	(26)	(95)	(121)
Financial interest on debt	(204)	-	(204)
Financial income from marketable securities and cash equivalents	113	-	113
Cost of net debt	(91)	-	(91)
Other financial income	229	-	229
Other financial expense	(80)	-	(80)
Income taxes	(4,398)	(533)	(4,931)
Equity in income (loss) of affiliates	573	(35)	538
Consolidated net income	**3,849**	**1,026**	**4,875**
Group share	3,723	1,009	4,732
Minority interests	126	17	143

2nd quarter 2007 (M€)	Adjusted	Adjustments	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 mineral interests	(1,365)	-	(1,365)
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	**3,177**	**318**	**3,495**
Group share	3,100	311	3,411
Minority interests	77	7	84

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Corporate Communications
TOTAL S.A.
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Share capital: 5,926,006,207.5 euros
542 051 180 RCS Nanterre

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