TOTAL

Financial Report
1st half 2012

Contents

Financial Report 1st half 2012

This is a free translation into English of the Chairman and 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 2012 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 1 to 12 herein includes a fair review of the important events that have occurred during the first six months of the financial year, their impact on 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 13 of this half-year financial report."

Christophe de Margerie
Chairman and Chief Executive Officer

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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 July 27, 2012 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:	U.S. dollar
t:	metric ton
boe:	barrel of oil equivalent
kboe/d:	thousand boe/d
kb/d:	thousand barrel/d
Btu:	British thermal unit
M:	million
B:	billion
ERMI:	*European Refining Margin Indicator*. Refining margin indicator after variable costs for a theoretical complex refinery located around Rotterdam in Northern Europe that processes a mix of crude oil and other inputs commonly supplied to this region to produce and market the main refined products at prevailing prices in this region.
IFRS:	International Financial Reporting Standards
LNG:	liquefied natural gas
ROE	Return on Equity
ROACE:	Return on Average Capital Employed

Conversion table

1 boe = 1 barrel of crude oil = approx. 5,447 cf of gas*
1 b/d = approx. 50 t/y
1 t = approx. 7.5 b (for a gravity of 37° API)
1 Bm^3/y = approx. 0.1 Bcf/d
1 m^3 = approx. 35.3 cf
1 t of LNG = approx. 48 kcf of gas
1 Mt/y of LNG = approx. 131 Mcf/d

* This ratio is calculated based on the actual average equivalent energy content of TOTAL's natural gas reserves and is subject to change.

Definitions

The terms “TOTAL” and “Group” as used in this 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 Financial Report refer only to TOTAL S.A., the parent company of the Group.

Financial Report - 1st half 2012

1. Key figures(1)

(in millions of euros except earnings per share and number of shares)	1H12	1H11	1H12 vs 1H11
Sales	100,303	91,038	+10%
Adjusted operating income from business segments	12,572	12,265	+3%
Adjusted net operating income from business segments	6,381	6,264	+2%
– Upstream	5,439	5,306	+3%
– Refining & Chemicals	444	446	-
– Supply & Marketing	498	512	-3%
Adjusted net income	5,932	5,898	+1%
Adjusted fully-diluted earnings per share (euros)	2.62	2.62	-
Fully-diluted weighted-average shares (millions)	2,264	2,252	+1%
Net income (Group share)	5,247	6,672	-21%
Investments(a)	10,904	13,253	-18%
Divestments	2,670	2,001	+33%
Net investments	8,234	11,252	-27%
Cash flow from operations	11,434	10,778	+6%
Adjusted cash flow from operations	9,863	9,620	+3%

(in millions of dollars(b) except earnings per share and number of shares)	1H12	1H11	1H12 vs 1H11
Sales	130,043	127,745	+2%
Adjusted operating income from business segments	16,300	17,210	-5%
Adjusted net operating income from business segments	8,273	8,790	-6%
– Upstream	7,052	7,445	-5%
– Refining & Chemicals	576	626	-8%
– Supply & Marketing	646	718	-10%
Adjusted net income	7,691	8,276	-7%
Adjusted fully-diluted earnings per share (dollars)	3.40	3.67	-7%
Fully-diluted weighted-average shares (millions)	2,264	2,252	+1%
Net income (Group share)	6,803	9,362	-27%
Investments(a)	14,137	18,597	-24%
Divestments	3,462	2,808	+23%
Net investments	10,675	15,789	-32%
Cash flow from operations	14,824	15,124	-2%
Adjusted cash flow from operations	12,787	13,499	-5%

(a) Including acquisitions.
(b) Dollar amounts represent euro amounts converted at the average €-$ exchange rate for the period.

(1) Adjusted results are defined as income using replacement cost, adjusted for special items, excluding the impact of changes for fair value. Adjusted cash flow from operations is defined as cash flow from operations before changes in working capital at replacement cost; adjustment items are on page 8 and the inventory valuation effect is explained on page 11.

2. Group results

2.1. Operating income

Compared to the first half 2011, the average Brent price increased by 2% to 113.6 $/b. The European refining margin indicator (ERMI) averaged 29.5 $/t compared to 20.4 $/t in the first half 2011.

The euro-dollar exchange rate averaged 1.30 $/€ compared to 1.40 $/€ in the first half 2011. Expressed in euros, the Brent price averaged 87.6 €/b, an increase of 11% compared to the first half 2011.

In this environment, the adjusted operating income from the business segments was 12,572 M€, an increase of 3% compared to the first half 2011[(1)].

The effective tax rate for the business segments was 57.8% in the first half 2012 compared to 56.9% in the first half 2011.

Adjusted net operating income from the business segments was 6,381 M€ compared to 6,264 M€ in the first half 2011, an increase of 2%.

Expressed in dollars, adjusted net operating income from the business segments decreased by 6%. This decrease essentially resulted from the decrease in Upstream results driven by a less favorable production mix. In particular, the Group estimates that the loss of production relating to Elgin represents a negative impact of 130 M$ on the net operating income of the Upstream segment in the second quarter 2012.

2.2. Net income

Adjusted net income was 5,932 M€ in the first half 2012, an increase of 1% compared to 5,898 M€ in the first half 2011. Expressed in dollars, adjusted net income decreased by 7%.

Adjusted net income excludes the after-tax inventory effect, special items and the effect of changes in fair value[(2)]:

- The after-tax inventory effect had a negative impact on net income of 369 M€ in the first half 2012 and a positive impact of 872 M€ in the first half 2011.
- Changes in fair value had a negative impact on net income of 11 M€ in the first half 2012 and a positive impact of 22 M€ in the first half 2011.
- Special items had a negative impact on net income of 305 M€ in the first half 2012. As previously indicated in its Registration Document, TOTAL has been cooperating with the United States Securities and Exchange Commission (SEC) and the United States Department of Justice (DOJ) in connection with an investigation concerning gas contracts awarded in Iran in the 1990s. TOTAL, the SEC and the DOJ have conducted discussions to resolve issues arising from the investigation. In light of recent progress in these discussions, TOTAL has provisioned 316 M€ in its accounts in the second quarter of 2012. Special items had a negative impact on net income of 120 M€ in the first half 2011.

Net income (Group share) was 5,247 M€ compared to 6,672 M€ in the first half 2011.

On June 30, 2012, there were 2,264 million fully-diluted shares compared to 2,258 on June 30, 2011.

Adjusted fully-diluted earnings per share, based on 2,264 million fully-diluted weighted-average shares, was €2.62, stable compared to the first half 2011.

Expressed in dollars, adjusted fully-diluted earnings per share was $3.40 compared to $3.67 in the first half 2011, a decrease of 7%.

2.3. Investments - divestments[(3)]

Investments, excluding acquisitions and including changes in non-current loans, were 8.3 B€ (10.7 B$) in the first half 2012 compared to 6.3 B€ (8.8 B$) in the first half 2011.

Acquisitions were 2.3 B€ (2.9 B$) in the first half 2012, comprised essentially of the acquisition of exploration and production interests in Uganda, an additional 1.1% stake in Novatek, an exploration license in Angola, the minority interest in Fina Antwerp Olefins and the carry in the Utica shale gas and condensates project in the US.

Asset sales in the first half 2012 were 2.3 B€ (3.0 B$), essentially comprised of sales of Sanofi shares, a stake in the Gassled pipeline in Norway, Upstream assets in France, and stakes in Composites One in the United States and Pec-Rhin in France.

Net investments were 8.2 B€ (10.7 B$) in the first half 2012, compared to 11.3 B€ (15.8 B$) in the first half 2011.

2.4. Cash flow

Cash flow from operations was 11,434 M€ in the first half 2012, an increase of 6% compared to the first half 2011, essentially resulting from a change in working capital requirements.

Adjusted cash flow[(4)] from operations was 9,863 M€, an increase of 3%. Expressed in dollars, adjusted cash flow from operations was 12.8 B$, a decrease of 5%.

The Group's net cash flow[(5)] was a positive 3,200 M€ compared to a negative 474 M€ in the first half 2011. Expressed in dollars, the Group's net cash flow was a positive 4.1 B$ in the first half 2012.

The net-debt-to-equity ratio was 21.5% on June 30, 2012, compared to 24.3% on June 30, 2011[(6)], in line with the Group's target range.

(1) Special items affecting operating income from the business segments had a negative impact of 66 M€ in the first half 2012 and a negative impact of 63 M€ in the first half 2011.
(2) Adjustment items explained on page 8.
(3) Detail shown on page 11.
(4) Cash flow from operations at replacement cost before changes in working capital.
(5) Net cash flow = cash flow from operations – net investments.
(6) Detail shown on page 9.

3. Analysis of business segment results

3.1. Upstream

3.1.1. Environment - liquids and gas price realizations(a)

	1H12	1H11	1H12 vs 1H11
Brent ($/b)	113.6	111.1	+2%
Average liquids price ($/b)	108.3	104.6	+4%
Average gas price ($/Mbtu)	7.10	6.39	+11%
Average hydrocarbons price ($/boe)	79.0	74.1	+7%

(a) Consolidated subsidiaries, excluding fixed margins. Effective first quarter 2012, over/under-lifting valued at market prices.

3.1.2. Production

Hydrocarbon production	1H12	1H11	1H12 vs 1H11
Combined production (kboe/d)	2,317	2,341	-1%
Liquids (kb/d)	1,224	1,245	-2%
Gas (Mcf/d)	5,974	5,979	-

In the first half 2012, hydrocarbon production was 2,317 kboe/d, a decrease of 1% compared to the first half 2011, essentially as a result of:

- +3.5% for growth from new projects,
- +2.5% for changes in the portfolio, integrating the share of Novatek production partially offset by the impact of the sale of CEPSA and the exploration-production subsidiary in Cameroon,
- -3% for normal decline, partially offset by lower scheduled maintenance,
- -2% for incidents in the UK North Sea and Nigeria,
- -2% for disruptions related to security conditions in Yemen and the production shut-down in Syria, net of the positive effect of the return of production in Libya.

3.1.3. Results

(in millions of euros)	1H12	1H11	1H12 vs 1H11
Adjusted operating income(a)	11,455	11,211	+2%
Adjusted net operating income(a)	5,439	5,306	+3%
includes income from equity affiliates	*898*	*740*	*+21%*
Investments	9,646	12,100	-20%
Divestments	993	1,256	-21%
Cash flow from operating activities	10,883	9,425 (b)	+15%
Adjusted cash flow	8,663	8,281	+5%

(a) Detail of adjustment items shown in the business segment information annex to financial statements.
(b) Reclassification of 823 M€ between Upstream and Holding segments relating to intra-Group operations having no impact on cash flow from operating activities.

Adjusted net operating income from the Upstream segment in the first half 2012 was 5,439 M€ compared to 5,306 M€ in the first half 2011, an increase of 3%. Expressed in dollars, adjusted net operating income from the Upstream segment was 7,052 M$, a decrease of 5% compared to the first half 2011, explained principally by the decrease in certain downstream gas activities and a less favorable production mix.

The return on average capital employed (ROACE(1)) for the Upstream segment was 20% for the twelve months ended June 30, 2012, stable compared to the ROACE calculated for the twelve months ended March 31, 2012, and for the full year 2011.

(1) Calculated based on adjusted net operating income and average capital employed, using replacement cost, as shown on page 10.

3.2. Refining & Chemicals

3.2.1. Refinery throughput and utilization rates[a]

	1H12	1H11	1H12 vs 1H11
Total refinery throughput (kb/d)	1,855	1,934	-4%
– France	722	719	-
– Rest of Europe	878	962	-9%
– Rest of world	255	253	+1%
Utilization rates[b]			
– Based on crude only	84%	77%	
– Based on crude and other feedstock	89%	82%	

(a) Includes share of CEPSA through July 31, 2011 and of TotalErg. Results for refineries in South Africa, French Antilles and Italy are reported in the Supply & Marketing segment.
(b) Based on distillation capacity at the beginning of the year.

In the first half 2012, despite improved utilization rates, refinery throughput decreased by 4% compared to the first half 2011, reflecting essentially scheduled turnarounds in the first half 2012 and the portfolio effect relating to the sale of the Group's interest in CEPSA realized at the end of July 2011.

3.2.2. Results

(in millions of euros except the ERMI)	1H12	1H11	1H12 vs 1H11
European refining margin indicator - ERMI ($/t)	29.5	20.4	+45%
Adjusted operating income[a]	418	434	-4%
Adjusted net operating income[a]	444	446	-
contribution of specialty chemicals[b]	*191*	*203*	*-6%*
Investments	930	863	+8%
Divestments	148	29	x5.1
Cash flow from operating activities	589	1,238	-52%
Adjusted cash flow	727	779	-7%

(a) Detail of adjustment items shown in the business segment information annex to financial statements.
(b) Hutchinson, Bostik, Atotech; including coatings and photocure resins until they were sold in July 2011.

Adjusted net operating income from the Refining & Chemicals segment in the first half 2012 was 444 M€, stable compared to the first half 2011. Expressed in dollars, adjusted net operating income was 576 M$, a decrease of 8% compared to the first half 2011. Although refining margins in Europe improved in the second quarter 2012, the results were also impacted by the sale of the Group's interest in CEPSA at the end of July 2011 and a very difficult environment for petrochemicals in Europe in the first quarter 2012.

The ROACE[1] for the Refining & Chemicals segment was 5% for the twelve months ended June 30, 2012, compared to 4% for the twelve months ended March 31, 2012, and 5% for the full year 2011.

(1) Calculated based on adjusted net operating income and average capital employed, using replacement cost, as shown on page 10.

3.3. Supply & Marketing

3.3.1. Refined product sales

(in kb/d)[a]	1H12	1H11	1H12 vs 1H11
Europe	1,189	1,561	-24%
Rest of world	526	525	-
Total Supply & Marketing sales	1,715	2,085	-18%

(a) Excludes trading and bulk Refining sales, includes share of TotalErg and, through July 31, 2011, CEPSA.

3.3.2. Results

(in millions of euros)	1H12	1H11	1S12 vs 1H11
Sales	42,431	41,242	+3%
Adjusted operating income[a]	699	620	+13%
Adjusted net operating income[a]	498	512	-3%
Investments	297	243	+22%
Divestments	54	48	+13%
Cash flow from operating activties	(403)	(79)	n/a
Adjusted cash flow	681	605	+13%

(a) Detail of adjustment items shown in the business segment information annex to financial statements.

Adjusted net operating income from the Supply & Marketing segment was 498 M€ in the first half 2012, a decrease of 3% compared to the first half 2011. Expressed in dollars, the adjusted net operating income was 646 M$, a decrease of 10% compared to the first half 2011.

The ROACE[1] for the Supply & Marketing segment was 16% for the twelve months ended June 30, 2012, compared to 17% for the twelve months ended March 31, 2012, and 18% for the full-year 2011.

(1) Calculated based on adjusted net operating income and average capital employed, using replacement cost, as shown on page 10.

4. TOTAL S.A. parent company accounts

Net income for TOTAL S.A., the parent company, was 3,116 M€ in the first half 2012, compared to 3,157 M€ in the first half 2011.

5. Highlights since the beginning of 2012

- Restructuring Downstream-Chemicals: effective January 1, 2012, created the Refining & Chemicals segment and the Supply & Marketing segment.
- Launched the development of Ichthys LNG in Australia and increased stake to 30% in the project.
- Start-up of Usan in Nigeria, Bongkot South in Thailand, Islay in the UK North Sea, and Halfaya in Iraq.
- Launched the development of Hild in the Norwegian North Sea, and Ofon Phase 2 in offshore Nigeria.
- Launched new development phase of the Yucal Placer gas field in Venezuela and the development of Tempa Rossa in Italy.
- Successful well intervention to stop the gas leak on the Elgin platform in the UK North Sea which occurred on March 25, 2012.
- Issued notice of commerciality for the Absheron gas discovery in Azerbaijan.
- New gas and condensate discovery in the King Lear prospect in the Norweigan North Sea.
- Acquired exploration licenses in Yemen, Mauritania, Ivory Coast, Uruguay, Kenya, and Bulgaria.
- Finalized the acquisition of 33.33% interest in exploration and production licenses in Uganda.
- Total became operator of the Xerelete block in Brazil.
- Entered a 50% joint venture for a pilot program to develop oil shale in Utah.
- Launched the expansion and modernization project for the Samsung-Total Petrochemicals facility in South Korea.
- Signed a memorandum of understanding for the development of an integrated refining-petrochemicals project in China.
- Divested TEPMA BV, a Group subsidiary that held producing assets and interests in two pipelines in Colombia.
- Divestment of a 51% interest in Composites One, a North American distributor for the composites manufacturing industry, and of a 50% interest in fertilizer producer Pec-Rhin.

6. Summary and outlook

The ROACE[1] for the Group for the twelve months ended June 30, 2012, was 15% compared to 16% for the twelve months ended March 31, 2012, and for the full year 2011.

Return on equity for the twelve months ended June 30, 2012, was 17.5%.

In the Upstream segment, exploration activities for the quarter were focused on assessing recent discoveries and preparing for new exploration wells in several promising plays, notably in the Gulf of Mexico, Ivory Coast or the Norwegian North Sea. The upcoming start-ups in Angola, China and Kazakhstan will add to the projects already in production and build on our successes of the first half 2011.

After successfully addressing the incident on the Elgin platform, the Group entered a phase of evaluation and assessment which precedes resumption of production, and its status will be followed closely. Safety and protection of the environment remain priorities during this process.

Since the beginning of the third quarter, refining margins in Europe have been favorable. Refinery throughput during the second half of 2012 will be impacted by the scheduled turnaround of the Normandy refinery in early September.

The Group will continue to optimize its portfolio across all business segments and to strengthen its competitiveness.

The Board of Directors of Total approved a second quarter 2012 interim dividend of €0.59/share, an increase of 3.5% from the previous quarter.

(1) Calculated based on adjusted net operating income and average capital employed, using replacement cost, as shown on page 10.

7. Other information

7.1. Operating information by segment for first half 2012

7.1.1. Upstream

Combined liquids and gas production by region (kboe/d)	1H12	1H11	1H12 vs 1H11
Europe	464	528	-12%
Africa	707	659	+7%
Middle East	494	576	-14%
North America	69	67	+3%
South America	185	188	-2%
Asia-Pacific	213	241	-12%
CIS	185	82	x2,3
Total production	**2,317**	**2,341**	**-1%**
Includes equity affiliates and non-consolidated affiliates	603	552	+9%

Liquids production by region (kb/d)	1H12	1H11	1H12 vs 1H11
Europe	212	251	-16%
Africa	570	517	+10%
Middle East	305	323	-6%
North America	25	29	-14%
South America	61	78	-22%
Asia-Pacific	25	28	-11%
CIS	26	19	+37%
Total production	**1,224**	**1,245**	**-2%**
Includes equity affiliates and non-consolidated affiliates	305	328	-7%

Gas production by region (Mcf/d)	1H12	1H11	1H12 vs 1H11
Europe	1,378	1,512	-9%
Africa	702	726	-3%
Middle East	1,029	1,372	-25%
North America	249	215	+16%
South America	711	611	+16%
Asia-Pacific	1,046	1,206	-13%
CIS	859	337	x2,5
Total production	**5,974**	**5,979**	**-**
Includes equity affiliates and non-consolidated affiliates	1,609	1,214	+33%

Liquified natural gas	1H12	1H11	1H12 vs 1H11
LNG sales[(a)] (Mt)	5.58	6.69	-17%

(a) Sales, Group share, excluding trading; 2011 data restated to reflect volume estimates for Bontang LNG in Indonesia based on the 2011 SEC coefficient.

7.1.2. Downstream (Refining & Chemicals and Supply & Marketing)

Refined product sales by region (kb/d)[a]	1H12	1H11	1H12 vs 1H11
Europe	2,064	2,387	-14%
Africa	397	383	+4%
Americas	475	521	-9%
Rest of world	538	484	+11%
Total consolidated sales	**3,473**	**3,774**	**-8%**
Includes bulk sales	522	425	+23%
Includes trading	1,236	1,264	-2%

(a) Includes share of CEPSA through July 31, 2011, and of TotalErg.

7.2. Adjustment items

7.2.1. Adjustments to operating income from business segments

(in millions of euros)	1H12	1H11
Special items affecting operting income from business segments	(154)	(63)
– Restructuring charges	(48)	-
– Impairments	-	-
– Other	(106)	(63)
Pre-tax inventory effect: FIFO vs. replacement cost	(538)	1,269
Effect of changes in fair value	(14)	29
Total adjustments affecting operating income	**(706)**	**1,235**

7.2.2. Adjustments to net income (Group share)

(in millions of euros)	1H12	1H11
Special items affecting operating income (Group share)	(305)	(120)
– Gain on asset sales	153	216
– Restructuring charges	(40)	-
– Impairments	(38)	(47)
– Other	(380)	(289)
After-tax inventory effect: FIFO vs. replacement cost	(369)	872
Effect of changes in fair value	(11)	22
Total adjustments affecting net income	**(685)**	**774**

7.3. Effective tax rates

Effective tax rate[a]	1H12	1H11
Upstream	60.5%	59.5%
Group	58.6%	57.5%

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

7.4. Investments - divestments

(in millions of euros)	1H12	1H11	1H12 vs 1H11
Investments excluding acquisitions[a]	8,254	6,254	+32%
Capitalized exploration	*669*	*459*	*+46%*
Change in non-recurrent loans[b]	*390*	*2*	*n/a*
Acquisitions	2,270	6,537	-65%
Investments including acquisitions[a]	10,523	12,791	-18%
Asset sales	2,289	1,539	+49%
Net investments[b]	8,234	11,252	-27%

(in millions of dollars[c])	1H12	1H11	1H12 vs 1H11
Investments excluding acquisitions[a]	10,701	8,776	+22%
Capitalized exploration	*867*	*644*	*+35%*
Change in non-recurrent loans[b]	*506*	*3*	*n/a*
Acquisitions	2,943	9,173	-68%
Investments including acquisitions[a]	13,643	17,948	-24%
Asset sales	2,968	2,160	+37%
Net investments[b]	10,675	15,789	-32%

(a) Includes changes in non-current loans.
(b) Includes net investments in equity affiliates and non-consolidated companies + net financing for employee-related stock purchase plans.
(c) Dollar amounts represent euro amounts converted at the average €-$ exchange rate for the period.

7.5. Net-debt-to-equity ratio

(in millions of euros)	6/30/2012	6/30/2011
Current borrowings	10,642	12,289
Net current financial assets	(1,552)	(2,737)
Non-current financial debt	23,260	20,410
Hedging instruments of non-current debt	(1,886)	(1,756)
Cash and cash equivalents	(14,998)	(13,387)
Net debt	**15,466**	**14,819**
Shareholders' equity	72,103	61,371
Estimated dividend payable	(1,299)	(1,248)
Minority interests	1,256	934
Equity	**72,060**	**61,057**
Net-debt-to-equity ratio	**21.5%**	**24.3%**

7.6. Return on average capital employed

7.6.1. Twelve months ended June 30, 2012

(in millions of euros)	Upstream	Refining & Chemicals	Supply & Marketing	Group
Adjusted net operating income	10,538	846	996	12,073
Capital employed at 6/30/2011[a]	46,671	16,672	6,187	72,843
Capital employed at 6/30/2012[a]	60,879	16,558	6,579	85,167
ROACE	**19.6%**	**5.1%**	**15.6%**	**15.3%**

(a) At replacement cost (excluding after-tax inventory effect).

7.6.2. Twelve months ended March 31, 2012

(in millions of euros)	Upstream	Refining & Chemicals	Supply & Marketing	Group
Adjusted net operating income	10,495	643	1,019	11,975
Capital employed at 3/31/2011[a]	44,528	16,369	5,839	70,579
Capital employed at 3/31/2012[a]	59,383	16,222	6,031	83,093
ROACE	**20.2%**	**3.9%**	**17.2%**	**15.6%**

(a) At replacement cost (excluding after-tax inventory effect).

7.6.3. Full-year 2011

(in millions of euros)	Upstream	Refining & Chemicals	Supply & Marketing	Group
Adjusted net operating income	10,405	848	1,010	12,045
Capital employed at 12/31/2010[a]	43,972	17,265	5,608	70,866
Capital employed at 12/31/2011[a]	58,939	15,883	5,391	81,066
ROACE	**20.2%**	**5.1%**	**18.4%**	**15.9%**

(a) At replacement cost (excluding after-tax inventory effect).

8. Principal risks and uncertainties for the remaining six months of 2012

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 marchés financiers (French Financial Markets Authority) on March 26, 2012.

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 2012 on pages 26 to 30 and 41 of this report.

Information concerning the principal transactions with related parties since June 30, 2010, is provided in section 6 of the notes to the consolidated financial statements for the first six months of 2012, on page 26 of this report.

Disclaimer

This document may contain forward-looking statements, including within the meaning of the Private Securities Litigation Reform Act of 1995, notably 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. Neither TOTAL nor any of its subsidiaries assumes 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 with the French *Autorité des marchés financiers* and the U.S. Securities and Exchange Commission ("SEC").

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 certain 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 Chemicals segments are presented according to the replacement cost method. This method is used to assess the segments' performance and facilitate the comparability of the segments' performance with those of its competitors.

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, depending on the nature of the inventory, determined using either the month-end prices differential between one period and another or the average prices of the period rather than the historical value. The inventory valuation effect is the difference between the results according to the FIFO (First-In, First-Out) and the replacement cost.

(iii) Effect of changes in fair value

As from January 1, 2011, the effect of changes in fair value presented as an adjustment item reflects for some transactions differences between internal measures of performance used by TOTAL's management and the accounting for these transactions under IFRS.

IFRS requires that trading inventories be recorded at their fair value using period-end spot prices. In order to best reflect the management of economic exposure through derivative transactions, internal indicators used to measure performance include valuations of trading inventories based on forward prices.

Furthermore, TOTAL, in its trading activities, enters into storage contracts, which future effects are recorded at fair value in Group's internal economic performance. IFRS precludes recognition of this fair value effect.

The adjusted results (adjusted operating income, adjusted net operating income, adjusted net income) are defined as replacement cost results, adjusted for special items, excluding the effect of changes in fair value.

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.

Cautionary Note to U.S. Investors – The SEC permits oil and gas companies, in their filings with the SEC, to separately disclose proved, probable and possible reserves that a company has determined in accordance with SEC rules. We may use certain terms in this presentation, such as resources, that the SEC's guidelines strictly prohibit us from including in filings with the SEC. U.S. investors are urged to consider closely the disclosure in our Form 20-F, File N° 1-10888, available from us at 2, place Jean Millier - La Défense 6 - 92078 Paris - La Défense Cedex, France, or at our Web site: www.total.com. You can also obtain this form from the SEC by calling 1-800-SEC-0330 or on the SEC's Web site: www.sec.gov.

Consolidated Financial Statements

1. Statutory auditors' review report on the condensed half-yearly 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 is construed in accordance with, French law and professional auditing standards applicable in France.

For the six-month period ended June 30, 2012

To the Shareholders,

Following our appointment as statutory auditors by your general meeting and in accordance with article L.451-1-2 III of the French Monetary and Financial Law ("*Code monétaire et financier*"), we hereby report to you on:

– the review of the accompanying condensed half-yearly consolidated financial statements of Total S.A. for the six-month period ended June 30, 2012,

– the verification of information contained in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of your Chairman and Chief Executive Officer and are reviewed by your Board of Directors.

Our role is to express a conclusion on these financial statements based on our review.

I - 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 these accompanying condensed half-yearly consolidated financial statements are not prepared in all material respects in accordance with IAS 34 - the standard of the IFRS as adopted by the European Union applicable to interim financial statements.

II - Specific verification

We have also verified information given in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris La Défense, on July 26, 2012

The statutory auditors

French original signed by:

KPMG Audit A department of KPMG S.A. Jay Nirsimloo	ERNST & YOUNG Audit Pascal Macioce Laurent Vitse

2. Consolidated statement of income

TOTAL

(unaudited) (in millions of euros)[a]	1st half 2012	1st half 2011
Sales	**100,303**	**91,038**
Excise taxes	(8,952)	(8,971)
Revenues from sales	91,351	82,067
Purchases, net of inventory variation	(64,335)	(55,641)
Other operating expenses	(10,919)	(9,506)
Exploration costs	(625)	(438)
Depreciation, depletion and amortization of tangible assets and mineral interests	(3,866)	(3,217)
Other income	514	331
Other expense	(547)	(197)
Financial interest on debt	(357)	(295)
Financial income from marketable securities & cash equivalents	59	102
Cost of net debt	(298)	(193)
Other financial income	294	410
Other financial expense	(254)	(212)
Equity in net income (loss) of affiliates	977	950
Income taxes	(7,006)	(7,504)
Consolidated net income	**5,286**	**6,850**
Group share	5,247	6,672
Non-controlling interests	39	178
Earnings per share (€)	2.33	2.98
Fully-diluted earnings per share (€)	2.32	2.96

(a) Except for per share amounts.

3. Consolidated statement of comprehensive income

TOTAL

(unaudited) (in millions of euros)	1st half 2012	1st half 2011
Consolidated net income	**5,286**	**6,850**
Other comprehensive income		
Currency translation adjustment	1,306	(2,644)
Available for sale financial assets	(159)	430
Cash flow hedge	3	(35)
Share of other comprehensive income of associates, net amount	105	(103)
Other	(13)	(2)
Tax effect	35	(29)
Total other comprehensive income (net amount)	**1,277**	**(2,383)**
Comprehensive income	**6,563**	**4,467**
Group share	*6,501*	*4,356*
Non-controlling interests	*62*	*111*

4. Consolidated statement of income

TOTAL

(unaudited) (in millions of euros)[a]	2nd quarter 2012	1st quarter 2012	2nd quarter 2011
Sales	**49,135**	**51,168**	**45,009**
Excise taxes	(4,559)	(4,393)	(4,544)
Revenues from sales	44,576	46,775	40,465
Purchases, net of inventory variation	(32,294)	(32,041)	(28,386)
Other operating expenses	(5,827)	(5,092)	(4,804)
Exploration costs	(269)	(356)	(179)
Depreciation, depletion and amortization of tangible assets and mineral interests	(2,028)	(1,838)	(1,531)
Other income	225	289	246
Other expense	(451)	(96)	(138)
Financial interest on debt	(170)	(187)	(159)
Financial income from marketable securities & cash equivalents	24	35	55
Cost of net debt	(146)	(152)	(104)
Other financial income	209	85	335
Other financial expense	(118)	(136)	(104)
Equity in net income (loss) of affiliates	436	541	444
Income taxes	(2,701)	(4,305)	(3,432)
Consolidated net income	**1,612**	**3,674**	**2,812**
Group share	1,585	3,662	2,726
Non-controlling interests	27	12	86
Earnings per share (€)	0.70	1.62	1.21
Fully-diluted earnings per share (€)	0.70	1.62	1.21

(a) Except for per share amounts.

5. Consolidated statement of comprehensive income

TOTAL

(unaudited) (in millions of euros)	2nd quarter 2012	1st quarter 2012	2nd quarter 2011
Consolidated net income	**1,612**	**3,674**	**2,812**
Other comprehensive income			
Currency translation adjustment	2,360	(1,054)	(666)
Available for sale financial assets	(93)	(66)	315
Cash flow hedge	(67)	70	(11)
Share of other comprehensive income of associates, net amount	(57)	162	(16)
Other	(7)	(6)	(4)
Tax effect	46	(11)	(35)
Total other comprehensive income (net amount)	**2,182**	**(905)**	**(417)**
Comprehensive income	**3,794**	**2,769**	**2,395**
Group share	*3,718*	*2,783*	*2,326*
Non-controlling interests	*76*	*(14)*	*69*

6. Consolidated balance sheet

TOTAL

ASSETS (in millions of euros)	6/30/2012 (unaudited)	3/31/2012 (unaudited)	12/31/2011	6/30/2011 (unaudited)
Non-current assets				
Intangible assets, net	13,847	13,231	12,413	8,961
Property, plant and equipment, net	69,868	65,082	64,457	55,323
Equity affiliates : investments and loans	13,911	13,194	12,995	11,054
Other investments	2,222	2,958	3,674	5,287
Hedging instruments of non-current financial debt	1,886	1,882	1,976	1,756
Other non-current assets	4,850	4,494	4,871	3,727
Total non-current assets	**106,584**	**100,841**	**100,386**	**86,108**
Current assets				
Inventories, net	17,111	18,886	18,122	15,950
Accounts receivable, net	19,768	22,811	20,049	18,267
Other current assets	10,435	10,346	10,767	8,474
Current financial assets	1,723	1,471	700	3,122
Cash and cash equivalents	14,998	13,330	14,025	13,387
Total current assets	**64,035**	**66,844**	**63,663**	**59,200**
Assets classified as held for sale	**-**	**-**	**-**	**5,211**
Total assets	**170,619**	**167,685**	**164,049**	**150,519**

LIABILITIES & SHAREHOLDERS' EQUITY (in millions of euros)	6/30/2012 (unaudited)	3/31/2012 (unaudited)	12/31/2011	6/30/2011 (unaudited)
Shareholders' equity				
Common shares	5,911	5,911	5,909	5,903
Paid-in surplus and retained earnings	69,181	70,281	66,506	64,148
Currency translation adjustment	401	(1,857)	(988)	(5,177)
Treasury shares	(3,390)	(3,390)	(3,390)	(3,503)
Total shareholders' equity - Group Share	**72,103**	**70,945**	**68,037**	**61,371**
Non-controlling interests	**1,256**	**1,275**	**1,352**	**934**
Total shareholders' equity	**73,359**	**72,220**	**69,389**	**62,305**
Non-current liabilities				
Deferred income taxes	12,380	12,179	12,260	9,619
Employee benefits	2,005	2,215	2,232	2,111
Provisions and other non-current liabilities	11,264	10,579	10,909	8,419
Non-current financial debt	23,260	22,428	22,557	20,410
Total non-current liabilities	**48,909**	**47,401**	**47,958**	**40,559**
Current liabilities				
Accounts payable	20,448	22,647	22,086	18,395
Other creditors and accrued liabilities	17,090	15,694	14,774	16,191
Current borrowings	10,642	9,574	9,675	12,289
Other current financial liabilities	171	149	167	385
Total current liabilities	**48,351**	**48,064**	**46,702**	**47,260**
Liabilities directly associated with the assets classified as held for sale	**-**	**-**	**-**	**395**
Total liabilities and shareholders' equity	**170,619**	**167,685**	**164,049**	**150,519**

7. Consolidated statement of cash flow

TOTAL

(unaudited) (in millions of euros)	1st half 2012	1st half 2011
CASH FLOW FROM OPERATING ACTIVITIES		
Consolidated net income	5,286	6,850
Depreciation, depletion and amortization	4,267	3,529
Non-current liabilities, valuation allowances and deferred taxes	265	848
Impact of coverage of pension benefit plans	(362)	-
(Gains) losses on sales of assets	(446)	(235)
Undistributed affiliates' equity earnings	227	(123)
(Increase) decrease in working capital	2,109	(111)
Other changes, net	88	20
Cash flow from operating activities	**11,434**	**10,778**
CASH FLOW USED IN INVESTING ACTIVITIES		
Intangible assets and property, plant and equipment additions	(9,355)	(8,589)
Acquisitions of subsidiaries, net of cash acquired	(125)	(979)
Investments in equity affiliates and other securities	(653)	(3,221)
Increase in non-current loans	(771)	(464)
Total expenditures	**(10,904)**	**(13,253)**
Proceeds from disposal of intangible assets and property, plant and equipment	662	626
Proceeds from disposal of subsidiaries, net of cash sold	34	171
Proceeds from disposal of non-current investments	1,593	742
Repayment of non-current loans	381	462
Total divestments	**2,670**	**2,001**
Cash flow used in investing activities	**(8,234)**	**(11,252)**
CASH FLOW USED IN FINANCING ACTIVITIES		
Issuance (repayment) of shares:		
– Parent company shareholders	31	404
– Treasury shares	-	-
Dividends paid:		
– Parent company shareholders	(2,570)	(2,572)
– Non-controlling interests	(98)	(62)
Other transactions with non-controlling interests	1	59
Net issuance (repayment) of non-current debt	3,073	2,906
Increase (decrease) in current borrowings	**(1,794)**	**288**
Increase (decrease) in current financial assets and liabilities	**(939)**	**(1,634)**
Cash flow used in financing activities	(2,296)	(611)
Net increase (decrease) in cash and cash equivalents	**904**	**(1,085)**
Effect of exchange rates	69	(17)
Cash and cash equivalents at the beginning of the period	14,025	14,489
Cash and cash equivalents at the end of the period	**14,998**	**13,387**

8. Consolidated statement of cash flow

TOTAL

(unaudited) (in millions of euros)	2nd quarter 2012	1st quarter 2012	2nd quarter 2011
CASH FLOW FROM OPERATING ACTIVITIES			
Consolidated net income	1,612	3,674	2,812
Depreciation, depletion and amortization	2,164	2,103	1,641
Non-current liabilities, valuation allowances and deferred taxes	(99)	364	283
Impact of coverage of pension benefit plans	(362)	-	-
(Gains) losses on sales of assets	(165)	(281)	(229)
Undistributed affiliates' equity earnings	193	34	59
(Increase) decrease in working capital	2,783	(674)	476
Other changes, net	41	47	22
Cash flow from operating activities	**6,167**	**5,267**	**5,064**
CASH FLOW USED IN INVESTING ACTIVITIES			
Intangible assets and property, plant and equipment additions	(4,128)	(5,227)	(3,215)
Acquisitions of subsidiaries, net of cash acquired	(4)	(121)	(979)
Investments in equity affiliates and other securities	(455)	(198)	(3,071)
Increase in non-current loans	(377)	(394)	(305)
Total expenditures	**(4,964)**	**(5,940)**	**(7,570)**
Proceeds from disposal of intangible assets and property, plant and equipment	95	567	620
Proceeds from disposal of subsidiaries, net of cash sold	-	34	171
Proceeds from disposal of non-current investments	739	854	452
Repayment of non-current loans	146	235	95
Total divestments	**980**	**1,690**	**1,338**
Cash flow used in investing activities	**(3,984)**	**(4,250)**	**(6,232)**
CASH FLOW USED IN FINANCING ACTIVITIES			
Issuance (repayment) of shares:			
– Parent company shareholders	-	31	354
– Treasury shares	-	-	-
Dividends paid:			
– Parent company shareholders	(1,284)	(1,286)	(2,572)
– Non-controlling interests	(96)	(2)	(61)
Other transactions with non-controlling interests	1	-	59
Net issuance (repayment) of non-current debt	1,409	1,664	678
Increase (decrease) in current borrowings	(693)	(1,101)	(200)
Increase (decrease) in current financial assets and liabilities	(10)	(929)	(1,123)
Cash flow used in financing activities	**(673)**	**(1,623)**	**(2,865)**
Net increase (decrease) in cash and cash equivalents	**1,510**	**(606)**	**(4,033)**
Effect of exchange rates	158	(89)	93
Cash and cash equivalents at the beginning of the period	13,330	14,025	17,327
Cash and cash equivalents at the end of the period	**14,998**	**13,330**	**13,387**

9. Consolidated statement of changes in shareholders' equity

TOTAL

(unaudited) (in millions of euros)	Common shares issued Number	Common shares issued Amount	Paid-in surplus and retained earnings	Currency translation adjustment	Treasury shares Number	Treasury shares Amount	Shareholders' equity Group Share	Non-controlling interests	Total shareholders' equity
As of January 1, 2011	**2,349,640,931**	**5,874**	**60,538**	**(2,495)**	**(112,487,679)**	**(3,503)**	**60,414**	**857**	**61,271**
Net income of the first half	-	-	6,672	-	-	-	6,672	178	6,850
Other comprehensive Income	-	-	368	(2,684)	-	-	(2,316)	(67)	(2,383)
Comprehensive Income	**-**	**-**	**7,040**	**(2,684)**	**-**	**-**	**4,356**	**111**	**4,467**
Dividend	-	-	(3,888)	-	-	-	(3,888)	(62)	(3,950)
Issuance of common shares	11,749,578	29	375	-	-	-	404	-	404
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Sale of treasury shares[(a)]	-	-	-	-	3,804	-	-	-	-
Share-based payments	-	-	83	-	-	-	83	-	83
Share cancellation	-	-	-	-	-	-	-	-	-
Other operations with non-controlling interests	-	-	-	2	-	-	2	57	59
Other items	-	-	-	-	-	-	-	(29)	(29)
As of June 30, 2011	**2,361,390,509**	**5,903**	**64,148**	**(5,177)**	**(112,483,875)**	**(3,503)**	**61,371**	**934**	**62,305**
Net income from July 1 to December 31, 2011	-	-	5,604	-	-	-	5,604	127	5,731
Other comprehensive Income	-	-	(137)	4,088	-	-	3,951	111	4,062
Comprehensive Income	**-**	**-**	**5,467**	**4,088**	**-**	**-**	**9,555**	**238**	**9,793**
Dividend	-	-	(2,569)	-	-	-	(2,569)	(110)	(2,679)
Issuance of common shares	2,376,804	6	71	-	-	-	77	-	77
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Sale of treasury shares[(a)]	-	-	(113)	-	2,929,702	113	-	-	-
Share-based payments	-	-	78	-	-	-	78	-	78
Share cancellation	-	-	-	-	-	-	-	-	-
Other operations with non-controlling interests	-	-	(553)	101	-	-	(452)	(180)	(632)
Other items	-	-	(23)	-	-	-	(23)	470	447
As of December 31, 2011	**2,363,767,313**	**5,909**	**66,506**	**(988)**	**(109,554,173)**	**(3,390)**	**68,037**	**1,352**	**69,389**
Net income of the first half	-	-	5,247	-	-	-	5,247	39	5,286
Other comprehensive Income	-	-	(128)	1,382	-	-	1,254	23	1,277
Comprehensive Income	**-**	**-**	**5,119**	**1,382**	**-**	**-**	**6,501**	**62**	**6,563**
Dividend	-	-	(2,570)	-	-	-	(2,570)	(98)	(2,668)
Issuance of common shares	779,653	2	29	-	-	-	31	-	31
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Sale of treasury shares[(a)]	-	-	-	-	10,295	-	-	-	-
Share-based payments	-	-	74	-	-	-	74	-	74
Share cancellation	-	-	-	-	-	-	-	-	-
Other operations with non-controlling interests	-	-	14	7	-	-	21	(20)	1
Other items	-	-	9	-	-	-	9	(40)	(31)
As of June 30, 2012	**2,364,546,966**	**5,911**	**69,181**	**401**	**(109,543,878)**	**(3,390)**	**72,103**	**1,256**	**73,359**

(a) Treasury shares related to the restricted stock grants.

10. Notes to the consolidated financial statements for the first six months of 2012

(unaudited)

1) Accounting policies

The interim consolidated financial statements of TOTAL S.A. and its subsidiaries (the Group) as of June 30, 2012 are presented in Euros and 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, 2012 do not differ significantly from those applied for the consolidated financial statements as of December 31, 2011 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 preparation of financial statements in accordance with IFRS requires the management to make estimates and 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. The 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 post-retirement benefits and the income tax computation. These estimates and assumptions are described in the Notes to the consolidated financial statements as of December 31, 2011.

Furthermore, when the accounting treatment of a specific transaction is not addressed by any accounting standard or interpretation, the 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; and
- 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

Upstream

- TOTAL finalized in February 2012 the acquisition in Uganda of a one-third interest in Blocks 1, 2 and 3A held by Tullow Oil plc for €1,145 million ($1,484 million), entirely consisting of mineral interests. TOTAL has become an equal partner with Tullow and CNOOC in the blocks, each with a one-third interest and each being an operator of one of the blocks. TOTAL is the operator of Block 1.
- TOTAL finalized during the first half 2012 the acquisition of an additional 1.07% interest in Novatek for an amount of €324 million ($423 million), increasing TOTAL's overall interest in Novatek to 15.16%.

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.

Until December 31, 2011, the Group's activities were conducted through three business segments as follows:

- the Upstream segment including the activities of the Exploration & Production division and the Gas & Power division;
- the Downstream segment included activities of the Refining & Marketing division and the Trading & Shipping division;
- the Chemicals segment included Base Chemicals and Specialties.

In October 2011, the Group announced a plan of reorganization of its business segments Downstream and Chemicals. This reorganization has become effective as of January 1st, 2012 and the Group's activities are now conducted through three business segments as follows:

- an Upstream segment including the activities of the Exploration & Production division and the Gas & Power division;
- a Refining & Chemicals segment that is a major production hub combining TOTAL's refining, petrochemicals, fertilizers and specialty chemicals operations. This segment also includes Trading & Shipping activities;
- a Supply & Marketing segment that is dedicated to the global supply and marketing of petroleum products.

Furthermore, the Corporate segment includes the operating and financial activities of the holding companies (including the investment in Sanofi).

Following this reorganization, information by business segment for comparative periods has been restated under the new organization effective as from January 1, 2012.

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 certain 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 Refining & Chemicals and Supply & Marketing segments are presented according to the replacement cost method. This method is used to assess the segments' performance and facilitate the comparability of the segments' performance with those of its competitors.

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, depending on the nature of the inventory, determined using either the month-end prices differential between one period and another or the average prices of the period rather than the historical value. The inventory valuation effect is the difference between the results according to the FIFO (First-In, First-Out) and the replacement cost.

(iii) Effect of changes in fair value

The effect of changes in fair value presented as adjustment item reflects for some transactions differences between internal measure of performance used by TOTAL's management and the accounting for these transactions under IFRS.

IFRS requires that trading inventories be recorded at their fair value using period-end spot prices. In order to best reflect the management of economic exposure through derivative transactions, internal indicators used to measure performance include valuations of trading inventories based on forward prices.

Furthermore, TOTAL, in its trading activities, enters into storage contracts, which future effects are recorded at fair value in Group's internal economic performance. IFRS precludes recognition of this fair value effect.

The adjusted results (adjusted operating income, adjusted net operating income, adjusted net income) are defined as replacement cost results, adjusted for special items and the effect of changes in fair value.

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

ADJUSTMENTS TO OPERATING INCOME

(in millions of euros)		Upstream	Refining & Chemicals	Supply & Marketing	Corporate	Total
2nd quarter 2012	Inventory valuation effect	-	(1,238)	(146)	-	(1,384)
	Effect of changes in fair value	11	-	-	-	11
	Restructuring charges	(48)	-	-	-	(48)
	Asset impairment charges	-	-	-	-	-
	Other items	(18)	-	-	(23)	(41)
Total		**(55)**	**(1,238)**	**(146)**	**(23)**	**(1,462)**
2nd quarter 2011	Inventory valuation effect	-	(121)	34	-	(87)
	Effect of changes in fair value	(55)	-	-	-	(55)
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	-	-	-	-	-
	Other items	-	(49)	(14)	-	(63)
Total		**(55)**	**(170)**	**20**	**-**	**(205)**
1st half 2012	Inventory valuation effect	-	(455)	(83)	-	(538)
	Effect of changes in fair value	(14)	-	-	-	(14)
	Restructuring charges	(48)	-	-	-	(48)
	Asset impairment charges	-	-	-	-	-
	Other items	(18)	-	-	(88)	(106)
Total		**(80)**	**(455)**	**(83)**	**(88)**	**(706)**
1st half 2011	Inventory valuation effect	-	1,025	244	-	1,269
	Effect of changes in fair value	29	-	-	-	29
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	-	-	-	-	-
	Other items	-	(49)	(14)	-	(63)
Total		**29**	**976**	**230**	**-**	**1,235**

ADJUSTMENTS TO NET INCOME GROUP SHARE

(in millions of euros)		Upstream	Refining & Chemicals	Supply & Marketing	Corporate	Total
2nd quarter 2012	Inventory valuation effect	-	(877)	(82)	-	(959)
	Effect of changes in fair value	9	-	-	-	9
	Restructuring charges	(32)	-	(8)	-	(40)
	Asset impairment charges	-	-	-	(18)	(18)
	Gains (losses) on disposals of assets	-	-	-	73	73
	Other items	(7)	-	-	(331)	(338)
Total		**(30)**	**(877)**	**(90)**	**(276)**	**(1,273)**
2nd quarter 2011	Inventory valuation effect	-	(86)	12	-	(74)
	Effect of changes in fair value	(41)	-	-	-	(41)
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	(47)	-	-	-	(47)
	Gains (losses) on disposals of assets	164	-	-	41	205
	Other items	-	(99)	(12)	-	(111)
Total		**76**	**(185)**	**-**	**41**	**(68)**
1st half 2012	Inventory valuation effect	-	(324)	(45)	-	(369)
	Effect of changes in fair value	(11)	-	-	-	(11)
	Restructuring charges	(32)	-	(8)	-	(40)
	Asset impairment charges	(20)	-	-	(18)	(38)
	Gains (losses) on disposals of assets	-	-	-	153	153
	Other items	(7)	-	-	(373)	(380)
Total		**(70)**	**(324)**	**(53)**	**(238)**	**(685)**
1st half 2011	Inventory valuation effect	-	722	150	-	872
	Effect of changes in fair value	22	-	-	-	22
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	(47)	-	-	-	(47)
	Gains (losses) on disposals of assets	164	-	-	52	216
	Other items	(178)	(99)	(12)	-	(289)
Total		**(39)**	**623**	**138**	**52**	**774**

4) Shareholders' equity

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

As of June 30, 2012, TOTAL S.A. held 9,212,610 of its own shares, representing 0.39% of its share capital, detailed as follows:

- 6,703,746 shares allocated to TOTAL restricted shares plans for Group employees; and
- 2,508,864 shares intended to be allocated to new TOTAL share purchase option plans or to new restricted shares plans.

These 9,212,610 shares are deducted from the consolidated shareholders' equity.

B) Treasury shares (TOTAL shares held by Group subsidiaries)

As of June 30, 2012, TOTAL S.A. held indirectly through its subsidiaries 100,331,268 of its own shares, representing 4.24% 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), 100% indirectly controlled by TOTAL S.A.

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

C) Dividend

The shareholders' meeting on May 11, 2012 approved the payment of a cash dividend of €2.28 per share for the 2011 fiscal year. Taking into account three quarterly interim dividends of €0.57 per share that have already been paid on September 22, 2011, December 22, 2011 and March 22, 2012, the remaining balance of €0.57 per share was paid on June 21, 2012.

A first quarterly dividend for the fiscal year 2012 of €0.57 per share, decided by the Board of Directors on April 26, 2012, will be paid on September 27, 2012 (the ex-dividend date will be September 24, 2012).

A second quarterly dividend for the fiscal year 2012 of €0.59 per share, decided by the Board of Directors on July 26, 2012, will be paid on December 20, 2012 (the ex-dividend date will be December 17, 2012).

D) Other comprehensive income

Detail of other comprehensive income showing items reclassified from equity to net income is presented in the table below:

Tax effects relating to each component of other comprehensive income are as follows:

(in millions of euros)	1st half 2012		1st half 2011	
Currency translation adjustment		**1,306**		**(2,644)**
– unrealized gain/(loss) of the period	1,305		(2,633)	
– less gain/(loss) included in net income	(1)		11	
Available for sale financial assets		**(159)**		**430**
– unrealized gain/(loss) of the period	61		433	
– less gain/(loss) included in net income	220		3	
Cash flow hedge		**3**		**(35)**
– unrealized gain/(loss) of the period	(35)		38	
– less gain/(loss) included in net income	(38)		73	
Share of other comprehensive income of equity affiliates, net amount		**105**		**(103)**
Other		**(13)**		**(2)**
– unrealized gain/(loss) of the period	(13)		(2)	
– less gain/(loss) included in net income	-		-	
Tax effect		**35**		**(29)**
Total other comprehensive income, net amount		**1,277**		**(2,383)**

Tax effects relating to each component of other comprehensive income are as follows:

(in millions of euros)	1st half 2012			1st half 2011		
	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Currency translation adjustment	1,306		1,306	(2,644)		(2,644)
Available for sale financial assets	(159)	38	(121)	430	(41)	389
Cash flow hedge	3	(3)	-	(35)	12	(23)
Share of other comprehensive income of equity affiliates, net amount	105		105	(103)		(103)
Other	(13)		(13)	(2)		(2)
Total other comprehensive income	**1,242**	**35**	**1,277**	**(2,354)**	**(29)**	**(2,383)**

5) Financial debt

The Group issued bonds through its subsidiary Total Capital International during the first six months of 2012:

- Bond 4.875% 2012-2017 (100 million AUD)
- Bond 1.500% 2012-2017 (1,000 million USD)
- Bond 2.875% 2012-2022 (1,000 million USD)
- Bond 4.125% 2012-2017 (150 million AUD)
- Bond 1.550% 2012-2017 (1,500 million USD)

The Group reimbursed bonds during the first six months of 2012:

- Bond 2.125% 2005-2012 (500 million CHF)
- Bond 3.250% 2005-2012 (650 million EUR)
- Bond 5.890% 2002-2012 (20 million USD)
- Bond 4.125% 2006-2012 (200 million CAD)
- Bond 5.625% 2006-2012 (100 million AUD)
- Bond 4.625% 2005-2012 (450 million GBP)
- Bond 5.000% 2007-2012 (900 million USD)
- Bond 6.500% 2007-2012 (100 million AUD)
- Bond 6.000% 2008-2012 (500 million NOK)

In the context of its active cash management, the Group may temporarily increase its current borrowings, particularly in the form of commercial paper. The changes in 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 transactions with related parties during the first six months of 2012.

7) Other risks and contingent liabilities

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

Antitrust investigations

The principal antitrust proceedings in which the Group's companies are involved are described thereafter.

Refining & Chemicals

- As part of the spin-off of Arkema[1] in 2006, TOTAL S.A. or certain other Group companies agreed to grant Arkema a guarantee for potential monetary consequences related to antitrust proceedings arising from events prior to the spin-off.

  This guarantee covers, for a period of ten years from the date of the spin-off, 90% of amounts paid by Arkema related to (i) fines imposed by European authorities or European member-states for competition law violations, (ii) fines imposed by U.S. 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 related to anti-competition violations in Europe applies to amounts above a €176.5 million threshold. On the other hand, the agreements provide that Arkema will indemnify TOTAL S.A. or any Group company for 10% of any amount that TOTAL S.A. or any Group company are required to pay under any of the proceedings covered by this guarantee, in Europe.

  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, this guarantee will become void.

- In the United States, civil liability lawsuits, for which TOTAL S.A. has been named as the parent company, have been closed without significant impact on the Group's financial position.

- In Europe, since 2006, the European Commission has fined companies of the Group in its configuration prior to the spin-off an overall amount of €385.47 million, of which Elf Aquitaine and/or TOTAL S.A. were held jointly liable for €280.17 million, Elf Aquitaine being personally fined €23.6 million for deterrence. These fines are entirely settled as of today.

  As a result, since the spin-off, the Group has paid the overall amount of €188.07 million[2], corresponding to 90% of the fines overall amount once the threshold provided for by the guarantee is deducted to which an amount of €31.31 million of interest has been added as explained hereinafter.

  The European Commission imposed these fines following investigations between 2000 and 2004 into commercial practices involving eight products sold by Arkema. Five of these investigations resulted in prosecutions from the European Commission for which Elf Aquitaine has been named as the parent company, and two of these investigations named TOTAL S.A. as the ultimate parent company of the Group. TOTAL S.A. and Elf Aquitaine have contested their liability based solely on their status as parent companies and appealed for cancellation and reformation of the rulings, some of them were rejected.

  By the end of the 2012 second quarter, four of these proceedings are definitively closed for TOTAL S.A. and Elf Aquitaine as well as for Arkema, one remains pendant before the relevant EU court.

(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.
(2) This amount does not take into account a case that led to Arkema, prior to Arkema's spin-off from TOTAL, and Elf Aquitaine being fined jointly €45 million and Arkema being fined €13.5 million.

With the exception of the €31.31 million of interest paid in 2011 in accordance with one of the decisions referred hereinabove, the evolution of the proceedings during the two 2012 first quarters did not modify the global amount assumed by the Group in execution of the guarantee.

In addition, civil proceedings against Arkema and other groups of companies were initiated in 2009 and 2011, respectively, before the German and Dutch courts by third parties for alleged damages pursuant to two of the above mentioned legal proceedings. TOTAL S.A. was summoned to serve notice of the dispute before the German court. At this point, the probability of a favorable verdict and the financial impacts of these proceedings are uncertain due to the number of legal difficulties they give rise to, the lack of documented claims and evaluations of the alleged damages.

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 regarding events prior to the spin-off, as well as Elf Aquitaine and/or TOTAL S.A. based on their status as parent company before the spin-off.

Within the framework of all of the legal proceedings described above, a €17 million reserve remains booked in the Group's consolidated financial statements as of June 30, 2012.

Supply & Marketing

- Pursuant to a statement of objections received by Total Nederland N.V. and TOTAL S.A. (based on its status as parent company) from the European Commission, Total Nederland N.V. was fined €20.25 million in 2006, for which TOTAL S.A. was held jointly liable for €13.5 million. TOTAL S.A. appealed this decision before the relevant court and this appeal is still pending.
- In addition, pursuant to a statement of objections received by Total Raffinage Marketing (formerly Total France) and TOTAL S.A. from the European Commission regarding a product line of the Supply & Marketing segment, Total Raffinage Marketing was fined €128.2 million in 2008, which has been paid, and for which TOTAL S.A. was held jointly liable based on its status as parent company. TOTAL S.A. also appealed this decision before the relevant court and this appeal is still pending.
- In addition, civil proceedings against TOTAL S.A and Total Raffinage Marketing and other companies were initiated before UK and Dutch courts by third parties for alleged damages in connection with the prosecutions brought by the European Commission. At this point, the probability to have a favorable verdict and the financial impacts of these procedures are uncertain due to the number of legal difficulties they gave rise to, the lack of documented claims and evaluations of the alleged damages.

Within the framework of the legal proceedings described above, a €30 million reserve is booked in the Group's consolidated financial statements as of June 30, 2012.

Whatever the evolution of the proceedings described above, the Group believes that their outcome should not have a material adverse effect on the Group's financial situation or consolidated results.

Grande Paroisse

An explosion occurred at the Grande Paroisse industrial site in the city of Toulouse in France on September 21, 2001. Grande Paroisse, a former subsidiary of Atofina which became a subsidiary of Elf Aquitaine Fertilisants on December 31, 2004, as part of the reorganization of the Chemicals segment, was principally engaged in the production and sale of agricultural fertilizers. The explosion, which involved a stockpile of ammonium nitrate pellets, destroyed a portion of the site and caused the death of thirty-one people, including twenty-one workers at the site, and injured many others. The explosion also caused significant damage to certain property in part of the city of Toulouse.

This plant has been closed and individual assistance packages have been provided for employees. The site has been rehabilitated.

On December 14, 2006, Grande Paroisse signed, under the supervision of the city of Toulouse, the deed whereby it donated the former site of the AZF plant to the greater agglomeration of Toulouse (CAGT) and the *Caisse des dépôts et consignations* and its subsidiary ICADE. Under this deed, TOTAL S.A. guaranteed the site restoration obligations of Grande Paroisse and granted a €10 million endowment to the InNaBioSanté research foundation as part of the setting up of a cancer research center at the site by the city of Toulouse.

Regarding the cause of the explosion, the hypothesis that the explosion was caused by Grande Paroisse through the accidental mixing of hundreds of kilos of a chlorine compound at a storage site for ammonium nitrate was discredited over the course of the investigation. As a result, proceedings against ten of the eleven Grande Paroisse employees charged during the criminal investigation conducted by the Toulouse Regional Court (*Tribunal de grande instance*) were dismissed and this dismissal was upheld on appeal. Nevertheless, the final experts' report filed on May 11, 2006 has continued to focus on the hypothesis of a chemical accident, although this hypothesis has not been confirmed during the attempt to reconstruct the accident at the site. After having articulated several hypotheses, the experts no longer maintain that the accident was caused by pouring a large quantity of a chlorine compound over ammonium nitrate. Instead, the experts have retained a scenario where a container of chlorine compound sweepings was poured between a layer of wet ammonium nitrate covering the floor and a quantity of dry agricultural nitrate at a location not far from the principal storage site. This is claimed to have caused an explosion which then spread into the main storage site. Grande Paroisse was investigated based on this new hypothesis in 2006; Grande Paroisse is contesting this explanation, which it believes to be based on elements that are not factually accurate.

All the requests for additional investigations that were submitted by Grande Paroisse, the former site manager and various plaintiffs were denied on appeal after the end of the criminal investigation procedure. On July 9, 2007, the investigating judge brought charges against Grande Paroisse and the former plant manager before the criminal chamber of the Court of Appeal of Toulouse. In late 2008, TOTAL S.A. and Mr. Thierry Desmarest were summoned to appear in Court pursuant to a request by a victims association. The trial for this case began on February 23, 2009, and lasted approximately four months.

On November 19, 2009, the Toulouse Criminal Court acquitted both the former Plant Manager, and Grande Paroisse due to the lack of reliable evidence for the explosion. The Court also ruled that the summonses against TOTAL S.A. and Mr. Thierry Desmarest, Chairman and CEO at the time of the disaster, were inadmissible.

Due to the presumption of civil liability that applied to Grande Paroisse, the Court declared Grande Paroisse civilly liable for the damages caused by the explosion to the victims in its capacity as custodian and operator of the plant.

The Prosecutor's office, together with certain third parties, has appealed the Toulouse Criminal Court verdict. In order to preserve its rights, Grande Paroisse lodged a cross-appeal with respect to civil charges.

The appeal proceeding before the Court of Appeal of Toulouse was completed on March 16, 2012. The decision is expected on September 24, 2012.

A compensation mechanism for victims was set up immediately following the explosion. €2.3 billion was paid for the compensation of claims and related expenses amounts. As of June 30, 2012, a €17 million reserve remains recorded in the Group's consolidated balance sheet.

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 was operated by Hertfordshire Oil Storage Limited (HOSL), a company in which TOTAL's UK subsidiary holds 60% and another oil group holds 40%.

The explosion caused injuries, most of which were minor injuries, to a number of people and caused property damage to the depot and the buildings and homes located nearby. The official Independent Investigation Board has indicated that the explosion was caused by the overflow of a tank at the depot. The Board's final report was released on December 11, 2008. The civil procedure for claims, which had not yet been settled, took place between October and December 2008. The Court's decision of March 20, 2009, declared TOTAL's UK subsidiary liable for the accident and solely liable for indemnifying the victims. The subsidiary appealed the decision. The appeal trial took place in January 2010. The Court of Appeals, by a decision handed down on March 4, 2010, confirmed the prior judgment. The Supreme Court of United Kingdom has partially authorized TOTAL's UK subsidiary to contest the decision. TOTAL's UK subsidiary finally decided to withdraw from this recourse due to settlement agreements reached in mid-February 2011.

The Group carries insurance for damage to its interests in these facilities, business interruption and civil liability claims from third parties. The provision for the civil liability that appears in the Group's consolidated financial statements as of June 30, 2012, stands at €55 million after taking into account the payments previously made.

The Group believes that, based on the information currently available, on a reasonable estimate of its liability and on provisions recognized, this accident should not have a significant impact on the Group's financial situation or consolidated results.

In addition, on December 1, 2008, the Health and Safety Executive (HSE) and the Environment Agency (EA) issued a Notice of prosecution against five companies, including TOTAL's UK subsidiary. By a judgment on July 16, 2010, the subsidiary was fined £3.6 million and paid it. The decision takes into account a number of elements that have mitigated the impact of the charges brought against it.

Erika

Following the sinking in December 1999 of the Erika, a tanker that was transporting products belonging to one of the Group companies, the *Tribunal de grande instance* of Paris convicted TOTAL S.A. of marine pollution pursuant to a judgment issued on January 16, 2008, finding that TOTAL S.A. was negligent in its vetting procedure for vessel selection, and ordering TOTAL S.A. to pay a fine of €375,000. The Court also ordered compensation to be paid to those affected by the pollution from the Erika up to an aggregate amount of €192 million, declaring TOTAL S.A. jointly and severally liable for such payments together with the Erika's inspection and classification firm, the Erika's owner and the Erika's manager.

TOTAL has appealed the verdict of January 16, 2008. In the meantime, it nevertheless proposed to pay third parties who so requested definitive and irrevocable compensation as determined by the Court. Forty-two third parties have been compensated for an aggregate amount of €171.5 million.

By a decision dated March 30, 2010, the *Cour d'appel de Paris* upheld the lower Court verdict pursuant to which TOTAL S.A. was convicted of marine pollution and fined €375,000.

However, the Court of Appeal ruled that TOTAL S.A. bears no civil liability according to the applicable international conventions and consequently ruled that TOTAL S.A. be not convicted.

TOTAL challenged the criminal law-related of this decision before the French Supreme Court (*Cour de cassation*).

The oral pleadings before the *Cour de cassation* took place on May 24, 2012. The decision of the Cour de cassation is expected on September 25, 2012.

To facilitate the payment of damages awarded by the Court of Appeal in Paris to third parties against Erika's controlling and classification firm, the ship-owner and the ship-manager, a global settlement agreement was signed late 2011 between these parties and TOTAL S.A. under the auspices of the IOPC Fund. Under this global settlement agreement, each party agreed to the withdrawal of all civil proceedings initiated against all other parties to the agreement. In connection with this settlement agreement, the Erika's controlling and classification firm, proposed to pay third parties who so requested definitive and irrevocable compensation as determined by the Court of Appeal.

TOTAL S.A. believes that, based on the information currently available, the case should not have a significant impact on the Group's financial situation or consolidated results.

Blue Rapid and the Russian Olympic Committee – Russian regions and Interneft

Blue Rapid, a Panamanian company, and the Russian Olympic Committee filed a claim for damages with the Paris Commercial Court against Elf Aquitaine, alleging a so-called non-completion by a former subsidiary of Elf Aquitaine of a contract related to an exploration and production project in Russia negotiated in the early 1990s. Elf Aquitaine believed this claim to be unfounded and opposed it. On January 12, 2009, the Commercial Court of Paris rejected Blue Rapid's claim against Elf Aquitaine and found that the Russian Olympic Committee did not have standing in the matter. Blue Rapid and the Russian Olympic Committee appealed this decision. On June 30, 2011, the Court of Appeal of Paris dismissed as inadmissible the claim of Blue Rapid and the Russian Olympic Committee against Elf Aquitaine, notably on the grounds of the contract's termination. Blue Rapid and the Russian Olympic Committee appealed this decision to the French Supreme Court.

In connection with the same facts, and fifteen years after the termination of the exploration and production contract, a Russian company, which was held not to be the contracting party to the contract, and two regions of the Russian Federation which were not even parties to the contract, have launched an arbitration procedure against the aforementioned former subsidiary of Elf Aquitaine that was liquidated in 2005, claiming alleged damages of $22.4 billion. For the same reasons as those successfully adjudicated by Elf Aquitaine against Blue Rapid and the Russian Olympic Committee, the Group considers this claim to be unfounded as to a matter of law or fact. The Group has lodged a criminal complaint to denounce the fraudulent claim which the Group believes it is a victim of and, has taken and reserved its rights to take other actions and measures to defend its interests.

Iran

In 2003, the United States Securities and Exchange Commission (SEC) followed by the Department of Justice (DoJ) issued a formal order directing an investigation in connection with the pursuit of business in Iran by certain oil companies including, among others, TOTAL.

The inquiry concerns an agreement concluded by the Company with consultants concerning gas fields in Iran and aims to verify whether certain payments made under this agreement would have benefited Iranian officials in violation of the Foreign Corrupt Practices Act (FCPA) and the Company's accounting obligations. The Company fully cooperates with these investigations.

Since 2010, the Company has been in discussions with U.S. authorities (DoJ and SEC) to consider, as it is often the case in these kinds of proceedings, an out-of-court settlement, which would terminate the investigation in exchange for TOTAL respecting a number of obligations, including the payment of a fine and civil compensation, without admission of guilt.

During recent weeks, these discussions have accelerated and U.S. authorities have proposed draft agreements that could be accepted by TOTAL. Consequently, and although discussions have not yet been finalized, TOTAL recorded a provision of €316 million in its June 30, 2012 accounts, reflecting the best estimate of potential costs associated with the resolution of these proceedings.

In this same affair, TOTAL and its Chief Executive Officer, President of the Middle East at the time of the facts, have been placed under formal investigation, following a judicial inquiry initiated in France in 2006.

At this point, the Company considers that the resolution of these cases is not expected to have a significant impact on the Group's financial situation or consequences on its future planned operations.

Libya

In June 2011, the United States Securities and Exchange Commission (SEC) issued to certain oil companies - including, among others, TOTAL - a formal request for information related to their operations in Libya. TOTAL is cooperating with this non public investigation.

Oil-for-Food Program

Several countries have launched investigations concerning possible violations related to the United Nations (UN) Oil-for-Food program in Iraq.

Pursuant to a French criminal investigation, certain current or former Group employees were placed under formal criminal investigation for possible charges as accessories to the misappropriation of corporate assets and as accessories to the corruption of foreign public agents. The Chairman and Chief Executive Officer of the Company, formerly President of the Group's Exploration & Production division, was also placed under formal investigation in October 2006. In 2007, the criminal investigation was closed and the case was transferred to the Prosecutor's office. In 2009, the Prosecutor's office recommended to the investigating judge that the case against the Group's current and former employees and TOTAL's Chairman and Chief Executive Officer not be pursued.

In early 2010, despite the recommendation of the Prosecutor's office, a new investigating judge, having taken over the case, decided to indict TOTAL S.A. on bribery charges as well as complicity and influence peddling. The indictment was brought eight years after the beginning of the investigation without any new evidence being introduced.

In October 2010, the Prosecutor's office recommended to the investigating judge that the case against TOTAL S.A., the Group's current and former employees and TOTAL's Chairman and Chief Executive Officer not be pursued. However, by ordinance notified in early August 2011, the investigating judge on the matter decided to send the case to trial. The hearings are expected in the first quarter of 2013.

The Company believes that its activities related to the Oil-for-Food program have been in compliance with this program, as organized by the UN in 1996.

The Volcker report released by the independent investigating committee set up by the UN had discarded any bribery grievance within the framework of the Oil-For-Food program with respect to TOTAL.

Italy

As part of an investigation led by the Prosecutor of the Republic of the Potenza Court, Total Italia and certain Group's employees are the subject of an investigation related to certain calls for tenders that Total Italia made for the preparation and development of an oil field. On February 16, 2009, as a preliminary measure before the proceedings go before the Court, the preliminary investigation judge of Potenza served notice to Total Italia of a decision that would suspend the concession for this field for one year. Total Italia has appealed the decision by the preliminary investigation judge before the Court of Appeal of Potenza. In a decision dated April 8, 2009, the Court reversed the suspension of the Gorgoglione concession and appointed for one year, *i.e.* until February 16, 2010, a judicial administrator to supervise the operations related to the development of the concession, allowing the Tempa Rossa project to continue.

The criminal investigation was closed in the first half of 2010.

In May 2012, the Judge of the preliminary hearing decided to dismiss the charges for some of the Goup's employees and refer the case for trial for a reduced number of charges. The hearings are expected to start in the second semester of 2012.

In 2010, Total Italia's exploration and production operations were transferred to Total E&P Italia and refining and marketing operations were merged with those of Erg Petroli.

Elgin

Following a gas leak starting on March 25, 2012, from the G4 well on the platform of the Elgin field in the North Sea (United Kingdom), the production from the Elgin, Franklin and West Franklin fields was stopped and the site's personnel was evacuated. No injuries to personnel have occurred, and the risk to the environment is expected to be relatively minor.

TOTAL immediately launched its emergency response plan and mobilized crisis management teams. The Group also mobilized international well control experts.

As from April 6, 2012, teams comprised of TOTAL experts and specialists engaged by the Group conducted numerous missions to the Elgin platform in order to prepare and implement the intervention plans for controlling the leak from the G4 well.

On May 21, 2012, TOTAL confirmed, following five days of close monitoring, the success of the intervention conducted on May 15, 2012 to stop the gas leak of the G4 well. Injecting heavy mud into the G4 well allowed the regaining of control over the well. Since then, several inspection visits conducted on the wellhead platform have confirmed that the leak was completely stopped.

Following the success of this intervention, a new phase of the intervention plan was launched with the objective of completing the permanent plugging and abandonment procedure of the G4 well. Since June 2012, the Elgin complex has been progressively re-manned and as of mid July 2012, the operation to permanently secure the G4 well by the introduction of cement plugs continues.

In parallel, TOTAL and the British authorities are continuing their investigations to understand the reasons for the accident and determine the measures to be taken to allow the restart of production of the Elgin, Franklin and West Franklin fields in the best conditions.

TOTAL is the operator of the Elgin, Franklin and West Franklin fields and holds an interest of 46.17% since the end of 2011 via the Elgin Franklin Oil & Gas (EFOG) company. As of June 30, 2012, TOTAL estimates the impact generated by the loss of production from these three fields (Group share) at $1.5 million (approximately €1.2 million) a day on the Group's net operating income.

Nigeria (OML 58)

On April 3, 2012, TOTAL E&P Nigeria Ltd (TEPNG), a subsidiary of the Group, was informed about water and gas resurgence points observed in an uninhabited area close to its onshore gas production facilities on the OML 58 license. This event was the consequence of a technical incident that occurred March 20, 2012 on the Ibewa gas production site: a gas producing well (IBW16) was intersected during the drilling operations of a new well (OB127b), which resulted in gas flowing from the production well into intermediate geological layers. The Obite treatment gas plant was stopped and the other wells shut down and secured.

In close collaboration with representatives of the local communities and the Nigerian authorities, all necessary means to ensure the protection of nearby communities and personnel and to limit the impact on the environment have been immediately mobilized. Very important technical means, as well as experts of the Group and specialized companies have also been mobilized on site to regain control of the well and stop the flow of gas.

On May 18, 2012, TEPNG confirmed the success of the intervention conducted on the Ibewa 16 well to stop the gas leak. Cement plugs have been set to ensure the isolation of the reservoir. The activity of the gas resurgences decreased in intensity immediately after this intervention, and stopped within a few days. TOTAL teams are still maintaining a regular monitoring of the water and air quality. A comprehensive review of the environmental impact is underway in liaison with the authorities.

Since then, the Obite gas treatment plant was restarted and TEPNG is progressing the verifications and works necessary in order to restart the Ibewa gas production site.

TOTAL E&P Nigeria Ltd operates the OML 58 license as part of the joint venture between TOTAL and the Nigerian National Petroleum Corporation, and holds a 40% stake in this permit. As of June 30, 2012, TOTAL estimates the impact generated by the loss of production resulting from this situation (Group share) at $0.2 million (approximately €0.15 million) a day on the Group's net operating income.

For these two events, in line with industry practice and local regulation, TOTAL has insurance policies in place. The actions taken to resolve the Elgin and OML 58 situations described above, led to the accounting of a €64 million charge in net operating income in the Group's consolidated financial statements as of June 30, 2012. This amount will be reevaluated in light of future events.

Yemen

The Yemen LNG company (39.62%) underwent since March 30, 2012 three acts of sabotage on the 38 inch gas pipeline that links block 18 to the Balhaf facility on the Gulf of Aden. These acts of sabotage have led to short-term production stops of LNG. Prompt repairs permitted to limit the number of shipments canceled accordingly. The LNG plant produces at full capacity since the end of May 2012.

8) Business segment information

1st half 2012 (in millions of euros)	Upstream	Refining & Chemicals	Supply & Marketing	Corporate	Intercompany	Total
Non-Group sales	12,094	45,688	42,431	90	-	100,303
Intersegment sales	15,985	22,289	453	93	(38,820)	-
Excise taxes	-	(1,678)	(7,274)	-	-	(8,952)
Revenues from sales	**28,079**	**66,299**	**35,610**	**183**	**(38,820)**	**91,351**
Operating expenses	(13,711)	(65,703)	(34,770)	(515)	38,820	(75,879)
Depreciation, depletion and amortization of tangible assets and mineral interests	(2,993)	(633)	(224)	(16)	-	(3,866)
Operating income	**11,375**	**(37)**	**616**	**(348)**	**-**	**11,606**
Equity in net income (loss) of affiliates and other items	886	115	22	(39)	-	984
Tax on net operating income	(6,908)	42	(207)	(10)	-	(7,083)
Net operating income	**5,353**	**120**	**431**	**(397)**	**-**	**5,507**
Net cost of net debt	-	-	-	-	-	(221)
Non-controlling interests	-	-	-	-	-	(39)
Net income	**-**	**-**	**-**	**-**	**-**	**5,247**

1st half 2012 (adjustments)[a] (in millions of euros)	Upstream	Refining & Chemicals	Supply & Marketing	Corporate	Intercompany	Total
Non-Group sales	(14)	-	-	-	-	(14)
Intersegment sales	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-
Revenues from sales	**(14)**	**-**	**-**	**-**	**-**	**(14)**
Operating expenses	(20)	(455)	(83)	(88)	-	(646)
Depreciation, depletion and amortization of tangible assets and mineral interests	(46)	-	-	-	-	(46)
Operating income[b]	**(80)**	**(455)**	**(83)**	**(88)**	**-**	**(706)**
Equity in net income (loss) of affiliates and other items	(21)	(17)	(8)	(134)	-	(180)
Tax on net operating income	15	148	24	(16)	-	171
Net operating income[b]	**(86)**	**(324)**	**(67)**	**(238)**	**-**	**(715)**
Net cost of net debt	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	30
Net income	**-**	**-**	**-**	**-**	**-**	**(685)**

(a) Adjustments include special items, inventory valuation effect and the effect of changes in fair value.

(b) Of which inventory valuation effect	*Upstream*	*Refining & Chemicals*	*Supply & Marketing*	*Corporate*
- On operating income	-	*(455)*	*(83)*	-
- On net operating income	-	*(324)*	*(59)*	-

1st half 2012 (adjusted) (in millions of euros)[a]	Upstream	Refining & Chemicals	Supply & Marketing	Corporate	Intercompany	Total
Non-Group sales	12,108	45,688	42,431	90	-	100,317
Intersegment sales	15,985	22,289	453	93	(38,820)	-
Excise taxes	-	(1,678)	(7,274)	-	-	(8,952)
Revenues from sales	**28,093**	**66,299**	**35,610**	**183**	**(38,820)**	**91,365**
Operating expenses	(13,691)	(65,248)	(34,687)	(427)	38,820	(75,233)
Depreciation, depletion and amortization of tangible assets and mineral interests	(2,947)	(633)	(224)	(16)	-	(3,820)
Adjusted operating income	**11,455**	**418**	**699**	**(260)**	**-**	**12,312**
Equity in net income (loss) of affiliates and other items	907	132	30	95	-	1,164
Tax on net operating income	(6,923)	(106)	(231)	6	-	(7,254)
Adjusted net operating income	**5,439**	**444**	**498**	**(159)**	**-**	**6,222**
Net cost of net debt	-	-	-	-	-	(221)
Non-controlling interests	-	-	-	-	-	(69)
Ajusted net income	**-**	**-**	**-**	**-**	**-**	**5,932**
Adjusted fully-diluted earnings per share (€)	**-**	**-**	**-**	**-**	**-**	**2.62**

(a) Except for per share amounts.

1st half 2012 (in millions of euros)	Upstream	Refining & Chemicals	Supply & Marketing	Corporate	Intercompany	Total
Total expenditures	9,646	930	297	31	-	10,904
Total divestments	993	148	54	1,475	-	2,670
Cash flow from operating activities	10,883	589	(403)	365	-	11,434

1st half 2011 (in millions of euros)	Upstream	Refining & Chemicals	Supply & Marketing	Corporate	Intercompany	Total
Non-Group sales	11,310	38,474	41,242	12	-	91,038
Intersegment sales	13,280	21,008	397	84	(34,769)	-
Excise taxes	-	(981)	(7,990)	-	-	(8,971)
Revenues from sales	**24,590**	**58,501**	**33,649**	**96**	**(34,769)**	**82,067**
Operating expenses	(11,010)	(56,458)	(32,572)	(314)	34,769	(65,585)
Depreciation, depletion and amortization of tangible assets and mineral interests	(2,340)	(633)	(227)	(17)	-	(3,217)
Operating income	**11,240**	**1,410**	**850**	**(235)**	**-**	**13,265**
Equity in net income (loss) of affiliates and other items	816	112	84	270	-	1,282
Tax on net operating income	(6,802)	(453)	(259)	(53)	-	(7,567)
Net operating income	**5,254**	**1,069**	**675**	**(18)**	**-**	**6,980**
Net cost of net debt	-	-	-	-	-	(130)
Non-controlling interests	-	-	-	-	-	(178)
Net income	**-**	**-**	**-**	**-**	**-**	**6,672**

1st half 2011 (adjustments)(a) (in millions of euros)	Upstream	Refining & Chemicals	Supply & Marketing	Corporate	Intercompany	Total
Non-Group sales	29	-	-	-	-	29
Intersegment sales	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-
Revenues from sales	**29**	**-**	**-**	**-**	**-**	**29**
Operating expenses	-	976	230	-	-	1,206
Depreciation, depletion and amortization of tangible assets and mineral interests	-	-	-	-	-	-
Operating income(b)	**29**	**976**	**230**	**-**	**-**	**1,235**
Equity in net income (loss) of affiliates and other items	121	(5)	5	54	-	175
Tax on net operating income	(202)	(348)	(72)	(2)	-	(624)
Net operating income(b)	**(52)**	**623**	**163**	**52**	**-**	**786**
Net cost of net debt	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	(12)
Net income	**-**	**-**	**-**	**-**	**-**	**774**

(a) Adjustments include special items, inventory valuation effect and the effect of changes in fair value.

(b) Of which inventory valuation effect	*Upstream*	*Refining & Chemicals*	*Supply & Marketing*	*Corporate*
- On operating income	-	*1,025*	*244*	-
- On net operating income	-	*722*	*175*	-

1st half 2011 (adjusted) (in millions of euros)[a]	Upstream	Refining & Chemicals	Supply & Marketing	Corporate	Intercompany	Total
Non-Group sales	11,281	38,474	41,242	12	-	91,009
Intersegment sales	13,280	21,008	397	84	(34,769)	-
Excise taxes	-	(981)	(7,990)	-	-	(8,971)
Revenues from sales	**24,561**	**58,501**	**33,649**	**96**	**(34,769)**	**82,038**
Operating expenses	(11,010)	(57,434)	(32,802)	(314)	34,769	(66,791)
Depreciation, depletion and amortization of tangible assets and mineral interests	(2,340)	(633)	(227)	(17)	-	(3,217)
Adjusted operating income	**11,211**	**434**	**620**	**(235)**	**-**	**12,030**
Equity in net income (loss) of affiliates and other items	695	117	79	216	-	1,107
Tax on net operating income	(6,600)	(105)	(187)	(51)	-	(6,943)
Adjusted net operating income	**5,306**	**446**	**512**	**(70)**	**-**	**6,194**
Net cost of net debt						(130)
Non-controlling interests						(166)
Ajusted net income	**-**	**-**	**-**	**-**	**-**	**5,898**
Adjusted fully-diluted earnings per share (€)	**-**	**-**	**-**	**-**	**-**	**2.62**

(a) Except for per share amounts.

1st half 2011 (in millions of euros)	Upstream	Refining & Chemicals	Supply & Marketing	Corporate	Intercompany	Total
Total expenditures	12,100	863	243	47	-	13,253
Total divestments	1,256	29	48	668	-	2,001
Cash flow from operating activities	9,425[a]	1,238	(79)	194[a]	-	10,778

(a) Reclassification of intercompany transactions between Upstream and Corporate for €823 million with no impact on the total of cash flow from operating activities.

2nd quarter 2012 (in millions of euros)	Upstream	Refining & Chemicals	Supply & Marketing	Corporate	Intercompany	Total
Non-Group sales	5,476	22,592	21,020	47	-	49,135
Intersegment sales	7,751	10,474	222	48	(18,495)	-
Excise taxes	-	(874)	(3,686)	1	-	(4,559)
Revenues from sales	**13,227**	**32,192**	**17,556**	**96**	**(18,495)**	**44,576**
Operating expenses	(6,698)	(32,646)	(17,256)	(285)	18,495	(38,390)
Depreciation, depletion and amortization of tangible assets and mineral interests	(1,586)	(319)	(116)	(7)	-	(2,028)
Operating income	**4,943**	**(773)**	**184**	**(196)**	**-**	**4,158**
Equity in net income (loss) of affiliates and other items	421	23	13	(156)	-	301
Tax on net operating income	(2,910)	256	(63)	(14)	-	(2,731)
Net operating income	**2,454**	**(494)**	**134**	**(366)**	**-**	**1,728**
Net cost of net debt	-	-	-	-	-	(116)
Non-controlling interests	-	-	-	-	-	(27)
Net income	**-**	**-**	**-**	**-**	**-**	**1,585**

2nd quarter 2012 (adjustments)[a] (in millions of euros)	Upstream	Refining & Chemicals	Supply & Marketing	Corporate	Intercompany	Total
Non-Group sales	11	-	-	-	-	11
Intersegment sales	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-
Revenues from sales	**11**	**-**	**-**	**-**	**-**	**11**
Operating expenses	(20)	(1,238)	(146)	(23)	-	(1,427)
Depreciation, depletion and amortization of tangible assets and mineral interests	(46)	-	-	-	-	(46)
Operating income[b]	**(55)**	**(1,238)**	**(146)**	**(23)**	**-**	**(1,462)**
Equity in net income (loss) of affiliates and other items	-	(40)	(8)	(244)	-	(292)
Tax on net operating income	9	401	47	(9)	-	448
Net operating income[b]	**(46)**	**(877)**	**(107)**	**(276)**	**-**	**(1,306)**
Net cost of net debt	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	33
Net income	**-**	**-**	**-**	**-**	**-**	**(1,273)**

(a) Adjustments include special items, inventory valuation effect and the effect of changes in fair value.

(b) Of which inventory valuation effect	*Upstream*	*Refining & Chemicals*	*Supply & Marketing*	*Corporate*
- On operating income	-	*(1,238)*	*(146)*	-
- On net operating income	-	*(877)*	*(99)*	-

2nd quarter 2012 (adjusted) (in millions of euros)(a)	Upstream	Refining & Chemicals	Supply & Marketing	Corporate	Intercompany	Total
Non-Group sales	5,465	22,592	21,020	47	-	49,124
Intersegment sales	7,751	10,474	222	48	(18,495)	-
Excise taxes	-	(874)	(3,686)	1	-	(4,559)
Revenues from sales	**13,216**	**32,192**	**17,556**	**96**	**(18,495)**	**44,565**
Operating expenses	(6,678)	(31,408)	(17,110)	(262)	18,495	(36,963)
Depreciation, depletion and amortization of tangible assets and mineral interests	(1,540)	(319)	(116)	(7)	-	(1,982)
Adjusted operating income	**4,998**	**465**	**330**	**(173)**	**-**	**5,620**
Equity in net income (loss) of affiliates and other items	421	63	21	88	-	593
Tax on net operating income	(2,919)	(145)	(110)	(5)	-	(3,179)
Adjusted net operating income	**2,500**	**383**	**241**	**(90)**	**-**	**3,034**
Net cost of net debt	-	-	-	-	-	(116)
Non-controlling interests	-	-	-	-	-	(60)
Ajusted net income	**-**	**-**	**-**	**-**	**-**	**2,858**
Adjusted fully-diluted earnings per share (€)	**-**	**-**	**-**	**-**	**-**	**1.26**

(a) Except for per share amounts.

2nd quarter 2012 (in millions of euros)	Upstream	Refining & Chemicals	Supply & Marketing	Corporate	Intercompany	Total
Total expenditures	4,278	501	161	24	-	4,964
Total divestments	234	7	20	719	-	980
Cash flow from operating activities	5,259	625	(101)	384	-	6,167

2nd quarter 2011 (in millions of euros)	Upstream	Refining & Chemicals	Supply & Marketing	Corporate	Intercompany	Total
Non-Group sales	5,166	19,089	20,753	1	-	45,009
Intersegment sales	6,341	10,346	158	43	(16,888)	-
Excise taxes	-	(506)	(4,038)	-	-	(4,544)
Revenues from sales	**11,507**	**28,929**	**16,873**	**44**	**(16,888)**	**40,465**
Operating expenses	(5,072)	(28,644)	(16,380)	(161)	16,888	(33,369)
Depreciation, depletion and amortization of tangible assets and mineral interests	(1,100)	(310)	(112)	(9)	-	(1,531)
Operating income	**5,335**	**(25)**	**381**	**(126)**	**-**	**5,565**
Equity in net income (loss) of affiliates and other items	473	23	32	255	-	783
Tax on net operating income	(3,275)	(3)	(134)	(53)	-	(3,465)
Net operating income	**2,533**	**(5)**	**279**	**76**	**-**	**2,883**
Net cost of net debt	-	-	-	-	-	(71)
Non-controlling interests	-	-	-	-	-	(86)
Net income	**-**	**-**	**-**	**-**	**-**	**2,726**

2nd quarter 2011 (adjustments) [(a)] (in millions of euros)	Upstream	Refining & Chemicals	Supply & Marketing	Corporate	Intercompany	Total
Non-Group sales	(55)	-	-	-	-	(55)
Intersegment sales	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-
Revenues from sales	**(55)**	**-**	**-**	**-**	**-**	**(55)**
Operating expenses	-	(170)	20	-	-	(150)
Depreciation, depletion and amortization of tangible assets and mineral interests	-	-	-	-	-	-
Operating income[(b)]	**(55)**	**(170)**	**20**	**-**	**-**	**(205)**
Equity in net income (loss) of affiliates and other items	121	(37)	(2)	43	-	125
Tax on net operating income	10	22	(3)	(2)	-	27
Net operating income[(b)]	**76**	**(185)**	**15**	**41**	**-**	**(53)**
Net cost of net debt	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	(15)
Net income	**-**	**-**	**-**	**-**	**-**	**(68)**

(a) Adjustments include special items, inventory valuation effect and the effect of changes in fair value.

(b) Of which inventory valuation effect	*Upstream*	*Refining & Chemicals*	*Supply & Marketing*	*Corporate*
- On operating income	*-*	*(121)*	*34*	*-*
- On net operating income	*-*	*(86)*	*27*	*-*

2nd quarter 2011 (adjusted) (in millions of euros)[a]	Upstream	Refining Chemicals	Supply Marketing	Corporate	Intercompany	Total
Non-Group sales	5,221	19,089	20,753	1	-	45,064
Intersegment sales	6,341	10,346	158	43	(16,888)	-
Excise taxes	-	(506)	(4,038)	-	-	(4,544)
Revenues from sales	**11,562**	**28,929**	**16,873**	**44**	**(16,888)**	**40,520**
Operating expenses	(5,072)	(28,474)	(16,400)	(161)	16,888	(33,219)
Depreciation, depletion and amortization of tangible assets and mineral interests	(1,100)	(310)	(112)	(9)	-	(1,531)
Adjusted operating income	**5,390**	**145**	**361**	**(126)**	**-**	**5,770**
Equity in net income (loss) of affiliates and other items	352	60	34	212	-	658
Tax on net operating income	(3,285)	(25)	(131)	(51)	-	(3,492)
Adjusted net operating income	**2,457**	**180**	**264**	**35**	**-**	**2,936**
Net cost of net debt	-	-	-	-	-	(71)
Non-controlling interests	-	-	-	-	-	(71)
Ajusted net income	**-**	**-**	**-**	**-**	**-**	**2,794**
Adjusted fully-diluted earnings per share (€)	**-**	**-**	**-**	**-**	**-**	**1.24**

(a) Except for per share amounts.

2nd quarter 2011 (in millions of euros)	Upstream	Refining Chemicals	Supply Marketing	Corporate	Intercompany	Total
Total expenditures	6,868	519	152	31	-	7,570
Total divestments	921	13	27	377	-	1,338
Cash flow from operating activities	4,782[a]	180	(35)	137[a]	-	5,064

(a) Reclassification of intercompany transactions between Upstream and Corporate for €823 million with no impact on the total of cash flow from operating activities.

9) Reconciliation of the information by business segment with consolidated financial statements

1st half 2012 (in millions of euros)	Adjusted	Adjustments[a]	Consolidated statement of income
Sales	**100,317**	**(14)**	**100,303**
Excise taxes	(8,952)	-	(8,952)
Revenues from sales	91,365	(14)	91,351
Purchases net of inventory variation	(63,797)	(538)	(64,335)
Other operating expenses	(10,811)	(108)	(10,919)
Exploration costs	(625)	-	(625)
Depreciation, depletion and amortization of tangible assets and mineral interests	(3,820)	(46)	(3,866)
Other income	305	209	514
Other expense	(200)	(347)	(547)
Financial interest on debt	(357)	-	(357)
Financial income from marketable securities & cash equivalents	59	-	59
Cost of net debt	(298)	-	(298)
Other financial income	294	-	294
Other financial expense	(254)	-	(254)
Equity in net income (loss) of affiliates	1,019	(42)	977
Income taxes	(7,177)	171	(7,006)
Consolidated net income	**6,001**	**(715)**	**5,286**
Group share	5,932	(685)	5,247
Non-controlling interests	69	(30)	39

(a) Adjustments include special items, inventory valuation effect and the effect of changes in fair value.

1st half 2011 (in millions of euros)	Adjusted	Adjustments[a]	Consolidated statement of income
Sales	**91,009**	**29**	**91,038**
Excise taxes	(8,971)	-	(8,971)
Revenues from sales	82,038	29	82,067
Purchases net of inventory variation	(56,910)	1,269	(55,641)
Other operating expenses	(9,443)	(63)	(9,506)
Exploration costs	(438)	-	(438)
Depreciation, depletion and amortization of tangible assets and mineral interests	(3,217)	-	(3,217)
Other income	109	222	331
Other expense	(129)	(68)	(197)
Financial interest on debt	(295)	-	(295)
Financial income from marketable securities & cash equivalents	102	-	102
Cost of net debt	(193)	-	(193)
Other financial income	410	-	410
Other financial expense	(212)	-	(212)
Equity in net income (loss) of affiliates	929	21	950
Income taxes	(6,880)	(624)	(7,504)
Consolidated net income	**6,064**	**786**	**6,850**
Group share	5,898	774	6,672
Non-controlling interests	166	12	178

(a) Adjustments include special items, inventory valuation effect and the effect of changes in fair value.

2nd quarter 2012 (in millions of euros)	Adjusted	Adjustments[a]	Consolidated statement of income
Sales	**49,124**	**11**	**49,135**
Excise taxes	(4,559)	-	(4,559)
Revenues from sales	44,565	11	44,576
Purchases net of inventory variation	(30,910)	(1,384)	(32,294)
Other operating expenses	(5,784)	(43)	(5,827)
Exploration costs	(269)	-	(269)
Depreciation, depletion and amortization of tangible assets and mineral interests	(1,982)	(46)	(2,028)
Other income	126	99	225
Other expense	(108)	(343)	(451)
Financial interest on debt	(170)	-	(170)
Financial income from marketable securities & cash equivalents	24	-	24
Cost of net debt	(146)	-	(146)
Other financial income	209	-	209
Other financial expense	(118)	-	(118)
Equity in net income (loss) of affiliates	484	(48)	436
Income taxes	(3,149)	448	(2,701)
Consolidated net income	**2,918**	**(1,306)**	**1,612**
Group share	2,858	(1,273)	1,585
Non-controlling interests	60	(33)	27

(a) Adjustments include special items, inventory valuation effect and the effect of changes in fair value.

2nd quarter 2011 (in millions of euros)	Adjusted	Adjustments[a]	Consolidated statement of income
Sales	**45,064**	**(55)**	**45,009**
Excise taxes	(4,544)	-	(4,544)
Revenues from sales	40,520	(55)	40,465
Purchases net of inventory variation	(28,299)	(87)	(28,386)
Other operating expenses	(4,741)	(63)	(4,804)
Exploration costs	(179)	-	(179)
Depreciation, depletion and amortization of tangible assets and mineral interests	(1,531)	-	(1,531)
Other income	35	211	246
Other expense	(70)	(68)	(138)
Financial interest on debt	(159)	-	(159)
Financial income from marketable securities & cash equivalents	55	-	55
Cost of net debt	(104)	-	(104)
Other financial income	335	-	335
Other financial expense	(104)	-	(104)
Equity in net income (loss) of affiliates	462	(18)	444
Income taxes	(3,459)	27	(3,432)
Consolidated net income	**2,865**	**(53)**	**2,812**
Group share	2,794	(68)	2,726
Non-controlling interests	71	15	86

(a) Adjustments include special items, inventory valuation effect and the effect of changes in fair value.

10) Changes in progress in the Group structure

Upstream

- TOTAL announced in February 2012 the signature of an agreement with Sinochem to sell its interests in the Cusiana field and in OAM and ODC pipelines. This transaction is subject to approval by the relevant authorities.
- TOTAL announced in July 2012 that it has acquired an additional 6% interest in the Ichthys liquefied natural gas (LNG) project from its partner INPEX. TOTAL's overall equity stake in the Ichthys LNG project will grow from 24% to 30%. The transaction remains subject to Australian Authorities approval.

11) Post-closing events

Organization of gas and new energies activities

Following the review of gas and new energies activities that began in November 2011 and the subsequent information and consultation process with employee representatives, two new activities were created, effective July 1, 2012:

- The Gas & Power activity, part of the Upstream segment;
- The New Energies activity, part of the Supply & Marketing segment.

Tax reform - draft law in France

In France, the draft corrective finance law for 2012 ("*projet de loi de finances rectificative pour 2012*") the final adoption of which is scheduled for late July 2012, provides for the introduction of an exceptional tax on the value of oil inventory and an additional tax to the corporate income tax on dividend distributions.

In the current draft of the law filed with the French National Assembly (*"Assemblée Nationale"*) on July 4, 2012, a 3% additional tax to the corporate income tax would be due on the dividends distributed by French or foreign companies and organizations that are subject to corporate income tax in France. The new tax is expected to be due on the dividend distributions the payment date of which occurs after the date of entry into force of the law.

Based on the draft law and on amounts distributed currently, the impact of the additional tax to the corporate income tax is expected to be, for the Group, about €40 million for each interim dividend. This additional tax is not expected to be tax deductible for corporate income tax purpose.

In addition, the draft corrective finance law for 2012 also provides to set up a 4% exceptional tax on the value of oil inventory. This tax is expected to be due by any person, except the French State, that owns volumes of certain types of petroleum products located in the territory of metropolitan France. This exceptional tax is expected to be due on October 1, 2012.

Based on the draft law, the amount of the exceptional tax on the value of oil inventory paid by the Group is expected to be about €150 million.

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