Financial report 1st half 2007

TOTAL

Content

Financial report - 1st half 2007

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

"I certify, to the best of my knowledge, that the consolidated financial statements for the first half 2007 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 the interim management report includes a fair review of the important events that have occurred during the first six months of the financial year, their impact condensed set of financial statements, major related parties transactions and the principal risks and uncertainties for the remaining six months of the financial year."

"The independent auditor's report on their review of the above mentioned consolidated financial statements has been included in this half-year financial report."

Christophe de Margerie
Chief Executive Officer

AUTORITÉ DES MARCHÉS FINANCIERS AMF

The French language version of this *Rapport financier semestriel* (half-year financial report) was filed with the French Financial Markets Authority *(Autorité des marchés financiers)* on August 6, 2007 pursuant to paragraph III of Article L. 451-1-2 of the French Monetary and Financial Code.

Abbreviations

b: barrel

cf: cubic feet

/d: per day

/y: per year

€: euro

$ and/or dollar: US dollar

t: metric ton

boe: barrel oil equivalent

kboe/d: thousand boe/d

kb/d: thousand barrel/d

Btu: British thermal unit

LNG: liquefied natural gas

M: million

B: billion

TRCV: Topping Reforming Cracking Visbreaking. Refining margin indicator after variable costs of a theoretical average refinery located in Rotterdam which processes a variety of crude oil representing the average supply in the area to provide main products quoted in this same area.

IFRS: International Financial Reporting Standards

Definitions

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

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

Financial report - 1st half 2007

Key figures and consolidated accounts

in millions of euros, except earnings per share and number of shares	1H07	1H06	1H07 vs 1H06
Sales	76,137	79,012	-4%
Adjusted operating income from the business segments	11,485	13,360	-14%
Adjusted net operating income from the business segments	6,029	6,609	-9%
• Upstream	4,053	4,791	-15%
• Downstream	1,463	1,437	+2%
• Chemicals	513	381	+35%
Adjusted net income	6,092	6,737	-10%
Adjusted fully-diluted earnings per share (euros)	2.67	2.89	-8%
Fully-diluted weighted-average shares (millions)	2,279.7	2,329.4	-2%
Net income (Group share)	6,460	7,124	-9%
Investments	5,104	5,529	-8%
Divestments (at selling price)	466	1,021	-54%
Cash flow from operations	9,977	8,885	+12%
Adjusted cash flow from operations	8,679	8,965	-3%

(1) adjusted income (adjusted operating income, adjusted net operating income and adjusted net income) is defined as income using replacement cost, adjusted for special items and excluding TOTAL's equity share of amortization of intangibles related to the Sanofi-Aventis merger; adjusted cash flow from operations is defined as cash flow from operations before changes in working capital at replacement cost; adjustment items are listed on page 12.

Group results

Operating income

Compared to the first half 2006, the oil market environment in the first half 2007 was marked by a 4% decrease in the Brent price to 63.2 $/b and a 60% decrease in the spot price for UK natural gas. The TRCV European refining margin indicator increased by 18% to 37.9 $/t. The market environment for petrochemicals was favorable in Europe despite the higher cost of raw materials.

The euro/dollar exchange rate was 1.33 $/€ compared to 1.23 $/€ in the first half 2006.

In this context, adjusted operating income from the business segments was 11,485 M€, a decrease of 14% compared to the first half 2006.

There were no special items affecting operating income in the first half 2007. Special items had a negative impact on operating income of 55 M€(2) in the first half 2006.

Adjusted net operating income from the business segments was 6,029 M€ compared to 6,609 M€ in the first half 2006, a decrease of 9%. The lower percentage decrease relative to the decrease in operating income is mainly due to the higher proportion of the lower-taxed Downstream and Chemicals segments in the results and, in the Upstream segment, the larger contribution of equity affiliates.

Expressed in dollars, adjusted net operating income from the business segments decreased by 1%.

Net income

Adjusted net income decreased by 10% to 6,092 M€ from 6,737 M€ in the first half 2006. This excludes the after-tax inventory effect, special items, and the Group's equity share of the amortization of intangibles related to the Sanofi-Aventis merger.

The after-tax inventory effect had a positive impact on net income of 616 M€ in the first half 2007 and of 556 M€ in the first half 2006.

Special items affecting net income had a negative impact of 100 M€ (2) in the first half 2007 and no impact in the first half 2006.

The Group's share of the amortization of intangibles related to the Sanofi-Aventis merger had a negative impact on net income of 148 M€ in the first half 2007 and 169 M€ in the first half 2006.

Reported net income was 6,460 M€ compared to 7,124 M€ in the first half 2006.

The effective tax rate for the Group was 54% in the first half 2007 compared to 55% in the first half 2006.

In the first half 2007, the Group bought back 14 million of its shares for 755 M€. The number of fully-diluted shares at June 30, 2007 was 2,278.6 million compared to 2,312.9 million at June 30, 2006. In July 2007 the Group bought back 3.09 million(3) of its shares for 190 M€.

Adjusted fully-diluted earnings per share, based on 2,279.7 million fully-diluted weighted-average shares was 2.67 euros compared to 2.89 euros in the first half 2006, a decrease of 8%, which is a smaller decrease than shown for adjusted net income due to the accretive effect of the share buybacks.

Expressed in dollars, adjusted fully-diluted earnings per share was 3.55, essentially unchanged from the level of the first half 2006.

(2) calculations shown on page 12
(3) includes 2.39 million shares purchased to cover the program of restricted share grants for employees approved by the Board of Directors on July 17, 2007

Investments – divestments

Investments were 5,104 M€ compared to 5,529 M€ in the first half 2006. First half 2007 investments included 67 M€ of acquisitions mainly for new exploration acreage and permits in Nigeria, Canada, and Alaska.

Divestments in the first half 2007 were 466 M€ compared to 1,021 M€ in the first half 2006, which included the sale of Canyon Express and the Aconcagua field in the Gulf of Mexico, certain Upstream assets in Norway, and targeted disposals in the Downstream and Specialty Chemicals.

Expressed in dollars, first half 2007 investments were stable at approximately 6.8 billion. Net investments were 6.2 B$ compared to 5.5 B$ in the first half 2006.

Cash flow

Cash flow from operations was 9,977 M€, an increase of 12% compared to the first half 2006.

Adjusted cash flow from operations (cash flow from operations before changes in working capital at replacement cost) decreased by 3% to 8,679 M€.

Net cash flow was 5,339 M€ compared to 4,377 M€ in the first half 2006.

The net-debt-to-equity ratio was 26% at June 30, 2007 compared to 23% at March 31, 2007 and 30% at June 30, 2006[(4)], in line with the target range of the Group.

(4) calculations shown on page 12

Analysis of business segment results

Upstream

Environment – liquids and gas price realizations*

	1H07	1H06	1H07 vs 1H06
Brent ($/b)	63.2	65.7	-4%
Average liquids price ($/b)	60.2	62.4	-4%
Average gas price ($/Mbtu)	5.32	5.96	-11%

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

TOTAL's average realized price for liquids moved in line with the change in the Brent price for the first half 2007 compared to the first half 2006.

TOTAL's average realized gas price decreased in the first half 2007 compared to the first half 2006 mainly due to a sharp decline in the spot price for natural gas in the UK.

Production

Hydrocarbon production	1H07	1H06	1H07 vs 1H06
Combined production (kboe/d)	2,376	2,364	+1%
• Liquids (kb/d)	1,513	1,513	-
• Gas (Mcf/d)	4,689	4,647	+1%

First half 2007 hydrocarbon production was 2,376 kboe/d compared to 2,364 kboe/d in the first half 2006, representing an increase of 0.5% that was mainly due to the following:

- +4% due to the ramp up of new fields partially offset by normal declines and production shutdowns,
- -1% due to an accident on the Nkossa platform in Congo and shutdowns in Nigerian delta because of security issues,
- -1.5% due to OPEC reductions,
- -1% due to changes in the portfolio.

Excluding changes to the portfolio and OPEC reductions, the underlying production growth was close to 3% between the first half 2006 and first half 2007.

Results

in millions of euros	1H07	1H06	1H07 vs 1H06
Adjusted operating income*	8,815	10,977	-20%
Adjusted net operating income*	4,053	4,791	-15%
• Includes income from equity affiliates	377	298	+27%
Investments	4,098	4,290	-4%
Divestments (at selling price)	364	855	-57%
Cash flow	7,647	7,202	+6%
Adjusted cash flow	5,977	6,680	-11%

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

Adjusted net operating income for the Upstream segment decreased by 15% to 4,053 M€ in the first half 2007 from 4,791 M€ in the first half 2006.

Expressed in dollars, the 0.5 B$ decrease in adjusted net operating income for the Upstream segment was mainly due to the following:

- +0.35 B$ due to the impact of growth and other elements,
- -0.4 B$ due to lower hydrocarbon prices,
- -0.25 B$ due to increased exploration,
- -0.2 B$ due to higher costs.

The return on average capital employed (ROACE[5]) for the Upstream segment was 33% for the twelve months ended June 30, 2007 compared to 34% for the twelve months ended March 31, 2007 and 35% for the full year 2006.

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

Downstream

Refinery throughput and utilization rates

	1H07	1H06	1H07 vs 1H06
Total refinery throughput (kb/d)*	2,386	2,429	-2%
• France	961	894	+7%
• Rest of Europe*	1,139	1,216	-6%
• Rest of world	286	319	-10%
Utilization rates			
• Based on crude only	86%	86%	
• Based on crude and other feedstock	88%	90%	

* *includes share of Cepsa*

The lower refinery throughput and utilization rates were mainly due to heavy maintenance activity in the first half 2007, which included six of the eleven turnarounds scheduled for the year.

The Port Arthur, Donges, Antwerp, Vlissingen and Flanders refineries had partial turnarounds while the Rome refinery had a full turnaround. The first half 2006 included a major turnaround at the Provence refinery and a 3-week shutdown of the Flandres refinery.

Results

in millions of euros (except European refining margin indicator)	1H07	1H06	1H07 vs 1H06
European refining margin indicator – TRCV ($/t)	37.9	32.0	+18%
Adjusted operating income*	1,977	1,892	+4%
Adjusted net operating income*	1,463	1,437	+2%
• Includes income from equity affiliates	138	142	-3%
Investments	645	689	-6%
Divestments (at selling price)	50	63	-21%
Cash flow	3,337	2,185	+53%
Adjusted cash flow	2,038	1,918	+6%

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

Adjusted net operating income for the Downstream segment in the first half 2007 was 1,463 M€ compared to 1,437 M€ in the first half 2006, an increase of 2%.

Expressed in dollars, adjusted net operating income for the Downstream segment increased by 0.2 B$, reflecting mainly the positive effects of self-help programs, including productivity efforts in marketing and the contribution of the Normandy DHC.

The ROACE(6) for the Downstream segment was 25% for the twelve months ended June 30, 2007 compared to 25% for the twelve months ended March 31, 2007 and 23% for the full year 2006.

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

Chemicals

Results

in millions of euros	1H07	1H06	1H07 vs 1H06
Sales	10,065	9,654	+4%
• Base chemicals	6,353	5,985	+6%
• Specialties	3,712	3,669	+1%
Adjusted operating income*	693	491	+41%
Adjusted net operating income*	513	381	+35%
• Base chemicals	299	163	+83%
• Specialties	217	212	+2%
Investments	346	500	-31%
Divestments (at selling price)	48	95	-49%
Cash flow	361	(44)	ns
Adjusted cash flow	631	560	+13%

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

In the first half 2007, adjusted net operating income for the Chemicals segment was 513 M€ compared to 381 M€ in the first half 2006, an increase of 35%, reflecting essentially the benefit of a more favorable petrochemicals environment. Expressed in dollars, the increase was 0.2 B$.

The ROACE[7] for the Chemicals segment was 14% for the twelve months ended June 30, 2007 compared to 14% for the twelve months ended March 31, 2007 and 13% for the full year 2006.

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

TOTAL S.A. accounts

The parent company, TOTAL S.A., reported net income of 2,804 M€ in the first half 2007 compared to 2,593 M€ in the first half 2006.

Summary and outlook

The ROACE for the twelve months ended June 30, 2007 was 25% for the Group and 28% for the business segments compared to 26% and 28% respectively for the twelve months ended March 31, 2007 and 26% and 29% respectively for the full year 2006.

The return on equity for the twelve months ended June 30, 2007 was 30%.

The Group maintains its net-debt-to-equity ratio around 25% to 30%.

TOTAL's investment program is continuing in line with its 2007 target of 16 B$ (excluding acquisitions).

Since the beginning of the third quarter 2007, oil prices have remained at very high levels, but refining margins have fallen sharply.

Although cost inflation continues to affect the industry, TOTAL is maintaining its investment discipline and its quality-driven approach to managing its projects and operations. TOTAL also continues to give high priority to safety and the preservation of the environment throughout its activities.

These efforts, combined with steady progress on the development of new fields, continued exploration efforts and successful negotiations to secure major new projects with large national oil companies, strengthens the outlook for profitable growth for the coming years and for the very long term.

Other information

Main operating information by segment

Upstream

Combined liquids and gas production by region (kboe/d)	1H07	1H06	1H07 vs 1H06
Europe	695	743	-6%
Africa	790	717	+10%
North America	24	10	+140%
Far East	251	251	-
Middle East	380	406	-6%
South America	225	230	-2%
Rest of the world	11	7	+57%
Total production	**2,376**	**2,364**	**+1%**
Includes equity and non-consolidated affiliates	325	338	-4%

Liquids production by region (kb/d)	1H07	1H06	1H07 vs 1H06
Europe	344	368	-7%
Africa	675	630	+7%
North America	16	1	x16
Far East	29	29	-
Middle East	324	354	-8%
South America	116	124	-6%
Rest of the world	9	7	+29%
Total production	**1,513**	**1,513**	**-**
Includes equity and non-consolidated affiliates	272	286	-5%

Gas production by region (Mcf/d)	1H07	1H06	1H07 vs 1H06
Europe	1,901	2,035	-7%
Africa	591	463	+28%
North America	39	47	-17%
Far East	1,244	1,235	+1%
Middle East	296	281	+5%
South America	602	584	+3%
Rest of the world	16	2	x8
Total production	**4,689**	**4,647**	**+1%**
Includes equity and non-consolidated affiliates	284	275	+3%

Downstream

Refined products sales by region (kb/d)*	1H07	1H06	1H07 vs 1H06
Europe	2,244	2,279	-2%
Africa	283	263	+8%
Americas	208	317	-34%
Rest of the world	141	139	+1%
Total consolidated sales	2,876	2,998	-4%
Trading (balancing and export sales)	922	822	+12%
Total refined products sales	**3,798**	**3,820**	**-1%**

* *includes equity share in Cepsa*

Adjustment items

Adjustments to operating income from the business segments

in millions of euros	1H07	1H06
Special items affecting operating income from the business segments	-	(55)
• Restructuring charges	-	(23)
• Impairments	-	-
• Other	-	(32)
Pre-tax inventory effect: FIFO vs. replacement cost	893	756
Total adjustments affecting operating income from the business segments	**893**	**701**

Adjustments to net income (Group share)

in millions of euros	1H07	1H06
Special items affecting net income (Group share)	(100)	-
• Equity share of special items recorded by Sanofi-Aventis	-	(33)
• Gain on asset sales	-	130
• Restructuring charges	-	(59)
• Impairments	-	-
• Other	(100)	(38)
Adjustment related to the Sanofi-Aventis merger* (share of amortization of intangible assets)	(148)	(169)
After-tax inventory effect: FIFO vs. replacement cost	616	556
Total adjustments to net income	**368**	**387**

* *based on 13% participation in Sanofi-Aventis at 06/30/2006, and 06/30/2007*

Net-debt-to-equity ratio

in millions of euros	06/30/2007	06/30/2006
Current borrowings	9,809	13,707
Net current financial assets	(10,790)	(10,651)
Non-current financial debt	15,045	13,256
Hedging instruments of non-current debt	(287)	(588)
Cash and cash equivalents	(2,858)	(3,906)
Net debt	**10,919**	**11,818**
Shareholders' equity	43,657	40,272
Estimated dividend payable*	(2,110)	(1,860)
Minority interests	817	783
Equity	**42,364**	**39,195**
Net-debt-to-equity ratio	**25.8%**	**30.2%**

* *as of 06/30/2007, based on a dividend of 1.87 €/share of 2.5 € of par value*

Return on average capital employed

For the twelve months ended June 30, 2007

in millions of euros	Upstream	Downstream	Chemicals**	Segments	Group
Adjusted net operating income	7,971	2,810	1,016	11,797	12,584
Capital employed at 6/30/06*	23,119	11,335	7,147	41,601	49,798
Capital employed at 6/30/07*	25,218	11,204	7,264	43,686	52,645
ROACE	**33.0%**	**24.9%**	**14.1%**	**27.7%**	**24.6%**

* *at replacement cost (excluding after-tax inventory effect)*
** *capital employed for Chemicals reduced for the Toulouse-AZF provision of 113 M€ pre-tax at 6/30/06 and 146 M€ pre-tax at 6/30/07*

For the twelve months ended March 31, 2007

in millions of euros	Upstream	Downstream	Chemicals**	Segments	Group
Adjusted net operating income	8,270	2,842	973	12,085	12,855
Capital employed at 3/31/06*	23,282	11,296	7,187	41,765	49,615
Capital employed at 3/31/07*	24,808	11,442	7,129	43,379	50,773
ROACE	**34.4%**	**25.0%**	**13.6%**	**28.4%**	**25.6%**

* *at replacement cost (excluding after-tax inventory effect)*
** *capital employed for Chemicals reduced for the Toulouse-AZF provision of 122 M€ pre-tax at 3/31/06 and 153 M€ pre-tax at 3/31/07 and for the Arkema capital employed by 2,406 M€ at 3/31/2006*

For the full year 2006

in millions of euros	Upstream	Downstream	Chemicals**	Segments	Group
Adjusted net operating income	8,709	2,784	884	12,377	13,162
Capital employed at 12/31/05*	23,522	11,421	6,885	41,828	49,341
Capital employed at 12/31/06*	25,543	12,384	6,920	44,847	52,263
ROACE	**35.5%**	**23.4%**	**12.8%**	**28.6%**	**25.9%**

* *at replacement cost (excluding after-tax inventory effect)*
** *capital employed for Chemicals reduced for the Toulouse-AZF provision of 133 M€ pre-tax at 12/31/05 and 176 M€ pre-tax at 12/31/06 and for the Arkema capital employed by 2,235 M€ at 12/31/2005*

Principal risks and uncertainties for the remaining six months of 2007

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 April 5, 2007 under the reference D.07-0279. 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 2007 on page 27 of this First half 2007 financial report.

Disclaimer

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

The business segment information is presented in accordance with the Group internal reporting system used by the Management to measure performance and allocate resources internally. Due to their particular nature or significance, certain transactions qualified as "special items" are excluded from the business segment figures. In general, special items relate to transactions that are significant, infrequent or unusual. However, in certain instances, certain transactions such as restructuring costs or assets disposals, which are not considered to be representative of normal course of business, may be qualified as special items although they may have occurred within prior years or are likely to recur within following years.

The adjusted results of the Downstream and Chemical segments are also presented according to the replacement cost method. This method is used to assess the segments' performance and ensure the comparability of the segments' results with those of its competitors, mainly North American. In the replacement cost method, which approximates the LIFO (Last-In, First-Out) method, the variation of inventory values in the income statement is determined by the average price of the period rather than the historical value. The inventory valuation effect is the difference between the results according to FIFO (First-In, First-Out) and replacement cost.

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

Consolidated financial statements

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

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

For the six months ended June 30, 2007

Statutory auditor's report on the half-yearly financial information 2007

To the Shareholders,

In our capacity as statutory auditors and in accordance with the requirements of article L. 232-7 of the French Commercial Law (the Code de commerce), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of TOTAL S.A., for the period January 1 to June 30, 2007,
- the verification of information contained in the half-year management report.

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

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

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

In accordance with professional standards applicable in France, we have also verified the information given in the half-year financial report commenting the condensed half-year consolidated financial statements subject to our review.

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

Paris-La Défense, August 1st, 2007

The statutory auditors

French original signed by

KPMG Audit *Departement of KPMG S.A.*	ERNST & YOUNG Audit	
René Amirkhanian	Gabriel Galet	Philippe Diu

Consolidated statement of income

TOTAL

(unaudited)

(in millions of euros)[1]	1H07	1H06
Sales	**76,137**	**79,012**
Excise taxes	(10,961)	(9,748)
Revenues from sales	65,176	69,264
Purchases, net of inventory variation	(41,094)	(42,829)
Other operating expenses	(8,791)	(9,922)
Exploration costs	(469)	(261)
Depreciation, depletion and amortization of tangible assets and leasehold rights	(2,665)	(2,443)
Operating income		
Corporate	(221)	(252)
Business segments*	12,378	14,061
Total operating income	**12,157**	**13,809**
Other income	156	333
Other expense	(166)	(243)
Financial interest on debt	(877)	(715)
Financial income from marketable securities and cash equivalents	631	611
Cost of net debt	(246)	(104)
Other financial income	337	307
Other financial expense	(141)	(120)
Income taxes	(6,382)	(7,457)
Equity in income (loss) of affiliates	918	820
Consolidated net income from continuing operations (Group without Arkema)	**6,633**	**7,345**
Consolidated net income from discontinued operations (Arkema)	-	8
Consolidated net income	**6,633**	**7,353**
Group share**	6,460	7,124
Minority interests	173	229
Earnings per share (euros)	2.86	3.08
Fully-diluted earnings per share (euros)***	2.83	3.06
* Adjusted operating income from business segments	11,485	13,360
Adjusted net operating income from business segments	6,029	6,609
** Adjusted net income	6,092	6,737
*** Adjusted fully-diluted earnings per share (euros)	2.67	2.89

(1) Except for earnings per share

Consolidated statement of income

TOTAL

(unaudited)

(in millions of euros)[1]	2nd quarter 2007	1st quarter 2007	2nd quarter 2006
Sales	**39,094**	**37,043**	**40,909**
Excise taxes	(5,595)	(5,366)	(5,141)
Revenues from sales	33,499	31,677	35,768
Purchases, net of inventory variation	(21,385)	(19,709)	(22,387)
Other operating expenses	(4,139)	(4,652)	(5,172)
Exploration costs	(255)	(214)	(146)
Depreciation, depletion and amortization of tangible assets and leasehold rights	(1,365)	(1,300)	(1,212)
Operating income			
Corporate	(120)	(101)	(154)
Business segments*	6,475	5,903	7,005
Total operating income	**6,355**	**5,802**	**6,851**
Other income	60	96	72
Other expense	(102)	(64)	(158)
Financial interest on debt	(447)	(430)	(387)
Financial income from marketable securities and cash equivalents	337	294	340
Cost of net debt	(110)	(136)	(47)
Other financial income	209	128	201
Other financial expense	(74)	(67)	(69)
Income taxes	(3,292)	(3,090)	(3,644)
Equity in income (loss) of affiliates	449	469	376
Consolidated net income from continuing operations (Group without Arkema)	**3,495**	**3,138**	**3,582**
Consolidated net income from discontinued operations (Arkema)	-	-	-
Consolidated net income	**3,495**	**3,138**	**3,582**
Group share**	3,411	3,049	3,441
Minority interests	84	89	141
Earnings per share (euros)	1.51	1.35	1.49
Fully-diluted earnings per share (euros)***	1.50	1.34	1.48
* Adjusted operating income from business segments	5,756	5,729	6,672
Adjusted net operating income from business segments	3,081	2,948	3,369
** Adjusted net income	3,100	2,992	3,361
*** Adjusted fully-diluted earnings per share (euros)	1.36	1.31	1.45

(1) Except for earnings per share

Consolidated balance sheet

TOTAL

(in millions of euros) ASSETS	June 30, 2007 *(unaudited)*	March 31, 2007 *(unaudited)*	December 31, 2006	June 30, 2006 *(unaudited)*
Non-current assets				
Intangible assets, net	4,729	4,685	4,705	4,658
Property, plant and equipment, net	42,090	41,049	40,576	38,920
Equity affiliates: investments and loans	13,619	13,667	13,331	12,702
Other investments	1,385	1,342	1,250	1,656
Hedging instruments of non-current financial debt	287	291	486	588
Other non-current assets	1,801	1,837	2,088	2,186
Total non-current assets	**63,911**	**62,871**	**62,436**	**60,710**
Current assets				
Inventories, net	12,009	11,377	11,746	12,215
Accounts receivable, net	17,024	18,132	17,393	17,715
Prepaid expenses and other current assets	7,155	6,414	7,247	6,632
Current financial assets	10,883	10,929	3,908	10,855
Cash and cash equivalents	2,858	2,962	2,493	3,906
Total current assets	**49,929**	**49,814**	**42,787**	**51,323**
Total assets	**113,840**	**112,685**	**105,223**	**112,033**
LIABILITIES & SHAREHOLDERS' EQUITY				
Shareholders' equity				
Common shares	5,983	5,982	6,064	6,179
Paid-in surplus and retained earnings	44,238	42,963	41,460	41,279
Cumulative translation adjustment	(1,885)	(1,716)	(1,383)	(650)
Treasury shares	(4,679)	(4,363)	(5,820)	(6,536)
Total shareholders' equity – Group share	**43,657**	**42,866**	**40,321**	**40,272**
Minority interests	**817**	**868**	**827**	**783**
Total shareholders' equity	**44,474**	**43,734**	**41,148**	**41,055**
Non-current liabilities				
Deferred income taxes	7,442	7,118	7,139	6,909
Employee benefits	2,814	2,841	2,773	2,976
Other non-current liabilities	6,359	6,360	6,467	6,187
Total non-current liabilities	**16,615**	**16,319**	**16,379**	**16,072**
Non-current financial debt	**15,045**	**13,836**	**14,174**	**13,256**
Current liabilities				
Accounts payable	14,418	14,972	15,080	14,149
Other creditors and accrued liabilities	13,386	14,188	12,509	13,590
Current borrowings	9,809	9,625	5,858	13,707
Other current financial liabilities	93	11	75	204
Total current liabilities	**37,706**	**38,796**	**33,522**	**41,650**
Total liabilities and shareholders' equity	**113,840**	**112,685**	**105,223**	**112,033**

Consolidated statement of cash flows

TOTAL

(unaudited)

(in millions of euros)		
CASH FLOW FROM OPERATING ACTIVITIES	**1H07**	**1H06**
Consolidated net income	6,633	7,353
Depreciation, depletion and amortization	2,933	2,843
Non-current liabilities, valuation allowances and deferred taxes	288	177
Impact of coverage of pension benefit plans	-	(37)
(Gains) Losses on sales of assets	(141)	(333)
Undistributed affiliates equity earnings	(329)	(264)
(Increase) Decrease in operating assets and liabilities	405	(836)
Other changes, net	188	(18)
Cash flow from operating activities	**9,977**	**8,885**
CASH FLOW USED IN INVESTING ACTIVITIES		
Intangible assets and property, plant and equipment additions	(4,632)	(4,594)
Acquisitions of subsidiaries, net of cash acquired	(20)	(80)
Investments in equity affiliates and other securities	(147)	(123)
Increase in non-current loans	(305)	(732)
Total expenditures	**(5,104)**	**(5,529)**
Proceeds from sale of intangible assets and property, plant and equipment	90	309
Proceeds from sale of subsidiaries, net of cash sold	-	-
Proceeds from sale of non-current investments	83	89
Repayment of non-current loans	293	623
Total divestitures	**466**	**1,021**
Cash flow used in investing activities	**(4,638)**	**(4,508)**
CASH FLOW USED IN FINANCING ACTIVITIES		
Issuance (repayment) of shares:		
• Parent company's shareholders	15	478
• Treasury shares	(568)	(2,086)
• Minority shareholders	-	13
Cash dividends paid:		
• Parent company's shareholders	(2,262)	(2,022)
• Minority shareholders	(162)	(230)
Net issuance (repayment) of non-current debt	2,413	1,125
Increase (Decrease) in current borrowings	2,507	9,573
Increase (Decrease) in current financial assets and liabilities	(6,968)	(10,696)
Other changes, net	-	-
Cash flow used in financing activities	**(5,025)**	**(3,845)**
Net increase (decrease) in cash and cash equivalents	**314**	**532**
Effect of exchange rates and changes in reporting entity	51	(944)
Cash and cash equivalents at the beginning of the period	2,493	4,318
Cash and cash equivalents at the end of the period	**2,858**	**3,906**

The statement of cash flows for the 1st half 2006 includes the sub-group Arkema which has been spun-off on May 18, 2006.

Consolidated statement of cash flows

TOTAL

(unaudited)

(in millions of euros) CASH FLOW FROM OPERATING ACTIVITIES	2nd quarter 2007	1st quarter 2007	2nd quarter 2006
Consolidated net income	3,495	3,138	3,582
Depreciation, depletion and amortization	1,495	1,438	1,399
Non-current liabilities, valuation allowances and deferred taxes	315	(27)	83
Impact of coverage of pension benefit plans	-	-	(37)
(Gains) Losses on sales of assets	(66)	(75)	(72)
Undistributed affiliates equity earnings	1	(330)	111
(Increase) Decrease in operating assets and liabilities	(1,693)	2,098	(1,015)
Other changes, net	42	146	(5)
Cash flow from operating activities	**3,589**	**6,388**	**4,046**
CASH FLOW USED IN INVESTING ACTIVITIES			
Intangible assets and property, plant and equipment additions	(2,509)	(2,123)	(2,433)
Acquisitions of subsidiaries, net of cash acquired	-	(20)	(11)
Investments in equity affiliates and other securities	(47)	(100)	(64)
Increase in non-current loans	(134)	(171)	(271)
Total expenditures	**(2,690)**	**(2,414)**	**(2,779)**
Proceeds from sale of intangible assets and property, plant and equipment	18	72	49
Proceeds from sale of subsidiaries, net of cash sold	-	-	-
Proceeds from sale of non-current investments	64	19	86
Repayment of non-current loans	140	153	489
Total divestitures	**222**	**244**	**624**
Cash flow used in investing activities	**(2,468)**	**(2,170)**	**(2,155)**
CASH FLOW USED IN FINANCING ACTIVITIES			
Issuance (repayment) of shares:			
• Parent company's shareholders	10	5	7
• Treasury shares	(295)	(273)	(968)
• Minority shareholders	-	-	1
Cash dividends paid:			
• Parent company's shareholders	(2,262)	-	(2,012)
• Minority shareholders	(133)	(29)	(224)
Net issuance (repayment) of non-current debt	1,309	1,104	395
Increase (Decrease) in current borrowings	(135)	2,642	1,369
Increase (Decrease) in current financial assets and liabilities	138	(7,106)	(193)
Other changes, net	-	-	-
Cash flow used in financing activities	**(1,368)**	**(3,657)**	**(1,625)**
Net increase (decrease) in cash and cash equivalents	**(247)**	**561**	**266**
Effect of exchange rates and changes in reporting entity	143	(92)	(673)
Cash and cash equivalents at the beginning of the period	2,962	2,493	4,313
Cash and cash equivalents at the end of the period	**2,858**	**2,962**	**3,906**

Consolidated statement of changes in shareholders' equity

TOTAL

(unaudited)

(Amounts in millions of euros)	Common shares issued		Paid-in surplus and retained earnings	Cumulative translation adjustment	Treasury shares		Shareholders' equity	Minority interests	Total equity
	Number	Amount			Number	Amount			
As of January 1, 2006	**615,116,296**	**6,151**	**37,504**	**1,421**	**(34,249,332)**	**(4,431)**	**40,645**	**838**	**41,483**
Net income for the first half	-	-	7,124	-	-	-	7,124	229	7,353
Items recognized directly in equity	-	-	193	(1,862)	-	-	(1,669)	(46)	(1,715)
Total excluding transactions with shareholders	**-**	**-**	**7,317**	**(1,862)**	**-**	**-**	**5,455**	**183**	**5,638**
Four-for-one split of shares par value	1,845,348,888	-	-	-	(102,747,996)	-	-	-	-
Spin-off of Arkema	-	-	(2,045)	(209)	-	-	(2,254)	(8)	(2,262)
Cash dividend	-	-	(2,022)	-	-	-	(2,022)	(230)	(2,252)
Issuance of common shares	11,496,072	28	445	-	-	-	473	-	473
Purchase of treasury shares	-	-	-	-	(42,000,000)	(2,193)	(2,193)	-	(2,193)
Sale of treasury shares(1)	-	-	4	-	2,967,320	88	92	-	92
Share-based payments	-	-	76	-	-	-	76	-	76
Transactions with shareholders	**1,856,844,960**	**28**	**(3,542)**	**(209)**	**(141,780,676)**	**(2,105)**	**(5,828)**	**(238)**	**(6,066)**
Cancellation of repurchased shares	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
As of June 30, 2006	**2,471,961,256**	**6,179**	**41,279**	**(650)**	**(176,030,008)**	**(6,536)**	**40,272**	**783**	**41,055**
Net income for the second half	-	-	4,644	-	-	-	4,644	138	4,782
Items recognized directly in equity	-	-	(230)	(733)	-	-	(963)	2	(961)
Total excluding transactions with shareholders	**-**	**-**	**4,414**	**(733)**	**-**	**-**	**3,681**	**140**	**3,821**
Spin-off of Arkema	-	-	(16)	-	-	16	-	-	-
Cash dividend	-	-	(1,977)	-	-	-	(1,977)	(96)	(2,073)
Issuance of common shares	826,697	2	24	-	-	-	26	-	26
Purchase of treasury shares	-	-	-	-	(36,220,684)	(1,902)	(1,902)	-	(1,902)
Sale of treasury shares(1)	-	-	(4)	-	4,029,985	144	140	-	140
Share-based payments	-	-	81	-	-	-	81	-	81
Transactions with shareholders	**826,697**	**2**	**(1,892)**	**-**	**(32,190,699)**	**(1,742)**	**(3,632)**	**(96)**	**(3,728)**
Cancellation of repurchased shares	**(47,020,000)**	**(117)**	**(2,341)**	**-**	**47,020,000**	**2,458**	**-**	**-**	**-**
As of December 31, 2006	**2,425,767,953**	**6,064**	**41,460**	**(1,383)**	**(161,200,707)**	**(5,820)**	**40,321**	**827**	**41,148**
Net income for the first half	-	-	6,460	-	-	-	6,460	173	6,633
Items recognized directly in equity	-	-	108	(502)	-	-	(394)	(21)	(415)
Total excluding transactions with shareholders	**-**	**-**	**6,568**	**(502)**	**-**	**-**	**6,066**	**152**	**6,218**
Cash dividend	-	-	(2,262)	-	-	-	(2,262)	(162)	(2,424)
Issuance of common shares	549,873	1	14	-	-	-	15	-	15
Purchase of treasury shares	-	-	-	-	(14,000,000)	(755)	(755)	-	(755)
Sale of treasury shares(1)	-	-	28	-	5,052,289	162	190	-	190
Share-based payments	-	-	82	-	-	-	82	-	82
Transactions with shareholders	**549,873**	**1**	**(2,138)**	**-**	**(8,947,711)**	**(593)**	**(2,730)**	**(162)**	**(2,892)**
Cancellation of repurchased shares	**(33,005,000)**	**(82)**	**(1,652)**	**-**	**33,005,000**	**1,734**	**-**	**-**	**-**
As of June 30, 2007	**2,393,312,826**	**5,983**	**44,238**	**(1,885)**	**(137,143,418)**	**(4,679)**	**43,657**	**817**	**44,474**

(1) Treasury shares related to the stock option purchase plans

Notes to the consolidated financial statements (unaudited)

1) Accounting policies

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

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

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

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

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

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

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

3) Adjustment items

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

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

Adjustment items include:

(i) Special items

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

(ii) Inventory valuation effect

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

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

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

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

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

ADJUSTMENTS TO OPERATING INCOME
(in millions of euros)

	Upstream	Downstream	Chemicals	Corporate	Total
1st half 2007					
Inventory valuation effect	-	730	163	-	893
Restructuring charges	-	-	-	-	-
Asset impairment charges	-	-	-	-	-
Other items	-	-	-	-	-
Total	**-**	**730**	**163**	**-**	**893**

	Upstream	Downstream	Chemicals	Corporate	Total
1st half 2006					
Inventory valuation effect	-	664	92	-	756
Restructuring charges	-	-	(23)	-	(23)
Asset impairment charges	-	-	-	-	-
Other items	-	-	(32)	(11)	(43)
Total	**-**	**664**	**37**	**(11)**	**690**

	Upstream	Downstream	Chemicals	Corporate	Total
2nd quarter 2007					
Inventory valuation effect	-	623	96	-	719
Restructuring charges	-	-	-	-	-
Asset impairment charges	-	-	-	-	-
Other items	-	-	-	-	-
Total	**-**	**623**	**96**	**-**	**719**

	Upstream	Downstream	Chemicals	Corporate	Total
2nd quarter 2006					
Inventory valuation effect	-	291	92	-	383
Restructuring charges	-	-	(23)	-	(23)
Asset impairment charges	-	-	-	-	-
Other items	-	-	(27)	(11)	(38)
Total	**-**	**291**	**42**	**(11)**	**322**

ADJUSTMENTS TO NET INCOME, GROUP SHARE (in millions of euros)	Upstream	Downstream	Chemicals	Corporate	Total
1st half 2007					
Inventory valuation effect	-	507	109	-	616
TOTAL's equity share of special items recorded by Sanofi-Aventis	-	-	-	-	-
TOTAL's equity share of adjustments related to the Sanofi-Aventis merger	-	-	-	(148)	(148)
Restructuring charges	-	-	-	-	-
Asset impairment charges	-	-	-	-	-
Gains (losses) on sales of assets	-	-	-	-	-
Other items	-	-	-	(100)	(100)
Total	**-**	**507**	**109**	**(248)**	**368**

	Upstream	Downstream	Chemicals	Corporate	Total
1st half 2006					
Inventory valuation effect	-	493	63	-	556
TOTAL's equity share of special items recorded by Sanofi-Aventis	-	-	-	(33)	(33)
TOTAL's equity share of adjustments related to the Sanofi-Aventis merger	-	-	-	(169)	(169)
Restructuring charges	-	-	(59)	-	(59)
Asset impairment charges	-	-	-	-	-
Gains (losses) on sales of assets	130	-	-	-	130
Other items	-	-	(31)	(7)	(38)
Total	**130**	**493**	**(27)**	**(209)**	**387**

	Upstream	Downstream	Chemicals	Corporate	Total
2nd quarter 2007					
Inventory valuation effect	-	418	65	-	483
TOTAL's equity share of special items recorded by Sanofi-Aventis	-	-	-	-	-
TOTAL's equity share of adjustments related to the Sanofi-Aventis merger	-	-	-	(72)	(72)
Restructuring charges	-	-	-	-	-
Asset impairment charges	-	-	-	-	-
Gains (losses) on sales of assets	-	-	-	-	-
Other items	-	-	-	(100)	(100)
Total	**-**	**418**	**65**	**(172)**	**311**

	Upstream	Downstream	Chemicals	Corporate	Total
2nd quarter 2006					
Inventory valuation effect	-	214	62	-	276
TOTAL's equity share of special items recorded by Sanofi-Aventis	-	-	-	(35)	(35)
TOTAL's equity share of adjustments related to the Sanofi-Aventis merger	-	-	-	(86)	(86)
Restructuring charges	-	-	(44)	-	(44)
Asset impairment charges	-	-	-	-	-
Gains (losses) on sales of assets	-	-	-	-	-
Other items	-	-	(24)	(7)	(31)
Total	**-**	**214**	**(6)**	**(128)**	**80**

4) Shareholders' equity

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

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

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

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

TOTAL shares held by Group subsidiaries

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

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

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

Dividend

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

5) Non-current financial debt

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

- Debenture 4.125% 2007-2013 (300 million EUR)
- Debenture 5.5% 2007-2013 (200 million GBP)
- Debenture 2.625% 2007-2014 (400 million CHF)
- Debenture 5% 2007-2011 (100 million USD)
- Debenture 5% 2007-2012 (500 million USD)
- Debenture 4.7% 2007-2017 (300 million EUR)
- Debenture 6.5% 2007-2012 (100 million AUD)
- Debenture 5.5% 2007-2013 (50 million GBP)
- Debenture 4.875% 2007-2010 (50 million GBP)
- Debenture 5% 2007-2012 (300 million USD)
- Debenture 3.125% 2007-2015 (200 million CHF)
- Debenture 1.723% 2007-2014 (8,000 million JPY)

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

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

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

6) Related parties

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

7) Other risks and contingent liabilities

Antitrust investigations

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

In Europe, the European Commission commenced investigations in 2000, 2003 and 2004 into alleged anti-competitive practices involving certain products sold by Arkema[1]. In January 2005, following one of these investigations, the European Commission fined Arkema 13.5 M€ and jointly fined Arkema and Elf Aquitaine 45 M€. Arkema and Elf Aquitaine have appealed these decisions to the Court of First Instance of the European Union

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

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

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

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

These guarantees cover, for a period of ten years, 90% of amounts paid by Arkema companies related to (i) fines imposed by European authorities or European member-states for competition law violations, (ii) fines imposed by 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 covering antitrust violations in Europe applies to amounts that exceed a 176.5 M€ threshold.

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

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

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

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

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

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

Buncefield

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

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

(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.

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

Venezuela

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

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

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

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

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

8) Information by business segment

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TOTAL

Corporate Communications
TOTAL S.A.
Head Office: 2 place de la Coupole
La Défense 6 - 92400 Courbevoie, France
Share Capital: 5,981,907,382.50 euros
Registered in Nanterre: 542 051 180

www.total.com

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