TOTAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST SIX MONTHS OF 2014

(unaudited, 2013 data converted from the Euro to the US Dollar)

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1) Accounting policies

The interim consolidated financial statements of TOTAL S.A. and its subsidiaries (the Group) as of June 30, 2014 are presented in U.S. dollars and have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting".

In order to make the financial information of TOTAL more readable by better reflecting the performance of its activities mainly carried out in U.S. dollars, TOTAL has changed, effective January 1, 2014, the presentation currency of the Group's consolidated financial statements from the Euro to the US Dollar. The statutory financial statements of TOTAL S.A., the parent company of the Group, remain prepared in euro. The dividend paid remains fixed in euro.

Following this change in accounting policy, the comparative consolidated financial statements are presented in U.S. dollars.

Currency translation adjustments have been set to zero as of January 1, 2004, the date of transition to IFRS. Cumulative currency translation adjustments are presented as if the Group had used the US Dollar as the presentation currency of its consolidated financial statements since that date.

The accounting policies applied for the consolidated financial statements as of June 30, 2014 do not differ significantly from those applied for the consolidated financial statements as of December 31, 2013 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). New texts or amendments which were mandatory for the periods beginning on or after January 1, 2014 did not have a material impact on the Group's consolidated financial statements as of June 30, 2014, with the exception of interpretation IFRIC 21:

- In May 2013, the IASB issued the interpretation IFRIC 21 "Levies". This interpretation is applicable retrospectively for annual periods beginning on or after January 1, 2014. The text indicates that the obligating event for the recognition of a liability is the activity described in the relevant legislation that triggers the payment of the levy. The comparative consolidated financial statements have been restated accordingly.

  The impact on shareholders' equity as of January 1, 2011, is +$46 million. The impact on the statement of income for 2011 and 2012 is not significant. Net income, Group share, for 2013 is increased by $24 million (1st quarter: -$83 million, 2nd quarter: +$48 million, 3rd quarter: +$37 million, 4th quarter: +$22 million).

The preparation of financial statements in accordance with IFRS requires the executive 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, 2013.

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 provide information consistent with the general IFRS concepts: faithful representation, relevance and materiality.

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

- **Upstream**

- TOTAL finalized in March 2014 the sale to Sonangol E&P of its interest in block 15/06 in Angola.
- TOTAL finalized in March 2014 the acquisition from InterOil Corporation of a 40.1% interest (before possible entry by the State) in block PRL 15 containing the gas field Elk-Antelope in Papua New Guinea for an amount of $405 million, paid on April 2, 2014.
- On February 27, 2014, TOTAL floated GazTransport et Technigaz S.A. (GTT), an engineering company specializing in the design of cryogenic membranes for the transport and storage of LNG. With this quotation on Euronext Paris, TOTAL has reduced its interest in the equity of the company from 30.0% to 10.4%. The listing was completed at a price of €46 per share, valuing 100% of the equity of the company on the issue date at €1.7 billion. This sale generated a gain on disposal of $599 million after tax.
- TOTAL finalized during the first half of 2014 the acquisition of an additional 1.05% interest in Novatek for an amount of $355 million, bringing TOTAL's overall interest in Novatek to 18.0% as at June 30, 2014.

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 and which is reviewed by the main operational decision-making body of the Group, namely the Executive committee.

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 Marketing & Services 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

(M$)		Upstream	Refining & Chemicals	Marketing & Services	Corporate	Total
2nd quarter 2014	Inventory valuation effect	-	122	(5)	-	117
	Effect of changes in fair value	(36)	-	-	-	(36)
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	-	(40)	-	-	(40)
	Other items	-	-	(22)	-	(22)
Total		**(36)**	**82**	**(27)**	**-**	**19**
2nd quarter 2013	Inventory valuation effect	-	(655)	(107)	-	(762)
	Effect of changes in fair value	(42)	-	-	-	(42)
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	-	-	-	-	-
	Other items	-	(49)	-	-	(49)
Total		**(42)**	**(704)**	**(107)**	**-**	**(853)**
1st half 2014	Inventory valuation effect	-	(41)	(23)	-	(64)
	Effect of changes in fair value	(10)	-	-	-	(10)
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	-	(40)	-	-	(40)
	Other items	(115)	-	(22)	-	(137)
Total		**(125)**	**(81)**	**(45)**	**-**	**(251)**
1st half 2013	Inventory valuation effect	-	(743)	(135)	-	(878)
	Effect of changes in fair value	(39)	-	-	-	(39)
	Restructuring charges	-	(2)	-	-	(2)
	Asset impairment charges	-	(5)	-	-	(5)
	Other items	-	(49)	-	-	(49)
Total		**(39)**	**(799)**	**(135)**	**-**	**(973)**

ADJUSTMENTS TO NET INCOME, GROUP SHARE

(M$)		Upstream	Refining & Chemicals	Marketing & Services	Corporate	Total
2nd quarter 2014	Inventory valuation effect	-	77	3	-	80
	Effect of changes in fair value	(29)	-	-	-	(29)
	Restructuring charges	-	(1)	(4)	-	(5)
	Asset impairment charges	-	(76)	-	-	(76)
	Gains (losses) on disposals of assets	-	-	-	-	-
	Other items	-	-	(17)	-	(17)
Total		**(29)**	**-**	**(18)**	**-**	**(47)**
2nd quarter 2013	Inventory valuation effect	-	(460)	(65)	-	(525)
	Effect of changes in fair value	(31)	-	-	-	(31)
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	-	-	-	-	-
	Gains (losses) on disposals of assets	431	(59)	-	-	372
	Other items	-	(33)	-	-	(33)
Total		**400**	**(552)**	**(65)**	**-**	**(217)**
1st half 2014	Inventory valuation effect	-	(34)	(23)	-	(57)
	Effect of changes in fair value	(8)	-	-	-	(8)
	Restructuring charges	-	(1)	(4)	-	(5)
	Asset impairment charges	(350)	(76)	-	-	(426)
	Gains (losses) on disposals of assets	599	-	-	-	599
	Other items	(115)	(10)	(17)	-	(142)
Total		**126**	**(121)**	**(44)**	**-**	**(39)**
1st half 2013	Inventory valuation effect	-	(506)	(87)	-	(593)
	Effect of changes in fair value	(30)	-	-	-	(30)
	Restructuring charges	-	(20)	(13)	-	(33)
	Asset impairment charges	-	(4)	-	-	(4)
	Gains (losses) on disposals of assets	(1,215)	(59)	-	-	(1,274)
	Other items	-	(33)	-	-	(33)
Total		**(1,245)**	**(622)**	**(100)**	**-**	**(1,967)**

Extensive studies have confirmed a technical scheme to develop the Shtokman field in Russia, but at a too high cost that does not provide an acceptable profitability. The Group remains in contact with Gazprom to study other technical schemes that enhance the economics and to define an eventual future participation in the development of the field. In the meantime, the Group has decided to depreciate its investment of $350 million in this project.

4) Shareholders' equity

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

As of June 30, 2014, TOTAL S.A. holds 8,875,980 of its own shares, representing 0.37% of its share capital, detailed as follows:

- 8,757,120 shares allocated to TOTAL share grant plans for Group employees; and
- 118,860 shares intended to be allocated to new TOTAL share purchase option plans or to new share grant plans.

These shares are deducted from the consolidated shareholders' equity.

Treasury shares (TOTAL shares held by Group subsidiaries)

As of June 30, 2014, TOTAL S.A. held indirectly through its subsidiaries 100,331,268 of its own shares, representing 4.21% 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.

Dividend

The shareholders' meeting on May 16, 2014 approved the payment of a cash dividend of €2.38 per share for the 2013 fiscal year. Taking into account the three quarterly dividends of €0.59 per share that have already been paid on September 27, 2013, December 19, 2013, and March 27, 2014, the remaining balance of €0.61 per share was paid on June 5, 2014.

A first quarterly dividend for the fiscal year 2014 of €0.61 per share, decided by the Board of Directors on April 29, 2014, will be paid on September 26, 2014 (the ex-dividend date will be September 23, 2014).

A second quarterly dividend for the fiscal year 2014 of €0.61 per share, decided by the Board of Directors on July 29, 2014, will be paid on December 17, 2014 (the ex-dividend date will be December 15, 2014).

Earnings per share in Euro

Earnings per share in Euro, calculated from the earnings per share in U.S. dollars converted at the average Euro/USD exchange rate for the period, amounted to 1.00 Euro per share for the 2nd quarter 2014 (1.07 Euro per share for the 1st quarter 2014 and 1.14 Euro per share for the 2nd quarter 2013). Diluted earnings per share calculated using the same method amounted to 0.99 Euro per share for the 2nd quarter 2014 (1.07 Euro per share for the 1st quarter 2014 and 1.12 Euro per share for the 2nd quarter 2013).

Other comprehensive income

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

(M$)		1st half 2014		1st half 2013
Actuarial gains and losses		(615)		(25)
Tax effect		211		8
Currency translation adjustment generated by the mother company		(729)		(599)
Items not potentially reclassifiable to profit or loss		**(1,133)**		**(616)**
Currency translation adjustment		**548**		**(391)**
- unrealized gain/(loss) of the period	549		(414)	
- less gain/(loss) included in net income	1		(23)	
Available for sale financial assets		**(3)**		**3**
- unrealized gain/(loss) of the period	(12)		3	
- less gain/(loss) included in net income	(9)		-	
Cash flow hedge		**65**		**95**
- unrealized gain/(loss) of the period	(17)		19	
- less gain/(loss) included in net income	(82)		(76)	
Share of other comprehensive income of equity affiliates, net amount		**(20)**		**(494)**
Other		**(7)**		**(12)**
- unrealized gain/(loss) of the period	(7)		(12)	
- less gain/(loss) included in net income	-		-	
Tax effect		**(18)**		**(35)**
Items potentially reclassifiable to profit or loss		**565**		**(834)**
Total other comprehensive income, net amount		**(568)**		**(1,450)**

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

(M$)	1 st half 2014			1 st half 2013		
	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Actuarial gains and losses	(615)	211	(404)	(25)	8	(17)
Currency translation adjustment generated by the mother company	(729)	-	(729)	(599)	-	(599)
Items not potentially reclassifiable to profit or loss	**(1,344)**	**211**	**(1,133)**	**(624)**	**8**	**(616)**
Currency translation adjustment	548	-	548	(391)	-	(391)
Available for sale financial assets	(3)	3	-	3	1	4
Cash flow hedge	65	(21)	44	95	(36)	59
Share of other comprehensive income of equity affiliates, net amount	(20)	-	(20)	(494)	-	(494)
Other	(7)	-	(7)	(12)	-	(12)
Items potentially reclassifiable to profit or loss	**583**	**(18)**	**565**	**(799)**	**(35)**	**(834)**
Total other comprehensive income	**(761)**	**193**	**(568)**	**(1,423)**	**(27)**	**(1,450)**

5) Financial debt

The Group issued bonds through its subsidiary Total Capital International, during the first six months of 2014:

- Bond 1.000% 2014-2017 (500 million USD)
- Bond 2.125% 2014-2019 (750 million USD)
- Bond 3.750% 2014-2024 (1,250 million USD)
- Bond 4.125% 2014-2019 (150 million AUD)
- Bond US Libor 3 months +38 bp 2014-2019 (200 million USD)
- Bond 3.000% 2014-2044 (100 million EUR)
- Bond 2.500% 2014-2026 (850 million EUR)
- Bond 2.500% 2014-2026 (250 million EUR)
- Bond 2.100% 2014-2019 (1,000 million USD)
- Bond US Libor 3 months +35 bp 2014-2019 (250 million USD)
- Bond 2.750% 2014-2021 (1,000 million USD)
- Bond 3.750% 2014-2019 (100 million AUD)

The Group reimbursed bonds during the first six months of 2014:

- Bond 1.625% 2011-2014 (750 million USD)
- Bond US Libor 3 months +38 bp 2011-2014 (750 million USD)
- Bond 5.750% 2011-2014 (100 million AUD)
- Bond 3.500% 2009-2014 (1,000 million EUR)
- Bond 3.240% 2009-2014 (396 million HKD)
- Bond 3.500% 2009-2014 (150 million EUR)
- Bond 1.723% 2007-2014 (8,000 million JPY)

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 2014.

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 below.

Refining & Chemicals segment

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

As of December 31, 2013, all public and civil proceedings covered by the guarantee were definitively resolved in Europe and in the United States. Despite the fact that Arkema has implemented since 2001 compliance procedures that are designed to prevent its employees from violating antitrust provisions, 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.

Marketing & Services segment

- Following the appeal lodged by the Group's companies against the European Commission's 2008 decision fining Total Marketing Services an amount of €128.2 million, in relation to practices regarding a product line of the Marketing & Services segment, which the company had already paid, and concerning which TOTAL S.A. was declared jointly liable as the parent company, the relevant European court decided during the third quarter of 2013 to reduce the fine imposed on Total Marketing Services to €125.5 million without modifying the liability of TOTAL S.A. as parent company. Appeals have been lodged against this judgment.
- In the Netherlands, a civil proceeding was initiated against TOTAL S.A., Total Marketing Services and other companies, by third parties alleging damages in connection with practices already sanctioned by the European Commission. At this stage, the plaintiffs have not communicated the amount of their claim.
- Finally, in Italy, in 2013, a civil proceeding was initiated against TOTAL S.A. and its subsidiary Total Aviazione Italia Srl before the competent Italian civil court. The plaintiff claims against TOTAL S.A., its subsidiary and other third parties, damages that it estimates to be nearly €908 million. This procedure follows practices that had been sanctioned by the Italian competition authority in 2006. The existence and the assessment of the alleged damages in this procedure involving multiple defendants are strongly contested.

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, a 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 remediation 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.

After having articulated several hypotheses, the Court-appointed experts did not maintain in their final report filed on May 11, 2006, that the accident was caused by pouring a large quantity of a chlorine compound over ammonium nitrate.

[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.

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.

On July 9, 2007, the investigating magistrate brought charges against Grande Paroisse and the former Plant Manager before the Toulouse Criminal Court. In late 2008, TOTAL S.A. and Mr. Thierry Desmarest, Chairman and CEO at the time of the event, were summoned to appear in Court pursuant to a request by a victims association.

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 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, appealed the Toulouse Criminal Court verdict. In order to preserve its rights, Grande Paroisse lodged a cross-appeal with respect to civil charges.

By its decision of September 24, 2012, the Court of Appeal of Toulouse (*Cour d'appel de Toulouse*) upheld the lower court verdict pursuant to which the summonses against TOTAL S.A. and Mr. Thierry Desmarest were determined to be inadmissible. This element of the decision has been appealed by certain third parties before the French Supreme Court (*Cour de cassation*).

The Court of Appeal considered, however, that the explosion was the result of the chemical accident described by the court-appointed experts. Accordingly, it convicted the former Plant Manager and Grande Paroisse. This element of the decision has been appealed by the former Plant Manager and Grande Paroisse before the French Supreme Court (*Cour de cassation*), which has the effect of suspending their criminal sentences.

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. A €11.6 million reserve remains booked in the Group's consolidated financial statements as of June 30, 2014.

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 having lapsed. 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 that were not even parties to the contract, 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 a matter of law and fact. The Group has lodged a criminal complaint to denounce the fraudulent claim of which the Group believes it is a victim 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 concerned an agreement concluded by the Company with consultants concerning gas fields in Iran and aimed at verifying 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.

In late May 2013, and after several years of discussions, TOTAL reached settlements with the U.S. authorities (a Deferred Prosecution Agreement with the DoJ and a Cease and Desist Order with the SEC).

These settlements, which put an end to these investigations, were concluded without admission of guilt and in exchange for TOTAL respecting a number of obligations, including the payment of a fine ($245.2 million) and civil compensation ($153 million) that occurred during the second quarter of 2013. The reserve of $398.2 million that was booked in the financial statements as of June 30, 2012, has been fully released. By virtue of these settlements, TOTAL also accepted the appointment of a French independent compliance monitor to review the Group's compliance program and to recommend possible improvements.

With respect to the same facts, TOTAL and its Chairman and Chief Executive Officer, who was President of the Middle East at the time of the facts, were placed under formal investigation in France following a judicial inquiry initiated in 2006. In late May 2013, the Prosecutor's office recommended that the case be sent to trial. This position was reiterated by the Prosecutor's office in June 2014.The investigating magistrate has not yet issued his decision.

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 for its future planned operations.

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 magistrate 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 magistrate, 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 magistrate that the case against TOTAL S.A., the Group's former employees and TOTAL's Chairman and Chief Executive Officer not be pursued. However, by ordinance notified in early August 2011, the investigating magistrate on the matter decided to send the case to trial. On July 8, 2013, TOTAL S.A., the Group's former employees and TOTAL's Chairman and Chief Executive Officer were cleared of all charges by the Criminal Court, which found that none of the offenses for which they had been prosecuted were established. On July 18, 2013, the Prosecutor's office appealed the parts of the Criminal Court's decision acquitting TOTAL S.A. and certain of the Group's former employees. TOTAL's Chairman and Chief Executive Officer's acquittal issued on July 8, 2013 is irrevocable since the Prosecutor's office did not appeal this part of the Criminal Court's decision. The appeal hearing is expected to start in October 2015.

Italy

As part of an investigation led by the Prosecutor of the Republic of the Potenza Court, Total Italia and certain Group employees were the subjects of an investigation related to certain calls for tenders that Total Italia made for the preparation and development of an oil field.

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 against some of the Group's employees and to refer the case for trial for a reduced number of charges. The trial started in September 2012.

Rivunion

On July 9, 2012, the Swiss *Tribunal Fédéral* (Switzerland's Supreme Court) rendered a decision against Rivunion, a wholly-owned subsidiary of Elf Aquitaine, confirming a tax reassessment in the amount of CHF 171 million (excluding interest for late payment). According to the *Tribunal*, Rivunion was held liable as tax collector for withholding taxes owed by the beneficiaries of taxable services. Rivunion, in liquidation since March 13, 2002, unable to recover the amounts corresponding to the withholding taxes in order to meet its fiscal obligations, has been subject to insolvency proceedings since November 1, 2012. On August 29, 2013, the Swiss federal tax administration lodged a claim as part of the insolvency proceedings of Rivunion, for an amount of CHF 284 million, including CHF 171 million of principal as well as interest for late payment.

Total Gabon

On February 14, 2014, Total Gabon received a tax re-assessment notice from the *Ministère de l'Économie et de la Prospective* of the Gabonese Republic accompanied by a partial tax collection notice, following the tax audit of Total Gabon in relation to the years 2008 to 2010. The amount referred to in the above tax re-assessment notice is $805 million. The partial tax collection procedure was suspended on March 5, 2014 further to the action that Total Gabon engaged before the Tax Administration.

Total Gabon disputes the grounds for the re-assessment and the associated amounts. Discussions with the competent authorities are continuing.

Kashagan

In Kazakhstan, the start-up of production of the Kashagan field, in which TOTAL holds an interest of 16.81%, occurred on September 11, 2013. Following the detection of a gas leak from the export pipeline, production was stopped on September 24. Production was resumed but then stopped again on October 9 after another leak was found. Pressure tests were performed in a fully controlled environment revealing some other potential leaks/cracks. The production of the field was stopped and a thorough investigation was launched.

Today a significant number of anomalies have been identified in the oil and gas export lines. As a consequence it has now been decided to replace both pipelines and an action plan for remedial works is currently being finalized. Best international oil and gas field practices under strict HSE requirements are integral at all times within the Venture to address, mitigate and remedy all problems prior to the restart of production.

In addition, the Atyrau Region Environmental Department ("ARED") launched against the consortium developing the Kashagan field a procedure alleging non-compliance with environmental legislation related to gas emissions (flaring). On March 7, 2014, ARED issued a claim for environmental damages of approximately $737 million (KZT 134 billion), of which TOTAL's share would be approximately $124 million (KZT 22.5 billion). The Kashagan project's consortium disputes these allegations.

Russia

On July 16, 2014, the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) adopted new economic sanctions involving various Russian entities in the financial and energy sectors, including Novatek (a Russian company listed on the Moscow Interbank Currency Exchange and the London Stock Exchange) and entities in which Novatek owns an interest of 50% or more.

TOTAL is closely monitoring the situation and the sanctions imposed on Novatek. In addition, the Group is continuing to study the possible impacts of sanctions on its activities in Russia, in particular on the Yamal LNG project.

As of June 30, 2014, the Group held through its subsidiary TOTAL E&P Arctic Russia, an 18.0% interest in the share capital of Novatek. Novatek holds a 60% interest in Yamal LNG alongside TOTAL (20%) and CNPC (20%). Novatek also holds a 51% stake in ZOA Terneftegas, which holds the development and production license in the Termokarstovoye field, alongside TOTAL (49%).

8) Information by business segment

1st half 2014 (M$)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	12,871	55,682	54,683	12	-	123,248
Intersegment sales	15,493	23,696	810	95	(40,094)	-
Excise taxes	-	(2,441)	(9,745)	-	-	(12,186)
Revenues from sales	**28,364**	**76,937**	**45,748**	**107**	**(40,094)**	**111,062**
Operating expenses	(13,688)	(75,536)	(44,655)	(431)	40,094	(94,216)
Depreciation, depletion and amortization of tangible assets and mineral interests	(4,490)	(786)	(380)	(18)	-	(5,674)
Operating income	**10,186**	**615**	**713**	**(342)**	**-**	**11,172**
Equity in net income (loss) of affiliates and other items	2,046	119	90	53	-	2,308
Tax on net operating income	(5,963)	(108)	(208)	(292)	-	(6,571)
Net operating income	**6,269**	**626**	**595**	**(581)**	**-**	**6,909**
Net cost of net debt						(345)
Non-controlling interests						(125)
Net income						**6,439**

1st half 2014 (adjustments) [(a)] (M$)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	(10)	-	-	-	-	(10)
Intersegment sales	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-
Revenues from sales	**(10)**	**-**	**-**	**-**	**-**	**(10)**
Operating expenses	(115)	(41)	(45)	-	-	(201)
Depreciation, depletion and amortization of tangible assets and mineral interests	-	(40)	-	-	-	(40)
Operating income [(b)]	**(125)**	**(81)**	**(45)**	**-**	**-**	**(251)**
Equity in net income (loss) of affiliates and other items	280	(40)	(7)	-	-	233
Tax on net operating income	(29)	-	14	-	-	(15)
Net operating income [(b)]	**126**	**(121)**	**(38)**	**-**	**-**	**(33)**
Net cost of net debt						-
Non-controlling interests						(6)
Net income						**(39)**

[(a)] *Adjustments include special items, inventory valuation effect and the effect of changes in fair value.*
[(b)] *Of which inventory valuation effect*

- On operating income	-	*(41)*	*(23)*	-
- On net operating income	-	*(34)*	*(17)*	-

1st half 2014 (adjusted) (M$)[a]	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	12,881	55,682	54,683	12	-	123,258
Intersegment sales	15,493	23,696	810	95	(40,094)	-
Excise taxes	-	(2,441)	(9,745)	-	-	(12,186)
Revenues from sales	**28,374**	**76,937**	**45,748**	**107**	**(40,094)**	**111,072**
Operating expenses	(13,573)	(75,495)	(44,610)	(431)	40,094	(94,015)
Depreciation, depletion and amortization of tangible assets and mineral interests	(4,490)	(746)	(380)	(18)	-	(5,634)
Adjusted operating income	**10,311**	**696**	**758**	**(342)**	**-**	**11,423**
Equity in net income (loss) of affiliates and other items	1,766	159	97	53	-	2,075
Tax on net operating income	(5,934)	(108)	(222)	(292)	-	(6,556)
Adjusted net operating income	**6,143**	**747**	**633**	**(581)**	**-**	**6,942**
Net cost of net debt						(345)
Non-controlling interests						(119)
Adjusted net income						**6,478**
Adjusted fully-diluted earnings per share ($)						**2.84**

[a] *Except for earnings per share.*

1st half 2014 (M$)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	13,310	725	479	74	-	14,588
Total divestments	2,367	26	54	24	-	2,471
Cash flow from operating activities	8,616	1,460	393	146	-	10,615

1st half 2013 (M$)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	13,439	56,709	54,583	175	-	124,906
Intersegment sales	18,195	25,901	1,201	102	(45,399)	-
Excise taxes	-	(2,187)	(9,193)	-	-	(11,380)
Revenues from sales	**31,634**	**80,423**	**46,591**	**277**	**(45,399)**	**113,526**
Operating expenses	(15,271)	(79,481)	(45,291)	(548)	45,399	(95,192)
Depreciation, depletion and amortization of tangible assets and mineral interests	(4,232)	(783)	(352)	(20)	-	(5,387)
Operating income	**12,131**	**159**	**948**	**(291)**	**-**	**12,947**
Equity in net income (loss) of affiliates and other items	(94)	157	8	29	-	100
Tax on net operating income	(6,984)	17	(282)	(28)	-	(7,277)
Net operating income	**5,053**	**333**	**674**	**(290)**	**-**	**5,770**
Net cost of net debt						(342)
Non-controlling interests						(116)
Net income						**5,312**

1st half 2013 (adjustments) [(a)] (M$)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	(39)	-	-	-	-	(39)
Intersegment sales	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-
Revenues from sales	**(39)**	**-**	**-**	**-**	**-**	**(39)**
Operating expenses	-	(794)	(135)	-	-	(929)
Depreciation, depletion and amortization of tangible assets and mineral interests	-	(5)	-	-	-	(5)
Operating income [(b)]	**(39)**	**(799)**	**(135)**	**-**	**-**	**(973)**
Equity in net income (loss) of affiliates and other items	(1,544)	(61)	(13)	-	-	(1,618)
Tax on net operating income	338	238	44	-	-	620
Net operating income [(b)]	**(1,245)**	**(622)**	**(104)**	**-**	**-**	**(1,971)**
Net cost of net debt						-
Non-controlling interests						4
Net income						**(1,967)**

[(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	Marketing & Services	Corporate
- On operating income	-	*(743)*	*(135)*	-
- On net operating income	-	*(506)*	*(91)*	-

1st half 2013 (adjusted) (M$) [(a)]	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	13,478	56,709	54,583	175	-	124,945
Intersegment sales	18,195	25,901	1,201	102	(45,399)	-
Excise taxes	-	(2,187)	(9,193)	-	-	(11,380)
Revenues from sales	**31,673**	**80,423**	**46,591**	**277**	**(45,399)**	**113,565**
Operating expenses	(15,271)	(78,687)	(45,156)	(548)	45,399	(94,263)
Depreciation, depletion and amortization of tangible assets and mineral interests	(4,232)	(778)	(352)	(20)	-	(5,382)
Adjusted operating income	**12,170**	**958**	**1,083**	**(291)**	**-**	**13,920**
Equity in net income (loss) of affiliates and other items	1,450	218	21	29	-	1,718
Tax on net operating income	(7,322)	(221)	(326)	(28)	-	(7,897)
Adjusted net operating income	**6,298**	**955**	**778**	**(290)**	**-**	**7,741**
Net cost of net debt						(342)
Non-controlling interests						(120)
Adjusted net income						**7,279**
Adjusted fully-diluted earnings per share ($)						**3.20**

[(a)] *Except for earnings per share.*

1st half 2013 (M$)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	13,544	1,202	564	53	-	15,363
Total divestments	2,174	308	66	15	-	2,563
Cash flow from operating activities	8,245	1,331	422	(247)	-	9,751

2nd quarter 2014 (M$)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	6,205	28,143	28,213	-	-	62,561
Intersegment sales	8,057	11,740	402	46	(20,245)	-
Excise taxes	-	(1,281)	(5,073)	-	-	(6,354)
Revenues from sales	**14,262**	**38,602**	**23,542**	**46**	**(20,245)**	**56,207**
Operating expenses	(7,174)	(37,744)	(22,966)	(262)	20,245	(47,901)
Depreciation, depletion and amortization of tangible assets and mineral interests	(2,314)	(408)	(198)	(9)	-	(2,929)
Operating income	**4,774**	**450**	**378**	**(225)**	**-**	**5,377**
Equity in net income (loss) of affiliates and other items	719	65	98	7	-	889
Tax on net operating income	(2,471)	(114)	(128)	(218)	-	(2,931)
Net operating income	**3,022**	**401**	**348**	**(436)**	**-**	**3,335**
Net cost of net debt						(206)
Non-controlling interests						(25)
Net income						**3,104**

2nd quarter 2014 (adjustments) [a] (M$)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	(36)	-	-	-	-	(36)
Intersegment sales	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-
Revenues from sales	**(36)**	**-**	**-**	**-**	**-**	**(36)**
Operating expenses	-	122	(27)	-	-	95
Depreciation, depletion and amortization of tangible assets and mineral interests	-	(40)	-	-	-	(40)
Operating income [b]	**(36)**	**82**	**(27)**	**-**	**-**	**19**
Equity in net income (loss) of affiliates and other items	-	(32)	(7)	-	-	(39)
Tax on net operating income	7	(50)	10	-	-	(33)
Net operating income [b]	**(29)**	**-**	**(24)**	**-**	**-**	**(53)**
Net cost of net debt						-
Non-controlling interests						6
Net income						**(47)**

[a] *Adjustments include special items, inventory valuation effect and the effect of changes in fair value.*

[b] *Of which inventory valuation effect*

- On operating income	-	*122*	*(5)*	-
- On net operating income	-	*77*	*(3)*	-

2nd quarter 2014 (adjusted) (M$) [(a)]	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	6,241	28,143	28,213	-	-	62,597
Intersegment sales	8,057	11,740	402	46	(20,245)	-
Excise taxes	-	(1,281)	(5,073)	-	-	(6,354)
Revenues from sales	**14,298**	**38,602**	**23,542**	**46**	**(20,245)**	**56,243**
Operating expenses	(7,174)	(37,866)	(22,939)	(262)	20,245	(47,996)
Depreciation, depletion and amortization of tangible assets and mineral interests	(2,314)	(368)	(198)	(9)	-	(2,889)
Adjusted operating income	**4,810**	**368**	**405**	**(225)**	**-**	**5,358**
Equity in net income (loss) of affiliates and other items	719	97	105	7	-	928
Tax on net operating income	(2,478)	(64)	(138)	(218)	-	(2,898)
Adjusted net operating income	**3,051**	**401**	**372**	**(436)**	**-**	**3,388**
Net cost of net debt						(206)
Non-controlling interests						(31)
Adjusted net income						**3,151**
Adjusted fully-diluted earnings per share ($)						**1.38**

[(a)] *Except for earnings per share.*

2nd quarter 2014 (M$)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	7,999	475	203	46	-	8,723
Total divestments	568	15	28	20	-	631
Cash flow from operating activities	4,805	(133)	304	301	-	5,277

2nd quarter 2013 (M$)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	6,240	28,160	26,851	94	-	61,345
Intersegment sales	8,508	12,809	1,058	35	(22,410)	-
Excise taxes	-	(1,091)	(4,748)	-	-	(5,839)
Revenues from sales	**14,748**	**39,878**	**23,161**	**129**	**(22,410)**	**55,506**
Operating expenses	(7,195)	(39,672)	(22,541)	(275)	22,410	(47,273)
Depreciation, depletion and amortization of tangible assets and mineral interests	(1,974)	(390)	(160)	(10)	-	(2,534)
Operating income	**5,579**	**(184)**	**460**	**(156)**	**-**	**5,699**
Equity in net income (loss) of affiliates and other items	1,022	62	51	28	-	1,163
Tax on net operating income	(3,160)	88	(138)	(57)	-	(3,267)
Net operating income	**3,441**	**(34)**	**373**	**(185)**	**-**	**3,595**
Net cost of net debt						(182)
Non-controlling interests						(49)
Net income						**3,364**

2nd quarter 2013 (adjustments) [a] (M$)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	(42)	-	-	-	-	(42)
Intersegment sales	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-
Revenues from sales	**(42)**	**-**	**-**	**-**	**-**	**(42)**
Operating expenses	-	(704)	(107)	-	-	(811)
Depreciation, depletion and amortization of tangible assets and mineral interests	-	-	-	-	-	-
Operating income [b]	**(42)**	**(704)**	**(107)**	**-**	**-**	**(853)**
Equity in net income (loss) of affiliates and other items	331	(48)	-	-	-	283
Tax on net operating income	111	200	34	-	-	345
Net operating income [b]	**400**	**(552)**	**(73)**	**-**	**-**	**(225)**
Net cost of net debt						-
Non-controlling interests						8
Net income						**(217)**

[a] *Adjustments include special items, inventory valuation effect and the effect of changes in fair value.*

[b] *Of which inventory valuation effect*

- On operating income	-	*(655)*	*(107)*	-
- On net operating income	-	*(460)*	*(73)*	-

2nd quarter 2013 (adjusted) (M$) [a]	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Non-Group sales	6,282	28,160	26,851	94	-	61,387
Intersegment sales	8,508	12,809	1,058	35	(22,410)	-
Excise taxes	-	(1,091)	(4,748)	-	-	(5,839)
Revenues from sales	**14,790**	**39,878**	**23,161**	**129**	**(22,410)**	**55,548**
Operating expenses	(7,195)	(38,968)	(22,434)	(275)	22,410	(46,462)
Depreciation, depletion and amortization of tangible assets and mineral interests	(1,974)	(390)	(160)	(10)	-	(2,534)
Adjusted operating income	**5,621**	**520**	**567**	**(156)**	**-**	**6,552**
Equity in net income (loss) of affiliates and other items	691	110	51	28	-	880
Tax on net operating income	(3,271)	(112)	(172)	(57)	-	(3,612)
Adjusted net operating income	**3,041**	**518**	**446**	**(185)**	**-**	**3,820**
Net cost of net debt						(182)
Non-controlling interests						(57)
Adjusted net income						**3,581**
Adjusted fully-diluted earnings per share ($)						**1.57**

[a] *Except for earnings per share.*

2nd quarter 2013 (M$)	Upstream	Refining & Chemicals	Marketing & Services	Corporate	Intercompany	Total
Total expenditures	6,603	499	318	39	-	7,459
Total divestments	1,456	272	16	6	-	1,750
Cash flow from operating activities	2,764	1,713	542	(181)	-	4,838

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

1st half 2014 (M$)	Adjusted	Adjustments[a]	Consolidated statement of income
Sales	**123,258**	**(10)**	**123,248**
Excise taxes	(12,186)	-	(12,186)
Revenues from sales	111,072	(10)	111,062
Purchases net of inventory variation	(78,639)	(64)	(78,703)
Other operating expenses	(14,456)	(137)	(14,593)
Exploration costs	(920)	-	(920)
Depreciation, depletion and amortization of tangible assets and mineral interests	(5,634)	(40)	(5,674)
Other income	548	648	1,196
Other expense	(263)	(49)	(312)
Financial interest on debt	(467)	-	(467)
Financial income from marketable securities & cash equivalents	50	-	50
Cost of net debt	(417)	-	(417)
Other financial income	426	-	426
Other financial expense	(349)	-	(349)
Equity in net income (loss) of affiliates	1,713	(366)	1,347
Income taxes	(6,484)	(15)	(6,499)
Consolidated net income	**6,597**	**(33)**	**6,564**
Group share	6,478	(39)	6,439
Non-controlling interests	119	6	125

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

1st half 2013 (M$)	Adjusted	Adjustments[a]	Consolidated statement of income
Sales	**124,945**	**(39)**	**124,906**
Excise taxes	(11,380)	-	(11,380)
Revenues from sales	113,565	(39)	113,526
Purchases net of inventory variation	(79,072)	(878)	(79,950)
Other operating expenses	(14,431)	(51)	(14,482)
Exploration costs	(760)	-	(760)
Depreciation, depletion and amortization of tangible assets and mineral interests	(5,382)	(5)	(5,387)
Other income	173	331	504
Other expense	(216)	(1,925)	(2,141)
Financial interest on debt	(461)	-	(461)
Financial income from marketable securities & cash equivalents	46	-	46
Cost of net debt	(415)	-	(415)
Other financial income	342	-	342
Other financial expense	(348)	-	(348)
Equity in net income (loss) of affiliates	1,767	(24)	1,743
Income taxes	(7,824)	620	(7,204)
Consolidated net income	**7,399**	**(1,971)**	**5,428**
Group share	7,279	(1,967)	5,312
Non-controlling interests	120	(4)	116

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

2nd quarter 2014 (M$)	Adjusted	Adjustments[a]	Consolidated statement of income
Sales	**62,597**	**(36)**	**62,561**
Excise taxes	(6,354)	-	(6,354)
Revenues from sales	56,243	(36)	56,207
Purchases net of inventory variation	(40,488)	117	(40,371)
Other operating expenses	(7,207)	(22)	(7,229)
Exploration costs	(301)	-	(301)
Depreciation, depletion and amortization of tangible assets and mineral interests	(2,889)	(40)	(2,929)
Other income	96	-	96
Other expense	(133)	(30)	(163)
Financial interest on debt	(266)	-	(266)
Financial income from marketable securities & cash equivalents	31	-	31
Cost of net debt	(235)	-	(235)
Other financial income	265	-	265
Other financial expense	(183)	-	(183)
Equity in net income (loss) of affiliates	883	(9)	874
Income taxes	(2,869)	(33)	(2,902)
Consolidated net income	**3,182**	**(53)**	**3,129**
Group share	3,151	(47)	3,104
Non-controlling interests	31	(6)	25

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

2nd quarter 2013 (M$)	Adjusted	Adjustments[a]	Consolidated statement of income
Sales	**61,387**	**(42)**	**61,345**
Excise taxes	(5,839)	-	(5,839)
Revenues from sales	55,548	(42)	55,506
Purchases net of inventory variation	(38,869)	(762)	(39,631)
Other operating expenses	(7,239)	(49)	(7,288)
Exploration costs	(354)	-	(354)
Depreciation, depletion and amortization of tangible assets and mineral interests	(2,534)	-	(2,534)
Other income	131	331	462
Other expense	(89)	(31)	(120)
Financial interest on debt	(238)	-	(238)
Financial income from marketable securities & cash equivalents	18	-	18
Cost of net debt	(220)	-	(220)
Other financial income	206	-	206
Other financial expense	(179)	-	(179)
Equity in net income (loss) of affiliates	811	(17)	794
Income taxes	(3,574)	345	(3,229)
Consolidated net income	**3,638**	**(225)**	**3,413**
Group share	3,581	(217)	3,364
Non-controlling interests	57	(8)	49

(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 November 2012 an agreement for the sale in Nigeria of its 20% interest in block OML 138 to a subsidiary of China Petrochemical Corporation (Sinopec). On July 17, 2014, Sinopec informed the Group of its decision to not complete the transaction. The Group is actively pursuing its divestment process. At June 30, 2014 the assets and liabilities have been respectively classified in the consolidated balance sheet in “assets classified as held for sale” for an amount of $2,359 million and “liabilities directly associated with the assets classified as held for sale” for an amount of $912 million. The assets concerned mainly include tangible assets for an amount of $2,102 million.
- TOTAL announced in May 2014 the finalization of an agreement for the sale of its 10% interest in the Shah Deniz field and the South Caucasus Pipeline to TPAO, the Turkish state-owned exploration and production company. This transaction remains subject to the approval by the relevant authorities. At June 30, 2014 the assets and liabilities have been respectively classified in the consolidated balance sheet in “assets classified as held for sale” for an amount of $1,097 million and “liabilities directly associated with the assets classified as held for sale” for an amount of $374 million. The assets concerned mainly include tangible assets for an amount of $891 million.
- TOTAL has signed in July 2014 an agreement with Exxaro Resources Ltd for the sale of its 100% stake in Total Coal South Africa, its coal-producing affiliate in South Africa. Completion of the sale is subject to approval by the relevant authorities. At June 30, 2014 the assets and liabilities have been respectively classified in the consolidated balance sheet in “assets classified as held for sale” for an amount of $481 million and “liabilities directly associated with the assets classified as held for sale” for an amount of $81 million. The assets concerned mainly include tangible assets for an amount of $390 million.

➢ **Marketing & Services**

- TOTAL announced in July 2014 that it had entered into exclusive negotiations with UGI Corporation, the parent company of Antargaz, having received a firm offer from the U.S. company to acquire 100% of the outstanding shares of Totalgaz, the Group's liquefied petroleum gas distributor in France. At June 30, 2014 the assets and liabilities have been respectively classified in the consolidated balance sheet in “assets classified as held for sale” for an amount of $380 million and “liabilities directly associated with the assets classified as held for sale” for an amount of $294 million. The assets and liabilities concerned mainly include tangible assets for an amount of $161 million, trade receivables for an amount of $129 million, deposits and guarantees received for an amount of $137 million and accounts payable for an amount of $83 million.