[Table of Contents](#)

EXCHANGE RATE INFORMATION

For information regarding the effects of currency fluctuations on TOTAL's results, see "Item 5. Operating and Financial Review and Prospects".

Most currency amounts in this Annual Report on Form 20-F are expressed in euros ("euros" or "€") or in U.S. dollars ("dollars" or "$"). For the convenience of the reader, this Annual Report on Form 20-F presents certain translations into dollars of certain euro amounts.

The following table sets out the average dollar/euro exchange rates expressed in dollars per €1.00 for the years indicated, based on an average of the daily European Central Bank ("ECB") reference exchange rate.[1] Such rates are used by TOTAL in preparation of its Consolidated Statement of Income and Consolidated Statement of Cash Flow in its Consolidated Financial Statements. No representation is made that the euro could have been converted into dollars at the rates shown or at any other rates for such periods or at such dates.

DOLLAR/EURO EXCHANGE RATES

Year	Average Rate
2009	1.3948
2010	1.3257
2011	1.3920
2012	1.2848
2013	1.3281

The table below shows the high and low dollar/euro exchange rates for the four months ended December 31, 2013, and for the first months of 2014, based on the daily ECB reference exchange rates published during the relevant month expressed in dollars per €1.00.

DOLLAR/EURO EXCHANGE RATES

Period	High	Low
September 2013	1.3545	1.3117
October 2013	1.3805	1.3493
November 2013	1.3611	1.3365
December 2013	1.3814	1.3536
January 2014	1.3687	1.3516
February 2014	1.3813	1.3495
March 2014[a]	1.3942	1.3732

(a) Through March 25, 2014.

The ECB reference exchange rate on March 25, 2014, for the dollar against the euro was $1.3789/€.

RISK FACTORS

The Group and its businesses are subject to various risks relating to changing competitive, economic, political, legal, social, industry, business and financial conditions. These conditions, along with TOTAL's approaches to managing certain of these risks, are described below and discussed in greater detail elsewhere in this Annual Report, particularly under the headings "Item 4. Information on the Company — Other Matters", "Item 5. Operating and Financial Review and Prospects" and "Item 11. Quantitative and Qualitative Disclosures About Market Risk".

Our operating results and future rate of growth are exposed to the effects of changing commodity prices.

Prices for oil and natural gas historically have fluctuated widely due to many factors over which TOTAL has no control. These factors include:

- global and regional supply and demand;
- global and regional economic and political developments in resource-producing regions, particularly in the Middle East, Africa and South America;
- the ability of the Organization of Petroleum Exporting Countries (OPEC) and other producing nations to influence global production levels and prices;
- prices of unconventional energies as well as evolving approaches for developing oil sands, which may affect the Group's realized prices, notably under its long-term gas sales contracts and asset valuations, notably in North America;
- cost and availability of new technology;
- governmental regulations and actions;
- global economic and financial market conditions;
- war or other conflicts;
- changes in demographics, including population growth rates and consumer preferences; and
- adverse weather conditions (such as hurricanes) that can disrupt supplies or interrupt operations of the Group's facilities.

Substantial or extended declines in oil and natural gas prices would adversely affect TOTAL's results of operations by reducing its profits. For the year 2014, we estimate that a decrease of $1.00 per barrel in the average annual price of Brent crude would have the effect of reducing our annual adjusted net operating income from the Upstream segment by approximately €0.12 billion (calculated with a base case exchange rate of $1.30 per €1.00 and a Brent price of $100 per barrel). In addition to the adverse effect on revenues, margins and profitability from any fall in oil and natural gas prices, a prolonged period of low prices or other indicators could lead to a review of the Group's properties and oil and natural gas reserves. Such review would reflect the Company's view based on estimates, assumptions and judgments and could result in a reduction in the Group's reported reserves and/or a charge for impairment that could have a significant effect on the Group's results in the period in which it occurs. Lower oil and natural gas prices over prolonged periods may also reduce the economic viability of projects planned or in development, negatively impact the asset sale program of the Group and reduce liquidity, thereby decreasing the Group's ability to finance capital expenditures and/or causing it to cancel or postpone investment

(1) For the period 2009 — 2013, the averages of the ECB reference exchange rates expressed in dollars per €1.00 on the last business day of each month during the relevant year are as follows: 2009 — 1.40; 2010 — 1.32; 2011 — 1.40; 2012 —1.29; and 2013 —1.33.

projects. If TOTAL is unable to follow through with investment projects, the Group's opportunities for future revenue and profitability growth would be reduced, which could materially impact the Group's financial condition.

However, in a high oil and gas price environment, the Group can experience significant increases in cost and fiscal take, and, under some production-sharing contracts, the Group's entitlement to reserves could be reduced. Higher prices can also reduce demand for the Group's products.

The Group's earnings from its Refining & Chemicals and Marketing & Services segments are primarily dependent upon the supply and demand for refined products and the associated margins on refined product sales, with the impact of changes in oil and gas prices on earnings on these segments being dependent upon the speed at which the prices of refined products adjust to reflect movements in oil and gas prices.

Our long-term profitability depends on cost effective discovery, acquisition and development of new reserves; if we are unsuccessful, our results of operations and financial condition would be materially and adversely affected.

A significant portion of the Group's revenues and the majority of its operating income are derived from the sale of oil and gas that the Group extracts from underground reserves developed as part of its Upstream business. The development of oil and gas fields, the construction of facilities and the drilling of production or injection wells is capital intensive, requires advanced technology and moreover, due to constantly changing market conditions and difficult environmental challenges, cost projections are uncertain. In order for this Upstream business to continue to be profitable, the Group needs to replace its reserves with new proved reserves. Furthermore, the Group needs to accomplish such replacement in a manner that allows subsequent production to be economically viable. However, TOTAL's ability to discover or acquire and develop new reserves successfully is uncertain and can be negatively affected by a number of factors, including:

- the geological nature of oil and gas fields, notably unexpected drilling conditions, including pressure or irregularities in geological formations;
- the risk of dry holes or failure to find expected commercial quantities of hydrocarbons;
- equipment failures, fires, blow-outs or accidents;
- the Group's inability to develop or deploy new technologies that permit access to previously inaccessible fields;
- the Group's inability to anticipate market changes in a timely manner;
- adverse weather conditions;
- compliance with both anticipated and unanticipated governmental requirements, including U.S. and EU regulations that may give a competitive advantage to companies not subject to such regulations;
- shortages or delays in the availability or delivery of appropriate equipment;
- industrial action;
- competition from publicly held and state-run oil and gas companies for the acquisition and development of assets and licenses, as well as from other major international oil companies (see "Item 4. Other Matters — Competition");
- increased taxes and royalties, including retroactive claims; and
- problems with legal title.

Any of these factors could lead to cost overruns and impair the Group's ability to make discoveries and acquisitions or complete a development project, or to make production economical. It is impossible to guarantee that new reserves of oil and gas will be discovered in sufficient quantities to replace the Group's reserves currently being developed, produced and marketed. Furthermore, some of these factors may also affect the Group's projects and facilities further down the oil and gas chain. If TOTAL fails to develop new reserves cost-effectively on an ongoing basis, the Group's results of operations, including profits, and the Group's financial condition, would be materially and adversely affected.

Our oil and gas reserves data are only estimates, and subsequent downward adjustments are possible. If actual production from such reserves is lower than current estimates indicate, our results of operations and financial condition would be negatively impacted.

The proved reserves figures of the Group are estimates reflecting applicable reporting regulations. Proved reserves are those reserves which, by analysis of geosciences and engineering data, can be estimated with reasonable certainty to be economically producible — from a given date forward, from known reservoirs and under existing economic conditions, operating methods and government regulations — prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. Reserves are estimated by teams of qualified, experienced and trained geoscientists, petroleum engineers and project engineers, who rigorously review and analyze in detail all available geosciences and engineering data (*e.g.*, seismic, electrical logs, cores, fluids, pressures, flow rates, facilities parameters). This process involves making subjective judgments, including with respect to the estimate of hydrocarbons initially in place, initial production rates and recovery efficiency, based on available geological, technical and economic data. Consequently, estimates of reserves are not exact measurements and are subject to revision. In addition, they may be negatively impacted by a variety of factors that are beyond the Group's control and that could cause such estimates to be adjusted downward in the future, or cause the Group's actual production to be lower than its currently reported proved reserves indicate. The main such factors include:

- a decline in the price of oil or gas, making reserves no longer economically viable to exploit and therefore not classifiable as proved;
- an increase in the price of oil or gas, which may reduce the reserves to which the Group are entitled under production sharing and risked service contracts and other contractual terms;
- changes in tax rules and other government regulations that make reserves no longer economically viable to exploit; and
- the actual production performance of the Group's reservoirs.

The Group's reserves estimates may therefore require substantial downward revisions to the extent its subjective judgments prove not to have been conservative enough based on the available geosciences and engineering data, or the Group's assumptions regarding factors or variables that are beyond its control prove to be incorrect over time. Any downward adjustment would indicate lower future production amounts, which could adversely affect the Group's results of operations, including profits as well as its financial condition.

Our production growth depends on the delivery of our major development projects.

The Group’s targeted production growth relies heavily on the successful execution of its major development projects, which are complex and capital-intensive. These major projects are subject to a number of challenges, including:

- negotiations with partners, governments, suppliers, customers and others;
- cost overruns and delays related to the availability of skilled labor or delays in manufacturing and delivery of critical equipment, or shortages in the availability of such equipment;
- unforeseen technical difficulties that could delay project startup or cause unscheduled project downtime;
- the actual performance of the reservoir and natural field decline; and
- timely issuance or renewal of permits and licenses by government agencies.

Poor delivery of any major project that underpins production or production growth could adversely affect the Group’s financial performance. In addition, many of TOTAL’s projects under developments are larger and more complex than past major projects, which increases the potential execution risk.

Many of our projects are conducted by equity affiliates. This may reduce our degree of control, as well as our ability to identify and manage risks.

A significant and growing number of the Group’s projects are conducted by equity affiliates. In cases where a company in which the Group holds an interest is not the operator, it may have limited influence over, and control of, the behavior, performance and costs of the partnership, its ability to manage risks may be limited and it may, nevertheless, be pursued by regulators or claimants in the event of an incident. Additionally, the partners of the Group may not be able to meet their financial or other obligations to the projects, which may threaten the viability of a given project, and they may not have the financial capacity to fully indemnify the Group in the event of an incident.

We have significant production and reserves located in politically, economically and socially unstable areas, where the likelihood of material disruption of our operations is relatively high.

A significant portion of TOTAL’s oil and gas production and reserves is located in countries outside of the Organisation for Economic Co-operation and Development (OECD). In recent years, a number of these countries have experienced varying degrees of one or more of the following: economic instability, political volatility, civil war, violent conflict, social unrest and actions of terrorist groups. Any of these conditions alone or in combination could disrupt the Group’s operations in any of these regions, causing substantial declines in production. In addition, uncertainties surrounding enforcement of contractual rights in these regions may adversely impact the Group’s results. In Africa, which represented 29% of the Group’s 2013 combined liquids and gas production, certain of the countries in which the Group has production have recently suffered from some of these conditions, including Nigeria, which has been the main contributing country to the Group’s production of hydrocarbons since 2012, and Libya. The Middle East, which represented 23% of the Group’s 2013 combined liquids and gas production, has recently suffered increased political volatility in connection with violent conflict and social unrest, including Syria, where European Union (EU) and U.S. economic sanctions have prohibited TOTAL from producing oil and gas since 2011, and Yemen. In South America, which represented 7% of the Group’s 2013 combined liquids and gas production, certain of the countries in which TOTAL has production have recently suffered from some of the above-mentioned conditions, including Argentina and Venezuela. Furthermore, in addition to current production, TOTAL is also exploring for and developing new reserves in other regions of the world that are historically characterized by political, social and economic instability, such as the Caspian Sea region where TOTAL has large projects currently underway. The occurrence and magnitude of incidents related to economic, social and political instability are unpredictable. It is possible that they could have a material adverse impact on the Group’s production and operations in the future and/or cause certain investors to reduce their holdings of TOTAL’s securities.

TOTAL, like other major international energy companies, has a geographically diverse portfolio of reserves and operational sites, which allows it to conduct its business and financial affairs so as to reduce its exposure to political and economic risks. However, there can be no assurance that such events will not have a material adverse impact on the Group.

Our operations throughout emerging countries are subject to intervention by the governments of these countries, which could have an adverse effect on our results of operations.

TOTAL has significant exploration and production activities, and in some cases refining, marketing or chemicals operations, in developing countries whose governmental and regulatory framework is subject to unexpected change and where the enforcement of contractual rights is uncertain. In addition, the Group’s exploration and production activity in such countries is often done in conjunction with state-owned entities, for example as part of a joint venture, where the state has a significant degree of control. In recent years, in various regions globally, TOTAL has seen governments and state-owned enterprises imposing more stringent conditions on companies pursuing exploration and production activities in their respective countries, increasing the costs and uncertainties of the Group’s business operations, which is a trend TOTAL expects to continue. Potential increasing intervention by governments in such countries can take a wide variety of forms, including:

- the award or denial of exploration and production interests;
- the imposition of specific drilling obligations;
- price and/or production quota controls and export limits;
- nationalization or expropriation of assets;
- unilateral cancellation or modification of license or contract rights;
- increases in taxes and royalties, including retroactive claims;
- the renegotiation of contracts;
- payment delays; and
- currency exchange restrictions or currency devaluation.

Imposition of any of these factors by a host government in a developing country where TOTAL has substantial operations, including exploration, could cause the Group to incur material costs or cause the Group’s production or value of the Group’s assets to decrease, potentially having a material adverse effect on its results of operations, including profits.

For example, the Nigerian government has been contemplating new legislation to govern the petroleum industry which, if passed into law, could have an impact on the existing and future activities of the Group in that country through increased taxes and/or costs of operation and could adversely affect financial returns from projects in that country.

Ethical misconduct or breaches of applicable laws by our employees could expose us to criminal and civil penalties and be damaging to our reputation and shareholder value.

The Code of Conduct of the Group, which applies to all of its employees, defines the Group's commitment to integrity, compliance with all applicable legal requirements, high ethical standards and the behaviors and actions the Group expects of the businesses and people of the Group wherever it operates (for additional information on the Group's Code of Conduct, see "Item 4. Other Matters — Fair operating practices"). Ethical misconduct or non-compliance with applicable laws and regulations, including non-compliance with anti-bribery and anticorruption laws, by TOTAL, its partners, agents or others that act on the Group's behalf, could expose TOTAL and its employees to criminal and civil penalties and could be damaging to TOTAL's reputation and shareholder value. In addition, ethical misconduct or non-compliance with applicable law may lead the competent authorities to impose other measures, such as the appointment of an independent monitor in charge of reviewing the Group's compliance and internal control procedures and, if need be, recommending improvements of such procedures. Regarding this point, refer to "Item 8. Legal or arbitration proceedings — Iran" for an overview of the settlements between TOTAL, the SEC and the Department of Justice (DoJ) providing for the appointment of an independent monitor, who was appointed in late 2013.

We are exposed to risks related to the safety and security of our operations.

TOTAL engages in a broad scope of activities, which include, in particular, drilling, oil and gas production, processing, transportation, refining and petrochemical activities, storage and distribution of petroleum products, specialty chemicals and solar energy. These activities involve a wide range of operational risks, such as explosions, fires, accidents, equipment failures, leakage of toxic products, emissions or discharges into the air, water or soil, and related environmental and health risks. In the transportation area, the type of risk depends not only on the hazardous nature of the products transported, but also on the transportation methods used (mainly maritime, river-maritime, rail, road and pipelines), the volumes involved and the sensitivity of the regions through which the transport passes (quality of infrastructure, population density, environmental considerations). Most of the Group's activities will also eventually require environmental site remediation, closure and decommissioning after production is discontinued.

The industrial events that could have the most significant impact are primarily: a major industrial accident (fire, explosion, leakage of highly toxic products); and large-scale accidental pollution or pollution at a particularly sensitive site.

Each of the described risks corresponds to events that could potentially harm human health, cause death, damage property, disrupt business activities or cause environmental damage. The Group's employees, contractors, residents living near the facilities or customers can suffer injuries. Property damage can involve the facilities of the Group as well as the property of third parties. The seriousness of the consequences of these events varies according to the vulnerability of the people, ecosystems and business activities impacted, on the one hand, and the number of people in the impact area and the location of the ecosystems and business activities in relation to TOTAL's facilities or to the trajectory of the products after the event, on the other hand.

Acts of terrorism against the Group's plants and sites, pipelines, transportation and computer systems could also severely disrupt business and operations and could cause harm to people, the environment and property.

Like most industrial groups, TOTAL is impacted by reports of occupational illnesses, particularly those caused by past exposure of the Group's employees to asbestos. Asbestos exposure has been subject to close monitoring at all of the Group's business segments. As of December 31, 2013, the Group estimates that the ultimate cost of all pending or future asbestos-related claims is not likely to have a material impact on the Group's financial position.

Certain segments or activities face specific additional risks.

TOTAL's Upstream segment activities face, notably, risks related to the physical characteristics of oil or gas fields. These risks include eruptions of oil or gas, discovery of hydrocarbon pockets with abnormal pressure, crumbling of well openings, leaks that can harm the environment and explosions or fires. These events, which may cause injury, death or environmental damage, can also damage or destroy oil or gas wells as well as equipment and other property, lead to a disruption of the Group's operations or reduce its production. In addition, since exploration and production activities may take place on sites that are ecologically sensitive (for example, in tropical forests or in a marine environment), each site requires a risk-based approach to avoid or minimize the impact on human health, flora and fauna, the ecosystem and biodiversity. In certain situations where the operator is not a Group entity, the Group may have reduced influence and control over third parties, which may limit its ability to manage and control these risks.

The activities of the Refining & Chemicals and Marketing & Services business segments also entail additional health, safety and environmental risks related to the overall life cycle of the products manufactured, as well as the raw materials used in the manufacturing process, such as catalysts, additives and monomers. These risks can arise from the intrinsic characteristics of the products involved (flammability, toxicity or long-term environmental impacts such as greenhouse gas emissions), their use (including by customers), emissions and discharges resulting from their manufacturing process (such as greenhouse gas emissions), and from material and waste disposal (recycling, regeneration or other process, or waste elimination).

Contracts signed by the Group's entities may provide for indemnification obligations either by TOTAL in favor of the contractor or third parties or by the contractor or third parties in favor of TOTAL if, for example, an event occurs leading to death, personal injury or property or environmental damage.

With respect to joint ventures in which an entity of the Group has an interest and the assets of which are operated by such Group entity under an operating agreement between the joint venture and such entity, contractual terms generally provide that the operator assumes full liability for damages caused by its gross negligence or willful misconduct.

With respect to joint ventures in which an entity of the Group has an interest but the assets of which are operated by a third party, contractual terms generally provide that the operator assumes full liability for damages caused by its gross negligence or willful misconduct.

In the absence of the operator's gross negligence or willful misconduct, other liabilities are generally borne by the joint venture and the cost thereof is assumed by the partners of the joint venture in proportion to their respective ownership interests.

With respect to third-party providers of goods and services, the amount and nature of the liability assumed by the third party depends on the context and may be limited by contract. With respect to their customers, the Group's entities ensure that their products meet applicable specifications and abide by all applicable consumer protection laws. Failure to do so could lead to personal injury, environmental harm and loss of customers, which could negatively impact the Group's results of operations, financial position and reputation.

Crisis management systems are necessary to respond effectively to emergencies and to avoid potential disruptions in our business and operations.

TOTAL has crisis management plans in place to deal with emergencies. However, these plans cannot exclude the risk that the Group's business and operations may be severely disrupted in a crisis situation or ensure the absence of impacts on third parties or the environment. TOTAL also has implemented business continuity plans in order to continue or resume operations following a shutdown or incident. An inability to restore or replace critical capacity in a timely manner could prolong the impact of any disruption and could have a material adverse effect on the Group's business and operations. For more information on the Group's crisis management systems, see "Item 4. Other Matters — Management and monitoring of industrial and environmental risks".

While our insurance coverage is in line with industry practice, we are not insured against all possible risks.

The Group maintains insurance to protect itself against the risk of damage to Group property and/or business interruption to the Group's main refining and petrochemical sites. In addition, the Group also maintains worldwide third-party liability insurance coverage for all of its subsidiaries. The Group's insurance and risk management policies are described under "Item 4. Other Matters — Insurance and risk management". TOTAL believes that its insurance coverage is in line with industry practice and sufficient to cover normal risks in its operations. However, the Group is not insured against all potential risks. In the event of a major environmental disaster, for example, TOTAL's liability may exceed the maximum coverage provided by its third-party liability insurance. The loss TOTAL could suffer in the event of such disaster would depend on all the facts and circumstances of the event and would be subject to a whole range of uncertainties, including legal uncertainty as to the scope of liability for consequential damages, which may include economic damage not directly connected to the disaster. The Group cannot guarantee that it will not suffer any uninsured loss and there can be no guarantee, particularly in the case of a major environmental disaster or industrial accident, that such loss would not have a material adverse effect on the Group.

We are subject to stringent environmental, health and safety laws in numerous countries and may incur material costs to comply with these laws and regulations.

TOTAL's workforce and the public are exposed to risks inherent to the Group's operations that potentially could lead to loss of life, injuries, property damage or environmental damage and could result in regulatory action and legal liability against the entities of the Group and its officers as well as damage to the Group's reputation.

TOTAL incurs, and will continue to incur, substantial expenditures to comply with increasingly complex laws and regulations aimed at protecting worker health and safety and natural habitats.

These expenditures include:

- costs incurred to prevent, control, eliminate or reduce certain types of air and water emissions, including those costs incurred in connection with measures taken to address climate change;
- remedial measures related to environmental contamination or accidents at various sites, including those owned by third parties;
- indemnification of individuals or entities claiming damages caused by accidents or by the Group's activities;
- increased production costs and costs related to changes in product specifications; and
- costs related to the decommissioning of drilling platforms and other facilities.

Such expenditures incurred could have a material effect on the results of operations of the Group and its financial position, if the Group's reserves prove inadequate.

Furthermore, in countries where the Group operates or plans to operate, the introduction of new laws and regulations, stricter enforcement or news interpretations of existing laws and regulations or the imposition of tougher license requirements may also cause the Group's entities to incur higher costs resulting from actions taken to comply with such laws and regulations, including:

- modifying operations;
- installing pollution control equipment;
- implementing additional safety measures; and
- performing site clean-ups.

As a further result of, notably, the introduction of any new laws and regulations, the Group could also be compelled to curtail, modify or cease certain operations or implement temporary shutdowns of facilities, which could diminish the Group's productivity and have a material adverse impact on its results of operations.

All TOTAL entities monitor legal and regulatory developments in order to remain in compliance with local and international rules and standards for the assessment and management of industrial and environmental risks. With regard to the permanent shutdown of an activity, the Group's environmental contingencies and asset retirement obligations are addressed in the "Asset retirement obligation" and "Provisions for environmental contingencies" sections of the Group's Consolidated Balance Sheet (see Note 19 to the Consolidated Financial Statements). Future expenditures related to asset retirement obligations are accounted for in accordance with the accounting principles described in Note 1Q to the Consolidated Financial Statements.

Laws and regulations related to climate change and its physical effects may adversely affect our businesses.

Growing public concern in a number of countries over greenhouse gas emissions and climate change, as well as a multiplication of stricter regulations in this area, could adversely affect the Group's businesses and product sales, increase its operating costs and reduce its profitability.

More of TOTAL's future production could come from unconventional sources in order to help meet the world's growing demand for energy. Since energy intensity of oil and gas production from unconventional sources can be higher than that of production from conventional sources, the CO_2 emissions produced by the Group's activities may increase. Therefore, TOTAL may need to incur additional costs related to certain projects. For information concerning the regulation of CO_2 emission allowances in Europe, see "Item 4. Other Matters —

Management and monitoring of industrial and environmental risks — Health, safety and environmental regulations — European Union — CO_2 emission allowances".

Finally, TOTAL's businesses operate in varied locales where the potential physical impacts of climate change, including changes in weather patterns, are highly uncertain and may adversely impact the results of the Group's operations.

We face foreign exchange risks that could adversely affect our results of operations.

The Group faces foreign exchange risks because a large percentage of its revenues and cash receipts are denominated in dollars, the international currency of petroleum sales, while a significant portion of its operating expenses and income taxes accrue in euros and other currencies. Movements between the dollar and euro or other currencies may adversely affect the Group's business by negatively impacting its booked revenues and income, and may also result in significant translation adjustments that impact its shareholders' equity.

We are exposed to trading risks that could adversely affect our business.

TOTAL's trading business is particularly sensitive to market risk and more specifically to price risk as a consequence of the volatility of oil prices, to liquidity risk (inability to buy or sell oil cargoes at quoted prices) and to performance risk (counterparty does not fulfill its contractual obligations). The Group uses various instruments such as futures, forwards, swaps and options on organized markets or over-the-counter markets to hedge against fluctuations in the price of crude oil, refined products, natural gas, power, coal, emissions and freight-rates. Although TOTAL believes it has established appropriate risk management procedures, large market fluctuations may adversely affect the Group's business and results of operations and make it more difficult to optimize revenues from the Group's oil and gas production and to obtain favorable pricing to supply the Group's refineries.

Disruption of our critical IT services or breaches of information security could adversely affect our operations.

The businesses of the Group depend heavily on the reliability and security of its information technology ("IT") systems. If the integrity of the IT systems were compromised due to, for example, technical failure or cyber attack, the business operations and assets of the Group could sustain serious damage, material intellectual property could be divulged and, in some cases, personal injury, environmental harm and regulatory violations could occur, potentially having a material adverse effect on the Group's results of operations, including profits.

We have activities in certain countries that are targeted by economic sanctions under relevant U.S. and EU laws, and if our activities are not conducted in accordance with the relevant conditions, we could be sanctioned or otherwise penalized.

The United States has adopted various laws and regulations designed to restrict trade with Cuba, Iran, Sudan and Syria, and the U.S. Department of State has identified these countries as state sponsors of terrorism. The European Union ("EU") has similar restrictions with respect to Iran and Syria. A violation of these laws or regulations could result in criminal and material financial penalties, including being prohibited from transacting in U.S. dollars. The Group currently has limited marketing and trading activities in Cuba and a limited presence in Iran and Syria (for more information, see "Item 4. Other Matters — Cuba, Iran and Syria"). Since the independence of the Republic of South Sudan on July 9, 2011, TOTAL is no longer present in Sudan.

With respect to Iran, the United States has adopted a number of measures since 1996 that provide for the possible imposition of sanctions against non-U.S. companies engaged in certain activities in and with Iran, including in Iran's energy sector. The United States first adopted legislation in 1996 authorizing sanctions against non-U.S. companies doing business in Iran and Libya (the Iran and Libya Sanctions Act, referred to as "ILSA"). In 2006, ILSA was amended to concern only business in Iran (then renamed the Iran Sanctions Act, referred to as "ISA"). Pursuant to ISA, which as described below has since been amended and expanded, the President of the United States is authorized to initiate an investigation into the activities of non-U.S. companies in Iran's energy sector and to consider the possible imposition of sanctions against persons found, amongst other activities, to have knowingly made investments of $20 million or more in any 12-month period in the petroleum sector in Iran. In May 1998, the U.S. government waived the application of ISA sanctions for TOTAL's investment in the South Pars gas field. This waiver, which has not been modified since it was granted, does not address any of TOTAL's other activities in Iran. In each of the years between the passage of ILSA and 2007, TOTAL made investments in Iran in excess of $20 million (excluding the investments made as part of the development of South Pars). These investments will not be subject to investigation by the U.S. authorities due to the application of the Special Rule granted on September 30, 2010, as further described below. Since 2008, TOTAL's position has consisted essentially in being reimbursed for its past investments as part of buyback contracts signed between 1995 and 1999 with respect to permits on which the Group is no longer the operator. Since 2011, TOTAL has had no production in Iran.

ISA was amended in July 2010 by the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010 ("CISADA"), which expanded both the list of activities with Iran that could lead to sanctions and the list of sanctions available. In particular, CISADA authorized sanctions for knowingly providing refined petroleum products above certain monetary thresholds to Iran and for providing goods, services, technology, information or support that could directly and significantly either facilitate Iran's domestic production of refined petroleum products or contribute to Iran's ability to import refined petroleum products. TOTAL had already discontinued potentially sanctionable sales of refined petroleum products to Iran prior to CISADA's enactment. On September 30, 2010, the U.S. State Department announced that the U.S. government, pursuant to the "Special Rule" provision of ISA added by CISADA that allows it to avoid making a determination of sanctionability under ISA with respect to any party that provides certain assurances, would not make such a determination with respect to TOTAL. The U.S. State Department further indicated at that time that, as long as TOTAL acts in accordance with its commitments, TOTAL will not be regarded as a company of concern for its past Iran-related activities.

Since the applicability of the "Special Rule" to TOTAL was announced by the U.S. State Department, the United States has imposed a number of additional measures targeting activities in Iran. On November 21, 2011, President Obama issued Executive Order 13590, which authorized sanctions for knowingly, on or after November 21, 2011, selling, leasing, or providing to Iran goods, services, technology or support above certain monetary thresholds that could directly and significantly contribute to the maintenance or expansion of Iran’s ability to develop petroleum resources located in Iran, or domestic production of petrochemical products. TOTAL does not conduct activities in Iran that it believes would be sanctionable under Executive Order 13590. In any event, there is no provision in Executive Order 13590 that modifies the aforementioned “Special Rule”, and the U.S. State Department issued guidance that completion of existing contracts is not sanctionable under Executive Order 13590.

On July 30, 2012, President Obama issued Executive Order 13622, which authorized sanctions for, amongst other activities, (i) knowingly, on or after July 30, 2012, engaging in a significant transaction for the purchase or acquisition of petroleum, petroleum products or petrochemical products from Iran, or (ii) materially assisting, sponsoring or providing financial, material, or technological support for, or goods or services in support of, the National Iranian Oil Company, the Naftiran Intertrade Company (“NICO”), or the Central Bank of Iran. There is no provision in Executive Order 13622 that modifies the aforementioned “Special Rule”. In addition, Executive Order 13622 contains an exception for the Shah Deniz gas field pipeline project, in which TOTAL (10%) and NICO (10%) participate, to supply natural gas from the Shah Deniz gas field in Azerbaijan to Europe and Turkey. This Executive Order was amended and expanded by Executive Order 13645 (discussed in further detail below), in order to capture as potentially sanctionable conduct a wider range of petroleum-related activities. TOTAL does not conduct activities that it believes would be sanctionable under Executive Order 13622 as amended by Executive Order 13645.

On August 10, 2012, President Obama signed into law the Iran Threat Reduction and Syria Human Rights Act of 2012 (“ITRA”), which, amongst other things, amended ISA and CISADA. ITRA, like CISADA before it, expanded both the list of activities with Iran that could lead to sanctions and the list of sanctions available. Amongst other things, ITRA authorized sanctions for (i) the provision to Iran of goods, services, technology, information or support above a certain market value that could directly and significantly facilitate the maintenance or expansion of Iran’s domestic production of refined petroleum products, including any direct and significant assistance with the construction, modernization, or repair of petroleum refineries or infrastructure directly associated with petroleum refineries, (ii) participation in a joint venture established on or after January 1, 2002 with respect to the development of petroleum resources outside of Iran where either the Government of Iran is a substantial partner or investor or where the joint venture could enhance Iran’s ability to develop petroleum resources in Iran, and (iii) owning, operating, controlling or insuring a vessel used to transport crude oil from Iran to another country. ITRA also contains an exception for the Shah Deniz gas field project. TOTAL does not conduct activities that it believes would be sanctionable under ITRA.

ITRA also added Section 13(r) to the Securities Exchange Act of 1934, as amended (“Exchange Act”), which requires TOTAL to disclose whether it or any of its affiliates has engaged during the calendar year in certain Iran-related activities, including those targeted under ISA, without regard to whether such activities are sanctionable under ISA, and any transaction or dealing with the Government of Iran that is not conducted pursuant to a specific authorization of the U.S. government (see “Item 4. Other Matters — Iran”). For any annual report that contains responsive Section 13(r) disclosure, an “Iran Notice” is separately filed with the United States Securities and Exchange Commission (“SEC”). The SEC must notify the President and U.S. Congress, and the President must initiate an investigation and make a sanctions determination within 180 days after initiating the investigation.

TOTAL believes that its Iran-related activities required to be disclosed by Section 13(r) are not sanctionable, and TOTAL has not been informed that it is at risk of possible imposition of sanctions for activities previously disclosed.

The United States has adopted other sanctions measures, including the National Defense Authorization Act of Fiscal Year 2012 (“NDAA 2012”),which authorizes the imposition of sanctions on foreign financial institutions engaged in certain transactions, the Iran Freedom and Counter-Proliferation Act of 2012 (“IFCA”), which, amongst other things, authorizes the imposition of sanctions on entities that knowingly provided goods or services to the energy, shipbuilding, and shipping sectors, or to port operations, of Iran, and Executive Order 13645, which, in addition to amending Executive Order 13622 as discussed above, implements certain provisions of IFCA and authorizes additional sanctions against, amongst other things, foreign financial institutions that engage in certain transactions, potentially including those for the sale, supply, or transfer to or from Iran of natural gas, and for the purchase of petroleum or petroleum products from Iran. TOTAL does not conduct activities that it believes would be sanctionable under IFCA, NDAA 2012 or Executive Order 13645.

Also with regard to Iran, France and the EU have adopted measures, based on United Nations Security Council resolutions, which restrict the movement of certain individuals and goods to or from Iran as well as certain financial transactions with Iran, in each case when such individuals, goods or transactions are related to nuclear proliferation and weapons activities or likely to contribute to their development. In July and October 2010, the EU adopted new restrictive measures regarding Iran. Among other things, the supply of key equipment and technology in the following sectors of the oil and gas industry in Iran are prohibited: refining, liquefied natural gas, exploration and production. The prohibition extends to technical assistance, training and financial assistance in connection with such items. Extension of loans or credit to, acquisition of shares in, entry into joint ventures with or other participation in enterprises in Iran (or Iranian-owned enterprises outside of Iran) engaged in any of the targeted sectors also is prohibited. Moreover, with respect to restrictions on transfers of funds and on financial services, any transfer of at least €40,000 or equivalent to or from an Iranian individual or entity shall require a prior authorization of the competent authorities of the EU Member States. TOTAL conducts its activities in compliance with these EU measures.

On January 23, 2012, the Council of the EU prohibited the purchase, import and transport of Iranian oil and petroleum and petrochemical products by European persons and by entities constituted under the laws of an EU Member State. Prior to that date, TOTAL had ceased these now-prohibited activities.

With respect to Syria, the EU adopted measures in May 2011 with criminal and financial penalties that prohibit the supply of certain equipment to Syria, as well as certain financial and asset transactions with respect to a list of named individuals and entities. These measures apply to European persons and to entities constituted under the laws of an EU Member State. In September 2011, the EU adopted further measures, including, notably, a prohibition on the purchase, import or transportation from Syria of crude oil and petroleum products. Since early September 2011, the Group ceased to purchase hydrocarbons from Syria. On December 1, 2011, the EU extended sanctions against, among others, three state-owned Syrian oil firms, including General Petroleum Corporation, TOTAL’s co-contracting partner in the production sharing agreement signed in 1988 (Deir Es Zor licence) and the Tabiyeh contract. The United States also has various

Table of Contents

measures regarding Syria. Since early December 2011, the Group has ceased its activities that contribute to oil and gas production in Syria.

In addition, the U.S. Treasury Department's Office of Foreign Assets Control (referred to as "OFAC") administers and enforces economic sanctions programs, some of which are based on the United Nations Security Council resolutions referred to above, against targeted foreign countries, territories, entities and individuals (including those engaged in activities related to terrorism or the proliferation of weapons of mass destruction and other threats to the national security, foreign policy or economy of the United States). The activities that are restricted depend on the sanctions program and targeted country or parties, and civil and/or criminal penalties, imposed on a per transaction basis, can be substantial. These OFAC sanctions generally apply to U.S. persons and activities taking place in the United States or that are otherwise subject to U.S. jurisdiction. Sanctions administered by OFAC target, among others, Cuba, Iran, Sudan and Syria. TOTAL does not believe that these sanctions are applicable to any of its activities in the OFAC-targeted countries.

Moreover, many U.S. states have adopted legislation requiring state pension funds to divest themselves of securities in any company with active business operations in Iran, and state contracts not to be awarded to such companies. State insurance regulators have adopted similar initiatives relating to investments by insurance companies in companies doing business with the Iranian oil and gas, nuclear and defense sectors. If TOTAL's presence in Iran were determined to fall within the prohibited scope of these laws, and TOTAL were not to qualify for any available exemptions, certain U.S. institutions holding interests in TOTAL may be required to sell their interests. If significant, sales of securities resulting from such laws and/or regulatory initiatives could have an adverse effect on the prices of TOTAL's securities.

TOTAL continues to closely monitor legislative and other developments in France, the EU and the United States, including the Joint Plan of Action recently announced among Iran and the P5+1 countries (China, France, Russia, the United Kingdom and the United States of America, as well as Germany) regarding limits on Iran's nuclear activities and the suspension of certain United States and European Union sanctions regarding Iran, in order to determine whether its limited activities or presence in sanctioned or potentially sanctioned jurisdictions could subject TOTAL to the application of sanctions.

TOTAL is also closely monitoring developments of the situation in Crimea and any related regulations and/or economic sanctions that could be adopted by the authorities.

TOTAL cannot assure that current or future regulations or developments will not have a negative impact on its business or reputation.

ITEM 4. INFORMATION ON THE COMPANY

HISTORY AND DEVELOPMENT

TOTAL S.A., a French *société anonyme* (limited company) incorporated in France on March 28, 1924, together with its subsidiaries and affiliates, is the fifth largest publicly-traded integrated international oil and gas company in the world[1].

With operations in more than 130 countries, TOTAL has activities in every sector of the oil industry: including in the upstream (oil and gas exploration, development and production, liquefied natural gas) and downstream (refining, petrochemicals, specialty chemicals, the trading and shipping of crude oil and petroleum products, marketing). In addition, TOTAL has equity stakes in coal mines and operates in the power generation and renewable energy sectors.

TOTAL began its Upstream operations in the Middle East in 1924. Since that time, the Company has grown and expanded its operations worldwide. In early 1999, the Company acquired control of PetroFina S.A. (hereafter referred to as "PetroFina" or "Fina") and, in early 2000, the Company acquired control of Elf Aquitaine S.A. (hereafter referred to as "Elf Aquitaine" or "Elf").

The Company's corporate name is TOTAL S.A. Its registered office is 2, place Jean Millier, La Défense 6, 92400 Courbevoie, France. Its telephone number is +33 (0)1 47 44 45 46.

TOTAL S.A. is registered in France at the Nanterre Trade Register under the registration number 542 051 180. The length of the life of the Company is 99 years from March 22, 2000, unless it is dissolved or extended prior to such date.

BUSINESS OVERVIEW

TOTAL's worldwide operations in 2013 were conducted through three business segments: Upstream, Refining & Chemicals and Marketing & Services. The table below gives information on the geographic breakdown of TOTAL's activities and is taken from Note 5 to the Consolidated Financial Statements included elsewhere herein.

(M€)	France	Rest of Europe	North America	Africa	Rest of world	Total
2013						
Non-Group sales[a]	43,412	96,876	16,815	17,428	15,011	**189,542**
Property, plant and equipment, intangible assets, net	4,533	19,463	14,204	27,444	23,456	**89,100**
Capital expenditures	1,335	4,736	3,130	8,060	8,661	**25,922**
2012						
Non-Group sales[a]	45,981	103,862	17,648	17,921	14,649	**200,061**
Property, plant and equipment, intangible assets, net	4,560	17,697	15,220	24,999	19,714	**82,190**
Capital expenditures	1,589	4,406	3,148	7,274	6,526	**22,943**
2011						
Non-Group sales[a]	42,626	81,453	15,917	15,077	29,620	**184,693**
Property, plant and equipment, intangible assets, net	5,637	15,576	14,518	23,546	17,593	**76,870**
Capital expenditures	1,530	3,802	5,245	5,264	8,700	**24,541**

(a) *Non-Group sales from continuing operations.*

(1) *Based on market capitalization (in dollars) as of December 31, 2013.*