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The table below shows the high and low dollar/euro exchange rates for the four months ended December 31, 2016, and for the first months of 2017, based on the daily ECB reference exchange rates published during the relevant month expressed in dollars per €1.00.

Dollar/euro exchange rates for the periods provided	High	Low
September 2016	1.1296	1.1146
October 2016	1.1236	1.0872
November 2016	1.1095	1.0548
December 2016	1.0762	1.0364
January 2017	1.0755	1.0385
February 2017	1.0808	1.0513
March 2017(a)	1.0663	1.0514

(a) Through March 14, 2017.

The ECB reference exchange rate on March 14, 2017 for the dollar against the euro was \$1.0631/€.

## 3. 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, including changes in such conditions. Point 1 ("Risk factors") of chapter 4 of the 2016 Registration Document (starting on [page 62](#)) is incorporated herein by reference.

For additional information on these conditions, along with TOTAL's approaches to managing certain of these risks, please refer to "[Item 5. Operating and Financial Review and Prospects](#)" and "[Item 11. Quantitative and Qualitative Disclosures About Market Risk](#)", as well as point 4 ("Internal control and risk management procedures") of chapter 4 of the 2016 Registration Document (starting on [page 76](#)), which is incorporated herein by reference.

## ITEM 4. INFORMATION ON THE COMPANY

The following information concerning the Group's history and development from the 2016 Registration Document is incorporated herein by reference:

- history and development (point 1.1 of chapter 2, on [page 6](#));
- Group organization fully effective since January 1, 2017 (point 1.3 of chapter 2, on [page 7](#)); and
- information concerning the Group's principal capital expenditures and divestitures (point 3 of chapter 2, starting on [page 42](#)). See also "[Item 5. – 2. Results 2014-2016](#)" and "[Item 5. – 3. Liquidity and capital resources](#)".

The following information providing an overview of the Group's businesses and activities from the 2016 Registration Document is incorporated herein by reference:

- TOTAL's strategy (point 1.2 of chapter 2, on [page 6](#));
- business overview for fiscal year 2016 (point 2 of chapter 2, starting on [page 8](#)); and
- geographical breakdown of the Group's sales, property, plants and equipment, intangible assets and capital expenditures over the past three years (Note 4 to the Consolidated Financial Statements, on [page 227](#)).

The following other matters from the 2016 Registration Document are incorporated herein by reference:

- property, plant and equipment (point 5 of chapter 2, on [page 48](#));
- organizational structure (points 6 and 7 of chapter 2, starting on [page 49](#));
- discussion of the Group's investments (point 3 of chapter 2, starting on [page 42](#));
- insurance and risk management (point 3 of chapter 4, starting on [page 75](#));
- social, environmental and societal information (introduction and points 1.2 to 4 of chapter 7, starting on [page 144](#));
- factors likely to have an impact in the event of a public offering (point 4.5 of chapter 8, starting on [page 190](#)); and
- information on investor relations (point 6 of chapter 8, starting on [page 192](#)).

## ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

## ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

*This section is the Company's analysis of its financial performance and of significant trends that may affect its future performance. It should be read in conjunction with the Consolidated Financial Statements and the Notes thereto in the 2016 Registration Document (starting on [page 205](#)), which are incorporated herein by reference. The Consolidated Financial Statements and the Notes thereto are prepared in accordance with IFRS as issued by the IASB and IFRS as adopted by the EU.*

*This section contains forward-looking statements that are subject to risks and uncertainties. For a list of important factors that could cause actual results to differ materially from those expressed in the forward-looking statements, see "Cautionary Statement Concerning Forward-Looking Statements" starting on [page i](#).*

*For an overview of TOTAL's critical accounting policies, including policies involving management's judgment and estimates, refer to the Introduction to the Notes to the Consolidated Financial Statements in the 2016 Registration Document (starting on [page 212](#)), which is incorporated herein by reference.*

## 1. Overview

TOTAL's results are affected by a variety of factors, including changes in crude oil and natural gas prices as well as refining and marketing margins, which are all generally expressed in dollars, and changes in exchange rates, particularly the value of the euro compared to the dollar. Lower crude oil and natural gas prices generally have a negative effect on the income of TOTAL, since its Upstream oil and gas business is negatively impacted by the resulting decrease in revenues realized from production. Higher crude oil and natural gas prices generally have a corresponding positive effect. The effect of changes in crude oil prices on TOTAL's Refining & Chemicals and Marketing & Services activities depends upon the speed at which the prices of refined petroleum products adjust to reflect such changes. TOTAL's results are also significantly affected by the costs of its activities, in particular those related to exploration and production, and by the outcome of its strategic decisions with respect to cost reduction efforts. In addition, TOTAL's results are affected by general economic and political conditions and changes in governmental laws and regulations, as well as by the impact of decisions by OPEC on production levels. For more information, see "[Item 3. – 3. Risk Factors](#)" and "[Item 4. – Other Matters](#)".