

TOTAL S.A.
Form 20-F
March 20, 2019

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12 (b) OR 12 (g) OF THE SECURITIES EXCHANGE ACT

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2018

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 19

Date of event requiring this shell company report

Commission file number: 1-10888

TOTAL SA.

Edgar Filing: TOTAL S.A. - Form 20-F

(Exact Name of Registrant as Specified in Its Charter)

Republic of France

(Jurisdiction of Incorporation or Organization)

2, place Jean Millier

La Défense 6

92400 Courbevoie

France

(Address of Principal Executive Offices)

Patrick de La Chevardière

Chief Financial Officer

TOTAL S.A.

2, place Jean Millier

La Défense 6

92400 Courbevoie

France

Tel: +33 (0)1 47 44 45 46

Fax: +33 (0)1 47 44 49 44

(Name, Telephone, Email and/or Facsimile Number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class

Name of each exchange on which registered

Shares

American Depositary Shares

New York Stock Exchange*

New York Stock Exchange

Edgar Filing: TOTAL S.A. - Form 20-F

* Not for trading, but only in connection with the registration of American Depositary Shares, pursuant to the requirements of the Securities Act. Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the report.

2,640,602,007 Shares, par value €2.50 each, as of December 31, 2018

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has complied with all filing requirements applicable to it during the preceding 12 months (or for such shorter period that the registrant was required to file such reports).

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, all reports required to be filed by Section 13 or 15(d) of the Act.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer.

Large accelerated filer
Accelerated filer
Non-accelerated filer

Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark whether the registrant is also a "small business" as defined in Rule 12b-2 of the Securities Act.

*** The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this report: International Accounting Standards Board Accounting Standards Board Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement itemization standard has been used.

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Act).

TABLE OF CONTENTS

BASIS OF PRESENTATION

i

STATEMENTS REGARDING COMPETITIVE POSITION

i

ADDITIONAL INFORMATION

i

CERTAIN TERMS, ABBREVIATIONS AND CONVERSION TABLE

i

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

i

ITEM 1.

Identity of directors, senior management and advisers

1

ITEM 2.

Offer statistics and expected timetable

1

ITEM 3.

Key information

1

ITEM 4.

Information on the company

2

ITEM 4A.

Unresolved staff comments

2

ITEM 5.

Operating and financial review and prospects

2

ITEM 6.

Directors, senior management and employees

Edgar Filing: TOTAL S.A. - Form 20-F

15

ITEM 7.

Major shareholders and related party transactions

15

ITEM 8.

Financial information

15

ITEM 9.

The offer and listing

15

ITEM 10.

Additional information

16

ITEM 11.

Quantitative and qualitative disclosures about market risk

20

ITEM 12.

Description of securities other than equity securities

21

ITEM 13.

Defaults, dividend arrearages and delinquencies

21

ITEM 14.

Material modifications to the rights of security holders and use of proceeds

21

ITEM 15.

Controls and procedures

21

ITEM 16A.

Audit Committee financial expert

22

ITEM 16B.

Code of ethics

22

ITEM 16C.

Principal accountant fees and services

22

Edgar Filing: TOTAL S.A. - Form 20-F

ITEM 16D.

Exemptions from the listing standards for audit committees
23

ITEM 16E.

Purchases of equity securities by the issuer and affiliated purchasers
23

ITEM 16F.

Change in registrant's certifying accountant
23

ITEM 16G.

Corporate governance
23

ITEM 16H.

Mine safety disclosure
26

ITEM 17.

Financial statements
26

ITEM 18.

Financial statements
26

ITEM 19.

Exhibits
29

Basis of presentation

References in this annual report on Form 20-F to pages and sections of the 2018 Registration Document are references to TOTAL's Consolidated Financial Statements, which start on page 249 of the 2018 Registration Document and are incorporated by reference. In addition, this annual report on Form 20-F and the 2018 Registration Document contain certain measures that are not included in the Consolidated Financial Statements regarding competitive position.

Unless otherwise indicated, statements made in "Item 4. Information on the company" referring to TOTAL's competitive position are based on information available to the company at the time of preparation of this annual report on Form 20-F. Additional information is provided in the "Item 4. Information on the company" section of this annual report on Form 20-F.

This annual report on Form 20-F reports information primarily regarding TOTAL's business, operations and financial performance. No material on the TOTAL website forms any part of this annual report on Form 20-F. References in this annual report on Form 20-F to the TOTAL website are for information only and do not constitute an offer. Certain terms, abbreviations and conversion table are provided in the "Item 4. Information on the company" section of this annual report on Form 20-F.

For the meanings of certain terms used in this document, as well as certain abbreviations and a conversion table, refer to the "Item 4. Information on the company" section of this annual report on Form 20-F.

Cautionary statement concerning forward-looking statements

TOTAL has made certain forward-looking statements in this document and in the documents referred to in, or incorporated by reference into, this document.

Forward-looking statements are not assurances of results or values. They involve risks, uncertainties and assumptions.

Various factors, certain of which are discussed elsewhere in this document and in the documents referred to in, or incorporated by reference into, this document, may cause actual results to differ materially from those expressed or implied by the forward-looking statements.

-material adverse changes in general economic conditions or in the markets served by TOTAL, including changes in the demand for oil and natural gas;

-changes in currency exchange rates and currency devaluations;

-the success and the economic efficiency of oil and natural gas exploration, development and production programs, including the timing and the cost of such programs;

-uncertainties about estimates of changes in proven and potential reserves and the capabilities of production facilities;

-uncertainties about the ability to control unit costs in exploration, production, refining and marketing (including refining and marketing costs);

-changes in the current capital expenditure plans of TOTAL;

-the ability of TOTAL to realize anticipated cost savings, synergies and operating efficiencies;

-the financial resources of competitors;

-changes in laws and regulations, including tax and environmental laws and industrial safety regulations;

-the quality of future opportunities that may be presented to or pursued by TOTAL;

[Back to ContentsForm 20-F 2018 TOTAL i](#)

-the ability to generate cash flow or obtain financing to fund growth and the cost of such financing and liquidity conditions;

-the ability to obtain governmental or regulatory approvals;

-the ability to respond to challenges in international markets, including political or economic conditions (including nationalization and expropriation);

-the ability to complete and integrate appropriate acquisitions, strategic alliances and joint ventures;

-changes in the political environment that adversely affect exploration, production licenses and contractual rights or interests;

-the possibility that other unpredictable events such as labor disputes or industrial accidents will adversely affect the business;

-the risk that TOTAL will inadequately hedge the price of crude oil or finished products.

For additional factors, please refer to "Item 3. - 3.2 Risk factors", "Item 5. Operating and financial review and prospectus information" and "Item 19. Information on the issuer."

[Back to ContentsForm 20-F 2018 TOTAL ii](#)

ITEM 1. Identity of directors, senior management and advisers

Not applicable.

ITEM 2. Offer statistics and expected timetable

Not applicable.

ITEM 3. Key information

3.1 Selected financial data

The following table presents selected consolidated financial data for TOTAL on the basis of IFRS as issued by the IASB.

(M\$, except share and per share data)

2018

2017

2016

2015

2014

INCOME STATEMENT DATA

Revenues from sales

184,106

149,099

127,925

143,421

212,018

Net income, Group share

11,446

8,631

6,196

5,087

4,244

Earnings per share (\$)

\$4.27

\$3.36

\$2.52

\$2.17

\$1.87

Fully diluted earnings per share (\$)

\$4.24

\$3.34

\$2.51

\$2.16

\$1.86

CASH FLOW STATEMENT DATA

Cash flow from operating activities

24,703

22,319

16,521

19,946

25,608

Total expenditures

22,185

16,896

20,530

28,033

30,509

BALANCE SHEET DATA

Total assets

256,762

242,631

230,978

224,484

229,798

Non-current financial debt

40,129

41,340

43,067

44,464

45,481

Non-controlling interests

2,474

2,481

2,894

2,915

3,201

Shareholders' equity - Group share

115,640

111,556

98,680

92,494

90,330

- Common shares

8,227

7,882

7,604

7,670

7,518

DIVIDENDS

Dividend per share (€)

€2.56 (a)

€2.48

€2.45

€2.44

€2.44

Dividend per share (\$)

\$2.94 (a) (b)

\$2.96

\$2.61

\$2.67

\$2.93

COMMON SHARES (c)

Average number outstanding of common shares €2.50 par value (shares undiluted)

2,607,456,934

2,481,802,636

2,379,182,155

2,295,037,940

2,272,859,512

Average number outstanding of common shares €2.50 par value (shares diluted)

2,623,716,444

2,494,756,413

2,389,713,936

2,304,435,542

2,281,004,151

(a) Subject to approval by the shareholders' meeting on May 29, 2019.

(b) Estimated dividend in dollars includes the first quarterly interim ADR dividend of \$0.74 paid in October 2018 and

(c) The number of common shares shown has been used to calculate per share amounts.

Back to ContentsForm 20-F 2018 TOTAL 1

3.2 Risk factors

The Group and its businesses are subject to various risks relating to changing competitive, economic, political, legal, social and environmental conditions. For additional information on these conditions, along with TOTAL's approaches to managing certain of these risks, please refer to

ITEM 4. Information on the company

The following information providing an integrated overview of the Group from the 2018 Registration Document is incorporated herein by reference:

-presentation of the Group and its governance (point 1.1 of chapter 1, starting on page 4);

-the Group's collective ambition and strategy (point 1.2 of chapter 1, on page 9);

-history, employees, integrated business model and geographic presence (point 1.3 of chapter 1, starting on page 10);

-an overview of the Group's R&D, investment policy and sustainable development initiatives (point 1.5 of chapter 1, on page 15);

-organizational structure (point 1.6 of chapter 1, starting on page 26).

The following information providing an overview of the Group's businesses and activities from the 2018 Registration Document is incorporated herein by reference:

-business overview for fiscal year 2018 (points 2.1 to 2.4 of chapter 2, starting on page 32);

-information concerning the Group's principal capital expenditures and divestitures (point 2.5 of chapter 2, starting on page 35);

-geographical breakdown of the Group's sales, property, plants and equipment, intangible assets and capital expenditures (point 2.6 of chapter 2, starting on page 36);

The following other information from the 2018 Registration Document is incorporated herein by reference:

-insurance policy (point 3.4 of chapter 3, starting on page 92);

-non-financial performance (points 5.1 to 5.11 of chapter 5, starting on page 179); and

-investor relations (point 6.6 of chapter 6, starting on page 239).

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.

This section contains forward-looking statements that are subject to risks and uncertainties. For a list of important factors that could affect our performance, see the section titled "Risk Factors" in our 2018 Annual Report.

Critical accounting policies and standards applicable in the future

For an overview of TOTAL's critical accounting policies, including policies involving management's judgment and estimates, see the section titled "Critical Accounting Policies" in our 2018 Annual Report.

5.1 Overview

TOTAL's results are affected by a variety of factors, including changes in crude oil and natural gas prices as well as refining margins.

[Back to ContentsForm 20-F 2018 TOTAL 2](#)

TOTAL's results are affected by general economic and political conditions and changes in governmental laws and regulations.

Benefiting from the rise of oil prices to \$71/b on average in 2018 compared to \$54/b in 2017, while remaining volatile, the Group achieved excellent results.

These excellent results reflect the strong growth of more than 8% for the Group's hydrocarbon production, which reached 1.5 billion barrels of oil equivalent in 2018.

TOTAL's net income (Group share) in 2018 increased by 33% to \$11,446 million in 2018 compared to \$8,631 million in 2017.

In addition, the Group maintained its financial discipline. Net investments (1) were \$15.6 billion in 2018, in line with its strategy.

The Group is continuing to expand along the value chain of integrated gas and low-carbon electricity. With its acquisition of the 50% stake in the Kaohsiung Refinery, the Group is strengthening its position in the Asian market.

In an environment of lower European refining margins, the Downstream relied on the availability of its units and the diversification of its product portfolio.

Conforming to the shareholder return policy announced in February 2018, the Group increased the 2018 dividend by 3%.

Outlook

Since the start of 2019, Brent has traded around \$60/b in a context of oil supply and demand near the record-high level.

The Group has clear visibility on its 2019 cash flow, supported by the strong contribution of project start-ups in 2018 and 2019.

The Group maintains financial discipline to reduce its breakeven to remain profitable across a broader range of environmental conditions.

In Exploration & Production, production is expected to grow by more than 9% in 2019, thanks to the ramp-ups of Kaohsiung and other projects.

The Group is pursuing its strategy for profitable growth along the integrated gas and low-carbon electricity chains. Efficiency remains a key objective.

Affected by an abundance of available products, European refining margins have been very volatile since the start of 2019.

In this context, the Group is continuing to implement its shareholder return policy announced in February 2018, by increasing the dividend.

(1) Net investments = gross investments - divestments - repayment of non-current loans - other operations with non-current assets

(2) DACF= debt adjusted cash flow, is defined as cash flow from operating activities before changes in working capital

(3) "Gearing" refers to the net-debt-to-capital-ratio. "Net-debt-to-capital-ratio"= net debt/ (net debt + shareholders' equity)

[Back to ContentsForm 20-F 2018 TOTAL 3](#)

5.2 Group results 2016-2018

As of and for the year ended December 31, (M\$, except per share data)

2018

2017

2016

Non-Group sales

209,363

171,493

149,743

Adjusted net operating income from business segments (a)

- Exploration & Production	
	10,210
	5,985
	3,217
- Gas, Renewables & Power	
	756
	485
	439
- Refining & Chemicals	
	3,379
	3,790
	4,195
- Marketing & Services	
	1,652
	1,676
	1,559
Net income (loss) from equity affiliates	
	3,170
	2,015
	2,214
Fully-diluted earnings per share (\$)	
	4.24
	3.34
	2.51
Fully-diluted weighted-average shares (millions)	
	2,624
	2,495
	2,390
Net income (Group share)	
	11,446
	8,631
	6,196
Gross investments (b)	
	22,185
	16,896
	20,530
Divestments (c)	
	7,239
	5,264
	2,877
Net investments (d)	
	15,568
	11,636

17,757

Organic investments (e)

12,426

14,395

17,484

Resource acquisitions (f)

4,493

714

780

Cash flow from operating activities

24,703

22,319

16,521

Of which:

.

- (increase)/decrease in working capital (g)

769

827

(1,119)

- financial charges

(1,538)

(1,048)

(593)

(a) Adjusted results are defined as income using replacement cost, adjusted for special items, excluding the impact of

(b) Including acquisitions and increases in non-current loans. For additional information on investments, refer to point

(c) Including divestments and reimbursements of non-current loans.

(d) "Net investments" = gross investments - divestments - repayment of non-current loans - other operations with non-

(e) "Organic investments" = net investments, excluding acquisitions, divestments and other operations with non-control

(f) "Resource acquisitions" = acquisition of a participating interest in an oil and gas mining property by way of an assign

(g) The change in working capital as determined using the replacement cost method was \$174 million in 2018, \$1,184 million in 2017 and \$1,184 million in 2018 vs. 2017

The Brent price rose to \$71/b on average in 2018 from \$54/b in 2017, while remaining volatile. In 2018, TOTAL's average

The euro-dollar exchange rate averaged \$1.1810/€ in 2018, compared to \$1.1297/€ in 2017.

Non-Group sales were \$209,363 million in 2018 compared to \$171,493 million in 2017, an increase of 22% reflecting

Net income (Group share) in 2018 increased by 33% to \$11,446 million in 2018 compared to \$8,631 million in 2017, net

Income taxes in 2018 amounted to \$6,516 million, 2.2 times higher than \$3,029 million in 2017, due to the relative weight

(1) Consolidated subsidiaries, excluding fixed margins.

(2) Consolidated subsidiaries, excluding fixed margins.

(3) The ERMI is a Group indicator intended to represent the margin after variable costs for a hypothetical complex ref

(4) As of December 31, 2018, TOTAL held an interest of 55.66% in SunPower, an American company listed on NASDAQ

Back to ContentsForm 20-F 2018 TOTAL 4

In 2018, the Company bought back 72,766,481 TOTAL shares on the market, i.e., 2.76% of the Company's outstanding

Fully-diluted earnings per share was \$4.24 in 2018 compared to \$3.34 in 2017, an increase of 27%.

Asset sales completed were \$5,172 million for the full-year 2018, comprised mainly of the sale of a 4% interest in the I

Acquisitions completed were \$8,314 million for the full-year in 2018, including \$4,493 million in resource acquisitions

The Group's cash flow from operating activities for the full-year 2018 was \$24,703 million, an increase of 11% compa

See also "- 5.4 Liquidity and Capital Resources", below.

2017 vs. 2016

The Brent price rose to \$54/b on average in 2017 from \$44/b in 2016 while remaining volatile. In 2017, TOTAL's aver

The euro-dollar exchange rate averaged \$1.13/€ in 2017 compared to \$1.11/€ in 2016.

In this overall more favorable environment, non-Group sales in 2017 were \$171,493 million compared to \$149,743 mil

Net income (Group share) in 2017 increased by 39% to \$8,631 million from \$6,196 million in 2016, mainly due to high

Income taxes in 2017 amounted to \$3,029 million, 3.1 times higher than \$970 million in 2016, due to the relative weigh

In 2017, the Company did not buy back any of its shares. In 2016, the Company bought back 100,331,268 TOTAL trea

Fully-diluted earnings per share was \$3.34 in 2017 compared to \$2.51 in 2016, an increase of 33%.

Asset sales completed in 2017 were \$4,239 million, essentially comprised of the sale of Atotech, mature assets in Gabo

Acquisitions completed in 2017 were \$1,476 million, including \$714 million of resource acquisitions, mainly compris

In addition, in early 2018, the Group finalized the acquisition of assets in Brazil from Petrobras for \$1.95 billion as wel

(1) "Net cash flow"= cash flow from operating activities before working capital changes at replacement costs - net inv

Back to ContentsForm 20-F 2018 TOTAL 5

The Group's cash flow from operating activities for the full-year 2017 was \$22,319 million, an increase of 35% compa

See also "- 5.4 Liquidity and Capital Resources", below.

5.3 Business segment reporting

The financial information for each business segment is reported on the same basis as that used internally by the chief o

In accordance with IAS 2, the Group values inventories of petroleum products in its financial statements according to t

The effect of changes in fair value presented as an adjustment item reflects, for trading inventories and storage contract

The adjusted business segment results (adjusted operating income and adjusted net operating income) are defined as re

The Group measures performance at the segment level on the basis of adjusted net operating income. Net operating inc

As of January 1, 2018, the reporting of the cash flow from operations at the segment level changed due to the transfer o

(1) "ROACE" = ratio of adjusted net operating income to average capital employed at replacement cost between the b

Back to ContentsForm 20-F 2018 TOTAL 6

5.3.1 Exploration & Production segment

Environment - liquids and gas price realizations (a)

2018

2017

2016

Brent (\$/b)

71.3

54.2

43.7

Average liquids price (\$/b)

64.2

50.2

40.3

Average gas price (\$/Mbtu)

4.78

4.08

3.56

Average hydrocarbons price (\$/boe)

51.0

38.7

31.9

(a) Consolidated subsidiaries, excluding fixed margins.

Hydrocarbon production

2018

2017

2016

Combined production (kboe/d)

2,775

2,566

2,452

Oil (including bitumen) (kb/d)

1,378

1,167

1,088

Gas (including Condensates and associated LPG) (kboe/d)

1,397

1,399

1,364

Hydrocarbon production

2018

2017

2016

Combined production (kboe/d)

2,775

2,566

2,452

Liquids (kb/d)

1,566

1,346

1,271

Gas (Mcf/d)

6,599

6,662

6,447

Results (M\$)

2018

2017

2016

Non-Group sales

10,989

8,477

7,629

Operating income (a)

12,570

2,792

(431)

Net income (loss) from equity affiliates and other items

2,686

1,546

1,375

Effective tax rate (b)

46.5%

41.2%

27.7%

Tax on net operating income

(6,068)

(2,233)

401

Net operating income (a)

9,188

2,105

1,345

Adjustments affecting net operating income

1,022

3,880

1,872

Adjusted net operating income (c)

10,210

5,985

3,217

- of which income from equity affiliates

2,341

1,542

1,363

Gross investments (d)

15,282

12,802

16,085

Divestments (e)

4,952

1,918

2,187

Organic investments (f)

9,186

11,310

14,464

ROACE

9%

6%

3%

(a) For the definitions of "operating income" and "net operating income", refer to Note 3 to the Consolidated Financial

(b) "Effective tax rate" = tax on adjusted net operating income/(adjusted net operating income - income from equity af

(c) Adjusted for special items. See Note 3 to the Consolidated Financial Statements in the 2018 Registration Document

(d) Including acquisitions and increases in non-current loans. For additional information on investments, refer to point

(e) Including divestments and reimbursements of non-current loans.

(f) "Organic investments" = net investments, excluding acquisitions, divestments and other operations with non-control

2018 vs. 2017

In 2018, market conditions were more favorable than in 2017. The average realized price of liquids increased by 28% a

For the full-year 2018, hydrocarbon production was 2,775 kboe/d, an increase of more than 8% compared to 2,566 in 2

+9% for start-ups and ramp-ups on new projects, notably Yamal LNG, Moho Nord, Fort Hills, Kashagan, Kaombo No

+3% portfolio effect. The addition of Maersk Oil, Al Shaheen in Qatar, Waha in Libya, Lapa and Iara in Brazil as wel

--4% for natural field declines and PSC price effect (1).

(1) The "PSC price effect" refers to the impact of changing hydrocarbon prices on entitlement volumes from productio

Back to ContentsForm 20-F 2018 TOTAL 7

For a discussion of the Group's proved reserves, refer to point 2.1.3 ("Reserves") of chapter 2 of the 2018 Registration

Non-Group sales for the Exploration & Production segment in 2018 were \$10,989 million compared to \$8,477 million

The segment's adjusted net operating income was \$10,210 million in 2018, an increase of 71% compared to \$5,985 mi

The effective tax rate increased from 41.2% in 2017 to 46.5% in 2018, in line with the increase in oil prices.

Adjusted net operating income for the Exploration & Production segment excludes special items. In 2018, the exclusio

Technical costs (1) for consolidated affiliates, calculated in accordance with ASC 932 (2), continued decreasing to \$18

The segment's cash flow from operating activities excluding financial charges for the full-year 2018 was \$19,803 milli

For information on the segment's capital expenditures, refer to points 2.1.2 ("Exploration and development") (on page

In this context, the segment's ROACE for the full-year 2018 was 9% compared to 6% for the full-year 2017.

2017 vs. 2016

In 2017, market conditions were more favorable than in 2016. The average realized price of liquids increased by 25% a

For the full-year 2017, hydrocarbon production was 2,566 thousand barrels of oil equivalent per day (kboe/d), an incre

+5% due to new start-ups and ramp-ups, notably Moho Nord, Kashagan, Edradour and Glenlivet, and Angola LNG;

+2% portfolio effect, mainly due to taking over the giant Al Shaheen oil field concession in Qatar and acquiring an ad

+1% related to improved security conditions in Libya and Nigeria; and

--3% due to natural field decline, the PSC price effect and OPEC quotas.

Non-Group sales for the Exploration & Production segment in 2017 were \$8,477 million compared to \$7,629 million in

The segment's adjusted net operating income was \$5,985 million in 2017, an increase of 86% compared to \$3,217 mill

The effective tax rate increased from 27.7% in 2016 to 41.2% in 2017, in line with the rise in hydrocarbon prices. Adjusted net operating income for the Exploration & Production segment excludes special items. The exclusion of special items includes technical costs for consolidated affiliates, calculated in accordance with ASC 932 continued to fall, to \$19.5/boe in 2017. The segment's cash flow from operating activities excluding financial charges for the full-year 2017 was \$12,821 million. In this context, the segment's ROACE for the full-year 2017 was 6% compared to 3% for the full-year 2016.

- (1) "Technical costs" = (Production costs ASC932 + exploration charges + depreciation, depletion and amortization and other items)
 (2) Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 932, Extractive industries

Back to ContentsForm 20-F 2018 TOTAL 8

5.3.2 Gas, Renewables & Power segment

Results (M\$)

2018

2017

2016

Non-Group sales

16,136

12,854

10,124

Operating income (a)

(140)

(276)

(161)

Net income (loss) from equity affiliates and other items

318

31

71

Tax on net operating income

(173)

(140)

(4)

Net operating income (a)

5

(385)

(94)

Adjustments affecting net operating income

751

870

533

Adjusted net operating income (b)

756

485

439

Gross investments (c)

3,539

797

1,221

Divestments (d)

931

73

166

Organic investments (e)

511

353

270

ROACE

11%

10%

9%

(a) For the definitions of "operating income" and "net operating income", refer to Note 3 to the Consolidated Financial

(b) Adjusted for special items. See Note 3 to the Consolidated Financial Statements in the 2018 Registration Document

(c) Including acquisitions and increases in non-current loans. For additional information on investments, refer to point

(d) Including divestments and reimbursements of non-current loans.

(e) "Organic investments" = net investments, excluding acquisitions, divestments and other operations with non-control

2018 vs. 2017

Non-Group sales for the Gas, Renewables & Power segment in 2018 were \$16,136 million compared to \$12,854 million

The segment's adjusted net operating income was \$756 million in 2018, 1.6 times higher than \$485 million in 2017, no

Adjusted net operating income for the Gas, Renewables & Power segment excludes special items. The exclusion of spe

The segment's cash flow from operating activities excluding financial charges for the full-year 2018 was \$(670) million

For information on the segment's investments, refer to point 2.5 of chapter 2 of the 2018 Registration Document (starti

In this context, the segment's ROACE for the full-year 2018 was 11% compared to 10% for the full year 2017.

2017 vs. 2016

Non-Group sales for the Gas, Renewables & Power segment in 2017 were \$12,854 million compared to \$10,124 million

The segment's adjusted net operating income was \$485 million in 2017, an increase of 10% compared to \$439 million

Adjusted net operating income for the Gas, Renewables & Power segment excludes special items. The exclusion of spe

The segment's cash flow from operating activities excluding financial charges for the full-year 2017 was \$1,055 million

In this context, the segment's ROACE for the full-year 2017 was 10% compared to 9% for the full year 2016.

(1) At December 31, 2017, TOTAL held an interest of 56.26% in SunPower, an American company listed on NASDAQ

Back to ContentsForm 20-F 2018 TOTAL 9

5.3.3 Refining & Chemicals segment

Refinery throughput and utilization rates (a)

2018

2017

2016

Total refinery throughput (kb/d)

1,852

1,827

1,965

- France

610

624

669

- Rest of Europe

755

767

802

- Rest of World

487

436

494

Utilization rates based on crude only (b)

88%

88%

85%

(a) Includes share of TotalErg, and African refineries reported in the Marketing & Services segment.

(b) Based on distillation capacity at the beginning of the year.

Results (M\$, except ERMI)

2018

2017

2016

European refining margin indicator ("ERMI") (\$/t)

32.3

40.9

34.1

Non-Group sales

92,025

75,505

65,632

Operating income (a)

2,513

4,170

4,991

Equity in income (loss) of affiliates and other items

782

2,979

779

Tax on net operating income

(445)

(944)

(1,244)

Net operating income (a)

2,850

6,205
4,526
Adjustments affecting net operating income
529
(2,415)
(331)
Adjusted net operating income (b)
3,379
3,790
4,195
Gross investments (c)
1,781
1,734
1,861
Divestments (d)
919
2,820
88
Organic investments (e)
1,604
1,625
1,642
ROACE
31%
33%
38%

(a) For the definitions of "operating income" and "net operating income", refer to Note 3 to the Consolidated Financial

(b) Adjusted for special items. See Note 3 to the Consolidated Financial Statements in the 2018 Registration Document

(c) Including acquisitions and increases in non-current loans. For additional information on investments, refer to point

(d) Including divestments and reimbursements of non-current loans.

(e) "Organic investments" = net investments, excluding acquisitions, divestments and other operations with non-control

2018 vs. 2017

Refinery throughput was stable in full-year 2018 compared to full-year 2017. Lower throughput in Europe linked to pla

Non-Group sales for the Refining & Chemicals segment in 2018 were \$92,025 million compared to \$75,505 million in

The segment's adjusted net operating income was resilient at \$3,379 million for the full-year 2018, a decrease of 11% c

Adjusted net operating income for the Refining & Chemicals segment excludes any after-tax inventory valuation effect

The segment's cash flow from operating activities excluding financial charges for the full-year 2018 was \$4,308 millio

For information on the segment's investments, refer to point 2.5 of chapter 2 of the 2018 Registration Document (starti

In this context, the segment's ROACE for the full-year 2018 was 31% compared to 33% for the full year 2017.

2017 vs. 2016

Refinery throughput decreased by 7% for the full-year 2017 compared to 2016 as a result of the definitive ending of di

Non-Group sales for the Refining & Chemicals segment in 2017 were \$75,505 million compared to \$65,632 million in

Back to ContentsForm 20-F 2018 TOTAL 10

The segment's adjusted net operating income was \$3,790 million for the full-year 2017, a decrease of 10% compared to

Adjusted net operating income for the Refining & Chemicals segment excludes any after-tax inventory valuation effect. The segment's cash flow from operating activities excluding financial charges for the full-year 2017 was \$7,411 million. In this context, the segment's ROACE for the full-year 2017 was 33% compared to 38% for the full year 2016.

5.3.4 Marketing & Services segment

Petroleum product sales (a) (kb/d)

2018

2017

2016

Total Marketing & Services sales

1,801

1,779

1,793

- Europe

1,001

1,049

1,093

- Rest of world

800

730

700

(a) Excludes trading and bulk Refining sales, which are reported under the Refining & Chemicals segment; includes sales

Results (M\$)

2018

2017

2016

Non-Group sales

90,206

74,634

66,351

Operating income (a)

1,841

1,819

1,789

Equity in income (loss) of affiliates and other items

307

497

170

Tax on net operating income

(532)

(561)

(541)

Net operating income (a)

1,616

1,755

1,418

Adjustments affecting net operating income

36

(79)

141

Adjusted net operating income (b)

1,652

1,676

1,559

Gross investments (c)

1,458

1,457

1,245

Divestments (d)

428

413

424

Organic investments (e)

1,010

1,019

1,003

ROACE

25%

26%

27%

(a) For the definitions of "operating income" and "net operating income", refer to Note 3 to the Consolidated Financial

(b) Adjusted for special items. See Note 3 to the Consolidated Financial Statements in the 2018 Registration Document

(c) Including acquisitions and increases in non-current loans. For additional information on investments, refer to point

(d) Including divestments and reimbursements of non-current loans.

(e) "Organic investments" = net investments, excluding acquisitions, divestments and other operations with non-control

2018 vs. 2017

In 2018, petroleum product sales increased by 1% compared to 2017. The sale of TotalErg in Italy was offset by higher

Non-Group sales for the Marketing & Services segment in 2018 were \$90,206 million compared to \$74,634 million in

The segment's adjusted net operating income was stable in 2018 at \$1,652 million, a decrease of 1% compared to \$1,6

Adjusted net operating income for the Marketing & Services segment excludes any after-tax inventory valuation effect

The segment's cash flow from operating activities excluding financial charges for the full-year 2018 was \$2,759 millio

For information on the Marketing & Services segment's investments, refer to point 2.5 of chapter 2 of the 2018 Registr

In this context, the segment's ROACE for the full-year 2018 was 25% compared to 26% for the full year 2017.

(1) "Backwardation" is the price structure where the prompt price of an index is higher than the future price.

Back to ContentsForm 20-F 2018 TOTAL 11

2017 vs. 2016

In 2017, petroleum product sales were generally stable compared to the previous year, with a move toward Africa and

Non-Group sales for the Marketing & Services segment in 2017 were \$74,634 million compared to \$66,351 million in

The Marketing & Services segment's results continue to grow in a context of strong retail margins, notably in Africa. T

Edgar Filing: TOTAL S.A. - Form 20-F

Adjusted net operating income for the Marketing & Services segment excludes any after-tax inventory valuation effect. The segment's cash flow from operating activities excluding financial charges for the full-year 2017 was \$2,221 million. In this context, the segment's ROACE for the full-year 2017 was 26% compared to 27% for the full year 2016.

5.4 Liquidity and capital resources

(M\$)

2018

2017

2016

Cash flow from operating activities

24,703

22,319

16,521

Including (increase) decrease in working capital

769

827

(1,119)

Cash flow used in investing activities

(14,946)

(11,632)

(17,653)

Total expenditures

(22,185)

(16,896)

(20,530)

Total divestments

7,239

5,264

2,877

Cash flow from financing activities

(13,925)

(5,540)

3,532

Net increase (decrease) in cash and cash equivalents

(4,168)

5,147

2,400

Effect of exchange rates

(1,110)

3,441

(1,072)

Cash and cash equivalents at the beginning of the period

33,185

24,597

23,269

Cash and cash equivalents at the end of the period

27,907

33,185

24,597

TOTAL's cash requirements for working capital, capital expenditures, acquisitions and dividend payments over the period

5.4.1 Capital expenditures

The largest part of TOTAL's capital expenditures in 2018 of \$22,185 million was made up of additions to intangible assets

For additional information on capital expenditures, refer to the discussion above in "- 5.1 Overview", "- 5.2 Group results

5.4.2 Cash flow

Cash flow from operating activities in 2018 was \$24,703 million compared to \$22,319 million in 2017 and \$16,521 million in 2016

Cash flow used in investing activities in 2018 was \$14,946 million compared to \$11,632 million in 2017 and \$17,653 million in 2016

[Back to ContentsForm 20-F 2018 TOTAL 12](#)

the discussions in "- 5.1 Overview", "- 5.2 Group results 2016-2018" and "- 5.3 Business segment reporting", above, and

Divestments, based on selling price and net of cash sold, in 2018 were \$7,239 million compared to \$5,264 million in 2017 and \$3,264 million in 2016

Cash flow from/(used in) financing activities in 2018 was \$(13,925) million compared to \$(5,540) million in 2017 and \$(1,115) million in 2016

5.4.3 Indebtedness

The Company's non-current financial debt at year-end 2018 was \$40,129 million (1) compared to \$41,340 million at year-end 2017 and \$41,340 million at year-end 2016

Cash and cash equivalents at year-end 2018 were \$27,907 million compared to \$33,185 million at year-end 2017 and \$33,185 million at year-end 2016

On April 25, 2018, Moody's upgraded TOTAL's outlook to positive, with a long term credit rating remaining Aa3.

5.4.4 Shareholders' equity

Shareholders' equity at year-end 2018 was \$118,114 million compared to \$114,037 million at year-end 2017 and \$101,037 million at year-end 2016

In 2018, the Company bought back 72,766,481 TOTAL shares on the market, i.e., 2.76% of the share capital as of December 31, 2018

71,950,977 TOTAL shares were bought back for cancellation, including:

-47,229,037 shares in order to cancel the dilution related to the shares issued for payment (i) of the second and third interim dividends

-24,721,940 shares for \$1.5 billion (2), following the Board's decision to buy back shares of the Company up to an amount of \$1.5 billion

815,504 shares were bought back in order to cover the performance share plans approved by the Board of Directors on December 12, 2018

Finally, the Board of Directors of TOTAL S.A., at a meeting held on December 12, 2018, decided, following the authorization of the shareholders, to buy back

-28,445,840 shares issued, with no discount, in 2018 for payment of the second and third interim dividends, as well as to buy back

-16,144,859 shares bought back pursuant to the shareholder return policy, up to an amount of \$5 billion over the 2018-2020 period

This transaction had no impact on the consolidated financial statements of TOTAL S.A., the number of fully-diluted weighted average shares

In 2017, the Company did not buy back any shares.

As regards fiscal year 2016, following the authorization granted by the Extraordinary Shareholders' Meeting of May 11, 2016, the Company

5.4.5 Net-debt-to-capital

As of December 31, 2018, TOTAL's net-debt-to-capital ratio (3) was 15.5% compared to 11.9% and 21.1% at year-end 2017 and 2016, respectively

As of December 31, 2018, the Company had \$11,515 million of long-term confirmed lines of credit, of which \$11,515 million were unused

(1) Excludes net current and non-current financial debt of \$(15) million as of December 31, 2018, related to assets classified as held for sale

(2) Or €1.2 billion at the average exchange rate for 2018.

(3) For additional information, refer to Note 15.1(E) to the Consolidated Financial Statements in the 2018 Registration Document

[Back to ContentsForm 20-F 2018 TOTAL 13](#)

5.5 Guarantees and other off-balance sheet arrangements

As of December 31, 2018, the guarantees provided by the Company in connection with the financing of the Ichthys LNG project were \$1.2 billion

Guarantees given against borrowings also include the guarantee given by the Company in connection with the financing of the Ichthys LNG project

Edgar Filing: TOTAL S.A. - Form 20-F

As of December 31, 2018, TOTAL S.A. has confirmed guarantees for Total Refining Saudi Arabia SAS shareholders'
As of December 31, 2018, the guarantee given in 2008 by TOTAL S.A. in connection with the financing of the Yemen
As of December 31, 2018, guarantees provided by TOTAL S.A. in connection with the financing of the Bayport Polym
These guarantees and other information on the Company's commitments and contingencies are presented in Note 13 ("
The Group does not currently consider that these guarantees, or any other off-balance sheet arrangements of the Comp

5.6 Contractual obligations

Payment due by period (M\$)

Less than 1 year

1-3 years

3-5 years

More than 5 years

Total

Non-current debt obligations (a)

-

9,156

9,916

18,712

37,784

Current portion of non-current debt obligations (b)

5,027

-

-

-

5,027

Finance lease obligations (c)

213

242

226

1,197

1,878

Asset retirement obligations (d)

844

1,664

1,724

10,054

14,286

Operating lease obligations (c)

1,644

2,249

1,442

3,795

9,130

- Purchase obligations (e)

9,708

14,762

15,890
80,759
121,119
TOTAL
17,436
28,073
29,198
114,517
189,224

- (a) Non-current debt obligations are included in the items "Non-current financial debt" and "Hedging instruments of non-current debt".
 - (b) The current portion of non-current debt is included in the items "Current borrowings", "Current financial assets" and "Current debt".
 - (c) Finance lease obligations and operating lease obligations: the Group leases real estate, retail stations, ships and other assets.
 - (d) The discounted present value of Exploration & Production asset retirement obligations, primarily asset removal costs.
 - (e) Purchase obligations are obligations under contractual agreements to purchase goods or services, including capital expenditures.
- For additional information on the Group's contractual obligations, refer to Note 13 to the Consolidated Financial Statements.

5.7 Research and development

For a discussion of the Group's R&D policies and activities, refer to points 1.5.1 of chapter 1 (on page 23) and 2.6 of chapter 2.

[Back to Contents](#) Form 20-F 2018 TOTAL 14

ITEM 6. Directors, senior management and employees

The following information concerning directors and senior management from the 2018 Registration Document is incorporated herein by reference:
-composition of the Board of Directors (introduction and point 4.1.1 of chapter 4, starting on page 112); and
-information concerning the General Management (point 4.1.5 of chapter 4, starting on page 138).

The following information concerning compensation from the 2018 Registration Document is incorporated herein by reference:
-approach to overall compensation (point 5.3.1.2 of chapter 5, starting on page 182); and
-compensation for the administration and management bodies (point 4.3 of chapter 4, starting on page 145).

The following information concerning Board practices and corporate governance from the 2018 Registration Document is incorporated herein by reference:
-practices of the Board of Directors (point 4.1.2 of chapter 4, starting on page 125);
-report of the Lead Independent Director on her mandate (point 4.1.3 of chapter 4, starting on page 137);
-evaluation of the functioning of the Board of Directors (point 4.1.4 of chapter 4, on page 138); and
-statement regarding corporate governance (point 4.2 of chapter 4, on page 145).

The following information concerning employees and share ownership from the 2018 Registration Document is incorporated herein by reference:
-number and categories of employees (point 5.3.1.1 of chapter 5, starting on page 181);
-shares held by the administration and management bodies (point 4.1.6 of chapter 4, starting on page 143); and
-employee shareholding (point 6.4.2 of chapter 6, on page 237).

ITEM 7. Major shareholders and related party transactions

The following information concerning shareholders from the 2018 Registration Document is incorporated herein by reference:
-major shareholders (point 6.4.1 of chapter 6, starting on page 235); and
-shareholding structure (point 6.4.3 of chapter 6, on page 237).

The Group's main transactions with related parties (principally all the investments carried under the equity method) are described in Note 14 to the Consolidated Financial Statements.

ITEM 8. Financial information

The following information from the 2018 Registration Document is incorporated herein by reference:

- Consolidated Financial Statements and Notes thereto (chapter 8, starting on page 265);
- supplemental oil and gas information (points 9.1 and 9.2 of chapter 9, starting on page 362);
- report on payments made to governments (point 9.3 of chapter 9, starting on page 380);

-legal and arbitration proceedings (point 3.2 of chapter 3, starting on page 85); and

-dividend policy and other related information (point 6.2 of chapter 6, starting on page 229).

Except for certain events mentioned in "Item 5. Operating and financial review and prospects", point 3.2 ("Legal and arbitration proceedings"), refer to "Item 18. Financial statements" for the reports of the statutory auditors.

ITEM 9. The offer and listing

9.1 Markets

The principal trading markets for the Company's shares are the following: Euronext Paris (France) and the New York Stock Exchange (NYSE).

Back to ContentsForm 20-F 2018 TOTAL 15

9.2 Offer and listing details

Provided below is certain information on trading on Euronext Paris and the New York Stock Exchange. For additional information, refer to "Item 18. Financial statements".

9.2.1 Trading on Euronext Paris

Official trading of listed securities on Euronext Paris, including the shares, is transacted through French investment services providers. The markets of Euronext Paris settle and transfer ownership two trading days after a transaction (T+2). Highly liquid securities are included in the principal index published by Euronext Paris (the "CAC 40 Index"). The CAC 40 Index is the principal index in France, the shares are included in the principal index published by Euronext Paris (the "CAC 40 Index"). The CAC 40 Index is the principal index in France, the shares are included in the principal index published by Euronext Paris (the "CAC 40 Index"). TOTAL's ticker symbol for Euronext Paris is FP.

9.2.2 Trading on the New York Stock Exchange

ADSs evidenced by ADRs have been listed on the NYSE since October 25, 1991. JPMORGAN CHASE BANK, N.A. is the depositary for the ADSs. TOTAL's ticker symbol for the NYSE is TOT.

ITEM 10. Additional information

10.1 Share capital

The following information from the 2018 Registration Document is incorporated herein by reference:

-information concerning the share capital (point 7.1 of chapter 7, starting on page 242);

-the use of delegations of authority and power granted to the Board of Directors with respect to share capital increases (point 7.2 of chapter 7, starting on page 242);

-information on share buybacks (point 6.3 of chapter 6, starting on page 232); and

-factors likely to have an impact in the event of a public offering (point 4.4.4 of chapter 4, starting on page 171).

10.2 Memorandum and articles of association

The following information from the 2018 Registration Document is incorporated herein by reference:

-information concerning the articles of incorporation and bylaws, and other information (point 7.2 of chapter 7, starting on page 242);

-participation of shareholders at shareholders' meetings (point 4.4.3 of chapter 4, on page 171).

10.3 Material contracts

There have been no material contracts (not entered into in the ordinary course of business) entered into by members of the Board of Directors.

10.4 Exchange controls

Under current French exchange control regulations, no limits exist on the amount of payments that TOTAL may remit to the United States.

Back to ContentsForm 20-F 2018 TOTAL 16

10.5 Taxation

10.5.1 General

This section generally summarizes the material U.S. federal income tax and French tax consequences of owning and disposing of shares of the Company. This section does not address the Medicare tax on net investment income and does not apply to members of special classes of shareholders:

-broker-dealers;

-traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;

-tax-exempt organizations;

-certain financial institutions;

- insurance companies;
- U.S. pension funds;
- U.S. Regulated Investment Companies (RICs), Real Estate Investment Trusts (REITs), and Real Estate Mortgage Investment Vehicles (REMICs);
- persons who are liable for the alternative minimum tax;
- persons that actually or constructively own 10% or more of the shares of TOTAL (by vote or value);
- persons who acquired the shares or ADS pursuant to the exercise of any employee share option or otherwise as considered in the discussion below;
- persons that purchase or sell shares or ADSs as part of a wash sale for U.S. federal income tax purposes;
- persons holding offsetting positions in respect of the shares or ADSs (including as part of a straddle, hedging, conversion, or other transaction);
- persons subject to special tax accounting rules as a result of any item of gross income with respect to the shares or ADSs;
- U.S. expatriates; and
- persons whose functional currency is not the U.S. dollar.

If a partnership or other entity or arrangement treated as a partnership for U.S. federal income tax purposes holds shares or ADSs, the discussion below applies to the partnership. Under French law, specific rules apply to trusts, in particular specific tax and filing requirements; additionally, specific rules apply to trusts that are subject to French law. In addition, the discussion below is limited to U.S. Holders that (i) are residents of the United States for purposes of the discussion below and (ii) are not U.S. Holders of shares or ADSs. The discussions below of the material U.S. federal income tax consequences to U.S. Holders of owning and disposing of shares or ADSs are based on the assumptions set forth above. In general, and taking into account the earlier assumptions, for U.S. federal income tax purposes, a U.S. Holder of ADSs is treated as a U.S. Holder of shares. This discussion is intended only as a descriptive summary and does not purport to be a complete analysis or listing of all U.S. federal income tax consequences.

[Back to Contents](#)Form 20-F 2018 TOTAL 17

of holders of shares and ADSs may vary from the description made below. The following summary does not address the tax consequences to non-U.S. Holders. Holders are urged to consult their own tax advisors regarding the U.S. federal, state and local, and the French and other tax consequences.

10.5.2 Taxation of dividends

French taxation

The term "dividends" used in the following discussion means dividends within the meaning of the Treaty. Dividends paid to non-residents of France who are U.S. Holders are in principle subject to a French withholding tax rate of 15%. However, under the Treaty, a U.S. Holder is generally entitled to a reduced rate of French withholding tax of 15% with respect to dividends paid to U.S. Holders. Administrative guidelines (Bulletin Officiel des Finances Publiques, BOI-INT-DG-20-20-20-20-20120912) (the "Administrative Guidelines") provide that U.S. Holders may claim the immediate application of withholding tax at the rate of 15% if (i) they furnish to the U.S. financial institution managing their securities account a certificate of residence conforming to the requirements of the Treaty, and (ii) the U.S. financial institution managing the U.S. Holder's securities account provides the French paying agent with a copy of the certificate. Where the U.S. Holder's identity and tax residence are known by the French paying agent, the latter may release such U.S. Holders from the requirement to furnish a certificate of residence. For a U.S. Holder that is not entitled to the "simplified procedure" and whose identity and tax residence are not known by the French paying agent, the U.S. Holder must provide a copy of forms No. 5000-FR and 5001-FR (or any other relevant form to be issued by the French tax authorities) as well as a certificate of residence. These forms, together with instructions, are to be provided by the Depositary to all U.S. Holders of ADRs registered with the Depositary. The identity and address of the French paying agent are available from TOTAL.

In addition, subject to certain specific filing obligations, there is no withholding tax on dividend payments made by French companies to (i) non-French collective investment funds formed under foreign law and established in a Member State of the European Union, and

[Back to Contents](#)Form 20-F 2018 TOTAL 18

the purpose of investing in accordance with a defined investment policy, in the interest of its investors, and (b) the funds mentioned in (i) above. (ii) companies whose effective place of management is, or which have a permanent establishment receiving the dividends, in a Member State of the European Union. Collective investment funds and companies mentioned in (ii) above are urged to consult their own tax advisors to confirm the tax consequences.

U.S. taxation

For U.S. federal income tax purposes and subject to the passive foreign investment company rules discussed below, the

Dividends paid to a non-corporate U.S. Holder that constitute "qualified dividend income" will be taxable to the holder. The amount of any dividend distribution includible in the income of a U.S. Holder equals the U.S. dollar value of the dividend. Subject to certain conditions and limitations, U.S. Holders may elect to claim a credit against their U.S. federal income tax. If a U.S. Holder has the option to receive a distribution in shares (or ADSs) instead of cash, the distribution of shares (or ADSs) will not be taxable to the holder.

10.5.3 Taxation of disposition of shares

Under French domestic law, a U.S. Holder will not be subject to French tax on any capital gain from the sale or exchange of shares (or ADSs). Pursuant to Article 235 ter ZD of the French tax code, a financial transaction tax applies, under certain conditions, to the sale or exchange of shares (or ADSs) for U.S. federal income tax purposes and subject to the passive foreign investment company rules discussed below, a U.S. Holder will not be subject to French tax on any capital gain from the sale or exchange of shares (or ADSs).

[Back to Contents](#)Form 20-F 2018 TOTAL 19

10.5.4 Passive foreign investment status

TOTAL believes that the shares and ADSs are not treated as stock of a passive foreign investment company (PFIC) for U.S. federal income tax purposes.

10.5.5 French estate and gift taxes

In general, a transfer of shares or ADSs by gift or by reason of the death of a U.S. Holder that would otherwise be subject to U.S. federal estate or gift tax will not be subject to French estate or gift tax.

10.5.6 French wealth tax

As of January 1, 2018, the French wealth tax was abolished and a new real estate wealth tax was introduced. The French real estate wealth tax applies to the net value of real estate owned by individuals.

10.5.7 U.S. state and local taxes

In addition to U.S. federal income tax, U.S. Holders of shares or ADSs may be subject to U.S. state and local taxes with respect to their ownership of shares or ADSs.

10.6 Dividends and paying agents

The information set forth in point 6.2.2 ("Dividend payment") of chapter 6 of the 2018 Registration Document (on page 107) describes the procedures for the payment of dividends.

10.7 Statements by experts

The independent third-party report of DeGolyer and MacNaughton, a petroleum engineering consulting firm with address in Houston, Texas, is available on the Company's website.

10.8 Documents on display

TOTAL files annual, periodic, and other reports and information with the Securities and Exchange Commission. All of these reports and information are available on the Company's website.

ITEM 11. Quantitative and qualitative disclosures about market risk

Please refer to Notes 15.3 ("Financial risks management") (starting on page 330) and 16.2 ("Oil and Gas market related risks") (starting on page 330) of the 2018 Registration Document.

As part of its financing and cash management activities, the Group uses derivative instruments to manage its exposure to foreign exchange and interest rate risk.

The financial performance of TOTAL is sensitive to a number of factors; the most significant being oil and gas prices, foreign exchange rates, and interest rates.

[Back to Contents](#)Form 20-F 2018 TOTAL 20

ITEM 12. Description of securities other than equity securities

12.1 American depositary receipts fees and charges

JPMORGAN CHASE BANK, N.A., as depositary for the TOTAL S.A. ADR program, collects its fees for delivery and payment of ADRs.

Investors must pay:

For:

\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)

-Issuance of ADRs, including issuances resulting from a distribution of shares or rights or other property, stocks splits or reverse splits

-Cancellation of ADRs for the purpose of withdrawal, including if the deposit agreement terminates

A fee equivalent to the fee that would be payable if securities distributed to the investor had been shares and the shares were sold

-Distribution, by the depositary, of deposited securities to ADS registered holders

Registration or transfer fees

-Transfer and registration of shares on the Company's share register to or from the name of the depositary or its agent or other person

Expenses of the depositary

-Cable, telex and facsimile transmissions (when expressly provided in the deposit agreement)

-Converting foreign currency to U.S. dollars

Taxes and other governmental charges the depository or the custodian have to pay on any ADS or share underlying an

-As necessary

Any charges incurred by the depository or its agents for servicing the deposited securities

-As necessary

The depository has agreed to provide the Company with payments concerning, among other things, expenses incurred by

During the fiscal year ended December 31, 2018, the Company received net payments of \$6.6 million from the depository

ITEM 13. Defaults, dividend arrearages and delinquencies

None.

ITEM 14. Material modifications to the rights of security holders and use of proceeds

None.

ITEM 15. Controls and procedures

15.1 Disclosure controls and procedures

An evaluation was carried out under the supervision and with the participation of the Group's management, including the

[Back to Contents](#)Form 20-F 2018 TOTAL 21

effective to provide reasonable assurance that information required to be disclosed in the reports that the Company files

15.2 Management's annual report on internal control over financial reporting

The Group's management is responsible for establishing and maintaining adequate internal control over financial reporting

Direct Énergie, Quadran and Global LNG, entities acquired in 2018, are excluded from the scope of the assessment of

The Group's management, including the Chief Executive Officer and the Chief Financial Officer, conducted an evaluation

The effectiveness of internal control over financial reporting as of December 31, 2018, was audited by ERNST & YOUNG

15.3 Changes in internal control over financial reporting

There were no changes in the Group's internal control over financial reporting that occurred during the period covered

15.4 Internal control and risk management procedures

For additional information, refer to points 3.3 and 3.5 of chapter 3 of the 2018 Registration Document (starting on page

ITEM 16A. Audit committee financial expert

Ms. Marie-Christine Coisne-Roquette is the Audit Committee financial expert. She is an independent member of the Board

ITEM 16B. Code of ethics

At its meeting on October 27, 2016, the Board of Directors adopted a revised code of ethics that applies to its Chief Executive

ITEM 16C. Principal accountant fees and services

16C.1 Fees for accountants' services

The information set forth in point 4.4.5.2 of chapter 4 of the 2018 Registration Document (on page 172) is incorporated

16C.2 Audit Committee pre-approval policy

The Audit Committee has adopted an Audit and Non-Audit Services Pre-Approval Policy that sets forth the procedures

16C.3 Auditor's term of office

French law provides that the statutory and alternate auditors are appointed for renewable 6 fiscal-year terms. The terms

[Back to Contents](#)Form 20-F 2018 TOTAL 22

ITEM 16D. Exemptions from the listing standards for audit committees

None.

ITEM 16e. Purchases of equity securities by the issuer and affiliated purchasers

Edgar Filing: TOTAL S.A. - Form 20-F

Period (in 2018)

Total Number Of Shares (Or Units) Purchased

Average Price Paid Per Share (Or Units) (€)

Total Number Of Shares (Or Units) Purchased, As Part Of Publicly Announced Plans Or Programs(a)

Maximum Number Of Shares (Or Units) That May Yet Be Purchased Under The Plans Or Programs(b)

January

-

-

-

245,240,915

February

3,806,704

46.12

3,806,704

242,156,301

March

6,013,784

46.57

6,013,784

245,334,772

April

2,526,827

48.40

2,526,827

244,277,316

May

3,052,902

52.81

3,052,902

242,215,739

June

13,453,104

52.40

13,453,104

229,361,106

July

4,203,193

53.32

4,203,193

229,245,637

August

5,346,739

54.54

5,346,739

223,915,417

September

3,825,608
 54.31
 3,825,608
 220,111,990
 October
 3,072,673
 55.34
 3,072,673
 218,918,027
 November
 17,575,126
 50.16
 17,575,126
 201,344,111
 December
 9,889,821
 48.60
 9,889,821
 231,586,919

(a) The Annual Shareholders' Meeting of June 1, 2018, canceled and superseded the previous resolution (for any unus

(b) Based on 10% of the Company's share capital, and after deducting the shares held by the Company for cancellation

ITEM 16F. Change in registrant's certifying accountant

Not applicable.

ITEM 16G. Corporate governance

This section presents a summary of significant differences between French corporate governance practices and the NY

16G.1 Overview

The following paragraphs provide a brief, general summary of significant ways in which our corporate governance pra

The principal sources of corporate governance standards in France are the French Commercial Code (*Code de commere*

The AFEP-MEDEF Code includes, among other things, recommendations relating to the role and operation of the board

[Back to Contents](#)Form 20-F 2018 TOTAL 23

For an overview of certain of our corporate governance policies, refer to points 4.1 and 4.2 of chapter 4 of the 2018 Re

16G.2 Composition of Board of Directors; Independence

The NYSE listing standards provide that the board of directors of a U.S.-listed company must include a majority of ind

French law does not contain any independence requirement for the members of the board of directors of a French comp

As noted in the AFEP-MEDEF Code, "qualification as an independent director should be discussed by the appointment

For an overview of the Company's Board of Directors' assessment of the independence of the Company's Directors, in

16G.3 Representation of women on corporate boards

The French Commercial Code provides for legally binding quotas to balance gender representation on boards of directo

16G.4 Board committees

16G.4.1 Overview

The NYSE listing standards require that a U.S.-listed company have an audit committee, a nominating/corporate gover

With the exception of an audit committee, as described below, French law currently requires neither the establishment

The AFEP-MEDEF Code recommends, however, that the board of directors sets up, in addition to the audit committee

TOTAL has established an Audit Committee, a Governance and Ethics Committee, a Compensation Committee and a

2 avenue Gambetta
CS 60055
92066 Paris-La Défense Cedex
France

ERNST & YOUNG Audit
1/2, place des Saisons
92400 Courbevoie - Paris-La Défense 1
France

TOTAL S.A.

Registered office: 2, place Jean Millier - La Défense 6 - 92400 Courbevoie - France

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRMS ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors and Shareholders,

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of TOTAL S.A. and subsidiaries ("the Company") as of December 31, 2018 and 2017.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements of the Company for the years ended December 31, 2018 and 2017, on a limited basis for opinion.

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Paris-La Défense, March 13, 2019

KPMG Audit,
a division of KPMG S.A.

ERNST & YOUNG Audit

/s/ JACQUES-FRANÇOIS LETHU

/s/ ERIC JACQUET

/s/ ERNST & YOUNG Audit

Jacques-François Lethu
Partner

Eric Jacquet
Partner

ERNST & YOUNG Audit

We or our predecessor firms have served as
the Company's auditor since 1996.

We have served as the
Company's auditor since 2004.

[Back to Contents](#)Form 20-F 2018 TOTAL 27

KPMG Audit

Tour EQHO

2 avenue Gambetta

CS 60055

92066 Paris-La Défense Cedex

France

ERNST & YOUNG Audit

1/2, place des Saisons

92400 Courbevoie - Paris-La Défense 1

France

TOTAL S.A.

Registered office: 2, place Jean Millier - La Défense 6 - 92400 Courbevoie - France

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRMS ON THE INTERNAL CONTROL O

To the Shareholders and Board of Directors,

Opinion on Internal Control Over Financial Reporting

We have audited TOTAL S.A. and subsidiaries' ("the Company") internal control over financial reporting as of Decem

As indicated in the accompanying Management's Annual Report on Internal Control Over Financial Reporting, manag

Our audit of internal control over financial reporting of the Group also did not include an evaluation of the internal con

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United S

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for it

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and per

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. A

Paris-La Défense, March 13, 2019

KPMG Audit,

a division of KPMG S.A.

ERNST & YOUNG Audit

/s/ JACQUES-FRANÇOIS LETHU

/s/ ERIC JACQUET

/s/ ERNST & YOUNG Audit

Jacques-François Lethu
Partner

Eric Jacquet
Partner

ERNST & YOUNG Audit

[Back to ContentsForm 20-F 2018 TOTAL 28](#)

ITEM 19. Exhibits

The following documents are filed as part of this annual report:

1

Bylaws (*Statuts*) of TOTAL S.A. (as amended through January 14, 2019).

2

The total amount of long-term debt securities authorized under any instrument does not exceed 10% of the total assets

8

List of Subsidiaries (see Note 18 to the Consolidated Financial Statements included in the 2018 Registration Document)

11

Code of Ethics (incorporated by reference to the Company's annual report on Form 20-F for the year ended December

12.1

Certification of Chief Executive Officer.

12.2

Certification of Chief Financial Officer.

13.1

Certification of Chief Executive Officer.

13.2

Certification of Chief Financial Officer.

15.1

Excerpt of the pages and sections of the 2018 Registration Document incorporated herein by reference.

15.2

Consent of ERNST & YOUNG Audit and of KPMG Audit, a division of KPMG S.A.

15.3

Third party report of DeGolyer and MacNaughton.

15.4

Consent of DeGolyer and MacNaughton.

101

XBRL Document.

SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused a
TOTAL S.A.

By: /s/ PATRICK POUYANNÉ _____

Name: Patrick Pouyanné

Title: Chairman and Chief Executive Officer

Date: March 20, 2019

[Back to Contents](#)Form 20-F 2018 TOTAL 29