# FIRST HALF 2011 FINANCIAL REPORT

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# I – MANAGEMENT REPORT FOR THE FIRST HALF 2011

## TECHNIP'S SECOND QUARTER RESULTS

**SECOND QUARTER 2011 RESULTS**

- **Revenue of €1,664 million, of which €660 million in Subsea**
- **Group operating margin[4] of 10.6%: 17.0% in Subsea and 7.6% in Onshore/Offshore**
- **Backlog of €9,413 million: €2,092 million order intake during the quarter**
- **Net income of €133 million**
- **Total net cash position at €1,110 million after dividends of €156 million**

**FULL YEAR 2011 OUTLOOK IMPROVED[1]**

- **Group revenue around €6,500 - 6,700 million, unchanged**
- **Subsea revenue around €2,600 - 2,700 million, unchanged**
- **Subsea operating margin[4] between 16.5% and 17.0%, formerly above 15%**
- **Onshore/Offshore combined operating margin[4] between 6.5% and 7.0%, formerly between 6.0% and 6.5%**

| € million (Except Diluted Earnings per Share) | 2Q 10 | 2Q 11 | % Change | Change ex. FX Impact | 1H 10 | 1H 11 | % Change | Change ex. FX Impact |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | **1,484.5** | **1,663.9** | **12.1 %** | **14.5%** | **2,802.9** | **3,100.1** | **10.6 %** | **9.6%** |
| **EBITDA[2]** | **195.9** | **212.6** | **8.5 %** | **11.0%** | **370.4** | **391.6** | **5.7 %** | **4.9%** |
| *EBITDA Margin[3]* | *13.2%* | *12.8%* | *(42)bp* | | *13.2%* | *12.6%* | *(58)bp* | |
| **Operating Income from Recurring Activities** | **160.5** | **175.6** | **9.4%** | **11.8%** | **299.7** | **320.4** | **6.9%** | **6.0%** |
| *Operating Margin[4]* | *10.8%* | *10.6%* | *(26)bp* | | *10.7%* | *10.3%* | *(36)bp* | |
| **Operating Income** | **162.5** | **175.6** | **8.1%** | | **301.7** | **320.4** | **6.2%** | |
| **Net Income** | **106.1** | **132.5** | **24.9%** | | **202.0** | **236.8** | **17.2%** | |
| **Diluted Earnings per Share[5] (€)** | **0.98** | **1.15** | **17.1%** | | **1.87** | **2.06** | **10.1%** | |

On July 25, 2011, Technip's Board of Directors approved the second quarter and first half 2011 consolidated accounts. Chairman and CEO Thierry Pilenko commented: "Technip delivered a robust second quarter. Our revenue grew, our margins were strong, and we are therefore raising our full year profit objectives. We were also awarded €2.1 billion of new contracts that grew our backlog to €9.4 billion, demonstrating the strength of Technip's broad business base.

Operationally, we continued to deliver on current projects, notably as concerns Middle Eastern Onshore and African Subsea contracts, driving growth in revenue.

With over €1 billion of new orders in the quarter, Subsea backlog is now above the peak of the previous cycle. Onshore/Offshore order intake above €1 billion included the first contribution from Shell's Prelude FLNG contract as well as a wide variety of small to mid-sized projects.

We continued to reinforce our strategy with substantial investment commitments. The Skandi Niteroi is almost completed and is now on her way to Brazil for sea trials before delivery to the client. Technip's end-of-June balance sheet supports our growth ambitions, with net cash position of €1.1 billion (after the payment of €156 million in dividends). In July, we closed the renewal of our revolving credit line.

Looking forward, we see opportunities to expand in nearly all our markets. A high and fairly stable oil price combined with an increasing demand for gas is driving upstream investments, while strategic and regional imperatives are supporting downstream spending. Some headwinds remain: the strength of competition should not be underestimated, and general economic and widespread political uncertainties are impacting the timetable for some projects, notably those which require financing.

Overall, however, we see a recovery in our industry that, whilst it may continue to be slower to ramp-up than many envisaged, could prove more sustained.

Technip will look to accelerate its growth whilst maintaining focus on the balance of its project portfolio and on profitability. We will continue to seize investment opportunities across a broad front to expand our business base, our technologies and our services capability. Taking the above elements together - strong operational performance, sustained and diversified order intake, solid balance sheet - Technip remains confident in its ability to deliver value in a promising market."

## I. SECOND QUARTER 2011 REPORT

### 1. Operational Highlights

**Subsea** business segment's main events were:

- In Angola, handover to client began on Block 31 and offshore operations were successfully completed on Pazflor,
- Offshore operations continued on West Delta Deep Marine Phase 8A in Egypt,
- In Brazil, manufacturing of electrical modules for Papa Terra Integrated Production Bundles (IPB) progressed, delivery of flexible pipes for the pre-salt Tupi Pilot development continued, and Vitoria's second production line re-started,
- In the Gulf of Mexico, phase 1 of Galapagos offshore operations was completed with the Deep Blue, while work on components of the Marine Well Containment System continued,
- In the North Sea, first campaign for Nord Stream pipeline was completed, subsea structures for Goliat project were successfully installed using wet tow method, offshore operations continued on Hibernia, and Pipe-in-Pipe for Devenick project is being reeled,
- In Asia Pacific, offshore operations continued on CWLH project in Australia, and fabrication of flexible pipes was completed for Kitan, Timor Sea,
- Ramp-up of Asiaflex manufacturing plant continued in Malaysia with an improving order flow, notably for umbilicals,
- Vessel utilization rate was 80% compared with 70% a year ago.

**Onshore/Offshore** business segment's main events were:

- In the Middle East,
  - Site delivery of equipment and construction works ramped-up on Jubail refinery in Saudi Arabia,
  - Civil and mechanical works progressed with the involvement of Eletech (joint venture between Technip and Eleco Chinese construction company) on Asab 3 in Abu Dhabi,
  - Engineering and procurement activities progressed well on PMP in Qatar with early works successfully completed during the first maintenance window of the plant,
  - Detailed engineering and purchasing of main equipment progressed on offshore Khafji Crude Related project in the ex-Neutral Zone between Kuwait and Saudi Arabia,

- In Asia,
    - Engineering and procurement neared completion, while construction supervision progressed on Koniambo, New Caledonia,
    - Mobilization started on Prelude FLNG, Australia, after Shell's final investment decision,
    - FEED activities continued on Petronas FLNG,
- In Brazil,
    - P-56 semi-submersible offshore facility was inaugurated by the President of Brazil and handed over to Petrobras,
    - Engineering works for P-58 and P-62 FPSO's continued,
- Elsewhere,
    - First train of Block 1 Gas Development project in Turkmenistan was completed and inaugurated on July 12th,
    - Start-up of Neste Oil biodiesel plant progressed in The Netherlands,
    - Engineering and procurement progressed well on Ikra in Russia, while construction supervision started,
    - Procurement works continued to progress on CNRL projects in Canada,
    - Engineering works continued and procurement activities started on Algiers refinery.

## 2. Order Intake and Backlog

During second quarter 2011, Technip's **order intake** was €2,092 million.

The breakdown by business segment for the second quarter was as follows:

| € million | 2Q 2010 | | 2Q 2011 | |
|---|---|---|---|---|
| Subsea | 772.8 | *50.8%* | 1,018.1 | *48.7%* |
| Onshore/Offshore | 748.5 | *49.2%* | 1,073.4 | *51.3%* |
| **Total** | **1,521.3** | ***100.0%*** | **2,091.5** | ***100.0%*** |

**Subsea** order intake included the renewal of a four-year long-term charter of the Sunrise 2000 in Brazil. Order intake also comprised several EPIC contracts in the North Sea with pipe-in-pipe technology and steel tube umbilicals, installation contracts in West Africa and several contracts in Brazil.

**Onshore/Offshore** order intake included the first contribution of Prelude FLNG contract in Australia and several contracts in Asia Pacific, notably for a mini LNG in China, chemical plants in Thailand, China and India, and offshore facilities in Australia.

Technip also signed a 10-year frame agreement with BP Exploration and Production Inc., covering the design, procurement and construction of hulls and mooring systems for Spar platforms in the Gulf of Mexico, as well as a services frame agreement with BASF for the development of petrochemical and chemical projects.

Listed in annex II (d) are the main contracts announced since April 2011 and their approximate value if publicly disclosed.

At the end of second quarter 2011, Technip's **backlog** was €9,413 million, compared with €9,081 million at the end of first quarter 2011 and €8,263 million at the end of second quarter 2010. Approximately 35% of the backlog is expected to be scheduled in the last six months of 2011.

The backlog breakdown by business segment is as follows:

| € million | June 30, 2010 | | June 30, 2011 | |
|---|---|---|---|---|
| Subsea | 3,057.3 | *37.0%* | 3,630.0 | *38.6%* |
| Onshore/Offshore | 5,205.5 | *63.0%* | 5,782.7 | *61.4%* |
| **Total** | **8,262.8** | ***100.0%*** | **9,412.7** | ***100.0%*** |

### 3. Capital Expenditures and Investments

Capital expenditure commitments for second quarter 2011 were €62 million compared with €90 million a year ago. The Skandi Niteroi completed her topside integration in Norway and is on her way to Brazil for final sea trials.

## II. SECOND QUARTER 2011 FINANCIAL HIGHLIGHTS

### 1. Revenue

| € million | 2Q 2010 | 2Q 2011 | % Change |
|---|---|---|---|
| Subsea | 687.6 | 659.7 | *(4.1)%* |
| Onshore/Offshore | 796.9 | 1,004.2 | *26.0%* |
| **Total** | **1,484.5** | **1,663.9** | ***12.1%*** |

**Subsea** major revenue contributors included Pazflor and Block 31 in Angola, West Delta Deep Marine Phase 8A in Egypt, as well as various contracts in the North Sea, Brazil, and Asia Pacific.

**Onshore/Offshore** major revenue contributors included Jubail refinery in Saudi Arabia, Asab 3 in Abu Dhabi and PMP in Qatar, as well as Block 1 Gas Development project in Turkmenistan, P-56 semi-submersible contract in Brazil, Ikra in Russia and several offshore services contracts in Asia Pacific.

Foreign exchange had a negative impact estimated at €35 million on Technip's second quarter 2011 revenue.

Financial result on contracts accounted as revenue amounted to €3 million in second quarter 2011.

## 2. Operating Income from Recurring Activities

| € million | 2Q 2010 | 2Q 2011 | % Change |
|---|---|---|---|
| Subsea | 116.1 | 111.9 | (3.6)% |
| *Operating Margin[4]* | *16.9%* | *17.0%* | *8bp* |
| Onshore/Offshore | 56.5 | 76.4 | 35.2% |
| *Operating Margin[4]* | *7.1%* | *7.6%* | *52bp* |
| Corporate | (12.1) | (12.7) | 5.0% |
| **Total** | **160.5** | **175.6** | **9.4%** |
| *Operating Margin[4]* | *10.8%* | *10.6%* | *(26)bp* |

**Subsea** EBITDA margin[3] was 21.4% for second quarter 2011 in line with second quarter 2010. Operating margin[4] was 17.0%, driven by good execution on projects.

**Onshore/Offshore** combined operating margin[4] rose from 7.1% a year ago to 7.6% in second quarter 2011 reflecting delivery or good progress on a broad range of mainly smaller and medium sized projects.

Corporate result was relatively stable year on year.

Foreign exchange had a negative impact estimated at €4 million on Technip's second quarter 2011 operating income from recurring activities.

## 3. Operating Income

Operating income was €176 million in second quarter 2011 versus €163 million a year ago.

## 4. Net Income

| € million | 2Q 2010 | 2Q 2011 | % Change |
|---|---|---|---|
| Operating Income | 162.5 | 175.6 | *8.1%* |
| Financial Result | (8.1) | 11.3 | *nm* |
| Share of Income / (Loss) of Equity Affiliates | (1.0) | - | *nm* |
| Income Tax Expense | (48.2) | (55.6) | *15.4%* |
| Non-Controlling Interests | 0.9 | 1.2 | *33.3%* |
| **Net Income** | **106.1** | **132.5** | ***24.9%*** |

**Financial result** in second quarter 2011 included a €15 million positive impact from changes in foreign exchange rates and fair market value of hedging instruments, compared with a €7 million negative impact in second quarter 2010.

**Income tax expense** was €56 million in second quarter 2011 giving an effective tax rate of 29.7%.

**Diluted earnings per share[5]** grew by 17.1% to €1.15 in second quarter 2011, compared to €0.98 last year.

Average number of shares during second quarter 2011 on a diluted basis calculated as per IFRS was 117,267,300 versus 108,076,795 shares for the same quarter in 2010. The variation is mainly due to 6,618,531 shares related to the potential dilution of the convertible bond (OCEANE), and the stock options and performance shares granted by the Board of Directors to Technip's employees.

### 5. Cash Flows and Financial Position

€ million

| | | |
|---|---|---|
| **Net Cash Position as of March 31, 2011** | | **1,300.4** |
| Net Cash Generated from / (Used in) Operating Activities | | 71.4 |
| *of which:* | | |
| *Cash Generated from / (Used in) Operations* | *194.7* | |
| *Change in Working Capital Requirements* | *(123.3)* | |
| Capital Expenditures | | (64.2) |
| Dividends Paid | | (156.1) |
| Other including FX Impacts | | (41.4) |
| **Net Cash Position as of June 30, 2011** | | **1,110.1** |

As of June 30, 2011, Technip's **net cash position** was €1,110 million compared with €1,332 million as of December 31, 2010 and €1,498 million as of June 30, 2010.

On July 21, 2011, Technip signed with 14 banks a 5-year €1 billion revolving credit facility, increased from €800 million after initial subscription, to meet its general corporate financing needs. This replaced the previous non-used syndicated credit of €850 million maturing in June 2012. Technip therefore completed the renewal of its main financing lines initiated with the 10-year €200 million bonds issued in July 2010, and the 5-year €550 million convertible bonds (OCEANE) issued in November 2010.

**Shareholders' equity** as of June 30, 2011 was €3,366 million compared with €3,202 million as of December 31, 2010.

## III. 2011 FULL YEAR OUTLOOK IMPROVED[1]

- **Group revenue around €6,500 - 6,700 million, unchanged**
- **Subsea revenue around €2,600 - 2,700 million, unchanged**
- **Subsea operating margin[4] between 16.5% and 17.0%, formerly above 15%**
- **Onshore/Offshore combined operating margin[4] between 6.5% and 7.0%, formerly between 6.0% and 6.5%**

Notes:

1 At current exchange rates.

2 Operating income from recurring activities before depreciation and amortization.

3 EBITDA divided by revenue.

4 Operating income from recurring activities divided by revenue.

5 As per IFRS, diluted earnings per share are calculated by dividing profit or loss attributable to the Parent Company's Shareholders, restated from financial interest related to dilutive potential ordinary shares, by the weighted average number of outstanding shares during the period, plus the effect of dilutive potential ordinary shares related to the convertible bond, dilutive stock options and performance shares calculated according to the "Share Purchase Method" (IFRS 2), less treasury shares. In conformity with this method, anti-dilutive stock options are ignored in calculating EPS. Dilutive options are taken into account if the subscription price of the stock options plus the future IFRS 2 charge (i.e. the sum of annual charge to be recorded until the end of the stock option plan) is lower than the average market share price during the period.

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The information package on Second Quarter 2011 results includes this press release and the annexes which follow, as well as the presentation published on Technip's website: www.technip.com

**NOTICE**

Today, July 28, 2011, Chairman and CEO Thierry Pilenko, along with CFO Julian Waldron, will comment on Technip's results and answer questions from the financial community during a conference call in English starting at 10:00 a.m. CET.

To participate in the conference call, you may call any of the following telephone numbers approximately 5 - 10 minutes prior to the scheduled start time:

| | |
|---|---|
| France / Continental Europe: | + 33 (0)1 70 77 09 35 |
| UK: | + 44 (0)203 367 9458 |
| USA: | + 1 866 907 5924 |

The conference call will also be available via a simultaneous, listen-only audio-cast on Technip's website.

A replay of this conference call will be available approximately two hours following the conference call for 90 days on the Technip's website and for two weeks at the following telephone numbers:

| | Telephone Numbers | Confirmation Code |
|---|---|---|
| France / Continental Europe: | + 33 (0)1 72 00 15 00 | 273695# |
| UK: | + 44 (0)203 367 9460 | 273695# |
| USA: | + 1 877 642 3018 | 273695# |

**Cautionary note regarding forward-looking statements**

***This presentation contains both historical and forward-looking statements. These forward-looking statements are not based on historical facts, but rather reflect our current expectations concerning future results and events and generally may be identified by the use of forward-looking words such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "likely", "should", "planned", "may", "estimates", "potential" or other similar words. Similarly, statements that describe our objectives, plans or goals are or may be forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied by these forward-looking statements. Risks that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among other things: our ability to successfully continue to originate and execute large services contracts, and construction and project risks generally; the level of production-related capital expenditure in the oil and gas industry as well as other industries; currency fluctuations; interest rate fluctuations; raw material (especially steel) as well as maritime freight price fluctuations; the timing of development of energy resources; armed conflict or political instability in the Arabian-Persian Gulf, Africa or other regions; the strength of competition; control of costs and expenses; the reduced availability of government-sponsored export financing; losses in one or more of our large contracts; U.S. legislation relating to investments in Iran or elsewhere where we seek to do business; changes in tax legislation, rules, regulation or enforcement; intensified price pressure by our competitors; severe weather conditions; our ability to successfully keep pace with technology changes; our ability to attract and retain qualified personnel; the evolution, interpretation and uniform application and enforcement of International Financial Reporting Standards (IFRS), according to which we prepare our financial statements as of January 1, 2005; political and social stability in developing countries; competition; supply chain bottlenecks; the ability of our subcontractors to attract skilled labor; the fact that our operations may cause the discharge of hazardous substances, leading to significant environmental remediation costs; our ability to manage and mitigate logistical challenges due to underdeveloped infrastructure in some countries where we are performing projects.***

***Some of these risk factors are set forth and discussed in more detail in our Annual Report. Should one of these known or unknown risks materialize, or should our underlying assumptions prove incorrect, our future results could be adversely affected, causing these results to differ materially from those expressed in our forward-looking statements. These factors are not necessarily all of the important factors that could cause our actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could have material adverse effects on our future results. The forward-looking statements included in this release are made only as of the date of this release. We cannot assure you that projected results or events will be achieved. We do not intend, and do not assume any obligation to update any industry information or forward-looking information set forth in this release to reflect subsequent events or circumstances.***

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Technip is a world leader in project management, engineering and construction for the energy industry.

From the deepest Subsea oil & gas developments to the largest and most complex Offshore and Onshore infrastructures, our 23,000 people are constantly offering the best solutions and most innovative technologies to meet the world's energy challenges.

Present in 48 countries, Technip has state-of-the-art industrial assets on all continents and operates a fleet of specialized vessels for pipeline installation and subsea construction.

Technip shares are listed on the NYSE Euronext Paris exchange and the USA over-the-counter (OTC) market as an American Depositary Receipt (ADR: TKPPK).

Euronext
NYSE Euronext
ISIN: FR0000131708

OTC ADR ISIN: US8785462099

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**ANNEX I (a)**
**CONSOLIDATED STATEMENT OF INCOME**
**IFRS, not audited**

| € million (Except Diluted Earnings per Share, and Diluted Number of Shares) | **Second Quarter** | | | **First Half** | | |
|---|---|---|---|---|---|---|
| | **2010** | **2011** | **% Δ** | **2010** | **2011** | **% Δ** |
| **Revenue** | **1,484.5** | **1,663.9** | **12.1%** | **2,802.9** | **3,100.1** | **10.6%** |
| Gross Margin | 288.4 | 332.2 | 15.2% | 542.1 | 611.8 | 12.9% |
| Research & Development Expenses | (13.3) | (15.1) | 13.5% | (26.2) | (27.4) | 4.6% |
| SG&A and Other | (114.6) | (141.5) | 23.5% | (216.2) | (264.0) | 22.1% |
| **Operating Income from Recurring Activities** | **160.5** | **175.6** | **9.4%** | **299.7** | **320.4** | **6.9%** |
| Non-Current Operating Result | 2.0 | - | nm | 2.0 | - | nm |
| **Operating Income** | **162.5** | **175.6** | **8.1%** | **301.7** | **320.4** | **6.2%** |
| Financial Result | (8.1) | 11.3 | nm | (11.3) | 9.7 | nm |
| Share of Income / (Loss) of Equity Affiliates | (1.0) | - | nm | - | - | nm |
| **Income / (Loss) before Tax** | **153.4** | **186.9** | **21.8%** | **290.4** | **330.1** | **13.7%** |
| Income Tax Expense | (48.2) | (55.6) | 15.4% | (90.0) | (95.3) | 5.9% |
| Non-Controlling Interests | 0.9 | 1.2 | 33.3% | 1.6 | 2.0 | 25.0% |
| **Net Income** | **106.1** | **132.5** | **24.9%** | **202.0** | **236.8** | **17.2%** |
| Diluted Number of Shares | 108,076,795 | 117,267,300 | 8.5% | 108,007,347 | 117,331,750 | 8.6% |
| **Diluted Earnings per Share[5] (€)** | **0.98** | **1.15** | **17.1%** | **1.87** | **2.06** | **10.1%** |

**ANNEX I (b)**
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
**IFRS**

| € million | Dec. 31, 2010 (audited) | Jun. 30, 2011 (not audited) |
|---|---|---|
| Fixed Assets | 4,146.0 | 4,253.8 |
| Deferred Tax Assets | 324.6 | 298.1 |
| **Non-Current Assets** | **4,470.6** | **4,551.9** |
| Construction Contracts – Amounts in Assets | 378.6 | 593.8 |
| Inventories, Trade Receivables and Other | 2,267.1 | 1,847.4 |
| Cash & Cash Equivalents | 3,105.7 | 2,289.9 |
| **Current Assets** | **5,751.4** | **4,731.1** |
| **Total Assets** | **10,222.0** | **9,283.0** |
| Shareholders' Equity (Parent Company) | 3,179.8 | 3,350.8 |
| Non-Controlling Interests | 22.3 | 15.4 |
| **Shareholders' Equity** | **3,202.1** | **3,366.2** |
| Non-Current Financial Debts | 1,092.1 | 1,148.0 |
| Non-Current Provisions | 110.2 | 113.7 |
| Deferred Tax Liabilities and Other Non-Current Liabilities | 144.7 | 196.8 |
| **Non-Current Liabilities** | **1,347.0** | **1,458.5** |
| Current Financial Debts | 681.3 | 31.8 |
| Current Provisions | 236.7 | 287.1 |
| Construction Contracts – Amounts in Liabilities | 694.9 | 654.7 |
| Trade Payables & Other | 4,060.0 | 3,484.7 |
| **Current Liabilities** | **5,672.9** | **4,458.3** |
| **Total Shareholders' Equity & Liabilities** | **10,222.0** | **9,283.0** |
| **Net Cash Position** | **1,332.3** | **1,110.1** |

| **Statement of Changes in Shareholders' Equity (Parent Company), not audited: € million** | |
|---|---|
| **Shareholders' Equity as of December 31, 2010** | **3,179.8** |
| First Half 2011 Net Income | 236.8 |
| First Half 2011 Other Comprehensive Income | 48.8 |
| Capital Increase | 21.3 |
| Treasury Shares | 13.2 |
| Dividends Paid | (156.1) |
| Other | 7.0 |
| **Shareholders' Equity as of June 30, 2011** | **3,350.8** |

**ANNEX I (c)**
**CONSOLIDATED STATEMENT OF CASH FLOWS**
**IFRS, not audited**

| € million | First Half 2010 | | First Half 2011 | |
|---|---|---|---|---|
| Net Income / (Loss) | 202.0 | | 236.8 | |
| Depreciation & Amortization of Fixed Assets | 70.8 | | 71.2 | |
| Stock Options and Performance Share Charges | 5.7 | | 22.4 | |
| Non-Current Provisions (including Employee Benefits) | 2.0 | | 4.2 | |
| Deferred Income Tax | (40.7) | | 20.5 | |
| Net (Gains) / Losses on Disposal of Assets and Investments | (9.8) | | 0.6 | |
| Non-Controlling Interests and Other | (1.6) | | 4.1 | |
| **Cash Generated from / (Used in) Operations** | **228.4** | | **359.8** | |
| **Change in Working Capital Requirements** | **(366.5)** | | **(269.1)** | |
| **Net Cash Generated from / (Used in) Operating Activities** | | **(138.1)** | | **90.7** |
| Capital Expenditures | (150.8) | | (111.7) | |
| Proceeds from Non-Current Asset Disposals | 21.6 | | 0.4 | |
| Acquisitions of Financial Assets | (28.9) | | - | |
| Change of Scope of Consolidation | 2.4 | | 12.6 | |
| **Net Cash Generated from / (Used in) Investing Activities** | | **(155.7)** | | **(98.7)** |
| Increase / (Decrease) in Borrowings | 9.9 | | (615.5) | |
| Capital Increase | 2.6 | | 21.3 | |
| Dividends Paid | (143.6) | | (156.1) | |
| Share Buy-Back | (6.8) | | 1.1 | |
| **Net Cash Generated from / (Used in) Financing Activities** | | **(137.9)** | | **(749.2)** |
| **Net Effects of Foreign Exchange Rate Changes** | | **180.3** | | **(59.2)** |
| **Net Increase / (Decrease) in Cash and Cash Equivalents** | | **(251.4)** | | **(816.4)** |
| Bank Overdrafts at Period Beginning | (1.2) | | (0.1) | |
| Cash and Cash Equivalents at Period Beginning | 2,656.3 | | 3,105.7 | |
| Bank Overdrafts at Period End | (0.4) | | (0.7) | |
| Cash and Cash Equivalents at Period End | 2,404.1 | | 2,289.9 | |
| | | **(251.4)** | | **(816.4)** |

**ANNEX I (d)**
**CASH AND FINANCIAL DEBTS - CURRENCY RATES**
**IFRS**

| € million | Cash and Financial Debts Dec. 31, 2010 (audited) | Cash and Financial Debts Jun. 30, 2011 (not audited) |
|---|---|---|
| Cash Equivalents | 2,326.8 | 1,738.2 |
| Cash | 778.9 | 551.7 |
| **Cash & Cash Equivalents (A)** | **3,105.7** | **2,289.9** |
| Current Financial Debts | 681.3 | 31.8 |
| Non-Current Financial Debts | 1,092.1 | 1,148.0 |
| **Gross Debt (B)** | **1,773.4** | **1,179.8** |
| **Net Cash Position (A - B)** | **1,332.3** | **1,110.1** |

**Foreign Currency Conversion Rates**

| | Closing Rate | | Average Rate | | | |
|---|---|---|---|---|---|---|
| | Dec. 31 2010 | Jun. 30 2011 | 2Q 2010 | 2Q 2011 | 1H 2010 | 1H 2011 |
| **USD for 1 EUR** | 1.34 | 1.45 | 1.27 | 1.44 | 1.35 | 1.40 |
| **GBP for 1 EUR** | 0.86 | 0.90 | 0.85 | 0.88 | 0.88 | 0.87 |

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**ANNEX II (a)**
**REVENUE BY GEOGRAPHICAL AREA**
**IFRS, not audited**

| | Second Quarter | | | First Half | | |
|---|---|---|---|---|---|---|
| € million | 2010 | 2011 | % Δ | 2010 | 2011 | % Δ |
| **Europe, Russia, Central Asia** | 430.1 | 497.4 | 15.6% | 696.1 | 895.4 | 28.6% |
| **Africa** | 218.9 | 201.4 | (8.0)% | 510.3 | 484.9 | (5.0)% |
| **Middle East** | 304.5 | 393.1 | 29.1% | 586.4 | 730.7 | 24.6% |
| **Asia Pacific** | 184.5 | 205.1 | 11.2% | 350.8 | 378.6 | 7.9% |
| **Americas** | 346.5 | 366.9 | 5.9% | 659.3 | 610.5 | (7.4)% |
| **TOTAL** | **1,484.5** | **1,663.9** | **12.1%** | **2,802.9** | **3,100.1** | **10.6%** |

**ANNEX II (b)**
**ADDITIONAL INFORMATION BY BUSINESS SEGMENT**
**IFRS, not audited**

| | **Second Quarter** | | | **First Half** | | |
|---|---|---|---|---|---|---|
| € million | **2010** | **2011** | **% Δ** | **2010** | **2011** | **% Δ** |
| **SUBSEA** | | | | | | |
| Revenue | 687.6 | 659.7 | (4.1)% | 1,319.4 | 1,253.5 | (5.0)% |
| Gross Margin | 168.2 | 174.8 | 3.9% | 323.3 | 327.3 | 1.2% |
| Operating Income from Recurring Activities | 116.1 | 111.9 | (3.6)% | 224.3 | 211.9 | (5.5)% |
| *Operating Margin*[4] | *16.9%* | *17.0%* | *8bp* | *17.0%* | *16.9%* | *(10)bp* |
| Depreciation and Amortization | (29.2) | (29.6) | 1.4% | (58.5) | (57.2) | (2.2)% |
| EBITDA[2] | 145.3 | 141.5 | (2.6)% | 282.8 | 269.1 | (4.8)% |
| | | | | | | |
| **OFFSHORE** | | | | | | |
| Revenue | 185.5 | 229.2 | 23.6% | 327.5 | 433.5 | 32.4% |
| Gross Margin | 26.0 | 36.0 | 38.5% | 50.6 | 62.7 | 23.9% |
| Operating Income from Recurring Activities | 9.0 | 16.6 | 84.4% | 20.0 | 26.7 | 33.5% |
| *Operating Margin*[4] | *4.9%* | *7.2%* | *239bp* | *6.1%* | *6.2%* | *5bp* |
| Depreciation and Amortization | (2.7) | (2.8) | 3.7% | (4.9) | (5.7) | 16.3% |
| | | | | | | |
| **ONSHORE** | | | | | | |
| Revenue | 611.4 | 775.0 | 26.8% | 1,156.0 | 1,413.1 | 22.2% |
| Gross Margin | 94.5 | 122.0 | 29.1% | 168.5 | 221.8 | 31.6% |
| Operating Income from Recurring Activities | 47.5 | 59.8 | 25.9% | 75.1 | 112.0 | 49.1% |
| *Operating Margin*[4] | *7.8%* | *7.7%* | *(5)bp* | *6.5%* | *7.9%* | *143bp* |
| Depreciation and Amortization | (2.7) | (4.8) | 77.8% | (6.5) | (8.1) | 24.6% |
| | | | | | | |
| **CORPORATE** | | | | | | |
| Operating Income from Recurring Activities | (12.1) | (12.7) | 5.0% | (19.7) | (30.2) | 1.5x |
| Depreciation and Amortization | (0.8) | 0.2 | nm | (0.8) | (0.2) | nm |

**ANNEX II (c)**
**ORDER INTAKE & BACKLOG**
**Not audited**

| | Order Intake by Business Segment Second Quarter | | |
|---|---|---|---|
| € million | **2010** | **2011** | **% Δ** |
| Subsea | 772.8 | 1,018.1 | 31.7% |
| Offshore | 318.6 | 647.2 | 103.1% |
| Onshore | 429.9 | 426.2 | (0.9)% |
| **TOTAL** | **1,521.3** | **2,091.5** | **37.5%** |

| | Backlog by Business Segment | | |
|---|---|---|---|
| € million | **As of Jun. 30, 2010** | **As of Dec. 31, 2010** | **As of Jun. 30, 2011** |
| Subsea | 3,057.3 | 3,110.7 | 3,630.0 |
| Offshore | 600.8 | 1,130.9 | 1,483.3 |
| Onshore | 4,604.7 | 4,986.3 | 4,299.4 |
| **TOTAL** | **8,262.8** | **9,227.9** | **9,412.7** |

| | Backlog by Geographical Area | | |
|---|---|---|---|
| € million | **As of Jun. 30, 2010** | **As of Dec. 31, 2010** | **As of Jun. 30, 2011** |
| Europe, Russia, Central Asia | 1,716.0 | 1,670.9 | 1,577.4 |
| Africa | 1,341.5 | 1,663.8 | 1,582.6 |
| Middle East | 3,066.3 | 2,958.9 | 2,278.8 |
| Asia Pacific | 660.5 | 680.3 | 1,258.5 |
| Americas | 1,478.5 | 2,254.0 | 2,715.4 |
| **TOTAL** | **8,262.8** | **9,227.9** | **9,412.7** |

| | June 30, 2011 Backlog Estimated Scheduling | | | |
|---|---|---|---|---|
| € million | **Subsea** | **Offshore** | **Onshore** | **Group** |
| **For 2011 (6 months)** | 1,313.3 | 413.8 | 1,529.9 | **3,257.0** |
| **For 2012** | 1,643.7 | 629.8 | 2,109.3 | **4,382.8** |
| **For 2013 and beyond** | 673.0 | 439.7 | 660.2 | **1,772.9** |
| **TOTAL** | **3,630.0** | **1,483.3** | **4,299.4** | **9,412.7** |

**ANNEX II (d)**
**ORDER INTAKE**
**Not audited**

In **second quarter 2011**, Technip's order intake reached €2,092 million, compared with €1,521 million for the same period the year before. The main contracts that we announced during second quarter 2011 were:

- Onshore was awarded by Canadian Natural Resources Limited an engineering, procurement and construction support services contract, worth approximately €100 million, for the Horizon project in Fort McMurray, Canada,
- Offshore signed a 10-year frame agreement with BP Exploration and Production, Inc. covering the design, procurement and construction of hulls and mooring systems for Spar platforms to be located in the Gulf of Mexico,
- Onshore was awarded a reimbursable contract for the engineering work and services related to procurement and construction management for the Macedon gas project located 17 kilometers of Onslow in North West Australia,
- Subsea was awarded by Statoil / Norsk Hydro a contract, worth approximately €55 million, for the Vigdis North East field development located in the Norwegian Sea at a water depth of 220 - 310 meters,
- Offshore was awarded by Statoil Brasil Óleo & Gàs Ltda. a frame agreement for engineering studies. The scope of this 3-year contract covers feasibility, concept and front-end engineering design studies for Statoil's existing offshore production fields and future developments in Brazil,
- Subsea was awarded a contract by Hibernia Management and Development Company Ltd. (HMDC) for the Hibernia Southern Extension project located 315 kilometers offshore Newfoundland and Labrador, Canada,
- Onshore was awarded by BASF an Engineering Partner Umbrella Service Contract for chemical and petrochemical projects,
- Offshore started to work on detailed design and construction of FLNG facility developed by Shell for Prelude field offshore Australia,
- Subsea was awarded by BP Exploration Operating Company Limited, a contract worth approximately €15 million for the Lan Do field development in Vietnam,
- Subsea was awarded by Endeavour Energy UK Ltd an EPCI lump sum contract, worth around €70 million, for the East Rochelle development in the United Kingdom North Sea. The field is located approximately 185 kilometers north-east of Aberdeen, Scotland.

**Since July 1, 2011**, Technip has also announced the award of the following contract that was included in the backlog as of June 30, 2011:

- Onshore was awarded by Solvay an engineering services contract for studying the construction of a greenfield chemical plant in Taixing, Jiangsu Province, China.

## TECHNIP'S FIRST QUARTER RESULTS

**FIRST QUARTER 2011 RESULTS**

- **Revenue of €1,436 million, of which €594 million in Subsea**
- **Group operating margin of 10.1%, of which 16.8% in Subsea and 7.4% in Onshore/Offshore**
- **Net Income of €104 million**
- **Total Net cash of €1,300 million**
- **Backlog of €9,081 million, with an order intake of €1,293 million during first quarter 2011**

**FULL YEAR 2011 OUTLOOK CONFIRMED***

- **Group revenue around €6,500 - 6,700 million**
- **Subsea revenue around €2,600 - 2,700 million**
- **Subsea operating margin above 15%**
- **Onshore/Offshore combined operating margin between 6% and 6.5%**

| € million (except EPS) | 1Q 10 | 1Q 11 | % change | % ex. FX impact |
|---|---|---|---|---|
| **Revenue** | **1,318.4** | **1,436.2** | **8.9%** | **5.3%** |
| **EBITDA(1)** | **174.5** | **179.0** | **2.6%** | **(0.7)%** |
| *EBITDA Margin* | *13.2%* | *12.5%* | *(77)bp* | |
| **Operating Income from recurring activities** | **139.2** | **144.8** | **4.0%** | **0.8%** |
| *Operating Margin* | *10.6%* | *10.1%* | *(48)bp* | |
| **Operating Income** | **139.2** | **144.8** | **4.0%** | |
| **Net Income** | **95.9** | **104.3** | **8.8%** | |
| **EPS (€)** | **0.88** | **0.92** | **3.8%** | |

(1) Calculated as Operating Income from recurring activities before depreciation and amortization

On April 26, 2011, Technip's Board of Directors approved the unaudited first quarter 2011 consolidated accounts. Chairman and CEO Thierry Pilenko commented: "In first quarter of 2011, Technip recorded 9% revenue growth year-on-year with strong margins and a robust order intake.

Group revenue growth was in line with our full year objectives with good contribution from recent contracts such as Jubail for Onshore/Offshore. The slight decrease in Subsea revenue reflects the partial shutdown at our Vitoria flexible plant in Brazil in part offset by steady progress on projects such as Pazflor in Angola. Completion of Jubilee in Ghana (Subsea) and numerous small and medium size contracts across all segments drove operating margins to 16.8% for Subsea and 7.4% for Onshore/Offshore combined. Overall, our results show the benefits of building our activity on a diversified backlog.

Commercial success was notable in the North Sea, and flexible pipe supply in Brazil for pre-salt & conventional developments. We recorded strong Subsea order intake of €736 million as a result. In Onshore/Offshore, our order intake was composed of a strategic contract to expand the Cubatão

* at current exchange rates

refinery in Brazil and several significant FEEDs in a variety of regions. Group order intake of €1.3 billion during the quarter assured a backlog of over €9 billion.

Accordingly, based on these encouraging first quarter results and order intake, we maintain our full year financial objectives.

Looking ahead, we remain confident in our ability to expand our business even if events in North Africa postponed the award of some expected projects. Activity has resumed slowly but steadily in the Gulf of Mexico, with the first drilling permits now being granted. Prospects for gas development worldwide also look better than a year ago. In general, we believe that the possible slowdown in nuclear projects combined with political uncertainties in major producing countries will encourage the oil and gas operators to diversify their geographical portfolio. This, combined with robust oil prices, could stimulate major investments in challenging and technology-intensive environments.

Thanks to Technip's expanding geographic footprint, focus on winning strategic FEED work, and investments in technology, our own pipeline of potential awards remains robust and we are actively discussing numerous potentially significant projects with clients across the world.

Strategically, we continue to build for the long term. In the first quarter 2011, we received confirmation of a government grant to help finance the expansion of our steel tube umbilicals capabilities in the UK and awarded the construction contracts for our new flexible pipelay vessel dedicated to the Asian market. We are now working on the tender for new pipelay vessels for Petrobras in Brazil. Our balance sheet remains strong, giving us substantial flexibility in making further investments to drive our profitable and sustainable growth."

## I. FIRST QUARTER 2011 REPORT

### 1. Operational Highlights

**Subsea** business segment's main events were:

- In Ghana, Jubilee contract was completed and handed over to client,
- In Egypt, offshore operations were completed on West Delta Deep Marine Phase 7, while Phase 8a project is moving forward again,
- In Angola, offshore operations were successfully completed on Block 31 and continued well on Pazflor,
- In the North Sea, Skarv flexible pipe supply project was successfully completed, while Pipe-in-Pipe installation started on Marulk, manufacturing of Electrically Trace Heated & Reeled Pipe-in-Pipe (ETH-PIP) progressed on Islay project, and started on smooth bore risers (Technip's proprietary technology) for Gjøa project,
- In the Gulf of Mexico, FEED for the Marine Well Containment System was delivered to client and manufacturing of the system has now started with initial work on the umbilical, riser and flowline components,
- In Asia, offshore operations started on CWLH project in Australia and manufacturing of flexible pipe neared completion on Kitan, while preparation for offshore operations started in Timor Sea,
- In Brazil, engineering work on Integrated Production Bundles (IPB) for the Papa-Terra field in the Campos Basin progressed. Production was impacted by the partial shutdown in Vitoria plant, whilst first flexible pipes for the pre-salt Tupi Pilot project were delivered,
- Ramp-up of Asiaflex manufacturing plant continued in Malaysia with a good order flow,
- Vessel utilization rate was 65% compared with 70% a year ago. Pipelay vessel utilization was high, while diving support & construction vessel utilization was impacted by a high number of dry dock days.

**Onshore/Offshore** business segment's main events were:

- Offshore Associated Gas (OAG) project in Abu Dhabi was successfully completed,
- Detailed engineering for Gumusut floating facilities in Malaysia was completed,
- Commissioning activities progressed well on Neste Oil biodiesel plant in Rotterdam, and on P-56 semi-submersible offshore facilities in Brazil,
- On Block 1 Gas Development project in Turkmenistan, offshore installation of the gravity-based structure (GBS) and topside floatover were completed,
- Civil and mechanical works progressed on Jubail Refinery in Saudi Arabia and Asab 3 in Abu Dhabi,
- Engineering and procurement activities continued on PMP in Qatar, while early works started on site,
- Engineering work and procurement of long lead items progressed well on offshore Khafji Crude Related project in the Neutral Zone between Kuwait and Saudi Arabia,
- Engineering activities for P-58 and P-62 FPSOs units continued in Brazil,
- FLNG FEED activities substantially progressed for Shell Prelude field offshore Australia and started for Petronas offshore Malaysia,
- FEED package for Wheatstone gas processing platform in Australia was delivered to client and detailed engineering started subsequently.

## 2. Order Intake and Backlog

During first quarter 2011, Technip's **order intake** was €1,293 million, in line with €1,338 million in first quarter 2010.

The breakdown by business segment for the first quarter was as follows:

| € million | 1Q 2010 | | 1Q 2011 | |
|---|---|---|---|---|
| Subsea | 440.4 | 32.9% | 735.6 | 56.9% |
| Offshore | 114.9 | 8.6% | 177.7 | 13.7% |
| Onshore | 782.4 | 58.5% | 379.5 | 29.4% |
| **Total** | **1,337.7** | **100.0%** | **1,292.8** | **100.0%** |

**Subsea** order intake comprised of several contracts in the North Sea and Canada including diving support services and EPIC contracts (notably with Pipe-in-Pipe and smooth bore technologies); several contracts in Brazil, including a significant order for flexible pipes dedicated to pre-salt & conventional developments; components of the Marine Well Containment System for the Gulf of Mexico; and the first flexible supply contract dedicated to Malaysian fields for execution at Asiaflex manufacturing plant.

**Onshore/Offshore** order intake includes a contract for the expansion of Cubatão refinery in Brazil, several services contracts for offshore facilities in the UAE, Indonesia and Australia, as well as a FEED for the Ethylene XXI project in Mexico based on Technip's proprietary design.

Listed in annex II (d) are the main contracts announced since January 2011 and their approximate value if publicly disclosed.

At the end of first quarter 2011, Technip's **backlog** was €9,081 million, compared with €9,228 million at the end 2010 and €8,126 million at the end of first quarter 2010. Approximately 49% of the backlog is expected to be scheduled in the last nine months of 2011.

The backlog breakdown by business segment is as follows:

| € million | March 31, 2010 | | March 31, 2011 | |
|---|---|---|---|---|
| Subsea | 2,893.0 | 35.6% | 3,298.8 | 36.3% |
| Offshore | 470.3 | 5.8% | 1,089.8 | 12.0% |
| Onshore | 4,762.6 | 58.6% | 4,692.6 | 51.7% |
| **Total** | **8,125.9** | **100.0%** | **9,081.2** | **100.0%** |

### 3. Capital Expenditures and Investments

Capital expenditure commitments for first quarter 2011 were €51 million compared with €61 million a year ago. We received confirmation of a government grant to part-finance the expansion of our steel tube umbilical manufacturing capabilities in Newcastle, UK, mentioned in the 2010 full year press release.

## II. FIRST QUARTER 2011 FINANCIAL RESULTS

### 1. Revenue

| € million | 1Q 2010 | 1Q 2011 | % change |
|---|---|---|---|
| Subsea | 631.8 | 593.8 | (6.0)% |
| Onshore/Offshore | 686.6 | 842.4 | 22.7% |
| **Total** | **1,318.4** | **1,436.2** | **8.9%** |

**Subsea** major revenue contributors included Jubilee in Ghana, Pazflor and Block 31 in Angola, West Delta Deep Marine (WDDM) Phase 7 & 8a in Egypt, as well as various contracts in the North Sea and Brazil.

**Offshore** major revenue contributors included offshore Block 1 Gas Development in Turkmenistan and the P-56 semi-submersible contract in Brazil.

**Onshore** major revenue contributors were Jubail refinery in Saudi Arabia, Offshore Associated Gas (OAG) and Asab 3 contracts in Abu Dhabi, PMP contract in Qatar and onshore Block 1 Gas Development in Turkmenistan.

Foreign exchange had a positive impact estimated at €48 million on Technip's first quarter 2011 revenue.

## 2. Operating Income from Recurring Activities

| € million | 1Q 2010 | 1Q 2011 | % change |
|---|---|---|---|
| Subsea | 108.2 | 100.0 | (7.6)% |
| *Operating Margin** | *17.1%* | *16.8%* | *(28)bp* |
| Onshore/Offshore | 38.6 | 62.3 | 61.4% |
| *Operating Margin** | *5.6%* | *7.4%* | *177bp* |
| Corporate | (7.6) | (17.5) | 2.3x |
| **Total** | **139.2** | **144.8** | **4.0%** |
| *Operating Margin** | *10.6%* | *10.1%* | *(48)bp* |

* Operating margin from recurring activities

Subsea EBITDA margin was 21.5% for first quarter 2011 in line with first quarter 2010. Operating margin at 16.8% exceeded expectations mainly driven by good execution on Jubilee and Pazflor projects in West Africa.

Onshore/Offshore combined operating margin rose from 5.6% a year ago to 7.4% in first quarter 2011 reflecting good progress or delivery on several small and medium size projects.

In first quarter 2011 Corporate results reflected a higher cost for share-based compensation plans (a year ago cost was lower as targets were not fully achieved).

Foreign exchange had a positive impact estimated at €4 million on Technip's first quarter 2011 operating income from recurring activities.

Financial income on projects accounted as revenue amounted to €4 million in first quarter 2011.

## 3. Operating Income

Operating income was €145 million in first quarter 2011 versus €139 million a year ago.

## 4. Net Income

| € million | 1Q 2010 | 1Q 2011 | % change |
|---|---|---|---|
| Operating Income | 139.2 | 144.8 | 4.0% |
| Financial result | (3.2) | (1.6) | 0.5x |
| Income from equity affiliates | 1.0 | - | nm |
| Income tax | (41.8) | (39.7) | (5.0)% |
| Minority Interests | 0.7 | 0.8 | 14.3% |
| **Net income** | **95.9** | **104.3** | **8.8%** |

**Financial result** in first quarter 2011 included a €7 million positive impact from currency variations and fair market value of hedging instruments, which was negligible a year ago.

**Income tax** was €40 million in first quarter 2011 giving an effective tax rate of 28%.

**Diluted EPS** were €0.92 in first quarter 2011, compared to €0.88 last year.

Average number of shares during first quarter 2011 on a diluted basis calculated as per IFRS was 116,496,167 versus 108,639,473 shares for the same quarter in 2010. The variation is mainly due to 6,618,532 shares related to the potential dilution of the OCEANE, and the stock options and performance shares granted by the Board of Directors to Technip's employees.

## 5. Cash and Balance Sheet

€ million

| | | |
|---|---|---|
| **Net cash as of December 31, 2010** | | **1,332.3** |
| Net cash from operating activities | | 19.3 |
| *of which:* | | |
| *Cash from operations* | *165.1* | |
| *Change in working capital* | *(145.8)* | |
| Capital expenditures | | (47.5) |
| Dividend payment | | - |
| Others including FX impacts | | (3.7) |
| **Net cash as of March 31, 2011** | | **1,300.4** |

As of March 31, 2011, the Group's **net cash** position was €1,300 million compared with €1,332 million as of December 31, 2010 and €1,801 million as of March 31, 2010.

During first quarter 2011, cash from operations was €165 million compared with €102 million in first quarter 2010.

**Shareholders' equity** as of March 31, 2011 was €3,347 million compared with €3,202 million as of December 31, 2010.

### III. 2011 FULL YEAR OUTLOOK*

**Full year 2011 outlook is unchanged:**

- **Group revenue around €6,500 - 6,700 million**
- **Subsea revenue around €2,600 - 2,700 million**
- **Subsea operating margin above 15%**
- **Onshore/Offshore combined operating margin between 6% and 6.5%**

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| The information package on First Quarter 2011 results includes this press release and the annexes which follow, as well as the presentation published on Technip's website: www.technip.com |
|---|

**NOTICE**

Today, April 28, 2011, Chairman and CEO Thierry Pilenko, along with CFO Julian Waldron, will comment on Technip's results and answer questions from the financial community during a conference call in English starting at 10:00 a.m. CET.

To participate in the conference call, you may call any of the following telephone numbers approximately 5 - 10 minutes prior to the scheduled start time:

| | |
|---|---|
| France / Continental Europe: | + 33 (0)1 70 77 09 35 |
| UK: | + 44 (0)203 367 9457 |
| USA: | + 1 866 907 5923 |

The conference call will also be available via a simultaneous, listen-only audio-cast on Technip's website.

A replay of this conference call will be available approximately two hours following the conference call for 90 days on the Technip's website and for two weeks at the following telephone numbers:

| | Telephone Numbers | Confirmation Code |
|---|---|---|
| France / Continental Europe: | + 33 (0)1 72 00 15 00 | 272865# |
| UK: | + 44 (0)203 367 9460 | 272865# |
| USA: | + 1 877 642 3018 | 272865# |

* at current exchange rates

**Cautionary note regarding forward-looking statements**

***This presentation contains both historical and forward-looking statements. These forward-looking statements are not based on historical facts, but rather reflect our current expectations concerning future results and events and generally may be identified by the use of forward-looking words such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "likely", "should", "planned", "may", "estimates", "potential" or other similar words. Similarly, statements that describe our objectives, plans or goals are or may be forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied by these forward-looking statements. Risks that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among other things: our ability to successfully continue to originate and execute large services contracts, and construction and project risks generally; the level of production-related capital expenditure in the oil and gas industry as well as other industries; currency fluctuations; interest rate fluctuations; raw material (especially steel) as well as maritime freight price fluctuations; the timing of development of energy resources; armed conflict or political instability in the Arabian-Persian Gulf, Africa or other regions; the strength of competition; control of costs and expenses; the reduced availability of government-sponsored export financing; losses in one or more of our large contracts; U.S. legislation relating to investments in Iran or elsewhere where we seek to do business; changes in tax legislation, rules, regulation or enforcement; intensified price pressure by our competitors; severe weather conditions; our ability to successfully keep pace with technology changes; our ability to attract and retain qualified personnel; the evolution, interpretation and uniform application and enforcement of International Financial Reporting Standards (IFRS), according to which we prepare our financial statements as of January 1, 2005; political and social stability in developing countries; competition; supply chain bottlenecks; the ability of our subcontractors to attract skilled labor; the fact that our operations may cause the discharge of hazardous substances, leading to significant environmental remediation costs; our ability to manage and mitigate logistical challenges due to underdeveloped infrastructure in some countries where we are performing projects.***

***Some of these risk factors are set forth and discussed in more detail in our Annual Report. Should one of these known or unknown risks materialize, or should our underlying assumptions prove incorrect, our future results could be adversely affected, causing these results to differ materially from those expressed in our forward-looking statements. These factors are not necessarily all of the important factors that could cause our actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could have material adverse effects on our future results. The forward-looking statements included in this release are made only as of the date of this release. We cannot assure you that projected results or events will be achieved. We do not intend, and do not assume any obligation to update any industry information or forward-looking information set forth in this release to reflect subsequent events or circumstances.***

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Technip is a world leader in project management, engineering and construction for the energy industry.

From the deepest Subsea oil & gas developments to the largest and most complex Offshore and Onshore infrastructures, our 23,000 people are constantly offering the best solutions and most innovative technologies to meet the world's energy challenges.

Present in 48 countries, Technip has state-of-the-art industrial assets on all continents and operates a fleet of specialized vessels for pipeline installation and subsea construction.

Technip shares are listed on the NYSE Euronext Paris exchange and the USA over-the-counter (OTC) market as an American Depositary Receipt (ADR: TKPPK).

Euronext
NYSE Euronext
ISIN: FR0000131708

OTC ADR ISIN: US8785462099

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**ANNEX I (a)**
**CONSOLIDATED STATEMENT OF INCOME**
**IFRS, unaudited**

| € million (except EPS, and number of shares) | First Quarter 2010 | First Quarter 2011 | % ∆ |
|---|---|---|---|
| **Revenue** | **1,318.4** | **1,436.2** | **8.9%** |
| Gross Margin | 253.7 | 279.6 | 10.2% |
| Research & Development Expenses | (12.9) | (12.3) | (4.7)% |
| SG&A and Other Operating Expenses | (101.6) | (122.5) | 20.6% |
| **Operating Income from Recurring Activities** | **139.2** | **144.8** | **4.0%** |
| Other Operating Income | - | - | nm |
| **Operating Income** | **139.2** | **144.8** | **4.0%** |
| Financial Result | (3.2) | (1.6) | 0.5x |
| Income from Equity Affiliates | 1.0 | - | nm |
| **Profit Before Tax** | **137.0** | **143.2** | **4.5%** |
| Income Tax | (41.8) | (39.7) | (5.0)% |
| Tax on Sale of Activities | - | - | nm |
| Minority Interests | 0.7 | 0.8 | 14.3% |
| **Net Income** | **95.9** | **104.3** | **8.8%** |
| Number of Shares on a Diluted Basis | 108,639,473 | 116,496,167 | 7.2% |
| **EPS (€) on a Diluted Basis** [(1)] | **0.88** | **0.92** | **3.8%** |

(1) As per IFRS, Earnings Per Share (diluted) are calculated by dividing profit or loss attributable to the Parent Company's Shareholders, retreated from financial interest related to dilutive potential ordinary shares, by the weighted average number of outstanding shares during the period, plus the effect of dilutive potential ordinary shares related to the convertible bond, dilutive stock options and performance shares calculated according to the "Share Purchase Method" (IFRS 2), less treasury shares. In conformity with this method, anti-dilutive stock options are ignored in calculating EPS. Dilutive options are taken into account if the subscription price of the stock options plus the future IFRS 2 charge (i.e. the sum of annual charge to be recorded until the end of the stock option plan) is lower than the average market share price during the period.

**ANNEX I (b)**
**CONSOLIDATED BALANCE SHEET**
**IFRS**

| € million | Dec. 31, 2010 (audited) | Mar. 31, 2011 (unaudited) |
|---|---|---|
| Fixed Assets | 4,146.0 | 4,167.5 |
| Deferred Taxes | 324.6 | 308.1 |
| **NON-CURRENT ASSETS** | **4,470.6** | **4,475.6** |
| Construction Contracts | 378.6 | 447.1 |
| Inventories, Trade Receivables and Others | 2,267.1 | 1,952.6 |
| Cash & Cash Equivalents | 3,105.7 | 3,046.7 |
| **CURRENT ASSETS** | **5,751.4** | **5,446.4** |
| **TOTAL ASSETS** | **10,222.0** | **9,922.0** |
| Shareholders' Equity (Parent Company) | 3,179.8 | 3,326.6 |
| Minority Interests | 22.3 | 20.6 |
| **SHAREHOLDERS' EQUITY** | **3,202.1** | **3,347.2** |
| Non-Current Financial Debts | 1,092.1 | 1,057.4 |
| Non-Current Provisions | 110.2 | 109.6 |
| Deferred Taxes and Other Non-Current Liabilities | 144.7 | 171.0 |
| **NON-CURRENT LIABILITIES** | **1,347.0** | **1,338.0** |
| Current Financial Debts | 681.3 | 688.9 |
| Current Provisions | 236.7 | 254.5 |
| Construction Contracts | 694.9 | 655.9 |
| Accounts Payable & Other Advances Received | 4,060.0 | 3,637.5 |
| **CURRENT LIABILITIES** | **5,672.9** | **5,236.8** |
| **TOTAL SHAREHOLDERS' EQUITY & LIABILITIES** | **10,222.0** | **9,922.0** |
| **Net Financial Cash** | **1,332.3** | **1,300.4** |

| **Changes in Shareholders' Equity (Parent Company), unaudited: € million** | |
|---|---|
| **Shareholders' Equity as of December 31, 2010** | **3,179.8** |
| First Quarter 2011 Net Income | 104.3 |
| First Quarter 2011 Other Comprehensive Income | 17.3 |
| Capital Increases | 9.4 |
| Treasury Shares | 13.5 |
| Dividend Payment | - |
| Others | 2.3 |
| **Shareholders' Equity as of March 31, 2011** | **3,326.6** |

**ANNEX I (c)**
**CONSOLIDATED STATEMENT OF CASH FLOWS**
**IFRS, unaudited**

| | First Quarter | | | |
|---|---|---|---|---|
| € million | 2010 | | 2011 | |
| Net Income | 95.9 | | 104.3 | |
| Depreciation of Fixed Assets | 35.3 | | 34.2 | |
| Stock Option and Performance Share Charges | 0.6 | | 12.5 | |
| Long-Term Provisions (including Employee Benefits) | 3.9 | | - | |
| Deferred Income Tax | (31.6) | | 12.0 | |
| Capital (Gain) Loss on Asset Sale | (0.3) | | (0.1) | |
| Minority Interests and Other | (1.7) | | 2.2 | |
| **Cash from Operations** | **102.1** | | **165.1** | |
| **Change in Working Capital** | **(77.7)** | | **(145.8)** | |
| **Net Cash Generated from (Used in) Operating Activities** | | **24.4** | | **19.3** |
| Capital Expenditures | (61.3) | | (47.5) | |
| Cash Proceeds from Non-current Asset Disposal | 0.3 | | 0.1 | |
| Share Divestment (Acquisitions) | - | | 12.6 | |
| Change of Scope of Consolidation | - | | - | |
| **Net Cash Generated from (Used in) Investment Activities** | | **(61.0)** | | **(34.8)** |
| Increase (Decrease) in Debt | 5.8 | | (18.9) | |
| Capital Increase | 2.1 | | 9.3 | |
| Dividend Payment | - | | - | |
| Treasury Shares | - | | 1.5 | |
| **Net Cash Generated from (Used in) Financing Activities** | | **7.9** | | **(8.1)** |
| **Foreign Exchange Translation Adjustment** | | **55.1** | | **(35.5)** |
| **Net Increase (Decrease) in Cash and Equivalents** | | **26.4** | | **(59.1)** |
| Bank Overdraft at Period Beginning | (1.2) | | (0.1) | |
| Cash and Equivalents at Period Beginning | 2,656.3 | | 3,105.7 | |
| Bank Overdraft at Period End | (0.5) | | (0.2) | |
| Cash and Equivalents at Period End | 2,682.0 | | 3,046.7 | |
| | | **26.4** | | **(59.1)** |

## ANNEX I (d)
## TREASURY AND FINANCIAL DEBT - CURRENCY RATES
## IFRS

| € million | Treasury and Financial Debt | |
|---|---|---|
| | Dec. 31, 2010 (audited) | Mar. 31, 2011 (unaudited) |
| Cash Equivalents | 2,326.8 | 2,414.9 |
| Cash | 778.9 | 631.8 |
| **Cash & Cash Equivalents (A)** | **3,105.7** | **3,046.7** |
| Current Financial Debts | 681.3 | 688.9 |
| Non-Current Financial Debts | 1,092.1 | 1,057.4 |
| **Gross Debt (B)** | **1,773.4** | **1,746.3** |
| **Net Financial Cash (Debt) (A - B)** | **1,332.3** | **1,300.4** |

**€ versus Foreign Currency Conversion Rates**

| | Balance Sheet as of | | Statement of Income | |
|---|---|---|---|---|
| | Dec. 31 2010 | Mar. 31 2011 | 1Q 2010 | 1Q 2011 |
| **USD** | 1.34 | 1.42 | 1.38 | 1.37 |
| **GBP** | 0.86 | 0.88 | 0.89 | 0.85 |

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## ANNEX II (a)
## REVENUE BY REGION
## IFRS, unaudited

| € million | First Quarter | | |
|---|---|---|---|
| | **2010** | **2011** | **% Δ** |
| **Europe, Russia, C. Asia** | 266.0 | 398.0 | 49.6% |
| **Africa** | 291.4 | 283.5 | (2.7)% |
| **Middle East** | 281.9 | 337.6 | 19.8% |
| **Asia Pacific** | 166.3 | 173.5 | 4.3% |
| **Americas** | 312.8 | 243.6 | (22.1)% |
| **TOTAL** | **1,318.4** | **1,436.2** | **8.9%** |

**ANNEX II (b)**
**ADDITIONAL INFORMATION BY BUSINESS SEGMENT**
**IFRS, unaudited**

| € million | **1Q 10** | **1Q 11** | **% ∆** |
|---|---|---|---|
| **SUBSEA** | | | |
| Revenue | 631.8 | 593.8 | (6.0)% |
| Gross Margin | 155.1 | 152.5 | (1.7)% |
| Operating Income from Recurring Activities | 108.2 | 100.0 | (7.6)% |
| *Operating Margin From Recurring Activities* | *17.1%* | *16.8%* | *(28)bp* |
| Depreciation and Amortization | (29.3) | (27.6) | (5.8)% |
| EBITDA[(1)] | 137.5 | 127.6 | (7.2)% |
| **OFFSHORE** | | | |
| Revenue | 142.0 | 204.3 | 43.9% |
| Gross Margin | 24.6 | 26.7 | 8.5% |
| Operating Income from Recurring Activities | 11.0 | 10.1 | (8.2)% |
| *Operating Margin From Recurring Activities* | *7.7%* | *4.9%* | *(280)bp* |
| Depreciation and Amortization | (2.2) | (2.9) | 31.8% |
| **ONSHORE** | | | |
| Revenue | 544.6 | 638.1 | 17.2% |
| Gross Margin | 74.0 | 99.8 | 34.9% |
| Operating Income from Recurring Activities | 27.6 | 52.2 | 89.1% |
| *Operating Margin From Recurring Activities* | *5.1%* | *8.2%* | *311bp* |
| Depreciation and Amortization | (3.8) | (3.3) | (13.2)% |
| | | | |
| **CORPORATE** | | | |
| Operating Income from Recurring Activities | (7.6) | (17.5) | 2.3x |
| Depreciation and Amortization | - | (0.4) | nm |

(1) Calculated as Operating Income from recurring activities before depreciation and amortization

## ANNEX II (c)
## ORDER INTAKE & BACKLOG
### Unaudited

| € million | Order Intake by Business Segment<br>First Quarter | | |
|---|---|---|---|
| | **2010** | **2011** | **% Δ** |
| Subsea | 440.4 | 735.6 | 67.0% |
| Offshore | 114.9 | 177.7 | 54.7% |
| Onshore | 782.4 | 379.5 | (51.5)% |
| **TOTAL** | **1,337.7** | **1,292.8** | **(3.4)%** |

| € million | Backlog by Business Segment | | |
|---|---|---|---|
| | **As of Mar. 31, 2010** | **As of Mar. 31, 2011** | **% Δ** |
| Subsea | 2,893.0 | 3,298.8 | 14.0% |
| Offshore | 470.3 | 1,089.8 | 2.3x |
| Onshore | 4,762.6 | 4,692.6 | (1.5)% |
| **TOTAL** | **8,125.9** | **9,081.2** | **11.8%** |

| € million | Backlog by Region | | |
|---|---|---|---|
| | **As of Mar. 31, 2010** | **As of Mar. 31, 2011** | **% Δ** |
| Europe, Russia, C. Asia | 1,401.1 | 1,644.1 | 17.3% |
| Africa | 1,257.9 | 1,479.0 | 17.6% |
| Middle East | 3,316.2 | 2,651.0 | (20.1)% |
| Asia Pacific | 676.6 | 673.5 | (0.5)% |
| Americas | 1,474.1 | 2,633.6 | 78.7% |
| **TOTAL** | **8,125.9** | **9,081.2** | **11.8%** |

| € million | March 31, 2011 Backlog Estimated Scheduling | | | |
|---|---|---|---|---|
| | **Subsea** | **Offshore** | **Onshore** | **Group** |
| **For 2011 (9 months)** | 1,823.0 | 462.2 | 2,169.0 | **4,454.2** |
| **For 2012** | 962.2 | 499.5 | 1,962.0 | **3,423.7** |
| **For 2013 and beyond** | 513.6 | 128.1 | 561.6 | **1,203.3** |
| **TOTAL** | **3,298.8** | **1,089.8** | **4,692.6** | **9,081.2** |

**ANNEX II (d)**
**ORDER INTAKE**
**Unaudited**

In **first quarter 2011**, Technip's order intake reached €1,293 million, compared with €1,338 million for the same period the year before. The main contracts that we announced during first quarter 2011 were:

- Subsea was awarded a lump sum contract by Enbridge Offshore Facilities L.L.C. (Enbridge) for the development of the Walker Ridge gas gathering system in the Gulf of Mexico, at a water depth of 7,000 feet (2,100 meters),
- Subsea was awarded umbilical contracts by Acergy Angola S.A. and Acergy West Africa S.A.S. for the CLOV field development. This field is located in Block 17 offshore Angola in water depths down to 1,410 meters. The development operator is Total E&P Angola,
- Subsea was awarded a contract by Chevron North America Exploration and Production for the development of the Jack & St-Malo fields, located in the Walker Ridge area of the Gulf of Mexico at a water depth of approximately 7,000 feet (2,100 meters),
- Onshore was awarded a lump-sum contract by Burgasnefteproekt EOOD (an engineering company belonging to Lukoil), worth approximately €70 million, for the Phase 1 of a heavy residue hydrocracking complex to be built at its refinery located in Burgas, Bulgaria,
- Offshore, in a consortium with Daewoo Shipbuilding & Marine Engineering Co. Ltd., was awarded by Petroliam Nasional Berhad (PETRONAS) and MISC Berhad a front-end engineering and design contract (FEED) for a floating liquefied natural gas (FLNG) unit, which will have a capacity of one million-tonnes per annum and will be located in Malaysia,
- Subsea was awarded by Statoil a contract, worth approximately €90 million, for the Gygrid field development located in the Norwegian Sea at a water depth of 265 - 330 meters,
- Subsea was awarded by GDF SUEZ an engineering, procurement, construction and installation contract, worth approximately €45 million, for the Gjøa field development located in the Norwegian sector of the North Sea,
- Subsea was awarded an installation contract, worth more than €20 million, by EOG Resources United Kingdom Limited, for the development of the Conwy field, located in the East Irish Sea,
- Subsea was awarded by Marine Well Containment Company (MWCC) a contract for the design, procurement and fabrication of the umbilical, riser and flowline components of MWCC's expanded well containment response system for the US Gulf of Mexico,
- Subsea was awarded by TAQA Bratani Ltd. an installation contract for the development of the Falcon field, which is located in the North Sea approximately 560 kilometers north-east of Aberdeen, in 160 meters of water,
- Offshore was awarded by Chevron Indonesia Company Ltd a front-end engineering design contract for two floating production units located offshore Indonesia in the Gendalo and Gehem fields at water depths of 3,500 to 6,000 feet (1,070 to 1,830 meters),
- Offshore was awarded an engineering services contract by ZADCO for the UZ 750 project, one of the major offshore field development projects in the United Arab Emirates,
- Onshore was awarded by Braskem-Idesa (the joint venture between the Brazilian Braskem and Mexican Group Idesa) a FEED contract for Ethylene XXI project in Mexico. Technip was chosen as technology provider for the development of 1,050 kilotons per year ethylene cracker based on ethane.

**Since April 1, 2011,** Technip has also announced the award of the following contract that were **included** in the backlog as of March 31, 2011:

- Offshore was awarded a full EPIC contract by RWE Dea, for the Clipper South gas field development in the North Sea. The field is located 70 kilometers north-east of the Bacton gas terminal in 25 meters of water,

- Onshore was awarded by Bluestar Adisseo Nanjing Company Limited a detailed engineering, procurement and project management services contract for a methionine plant in Nanjing, China,
- Onshore was awarded by Petrobras a lump sum turnkey engineering, procurement and construction (EPC) contract in consortium with Tomé Engenharia, for five new units at the Presidente Bernardes Refinery in Cubatão, state of São Paulo (Brazil),
- Onshore was awarded a purchase order by Snamprogetti Canada to design and supply ten Once Through Steam Generation (OTSG) units for the first Phase of the Sunrise Energy Project.

# MAIN RISKS

## Main Changes in Credit Risk Related Exposure

On July 21st, 2011 Technip entered into a bank credit facility in the amount € one billion to meet its general corporate purposes financing needs.

The credit facility which may be drawn in Euros, in US dollars or in British Pounds, replaces the € 850 million bank credit entered into in 2004 and redeemable with a final maturity date of June 20, 2012 and which has been cancelled on July 21st, 2011.

This new credit facility is fully redeemable with a maturity date of July 21st, 2016 and includes two options to extend by one-year the final maturity, which may be exercised on the first anniversaries of the signing date, subject to the banks' approval.

It is not secured by any of the Group's assets. It contains covenants customary for a financing of this type, and does not include any financial ratio.

The credit agreement does not include early payment provisions in the case of deterioration of the borrower's credit rating. The credit agreement includes a variable interest rate and an applicable margin which varies according to a grid function of Technip credit rating in the event it is utilized, as well as standard default provisions.

The main other risks the Group is facing have not significantly changed since December 31, 2010. These risks are described in 2010 Annual Financial Report.

# RELATED PARTIES

Technip signed an agreement of research cooperation on offshore deep waters with IFP Énergies nouvelles. Related royalties amounted to €1.6 million for the first half of 2011. These royalties are calculated under ordinary conditions of competition.

There was no modification concerning related parties as described in 2010 Annual Financial Report.

# II – STATEMENT OF THE PERSON RESPONSIBLE FOR THE FIRST HALF 2011 FINANCIAL REPORT

# STATEMENT OF THE PERSON RESPONSIBLE FOR THE FIRST HALF 2011 FINANCIAL REPORT

I hereby declare that to the best of my knowledge,

- the condensed interim consolidated financial statements for the first half of 2011 have been prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities, financial position and results of Technip and of entities included in the consolidation,

- the first half 2011 management report describes the material events that occurred in the first six months of the year and their impact on accounts, together with the main related-party transactions and a description of the main risks and uncertainties for the remaining six months of the year.

Paris, July 26, 2011

Thierry Pilenko
Chairman and Chief Executive Officer

# III – CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF 2011

## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF 2011

# 1 – CONSOLIDATED STATEMENT OF INCOME

| In millions of Euro | Notes | 1st Half-Year 2011 | 1st Half-Year 2010 |
|---|---|---|---|
| **Revenue** | | **3,100.1** | **2,802.9** |
| Cost of Sales | | (2,488.3) | (2,260.8) |
| **Gross Margin** | | **611.8** | **542.1** |
| Research and Development Expenses | | (27.4) | (26.2) |
| Selling Costs | | (94.6) | (81.2) |
| Administrative Costs | | (167.4) | (129.0) |
| Other Operating Income | | 8.4 | 6.9 |
| Other Operating Expenses | | (10.4) | (12.9) |
| **Operating Income / (Loss) from Recurring Activities** | | **320.4** | **299.7** |
| Income from Sale of Activities | | - | 11.0 |
| Charges from Sale of Activities | | - | - |
| Charges from Non-Current Activities | | - | - |
| Provision for Litigation | | - | (9.0) |
| **Operating Income / (Loss)** | | **320.4** | **301.7** |
| Financial Income | 4 | 201.4 | 410.3 |
| Financial Expenses | 4 | (191.7) | (421.6) |
| Share of Income / (Loss) of Equity Affiliates | | - | - |
| **Income / (Loss) before Tax** | | **330.1** | **290.4** |
| Income Tax Expense | 5 | (95.3) | (90.0) |
| **Income / (Loss) from Continuing Operations** | | **234.8** | **200.4** |
| Income / (Loss) from Discontinued Operations | | - | - |
| **NET INCOME / (LOSS) FOR THE PERIOD** | | **234.8** | **200.4** |
| Attributable to: | | | |
| Shareholders of the Parent Company | | 236.8 | 202.0 |
| Non-Controlling Interests | | (2.0) | (1.6) |
| Earnings per Share (in Euro) | 6 | 2.20 | 1.90 |
| Diluted Earnings per Share (in Euro) | 6 | 2.06 | 1.87 |

## 2 – CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| In millions of Euro | 1st Half-Year 2011 | 1st Half-Year 2010 |
|---|---|---|
| **Net Income / (Loss) for the Period** | **234.8** | **200.4** |
| Exchange Differences on Translating Entities Operating in Foreign Currency | (55.7) | 132.3 |
| Fair Value Adjustement on Available-for-Sale Financial Assets | 63.0 | (3.2) |
| Cash Flow Hedging | 60.4 | (246.1) |
| Other | 0.1 | - |
| Taxes | (20.1) | 72.1 |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD** | **282.5** | **155.5** |
| Attributable to: | | |
| Shareholders of the Parent Company | 285.6 | 154.6 |
| Non-Controlling Interests | (3.1) | 0.9 |

# 3 – CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## ASSETS

| In millions of Euro | Notes | June 30, 2011 | December 31, 2010 |
|---|---|---|---|
| Property, Plant and Equipment, Net | 7 | 1,470.8 | 1,472.0 |
| Intangible Assets, Net | 8 | 2,459.8 | 2,434.5 |
| Investments in Equity Affiliates | | - | - |
| Other Financial Assets | | 59.4 | 38.4 |
| Deferred Tax Assets | | 298.1 | 324.6 |
| Available-for-Sale Financial Assets | 9 | 263.8 | 201.1 |
| **Total Non-Current Assets** | | **4,551.9** | **4,470.6** |
| Inventories | | 230.6 | 221.5 |
| Construction Contracts - Amounts in Assets | 10 | 593.8 | 378.6 |
| Advances Paid to Suppliers | | 175.0 | 195.4 |
| Derivative Financial Instruments | | 66.9 | 40.6 |
| Trade Receivables | | 952.4 | 1,276.6 |
| Current Income Tax Receivables | | 91.4 | 148.7 |
| Other Current Receivables | | 331.1 | 384.3 |
| Cash and Cash Equivalents | 11 | 2,289.9 | 3,105.7 |
| **Total Current Assets** | | **4,731.1** | **5,751.4** |
| Assets Classified as Held for Sale | | - | - |
| **TOTAL ASSETS** | | **9,283.0** | **10,222.0** |

## EQUITY AND LIABILITIES

| In millions of Euro | Notes | June 30, 2011 | December 31, 2010 |
|---|---|---|---|
| Share Capital | 12(a) | 84.4 | 84.1 |
| Share Premium | | 1,771.1 | 1,750.1 |
| Retained Earnings | | 1,287.2 | 1,013.6 |
| Treasury Shares | 12(c) | (124.7) | (137.9) |
| Foreign Currency Translation Reserve | | (48.2) | 11.5 |
| Fair Value Reserve | | 144.2 | 40.8 |
| Net Income | | 236.8 | 417.6 |
| **Total Equity Attributable to Shareholders of the Parent Company** | | **3,350.8** | **3,179.8** |
| Non-Controlling Interests | | 15.4 | 22.3 |
| **Total Equity** | | **3,366.2** | **3,202.1** |
| Non-Current Financial Debts | 13 | 1,148.0 | 1,092.1 |
| Provisions | 14 | 113.7 | 110.2 |
| Deferred Tax Liabilities | | 147.8 | 93.4 |
| Other Non-Current Liabilities | | 49.0 | 51.3 |
| **Total Non-Current Liabilities** | | **1,458.5** | **1,347.0** |
| Current Financial Debt | 13 | 31.8 | 681.3 |
| Trade Payables | | 1,682.3 | 1,862.1 |
| Construction Contracts - Amounts in Liabilities | 10 | 654.7 | 694.9 |
| Derivative Financial Instruments | | 41.4 | 98.7 |
| Provisions | 14 | 287.1 | 236.7 |
| Current Income Tax Payables | | 110.8 | 145.2 |
| Other Current Liabilities | | 1,650.2 | 1,954.0 |
| **Total Current Liabilities** | | **4,458.3** | **5,672.9** |
| **Total Liabilities** | | **5,916.8** | **7,019.9** |
| Liabilities Directly Associated with the Assets Classified as Held for Sale | | - | - |
| **TOTAL EQUITY AND LIABILITIES** | | **9,283.0** | **10,222.0** |

## 4 – CONSOLIDATED STATEMENT OF CASH FLOWS

| In millions of Euro | 1st Half-Year 2011 | 1st Half-Year 2010 |
|---|---|---|
| Net Income for the Period (including Non-Controlling Interests) | 234.8 | 200.4 |
| **Adjustments for:** | | |
| Amortization and Depreciation of Property, Plant and Equipment | 65.2 | 65.6 |
| Amortization and Depreciation of Intangible Assets | 6.0 | 5.2 |
| Non-Cash Convertible Bond Expense | 6.1 | - |
| Stock Options and Performance Shares Charge | 22.4 | 5.7 |
| Non-Current Provisions (including Employee Benefits) | 4.2 | 2.0 |
| Share of Income / (Loss) of Equity Affiliates | - | - |
| Net (Gains) / Losses on Disposal of Assets and Investments | 0.6 | (9.8) |
| Deferred Tax | 20.5 | (40.7) |
| | **359.8** | **228.4** |
| (Increase) / Decrease in Working Capital Requirement | (269.1) | (366.5) |
| **Net Cash (Used in) / Generated from Operating Activities** | **90.7** | **(138.1)** |
| Purchases of Property, Plant and Equipment | (105.4) | (135.1) |
| Proceeds from Disposal of Property, Plant and Equipment | 0.4 | 1.6 |
| Purchases of Intangible Assets | (6.3) | (15.7) |
| Acquisitions of Financial Assets | - | (28.9) |
| Proceeds from Disposals of Financial Assets | - | 20.0 |
| Changes in Scope of Consolidation | 12.6 | 2.4 |
| **Net Cash Used in Investing Activities** | **(98.7)** | **(155.7)** |
| Increase in Borrowings | 111.9 | 50.0 |
| Decrease in Borrowings | (727.4) | (40.1) |
| Capital Increase | 21.3 | 2.6 |
| Share Buy-Back | 1.1 | (6.8) |
| Dividends Paid | (156.1) | (143.6) |
| **Net Cash Used in Financing Activities** | **(749.2)** | **(137.9)** |
| Net Effects of Foreign Exchange Rate Changes | (59.2) | 180.3 |
| **NET DECREASE IN CASH AND CASH EQUIVALENTS** | **(816.4)** | **(251.4)** |
| Cash and Cash Equivalents as of January 1 | 3,105.7 | 2,656.3 |
| Bank Overdrafts as of January 1 | (0.1) | (1.2) |
| Cash and Cash Equivalents as of June 30 | 2,289.9 | 2,404.1 |
| Bank Overdrafts as of June 30 | (0.7) | (0.4) |
| **NET DECREASE IN CASH AND CASH EQUIVALENTS** | **(816.4)** | **(251.4)** |

# 5 – CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| In millions of Euro | Share Capital | Share Premium | Retained Earnings | Treasury Shares | Foreign Currency Translation Reserve | Fair Value Reserves | Net Income - Parent Company | Shareholders' Equity - Parent Company | Shareholders' Equity - Non-Controlling Interests | Total Shareholders' Equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **As of January 1st, 2011** | **84.1** | **1,750.1** | **1,013.6** | **(137.9)** | **11.5** | **40.8** | **417.6** | **3,179.8** | **22.3** | **3,202.1** |
| Net Income of 1st half year 2011 | - | - | - | - | - | - | 236.8 | **236.8** | (2.0) | **234.8** |
| Other Comprehensive Income | - | - | - | - | (54.6) | 103.4 | - | **48.8** | (1.1) | **47.7** |
| **Total Comprehensive Income of 1st Half Year 2011** | **-** | **-** | **-** | **-** | **(54.6)** | **103.4** | **236.8** | **285.6** | **(3.1)** | **282.5** |
| Capital Increase | 0.3 | 21.0 | - | - | - | - | - | **21.3** | - | **21.3** |
| Appropriation of Net Income 2010 | - | - | 417.6 | - | - | - | (417.6) | **-** | - | **-** |
| Dividend | - | - | (156.1) | - | - | - | - | **(156.1)** | - | **(156.1)** |
| Treasury Shares | - | - | - | 13.2 | - | - | - | **13.2** | - | **13.2** |
| Valuation of Stock Options and Performance Shares | - | - | 7.9 | - | - | - | - | **7.9** | - | **7.9** |
| Others | - | - | 4.2 | - | (5.1) | - | - | **(0.9)** | (3.8) | **(4.7)** |
| **AS OF JUNE 30, 2011** | **84.4** | **1,771.1** | **1,287.2** | **(124.7)** | **(48.2)** | **144.2** | **236.8** | **3,350.8** | **15.4** | **3,366.2** |
| **As of January 1st, 2010** | **83.4** | **1,710.4** | **902.9** | **(143.8)** | **(38.5)** | **1.9** | **170.4** | **2,686.7** | **30.4** | **2,717.1** |
| Net Income of 1st Half Year 2010 | - | - | - | - | - | - | 202.0 | **202.0** | (1.6) | **200.4** |
| Other Comprehensive Income | - | - | - | - | 129.8 | (177.2) | - | **(47.4)** | 2.5 | **(44.9)** |
| **Total Comprehensive Income of 1st Half Year 2010** | **-** | **-** | **-** | **-** | **129.8** | **(177.2)** | **202.0** | **154.6** | **0.9** | **155.5** |
| Capital Increase | - | 2.5 | - | - | - | - | - | **2.5** | - | **2.5** |
| Appropriation of Net Income 2009 | - | - | 170.4 | - | - | - | (170.4) | **-** | - | **-** |
| Dividend | - | - | (143.6) | - | - | - | - | **(143.6)** | - | **(143.6)** |
| Treasury Shares | - | - | - | 0.8 | - | - | - | **0.8** | - | **0.8** |
| Valuation of Stock Options and Performance Shares | - | - | (4.1) | - | - | - | - | **(4.1)** | - | **(4.1)** |
| Others | - | - | 14.7 | - | (16.7) | 0.4 | - | **(1.6)** | (4.4) | **(6.0)** |
| **AS OF JUNE 30, 2010** | **83.4** | **1,712.9** | **940.3** | **(143.0)** | **74.6** | **(174.9)** | **202.0** | **2,695.3** | **26.9** | **2,722.2** |

## 6 – NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Technip's principal business includes the following:

- Lump sum or cost plus engineering service contracts performed over a short period;
- Engineering, manufacturing, installation and commissioning service contracts lasting approximately 12 months;
- Turnkey projects related to complex industrial facilities with engineering, procurement, construction and start-up, in respect of industrial performances and a contractual schedule. The average duration of these contracts is three years but can vary depending on the contract.

The consolidated financial statements are expressed in millions of Euro and all values are rounded to the nearest thousand, unless specified otherwise. The condensed interim consolidated financial statements have been approved by the Board of Directors as of July 25, 2011.

### Note 1 – Accounting Principles

**(a)** Interim Condensed Information

The condensed interim consolidated financial statements for the six-month period ended 30 June, 2011 have been prepared in accordance with IAS 34 Interim Financial Reporting, standard of the IFRS framework as endorsed by the European Union. International Financial Reporting Standards are available on the website of the European Union (http://ec.europa.eu/internal_market/accounting/ias/index_en.htm).

The condensed interim consolidated financial statements only include a selection of disclosures and notes and thus must be read in conjunction with the full year consolidated financial statements as of December 31, 2010.

**(b)** Accounting Framework

Except for the adoption of new standards and interpretations described below, the accounting policies applied in the condensed interim consolidated accounts for the six-month period ended June 30, 2011 are in conformity with those applied and detailed in the consolidated financial statements as of December 31, 2010.

Standards Applicable from January 1, 2011 with application within the Group:

The adoption by the Group of new standards applicable from January 1, 2011 had no significant impact on Group's financial situation or performance.

IAS 24 (amendment): Related Party Disclosures: This amendment clarifies the definition of a related party

IAS 32 (amendment): Financial Instruments – Presentation: Classification of some rights issues as equity

IFRIC 14 (amendment): Minimum Funding Requirements

Improvements to IFRSs (issued May 2010)

IFRS 3 Business Combinations:

Transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised IFRS

Measurement of non-controlling interests

Un-replaced and voluntarily replaced share-based payment awards

IFRS 7 Financial Instruments: Disclosures:

Clarifications of disclosures

IAS 1 Presentation of Financial Statements:

Clarification of statement of changes in equity

IAS 27 Consolidated and Separate Financial Statements:

Transition requirements for amendments made as a result to of IAS 27 (as amended in 2008) to IAS 21 “The Effects of Changes in Foreign Exchange Rates”, IAS 28 “Investments in Associates” and IAS 31 “Interests in Joint Ventures”

IAS 34 Interim Financial Reporting:

Significant events and transactions

Standards with a mandatory Application after June 30, 2011:

Technip interim condensed consolidated financial statements at June 30, 2011 do not include the possible impact of standards published at this date whose applications are only mandatory for periods starting after the ongoing exercise date. The Group is currently assessing the potential impacts of the following standards:

IFRS 10 and IFRS 12: Consolidated Financial Statements / Disclosure of interests in other entities. These standards modify IAS 27 Separate Financial Statements and replaces SIC-12 Consolidation - Special Purpose Entities. This standard presents a unique model of control, identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company.

IFRS 11: Joint arrangements: This standard supersedes IAS 31 Interests in Joint Ventures and SIC-13 Jointly Controlled Entities. The standard distinguishes two types of joint arrangement: Joint venture and joint operation. A party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement.

IFRS 13: Fair Value: Guidance on fair value measurement and disclosures.

These standards are applicable to annual reporting periods beginning on or after 1 January 2013 with possible application to an earlier accounting period provided they are endorsed by the European Union.

IAS 1: Presentation of financial statements (Presentation of items of other comprehensive income). Applicable to annual reporting periods beginning on or after 1 January 2012, with possible application to an earlier accounting period.

### (c) **Accounting** Rules and Estimates

Interim condensed consolidated financial statements have been prepared in accordance with the IFRSs: fair presentation, consistency, going concern, relative extent and business combinations.

The preparation of financial statements in compliance with the IFRSs requires the use of certain critical accounting estimates. The main assessments and accounting assumptions made in the Group’s financial statements relate to the construction contracts, to the valuation of Group exposure to litigations, to residual goodwill valuation and to the valuation of income tax assets resulting from carry-forward tax losses.

### Note 2 – Scope of Consolidation

Changes in scope of consolidation are described below. These transactions have no significant impact on first half 2011 Group Consolidated Financial Statements.

In January 2011, Technip acquired all assets of Subocean Group, a company based in UK and specialized in the marine renewable sector (Onshore segment). The goodwill arising from this acquisition amounts to € 0.7 million.

On January 24, 2011, Technip acquired Front End Re, a reinsurance company based in Luxemburg. The goodwill arising from this acquisition amounts to € 23.7 million.

There is no other significant change in the scope of consolidation compared to December 31, 2010.

### Note 3 – Segment Information

Information on Technip reportable business and geographical segments is prepared in accordance with IFRS 8. As per this standard, an operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are regularly reviewed by the entity's chief operating decision maker; and
- for which distinct financial information is available.

Operating performance reports to the main operating decision maker, the Group Executive Committee, are organized into four segments:

- the Subsea segment, which includes the design, manufacture, procurement and installation of subsea equipment;
- the Offshore segment, which includes the design and construction of fixed or floating facilities and surface installations;
- the Onshore segment, which includes the entire engineering and construction business for petrochemical and refining plants as well as facilities for developing onshore oil and gas fields, including gas treatment units, liquefied natural gas (LNG) units and onshore pipelines. It also includes the engineering and construction of non-petroleum facilities; and
- the Corporate segment, which includes holding company activities and central services rendered to Group subsidiaries, including IT services and reinsurance activity.

The items related to segment result disclosed by Technip in its business segment information are the "Operating Income/(Loss) from Recurring Activities" and the "Operating Income/(Loss)". As a result, the segment result does not include financial income and expenses (except financial result on contracts), income tax expense (because of shared treasury and tax management), or the share of income/(loss) of equity affiliates.

| In millions of Euro | 1st Half Year 2011 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Subsea | Offshore | Onshore | Corporate | Not Allocable and Eliminations | Total Continuing Operations | Discontinued Operations | Total |
| Revenue | 1,253.5 | 433.5 | 1,413.1 | - | - | 3,100.1 | - | 3,100.1 |
| Gross Margin | 327.3 | 62.7 | 221.8 | - | - | 611.8 | - | 611.8 |
| **Operating Income / (Loss) from Recurring Activities** | **211.9** | **26.7** | **112.0** | **(30.2)** | **-** | **320.4** | **-** | **320.4** |
| Result from Sale of Activities | - | - | - | - | - | - | - | - |
| Result from Non-Current Activities | | | | | | | | |
| Provision for litigation | - | - | - | - | - | - | - | - |
| **Operating Income / (Loss)** | **211.9** | **26.7** | **112.0** | **(30.2)** | **-** | **320.4** | **-** | **320.4** |
| Financial Income / (Expenses) | | | | | | 9.7 | - | 9.7 |
| Share of Income / (Loss) of Equity Affiliates | | | | | | - | - | - |
| Income Tax Expense | | | | | | (95.3) | - | (95.3) |
| Discontinued Operations | | | | | | - | - | - |
| **NET INCOME / (LOSS) FOR THE PERIOD** | | | | | | **234.8** | **-** | **234.8** |
| **Other Segment Information** | | | | | | | | |
| Backlog | 3,630.0 | 1,483.3 | 4,299.4 | - | - | 9,412.7 | - | 9,412.7 |
| Order Intake | 1,753.7 | 824.9 | 805.7 | - | - | 3,384.3 | - | 3,384.3 |

| In millions of Euro | 1st Half Year 2010 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Subsea | Offshore | Onshore | Corporate | Not Allocable and Eliminations | Total Continuing Operations | Discontinued Operations | Total |
| Revenue | 1,319.4 | 327.5 | 1,156.0 | - | - | 2,802.9 | - | 2,802.9 |
| Gross Margin | 323.3 | 50.6 | 168.5 | (0.3) | - | 542.1 | - | 542.1 |
| **Operating Income / (Loss) from Recurring Activities** | **224.3** | **20.0** | **75.1** | **(19.7)** | **-** | **299.7** | **-** | **299.7** |
| Result from Sale of Activities | - | - | - | - | 11.0 | 11.0 | - | 11.0 |
| Result from Non-Current Activities | - | - | - | - | - | - | - | - |
| Provision for litigation | - | - | - | - | (9.0) | (9.0) | - | (9.0) |
| **Operating Income / (Loss)** | **224.3** | **20.0** | **75.1** | **(19.7)** | **2.0** | **301.7** | **-** | **301.7** |
| Financial Income / (Expenses) | | | | | | (11.3) | - | (11.3) |
| Share of Income / (Loss) of Equity Affiliates | | | | | | - | - | - |
| Income Tax Expense | | | | | | (90.0) | - | (90.0) |
| Discontinued Operations | | | | | | - | - | - |
| **NET INCOME / (LOSS) FOR THE PERIOD** | | | | | | **200.4** | **-** | **200.4** |
| **Other Segment Information** | | | | | | | | |
| Backlog | 3,057.3 | 600.8 | 4,604.7 | - | - | 8,262.8 | - | 8,262.8 |
| Order Intake | 1,213.2 | 433.5 | 1,212.3 | - | - | 2,859.0 | - | 2,859.0 |

## Note 4 – Financial Income and Expenses

The financial result is a net income of €9.7 million as of June 30, 2011 to be compared to a net charge of €11.3 million as of June 30, 2010. The breakdown is as follows:

| In millions of Euro | 1st Half-Year 2011 | 1st Half-Year 2010 |
|---|---|---|
| Interest Income from Treasury Management | 29.7 | 22.1 |
| Dividends from Non-Consolidated Investments | - | - |
| Financial Income related to Employee Benefits | 2.5 | 2.5 |
| Foreign Currency Translation Gains | 141.6 | 382.4 |
| Changes in Derivative Fair Value (excluding Hedging), Net | 27.6 | - |
| Inefficient Part of Hedging Instruments, Net | - | 2.4 |
| Others | - | 0.9 |
| **Total Financial Income** | **201.4** | **410.3** |

| In millions of Euro | 1st Half-Year 2011 | 1st Half-Year 2010 |
|---|---|---|
| Bond Interest Expense | (24.8) | (14.8) |
| Fees Related to Credit Facilities | (0.9) | (1.0) |
| Financial Expenses related to Employee Benefits | (5.9) | (5.5) |
| Interest Expenses on Bank Borrowings and Overdrafts | (10.8) | (5.8) |
| Depreciation on Financial Assets, Net | - | - |
| Foreign Currency Translation Losses | (144.0) | (388.6) |
| Changes in Derivative Fair Value (excluding Hedging), Net | - | (3.4) |
| Inefficient Part of Hedging Instruments, Net | (3.2) | - |
| Others | (2.1) | (2.5) |
| **Total Financial Expenses** | **(191.7)** | **(421.6)** |
| **NET FINANCIAL RESULT** | **9.7** | **(11.3)** |

## Note 5 – Income Tax

The income tax expense breaks down as follows:

| In millions of Euro | 1st Half-Year 2011 | 1st Half-Year 2010 |
|---|---|---|
| Current Income Tax Credit/(Expense) | (74.8) | (130.7) |
| Deferred Income Tax Credit/(Expense) | (20.5) | 40.7 |
| **TAX CREDIT/(EXPENSE) AS REPORTED IN THE CONSOLIDATED INCOME STATEMENT** | **(95.3)** | **(90.0)** |
| Deferred Income Tax related to Items Booked Directly to Opening Equity | 18.8 | 16.8 |
| Deferred Income Tax related to Items Booked to Equity during the Period | (22.5) | 69.9 |
| **INCOME TAX EXPENSE AS REPORTED IN THE CONSOLIDATED EQUITY** | **(3.7)** | **86.7** |
| Income Tax rate | 28.9% | 31.0% |

## Note 6 – Earnings per Share

Reconciliation between earnings per share before dilution and diluted earnings per share is as follows:

| In millions of Euro | 1st Half-Year 2011 | 1st Half-Year 2010 |
|---|---|---|
| **Net Income Attributable to Shareholders of the Parent Company** | **236.8** | **202.0** |
| Financial Expense on Convertible Bond Net of Tax | 4.7 | - |
| **ADJUSTED NET INCOME FOR DILUTED EARNINGS PER SHARE** | **241.5** | **202.0** |
| **In thousands** | | |
| Weighted Average Number of Outstanding Shares during the Period (excluding Treasury Shares) used for Basic Earnings per Share | 107,715 | 106,341 |
| *Effect of Dilution :* | | |
| - Stock Options | 921 | 237 |
| - Performance Shares | 2,077 | 1,429 |
| - Convertible Bond | 6,619 | - |
| **WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES DURING THE PERIOD (EXCLUDING TREASURY SHARES) ADJUSTED FOR DILUTED EARNINGS PER SHARE** | **117,332** | **108,007** |
| **In Euro** | | |
| **Basic Earnings per Share** | **2.20** | **1.90** |
| **DILUTED EARNINGS PER SHARE** | **2.06** | **1.87** |

During the first half-year 2011, the Group attributed performance shares, which brought an additional dilution of the diluted earnings per share, and stock options with no complementary dilutive effect. In addition, the Group issued a convertible bond on November 2010 which resulted in a dilution of earnings per share.

During the first half-year 2010, stock options and performance shares had also been attributed, only performance shares had brought an additional dilution of the diluted earnings per share.

The average market price per Technip shares during the first half-year 2011 amounted to €72.44 compared to €54.69 during the first half-year 2010.

## Note 7 – Property, Plant and Equipment (Tangible Assets)

During the six months ended June 30, 2011, Group investments amounted to €106.9 million and were made of vessels for €45.4 million including vessels under construction for €16.2 million.

Investments related to flexible plants under construction in Malaysia (Asiaflex) and in Brazil (Vitoria base) amounted to €22.4 million.

The Group does not have any tangible asset acquired through a lease contract.

## Note 8 – Intangible Assets

There was no significant change over the six-month period ended June 30, 2011. During the first half of 2011, no meaningful event occurred which might have caused to impair the value of goodwill or other intangible assets. Therefore no impairment test was performed as of June 30, 2011.

Changes in goodwill over the first half year of 2011 are detailed in Note 2 – Scope of Consolidation.

## Note 9 – Available-For-Sale Financial Assets

As of June 30, 2011 and December 31, 2010, available-for-sale financial assets include a 5.5% stake in Gulf Island Fabricators Inc. (GIFI), a company listed in New York (NASDAQ) and a 8.0% stake in Malaysia Marine and Heavy Engineering Holdings Berhad (MHB), a company listed in Malaysia (Bursa Malaysia Securities Berhad).

The main change over 2011 first half year is due to the valuation of MHB share.

### Note 10 – Construction Contracts

Long-term contracts are recorded in accordance with IAS 11 ("Construction contracts") when they include construction and delivery of a complex physical asset, and in accordance with IAS 18 ("Revenues") in other cases.

The break down of construction contracts is as follows:

| In millions of Euro | June 30, 2011 | December 31, 2010 |
|---|---|---|
| Construction Contracts - Amounts in Assets | 593.8 | 378.6 |
| Construction Contracts - Amounts in Liabilities | (654.7) | (694.9) |
| **TOTAL CONSTRUCTION CONTRACTS, NET** | **(60.9)** | **(316.3)** |
| Costs and Margins Recognized at the Percentage of Completion | 4,808.4 | 4,236.6 |
| Payments Received from Clients | (4,803.2) | (4,498.7) |
| Losses at Completion | (66.1) | (54.2) |
| **TOTAL CONSTRUCTION CONTRACTS, NET** | **(60.9)** | **(316.3)** |

### Note 11 – Cash and Cash Equivalents

Cash and cash equivalents break down as follows:

| In millions of Euro | June 30, 2011 | December 31, 2010 |
|---|---|---|
| Cash at Bank and in Hand | 551.7 | 778.9 |
| Cash Equivalents | 1,738.2 | 2,326.8 |
| **TOTAL CASH AND CASH EQUIVALENTS** | **2,289.9** | **3,105.7** |

The market value of cash equivalents is equal to their historical cost.

### Note 12 – Shareholders' Equity

**(a)** Changes in the Parent Company's Share Capital

As of June 30, 2011, Technip share capital consisted of 110,713,971 outstanding authorized shares with a par value of €0.7625. The changes since January 1st, 2010 can be analyzed as follows:

| | Number of Shares | Share Capital (In millions of Euro) |
|---|---|---|
| **Share Capital as of January 1, 2010** | **109,343,294** | **83.4** |
| Capital Increase due to Stock Options Exercised | 906,058 | 0.7 |
| **Share Capital as of December 31, 2010** | **110,249,352** | **84.1** |
| Capital Increase due to Stock Options Exercised | 464,619 | 0.3 |
| **SHARE CAPITAL AS OF JUNE 30, 2011** | **110,713,971** | **84.4** |

### (b) Technip's Shareholders

Technip's principal shareholders are as follows:

| | June 30, 2011 | December 31, 2010 |
|---|---|---|
| Blackrock Inc. | 6.2% | 6.3% |
| Fonds Stratégique d'Investissement | 5.4% | 5.4% |
| Causeway Capital Management | 1.9% | 4.3% |
| Natixis | 2.0% | 4.2% |
| Oppenheimer Funds Inc. | 2.9% | 3.5% |
| Amundi Asset Management | 2.7% | 3.1% |
| IFP Énergies nouvelles | 2.6% | 2.7% |
| Treasury Shares | 2.4% | 2.7% |
| Group Employees | 2.1% | 2.2% |
| Others | 71.8% | 65.6% |
| **TOTAL** | **100.0%** | **100.0%** |

### (c) Treasury Shares

The total value of treasury shares, shown as a deduction from equity, amounted to €124.7 million as of June 30, 2011, representing 2,608,918 shares. The changes can be analyzed as follows:

| | Number of Shares | Treasury Shares (In millions of Euro) |
|---|---|---|
| **Treasury Shares as of January 1, 2010** | **3,065,910** | **(143.8)** |
| Shares Acquired pursuant to Liquidity Contract | 584,267 | (33.7) |
| Shares Sold pursuant to Liquidity Contract | (553,267) | 31.6 |
| Shares Granted to Employees | (189,449) | 8.0 |
| **Treasury Shares as of December 31, 2010** | **2,907,461** | **(137.9)** |
| Shares Acquired pursuant to Liquidity Contract | 340,506 | (23.8) |
| Shares Sold pursuant to Liquidity Contract | (356,506) | 24.9 |
| Shares Granted to Employees | (282,543) | 12.1 |
| **TREASURY SHARES AS OF JUNE 30, 2011** | **2,608,918** | **(124.7)** |

### (d) Dividends

Dividends paid on the first half 2011 amounted to €156.1 million (1.45 euro per action), compared to €143.6 million (1.35 euro per action) on the first half 2010.

### (e) Executive Stock Options and Share Purchase Option Plans

On June 17, 2011, the Board of Directors authorized a plan of 339,400 stock options. This plan is subject to different performance targets (full return for shareholder / operating income from recurring activities / return on capital employed).

The Group recorded a total charge related to stock options and share purchase options of €7.0 million as of June 30, 2011 compared to €2.0 million at the end of June 2010.

**(f)** Performance Share Plans

On June 17, 2011, the Board of Directors approved a plan of 355,900 performance shares authorized by the Combined Shareholder's Meeting held on April 28, 2011. This plan is subjected to different performance conditions (HSE / operating income from recurring activities / cash generated from operating activities).

The Group recorded a total charge related to performance share grants of €15.5 million as of June 30, 2011, compared to €3.7 million at the end of June 2010.

## Note 13 – Financial Debts

Financial debts can be analyzed as follows:

| In millions of Euro | June 30, 2011 | December 31, 2010 |
|---|---|---|
| Convertible Bond (1) | 488.6 | 482.4 |
| Private Placement (2) | 197.2 | 197.1 |
| Bank Borrowings and Credit Lines (3) | 462.2 | 412.6 |
| **Total Non-Current Financial Debts** | **1,148.0** | **1,092.1** |
| Bond Loan (4) | - | 650.0 |
| Bank Overdrafts | 20.1 | 14.2 |
| Accrued Interests Payables | 11.7 | 17.1 |
| **Total Current Financial Debts** | **31.8** | **681.3** |
| **TOTAL FINANCIAL DEBTS** | **1,179.8** | **1,773.4** |

(1) On November 17, 2010, Technip issued a convertible bond for a total amount of €550 million.

(2) On July 27, 2010, Technip achieved a private placement for €200 million (recorded for €197.2 million as of June 30, 2011). The maturity is 10 years and the annual coupon rate is 5%.

(3) Includes bank borrowings and credit facilities representing drawings on subsidized loans granted to one of the Brazilian subsidiaries for the purpose of pre-financing exports and re-financing investments, drawings on loans granted to a Norwegian subsidiary and to a Brazilian affiliate aimed at financing new vessels.

(4) The corporate bond issued on May 26, 2004 for an initial amount of €650 million was reimbursed at redemption date, on May 26, 2011.

Financial debts due within less than one year amounted to €31.8 million.

## Note 14 – Provisions

Changes in provisions over the first half of 2011 can be analyzed as follows:

| In millions of Euro | As of January 1, 2011 | Increase | Used Provision Reversals | Unused Provision Reversals | Foreign Exchange Adjustments | Others | As of June 30, 2011 |
|---|---|---|---|---|---|---|---|
| Employee Benefits | 94.0 | 6.6 | (3.2) | (1.0) | (0.2) | (0.5) | 95.7 |
| Tax | 0.1 | - | (0.1) | - | - | - | - |
| Litigation | 0.3 | - | - | - | (0.1) | - | 0.2 |
| Provisions for Claims Incurred but not Reported (1) | 8.6 | 1.2 | - | - | 0.2 | - | 10.0 |
| Other Provisions (Non-Current) | 7.2 | 0.7 | (0.1) | - | - | - | 7.8 |
| **Total Non-Current Provisions** | **110.2** | **8.5** | **(3.4)** | **(1.0)** | **(0.1)** | **(0.5)** | **113.7** |
| | | | | | | | - |
| Employee Benefits | 4.0 | 2.9 | (2.8) | - | - | - | 4.1 |
| Contingencies related to Contracts | 94.0 | 24.4 | (10.5) | (1.4) | (3.3) | 9.0 | 112.2 |
| Restructuring | 1.1 | - | - | - | - | - | 1.1 |
| Tax | 26.6 | 3.9 | (1.0) | (0.3) | (0.7) | - | 28.5 |
| Litigation | - | - | - | - | - | - | - |
| Provisions for Claims (1) | 6.4 | - | (1.9) | - | 0.1 | - | 4.6 |
| Other Provisions (Current) | 104.6 | 34.8 | (7.4) | (1.8) | (1.5) | 7.9 | 136.6 |
| **Total Current Provisions** | **236.7** | **66.0** | **(23.6)** | **(3.5)** | **(5.4)** | **16.9** | **287.1** |
| **TOTAL PROVISIONS** | **346.9** | **74.5** | **(27.0)** | **(4.5)** | **(5.5)** | **16.4** | **400.8** |

(1) Provisions for reinsurance are recorded at the level of the Group's captive reinsurer (Engineering Re AG) as per IFRS 4.

## Note 15 – Related Party Disclosures

Technip signed an agreement of research cooperation on offshore deep waters with IFP Energies nouvelles. Related royalties amounted to €1.6 million for the first half of 2011. These royalties are calculated under ordinary conditions of competition.

There was no modification concerning other related parties as described in 2010 Annual Financial Report.

## Note 16 – Off-Balance Sheet Items

The main change on half year 2011 consists in a parent company guarantee given on a major contract. This guarantee granted by the Group covers the due and proper performance of the specified contract; as well as potential costs incurred in respect of any failure to perform its contractual obligations.

With this exception, the nature and amounts of off-balance sheet commitments are comparable to those disclosed in the notes to the Consolidated Financial Statements as of December 31, 2010 included in the Annual Financial Report.

## Note 17 – Litigation

Between January 1 and June 30, 2011, the situation of litigation described in 2010 Annual Financial Report has not significantly changed.

## Note 18 – Market Related Exposure and Derivative Financial Instruments

Technip has been managing its market related risks in the same way than described in the notes to the Consolidated Financial Statements in 2010 Annual Financial Report. In particular, Technip entered into exchange rate hedging financial instruments to manage its exposure to currency risks as incurred in the normal course of its business.

## Note 19 – Subsequent Events

### Syndicated Credit

On July 21st, 2011 Technip entered into a bank credit facility in the amount € one billion to meet its general corporate purposes financing needs.

The credit facility which may be drawn in Euros, in US dollars or in British Pounds, replaces the € 850 million bank credit entered into in 2004 and redeemable with a final maturity date of June 20, 2012 and which has been cancelled on July 21st, 2011.

This new credit facility is fully redeemable with a maturity date of July 21st, 2016 and includes two options to extend by one-year the final maturity, which may be exercised on the first anniversaries of the signing date, subject to the banks' approval.

It is not secured by any of the Group's assets. It contains covenants customary for a financing of this type, and does not include any financial ratio.

The credit agreement does not include early payment provisions in the case of deterioration of the borrower's credit rating. The credit agreement includes a variable interest rate and an applicable margin which varies according to a grid function of Technip credit rating in the event it is utilized, as well as standard default provisions.

# IV – STATUTORY AUDITORS' REVIEW REPORT ON FIRST HALF-YEAR FINANCIAL INFORMATION FOR 2011

## STATUTORY AUDITORS' REVIEW REPORT ON THE 2011 HALF-YEAR FINANCIAL INFORMATION


**PricewaterhouseCoopers Audit**

63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

**ERNST & YOUNG et Autres**

41, rue Ybry
92576 Neuilly-sur-Seine Cedex


**STATUTORY AUDITORS' REVIEW REPORT ON THE 2011 HALF-YEAR FINANCIAL INFORMATION**

**Period from January 1st, 2010 to June 30th, 2011**

*This is a free translation into English of the Statutory Auditors' review report on the condensed half-year consolidated financial statements issued in French and is provided solely for the convenience of English speaking users. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France. This report also includes information relating to the specific verification of information given in the Group's half-year management report.*

**Technip**
89 avenue de la Grande Armée
75116 Paris

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with article L.451-1-2 III of the French Monetary and Financial Code (Code monétaire et financier), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of Technip, for the period from January 1st, 2011 to June 30th, 2011, and
- the verification of the information contained in the half-year management report.

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

1. Conclusion on the financial statements

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

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

2. Specific verification

We have also verified the information provided in the half-year management report in respect of the condensed half-year consolidated financial statements that were the object of our review. We have no matters to report on the fairness and consistency of this information with the condensed half-year consolidated financial statements.

Neuilly-sur-Seine, July 26, 2011

The Statutory Auditors

*French original signed by*

| | |
|---|---|
| PricewaterhouseCoopers Audit | ERNST & YOUNG et Autres |
| Edouard Sattler | Nour-Eddine Zanouda |