THOMSON REUTERS STREETEVENTS

EDITED TRANSCRIPT

TEC.PA - Q4 2015 Technip Earnings Call

EVENT DATE/TIME: FEBRUARY 25, 2016 / 8:30AM GMT

THOMSON REUTERS

CORPORATE PARTICIPANTS

Thierry Pilenko *Technip - Chairman and CEO*

Aurelia Baudey-Vignaud *Technip - IR*

Julian Waldron *Technip - CFO*

CONFERENCE CALL PARTICIPANTS

James Evans *Exane BNP Paribas - Analyst*

Rob Pulleyn *Morgan Stanley - Analyst*

Jean-Luc Romain *CM-CIC Securities - Analyst*

Fiona Maclean *Merrill Lynch Bank of America - Analyst*

Christyan Malek *Nomura - Analyst*

Mick Pickup *Barclays - Analyst*

Kevin Roger *Kepler Cheuvreux - Analyst*

Mukhtar Garadaghi *Citi - Analyst*

Nick Green *Sanford C. Bernstein - Analyst*

PRESENTATION

Operator

Good morning, everyone, and welcome to Technip's fourth-quarter and full-year 2015 results conference call. As a reminder this conference call is being recorded. (Operator Instructions). I would now like to turn the call over to your host for today's conference call, Mr. Thierry Pilenko, Technip's Chairman and CEO. Please go ahead, sir.

Thierry Pilenko - *Technip - Chairman and CEO*

Thank you. Good morning, ladies and gentlemen. Thank you for participating in Technip's conference call. I'm Thierry Pilenko, Chairman and CEO of Technip. And with me are Julian Waldron, our Group CFO, Virginie Duperat who is our Deputy Group CFO as well as Aurelia Baudey-Vignaud, Michele Schante and Elodie (inaudible) of the Investor Relations team.

I will turn you over to Aurelia who will go over the conference call rules. Aurelia?

Aurelia Baudey-Vignaud - *Technip - IR*

Thank you, Thierry. I would like to remind participants that statements made during the conference call which are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Readers and listeners are strongly encouraged to refer to the disclaimers which are an integral part of today's slide presentation, which you may find on our website along with the press release, an audio replay and a transcript of today's call at technip.com

I now turn you over to Thierry, who will go over the fourth quarter and full year 2015 highlights.

Thierry Pilenko - *Technip - Chairman and CEO*

Thank you, Aurelia. I'll start the presentation with a review of 2015 and how we delivered on our priorities. Then Julian will cover the 2015 financials, and last I will address our vision of the market and how we have shaped our business to take advantage of the changes in our industry.

So moving to slide 5 where we closed 2015 successfully both operationally, strategically and financially. Our achievements throughout the year demonstrate how we can resist even in the current unprecedented market environment.

So I would like to highlight first our strong safety performance with a record low number of incidents. The quality and the diversity of our order intake, which has been maintained it was a good level in Q4, close to EUR3b. Our restructuring plan is on track with EUR270m of cost already taken out. We have strengthened our balance sheet during the year. Julian will come back on that. And on multiple projects we have hit key milestones. And as importantly we created three key strategic alliances with FMC Technologies, with Vallourec and with RPS Group, I will come back to that later.

In terms of numbers our adjusted revenues were at EUR5.9b for subsea and EUR6.3b for onshore/offshore, with an underlying OIFRA at EUR851m in subsea and EUR218m in onshore/offshore.

Now on slide 6 we are going to look more closely at some of our achievements. And covering the order intake, order intake totaled EUR7.6b for the year with EUR2.8b in the fourth quarter. Diversity of our projects was excellent ranging from fertilizer plants in Europe, for Duslo in Slovakia, through early works on the MIDOR refinery expansion in Egypt, large early works for example for Browse, floating LNG, flexible supply in Brazil and project management consultancy in the Middle East and EPCI in the Gulf of Mexico and onshore technology supply in the US.

So at the beginning of 2015 we set an objective to remain disciplined in our approach to winning projects, and the fact with orders that we've taken shows that we have stuck by these objectives, so very, very diversified. And we closed the year with a solid diversified backlog of EUR17b with no project cancellation during the year.

On slide 7 our restructuring plan is on track. I will let Julian comment further on the EUR270m that we have taken out of our cost base so far in 2015. We are actually on the right path to deliver the full EUR830m of savings in 2017. But, however, we believe that we can go further than this. Over the first months of the execution of the plan we have actually identified a number of areas where we can take out additional cost, and these include in particular reduction of our real estate footprint. So that's why we add approximately 20% more to the EUR830m plan to now reach EUR1b of cost savings to be delivered in 2017.

Now looking at the cost reduction plan and the reduction in CapEx I believe it's clear that we are controlling our internal spending, and have a clear plan to lower our cost structurally. These efforts will also improve our operating leverage and as and when the markets will start to recover.

Now turning to slide 8 our balance sheet ends the year strong and liquid. We generated over EUR1b of cash from operations, and EUR1.3b of EBITDA. We had a positive working capital movement over the year and particularly in the fourth quarter. Julian will come back to that. Project progress and the strength of our backlog drove good cash inflows, resulting in EUR1.9b of net cash at yearend.

So we are entering 2016 reinforcing these strengths on our balance sheet. So January and February will also have been good months for cash generation. And in addition we were able to raise EUR375m at under 3.5% rate in January. And we maintained our BBB+ credit rating.

On slide 9, moving to operations, we reached important final milestones on a number of projects in 2015. Some such as Burgas, [Satino 21], Block SK316 in Malaysia, Halobutyl in Saudi, RPBC in Brazil have or are being turned over to clients as we speak. Some of these projects have been difficult projects and our teams have done a good job to complete them safely. I want to highlight here that our total recordable incidents rate, which is one of our main safety indicators is actually at a record low number, which is excellent. And particularly given the fact that we had more than 260m man-hours of work under our control in our projects, and that was an increase of about 30% in man-hours compared to 2014.

Last on slide 10 I would like to talk about the three new strategic alliances that we have put in place with partners this year, which are adding to the successful Heerema alliance. So these alliances are first of all an integrated approach involving the subsurface expertise of our -- of RPS Group to bring, as we said we would do, the combination of the subsea architecture that is with the subsurface expertise including reservoir characterization with RPS so a very good alliance.

Pipeline welding joint venture with an affiliate of Vallourec which is called Serimax, which is going to help us standardize and also implement advanced technologies in welding so a pretty important venture here which is also a minority investment in Serimax.

And last but not least our exclusive alliance with FMC Technologies, and the Forsys Subsea joint venture. In fact, Forsys Subsea just announced its third early stage project a week ago. And it's a particularly prestigious award, because it is with Statoil on the Trestakk field. So we have actually over-achieved in terms of the objectives that we set ourselves for our joint venture with FMC Technologies and the Forsys Subsea joint venture.

So with that, I'll hand over to Julian to discuss the 2015 financial results.

Julian Waldron - *Technip - CFO*

Thierry, thank you very much. Good morning, everybody. So I'd like you please to pass to slide 12 where you have the main P&L highlights. Revenue ended the year above our expectations in both segments and landed at EUR12.2b for the Group, EUR3.1b in the fourth quarter. Throughout the year we've benefited from a strong dollar. That was a positive factor. And it added around EUR700m to our top line over the course of the year in total.

Our underlying OIFRA grew close to 20% this year to EUR987m. And our margin expanded by 39 basis points to 8.1%. And at EUR851m and EUR218m respectively the underlying OIFRA in both segments was in line with our guidance.

Further down the P&L the financial result did weigh on net income, financial interest charges are around EUR90m recurring, as we've made sure that liquidity remains high. Interest income on cash is of course quite low at the moment. And foreign exchange movements also impacted this line item around hedging. I'll come back to total one-off charges, but excluding exceptional items underlying net income was up 4% to EUR587m.

On slide 13 I'd like to talk about full-year cash generation. Cash flow from operations was EUR481m. Working capital movements over the year EUR562 positive. Working capital was also positive in the fourth quarter at EUR439m. Net CapEx for the full year was in fact below our target, which is good news, EUR272m against our objective of EUR300m. And that shows I think that our teams throughout the Group are focused strongly on reducing our CapEx needs. And accordingly, gross cash went from EUR3.7b at the start of the year to EUR4.5b at yearend 2015. And as Thierry said earlier it remains strong at the beginning of 2016.

On slide 14 I'd like to go into the cost reduction plan. The 2015 cost base is EUR4.5b that's what we end the year with. And that the comparative baseline is EUR4.8b in 2014 once we adjust for foreign exchange movements and perimeter changes for acquisitions, for example. So we've taken EUR270m out of our cost base in 2015. So that's a good start towards the overall plan.

So commenting on where that's come from first some structural elements, we continue to scale back our presence in some countries and exit others altogether. So in 2015, for example, we sold activities in Nigeria and in Belgium. In 2016 just to bring you up to date, we've recently signed an agreement to sell one of our businesses in Germany, and that's got quite a significant cost base to it.

Secondly, the actions to reduce our fleet were in line with plan. We are three vessels less; two fully owned exited the fleet and one charter vessel. And away from that we are also resizing some of our engineering offices taking them both down and also making them more sales rather than sales and engineering offices.

Third, we are carrying through the headcount reductions that we said we would do. At the end of 2015 the Group's workforce was around 34,400 and that compares to 38,200 a year ago. And that's taking into account the ramp-up of the workforce on Yamal. And the headcount has continued to drop in the early weeks of 2016.

By the end of 2015 we'd taken EUR635m of charges against the restructuring plan. Now as Thierry said earlier we plan to expand the cost reduction from a total of EUR830m to around EUR1b in 2017, so that's about a 20% expansion.

Slide 15 on the backlog, this stood at EUR17b at the end of December. Order intake in the fourth quarter was strong at EUR2.8b. EUR650m of that was in subsea, EUR2.15b, in onshore/offshore. Subsea order intake has been stable now for a few quarters. And Thierry commented on the quality of the order intake in 2015 earlier on.

Within onshore/offshore the most important element to note is that we've started to transfer into the backlog around EUR1.7b of revenue in quarter 4 and around EUR2b over the full year of those revenues which were under firm contract but not part of our backlog. And that's the bottom bar that you can see on slide 15.

Now we've highlighted over the last few quarters that the growth of our reimbursable work, for example, in project management consultancy and in projects such as Yamal means that we have greater visibility on our work than the backlog alone provides. And I think the fourth quarter shows the evidence of that in practice.

We estimate that there is still nearly EUR2b of such contracted work outside backlog. And we expect this number to be sustained and potentially even grow over the coming months. We will continue to have a prudent approach in recognizing work in the backlog, because I think we see that in the current environment as the appropriate method. And the result of that, as Thierry said earlier, is that we've had no cancellations of backlog work in 2015.

Moving to the dividend on slide 16, we maintain the dividend of EUR2 per share. We offer the same scrip alternative as last year. Our cash flow from operations and the underlying profit of the Group, net profit of the group provides good coverage of this dividend.

We maintain also, just to be clear, our commitment to a flat fully diluted share count. Over the past year, if we look at the ins and outs, we've created around 5m new shares through the scrip, through an employee share plan, which had an excellent take-up in the current conditions and the long-term incentive plans. But we've also reduced the diluted share count by around 6.5m shares.

In 2016 we'll create new shares maybe from the scrip, we'll see. There are also long-term incentive plans which may vest. But the share count will also come down by around 5m to 5.5m shares, for example, from the second convertible and by buying shares back to meet previous long-term incentive plans. So that commitment remains strong.

Slide 17, turning to 2016 objectives and the longer term outlook, so as you can see for 2016 in subsea we expect revenue between EUR4.7b and EUR5b and adjusted OIFRA of between EUR640m and EUR680m. In onshore/offshore we expect revenue between EUR5.7b and EUR6b and adjusted OIFRA between EUR240m and EUR280m. Our backlog covers our revenues at this point at around 90%.

You'll appreciate that it's too early for us to give guidance or specific data on 2017. There are some comments on the outlook in the press release. I'd note first that the market currently views a decline in OIFRA in both subsea and offshore -- and onshore/offshore in 2017. I think from my point of view I can see how analysts can conclude that in subsea. I've got no further comment to make on that. We'll see how the combination of the very solid backlog in subsea, the new orders and the expanded cost reduction plan come together. Thierry will also set out a little later how we see the upstream markets evolving.

However, the market also indicates a decline in onshore/offshore in 2017. And at this point as we say in the press release we don't see the logic of that. If anything, looking at the strong backlog the non-backlog elements, the stronger than expected -- stronger expected contribution from Yamal and our cost reduction programs we would see growth in onshore/offshore profits across 2015/2017.

And so with that I'll hand back to Thierry.

Thierry Pilenko - *Technip - Chairman and CEO*

Thank you, Julian. So I will pick up where Julian left off and I'd like to first talk about our clients. And we do spend a lot of time with various types of clients at very senior level. And there are a few points that I can take away from holding meetings.

Well, first of all, volatility in the oil price as much as the fact that it is currently low means that our clients continue to feel they should defer investment decisions. On the macro view it's evident that they are trying to understand the long-term implications for supply and demand, and for example OPEC policy and (inaudible) shape. These uncertainties also make they feel they should defer investment decisions.

They are also acutely focused on restructuring their own organizations and on completing the very large amount of current investments which are already committed. As they themselves stated, all our large clients have most of their current CapEx tied up in projects that have been launched before the downturn. The quickest way for them to find additional headroom on cash flow is to finish these projects on time and safely so that CapEx commitments can fall and the cash inflows from production can grow.

Clients are also keen to show that they can structurally reduce costs by working differently. And I think this is a very important trend. The reception to our ideas, whether from Technip or through Forsys Subsea for example, continues to be exceptional. And as John Gremp of FMC Technologies said last week we are definitely showing savings to clients in the order of magnitude that we proposed 30% to 40%. So most of our major clients are keen to find a pilot project on which the new working models can be tried. As these models get pulled out our clients are gaining confidence to invest again.

Last and this goes back to what Julian said about onshore/offshore across 2015 to 2017, many clients are seeing good profitability downstream in a low oil and gas price environment. And we expect greenfield and brownfield investments downstream to be more resilient.

So what does it mean for the industry? Well, first I think oil service companies or group of companies will emerge that are more integrated and able to provide full field development expertise. Technip already has many of the necessary building blocks and we definitely intend to secure more of these blocks.

While there will be some asset classes that will be critical to many projects like specific vessels or plants, we will need to identify them carefully as we expect to see some changes there. As this evolution happens we will want to maintain Technip as flexible in terms of assets as we can.

Technology, including digital technologies, will be critical in both the design and the operations phase, and our expertise in key areas such as flow assurance and asset integrity will be very valuable upstream.

Lastly, it's not just all about design. At some point it remains necessary to commit on the execution for major projects, and this experience in major projects execution will continue to be highly valued by our clients.

So the current downturn, unprecedented as it is, will lead to a fundamental change in the industry structure and one which I believe we have anticipated. So how do we win profitable business in such an environment? So on slide 20 you will find some of the elements that I believe are critical in this respect.

First, we have one of the broadest footprints across geographies and technologies. Today, we are able to drive standardization and simplification throughout the project lifecycle from its earliest phase as described before. We have a strong balance sheet, which means clients can work with us in confidence on multiyear programs. We have a portfolio of alliances and partnerships of great value with customers, peers and suppliers which can also bring costs down. Last, Technip has one of the broadest portfolio solutions in oil services on which we can build and bolt additional services to grow.

Now let's look at this in practice for subsea where the challenge is to deliver profitable projects in a low oil price. So to do that we are extending our joint R&D program with clients and partners, in fact we continue to invest in R&D at a similar level of previous years and focusing R&D then on cost reduction as well.

Then we are ensuring that we deploy teams to assess development from subsea production systems to topside, something that Genesis in particular is skilled at. We obviously leverage the competencies of Technip and FMC Technologies alliance, and leveraging our supply chain position not just to ensure we capture the ongoing cost deflation in the supply chain but to also drive further standardization and simplification.

Now looking at the downstream markets, which I said were more resilient, we have the key elements to help our clients exploit what is a very favorable market for them at the moment because of the low oil and gas price. Expertise in both green and brownfield, early to late stage capabilities across the board, technology and alliances and again a very broad geographical footprint, we are not dependent just on one market. And of course there is something which is growing in importance which is a very specialized skill which is the ability to source exports credit and project financing.

So you can see the impact on the projects we've won in 2015. Duslo, which is a medium-sized fertilizer project in Slovakia for example, Browse which is a FEED with a direct lead through EPC at the right time, when capitalizing on our market position in floating LNG. The MIDOR refinery in Egypt, early works where we capitalize on the combination of strong knowledge of the plant, and an execution scheme that suited the client needs. And of course knowledge of the export credit requirements for the project.

Three projects, one at early stage, based on differentiation could turn to several billion dollars of work for Technip in 2016 and 2017 and support the expected improving performance of this segment in the next couple of years. I'm talking about here the onshore/offshore segment.

Now on slide 23 I want to start to focus your attention on what Technip is today and what we have achieved over the past few years an integrated broad-based company able to provide full field development expertise as well as downstream capabilities. So 10 years ago Technip was and was seen already as a leader in its field, execution of large-scale EPC and EPCI projects. But today Technip is a leader in many more fields.

Our footprint in onshore/offshore EPC is broader, for example, in terms of geographic spread, ahead in terms of innovation and vision as demonstrated with floating LNG first mover advantage. In subsea, our traditional expertise in flexible in-field projects is complemented by a leading rigid pipe business, and a strong presence in export line from deep to shore. But in addition we have developed a substantial business that complements this more traditional EPC- and EPCI-based strengths notably in technology, equipment and consulting. And this is what I'd like to zoom on now.

On slide 24 you can see how we have built these additional revenue streams over the years, through a combination of R&D to provide a sound technology base, organic investment and through also acquisitions such as Stone & Webster and partnerships. So these additional businesses what do they bring to us? Well, first of all, they provide a competitive edge in winning EPC and EPCI projects. They are really feeding EPC and EPCI projects.

Secondly, they provide an alternative way for us to participate in a project in different ways than traditional lump sum projects. For example, project management consultancy. It's a good example where we are doing that.

Next, they enable us to add value through project lifecycle from early stage to execution to maintenance. Then they have a very different risk profile to a large project, and thus enable us to grow whilst managing our risk. And last, they offer the potential to enter into long-term relationship with clients with a potential for repeat business.

So within the envelope of technology, equipment and consultancy, I put flexible pipe manufacturing, umbilical manufacturing, Stone & Webster Process Technologies, project management consultancy, early stage conceptual and FEED done, for example, by Genesis or by Forsys Subsea.

Now just to give you key figures for this business, in 2015 this business generated EUR2.6b of sales with an EBITDA of EUR380m. As you can see it is a substantial business, over 20% of our revenue and over 30% of our EBITDA. And we will continue to invest in that business through R&D, CapEx, acquisitions and partnerships as we did before.

So to conclude, I'm conscious that the industry is going through an unprecedented period, and we are controlling what we can control, our cash, our costs, our projects and our CapEx. Our business fundamentals are strong, our ability to get involved early and work in an integrated, our extensive geographic footprint, our strong QHSE culture, our belief in the power of talent and technology, our diversification, our balance sheet and quite importantly our robust backlog.

With that, we are ready to seize opportunities in the current difficult markets to win projects, gain new markets, retain and recruit today best talents and as such we believe we will remain ahead of the curve in this fast changing environment and create value for our stakeholders.

With that, I'll turn over for questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions). James Evans, Exane BNP Paribas.

James Evans - *Exane BNP Paribas - Analyst*

Hi, good morning. Thanks for taking my questions. Just two from me please. Firstly again, Thierry, you're referencing a broadening offer as being a key priority for you. In that context can you talk a little bit about how you see the M&A landscape today? Obviously we've seen a lot of smaller deals, any reason to expect anything different? And when you think about broadening how does life of field and more I guess OpEx fit into that frame?

And secondly, maybe one for Julian, obviously we've talked about commoditization of asset classes and reducing capital intensity, could we see pursuing say sale and leaseback as some of your mid-tier construction assets I guess once the market improves slightly? And just how many vessels to you think you really need to own in the medium term? Thanks.

Thierry Pilenko - *Technip - Chairman and CEO*

Okay, I'll take the first part of the question. I think the way we see our client needs evolving is in the very short term we have seen our clients trying to extract value and cost savings I would say the traditional way. In the medium to long term our clients want to structurally reduce the cost of projects. And to do that I think they realize that the more integration they can see across the supply chain the better.

And I think in terms of focus for us, the first priority is to make sure that we have the right level of alliance or partnerships or understanding so that we can structurally reduce the cost of the project. So I would say this would come first, so that we focus first on CapEx before we focus on OpEx.

So we don't want to rule out the OpEx part. And in fact, we are proposing solutions in particularly through Forsys Subsea for example upstream to look at life-of-field solutions for asset monitoring and flow assurance. But I think our first priority will be to better integrate and expand the solutions on the CapEx phase of our clients.

Now, Julian, you want to talk about asset intensity?

Julian Waldron - *Technip - CFO*

Yes. James, thank you for the question. I think we feel it's a very pertinent question at the moment and it's one of the reasons why we highlighted it as an issue or as a question that we are spending time thinking about.

First, what have we done? As you know we had a fleet of around 40 vessels back in 2012 to 2013. In 2016 we'll go down to probably around 20. And of those 20 we will have, if you include the new builds in that, we'll have around 8 of those on charter. So the vessels that we need to find projects to use every year is going to be around 12.

Within those 12 I think some of the good things about that is that we have duplicates for many of those classes, so two equal diving support vessels, for example, the G1200, the G1201, that are interchangeable and so on. So I think we are looking both at right-sizing if I can use that expression but also the right types of assets and the flexibility. Assets that are in common can be exchanged and therefore optimize your scheduling, they can also be maintained more cheaply.

Now beyond that over the last couple of years you've seen us invest in multiple ways. So, for example, the PLSVs in Brazil are all in joint venture. The Skandi Africa which is one of our replacement vessels is a charter vessel. We own at this point both the Deep Arctic and the Deep Explorer. Those are the DSVs. And that's because we think we can get savings and synergies out of owning at this point those two vessels.

Now, you're right, whether we own the steel, if I can put it that way, is less important than whether we control the steel. What our clients want to see is that we control the way the vessels are maintained or designed, maintained, crewed, operated, installed, the way they work and the safety and quality of those operations. We don't always need to own the steel to do that.

So I think your point is absolutely right, I think you see in what we've done that we've been flexible. And I think we will continue to be flexible going forward.

James Evans - *Exane BNP Paribas - Analyst*

Brilliant, thank you.

Operator

Rob Pulleyn, Morgan Stanley.

Rob Pulleyn - *Morgan Stanley - Analyst*

Yes, good morning, gentlemen. Julian, may I ask quickly on working capital inflow in the fourth quarter quite where that came from? And then also looking ahead throughout 2016 what should we be expecting in terms of working capital flows?

The second question I have maybe also to yourself is just to catch up on the refinancing you did earlier this year, could you put a little bit more color why you went down the synthetic convertible route as opposed to a plain bond?

And thirdly and hopefully it's a quick one, just could you give an update on those two PLSVs in Brazil which I think one has rolled off contract and one might be near doing so. Thank you very much.

Julian Waldron - *Technip - CFO*

Good morning, Rob. I'll take the first three, and I think Thierry will comment on the PLSVs. Working capital Q4 I think the first comment I'd make is if you have revenue that's coming through and you have revenue that's, let's say, a little bit above expectations then that means you're hitting project milestones. And if you hit project milestones you should be collecting cash from your customer.

That's logically what you should see. And that's one of the things, for example, that we monitor on projects that that's happening. So the fact that you had a better working capital performance against higher revenue is logical is what you should see.

In Q4 I think there's one thing I'd highlight, we had a very good campaign in 2015 on Yamal for example. And therefore some of the cash inflows were linked to that good execution on that project.

Looking forward to 2016 I'm going to start 2016 in exactly the same way as I started 2014 and 2015. We ended the year with a little more working capital than we expected, therefore I expect us to deploy that working capital against projects this year, so the same speech that I gave you at the beginning of 2014 and 2015.

On refinancing, I think we chose that route for two reasons; first, cost, and then secondly, speed. We completed that financing in two hours. I think in the market conditions at the moment there should be an ambition if you want to finance to get into and out of the market as quickly as you possibly can. So I think to be in and out within a day reduced the market risk and enabled us to get a successful financing done. So we had a couple of options, but that was the fastest to market, and it got us good price, good costing against what we were refinancing.

Thierry?

Thierry Pilenko - *Technip - Chairman and CEO*

Your question about PLSV, so, as a reminder, the PLSVs that we operating in Brazil are in joint ventures with partners in Brazil, 50-50 joint ventures. Two of the PLSVs that were in the joint venture are Brazilian flag vessels. One of -- so they are all working in Brazil, except for one, which has -- we had a window of opportunity to use that vessel on projects in West Africa, and we've been using that window of opportunity, with the approval of Petrobras, to operate this vessel in West Africa.

We are still -- we still have under construction two 650 ton, so the high end in terms -- high end vessels in terms of tension capabilities, which shall come in operation later this year and in 2017, and two Brazilian flag vessels, which are under construction in Brazil as well, which are going to come into service later. So that's where we stand with the PLSV in Brazil. All the vessels, again, are in 50-50 joint ventures, with two different partners.

Rob Pulleyn - *Morgan Stanley - Analyst*

Okay. Thank you very much, gentlemen. And, sorry, Thierry, just one quick follow up on the PLSVs, once that window of opportunity closes do you expect that your Brazilian flag vessel will be able to displace some non-Brazilian flag vessels? Or will Petrobras be flexible and allow you to use that vessel outside of Brazil again?

Thierry Pilenko - *Technip - Chairman and CEO*

Well, I don't know what Petrobras will want to do in terms of replacing or non-replacing. The only thing I can say is that after this campaign in West Africa, which is for a few months, the vessel is planned to return to Brazil, and as you know, because it's a Brazilian flag vessel it will have priority on any other vessel. And I think that was the strategy we had from the beginning.

We said we would either have Brazilian flag vessels, because they will have priority in the market, or have a very high end vessel, such as the 650 ton that we are currently building, because those have specific capabilities for very large diameter installation. So basically we are either Brazilian or very high end.

Rob Pulleyn - *Morgan Stanley - Analyst*

Fair enough. Thank you very much.

Operator

Jean-Luc Romain, CM-CIC Securities.

Jean-Luc Romain - *CM-CIC Securities - Analyst*

Good morning. I have two questions, if I may. The first is about the contracts or the possibility that contracts you preannounced last year on two refineries in Egypt. One was MIDOR. The other was in (inaudible) Egypt. Could you update us what has flowed into the order book?

And the other is about the opportunities you see in the market. One of your competitors was mentioning yesterday they are posturing or examining about EUR48b of opportunities. How does your set of opportunities compare?

Thierry Pilenko - *Technip - Chairman and CEO*

Well, the two refineries you're referring to are called MIDOR and Assiut, and Technip is involved in both, and we've been talking about them for a number of quarters now, because we have started the early works on these refineries, and only the early work has been recognized in the order book.

Jean-Luc Romain - *CM-CIC Securities - Analyst*

Right, thank you.

Thierry Pilenko - *Technip - Chairman and CEO*

Now, as far as the total market or accessible market and so forth, I don't think this is a number that we monitor as such. What we prefer is to make sure that we focus on the projects on which we have a better chance of winning because we are differentiated, because we have a better cost solution or because we have the right technology or execution plan.

So, I don't know exactly what you refer to when you talk about EUR48b, because this perimeter could also vary, depending on the type of capabilities that companies have. But what I will say is that given our portfolio and the fact that we can go from very early stage upstream to downstream petrochemical and so forth, our portfolio of opportunities is probably one of the broadest.

Jean-Luc Romain - *CM-CIC Securities - Analyst*

Thank you.

Julian Waldron - *Technip - CFO*

Jean-Luc, I think it's a good question and there have been a few companies that have put out lists of potential projects. First, I think, one needs to look at what our clients are saying around timing with a fair amount of skepticism. And secondly, our order intake strategy, as Thierry has said, is not necessarily to be that public. I'm not sure on whose list, for example, MIDOR and Assiut were, but it was certainly on our list, and they are now projects which are in their early stages, but the early stages are in backlog.

The financing for MIDOR is coming together very well. That's public knowledge. And as that one moves into FID it will move into our backlog. But that was not, if you like, on a public list. That was a piece of work that we've -- whether you want to say under the radar screen or not, but under the radar screen, if you will, that we've been pursuing and capturing. And I think that's the right way to go about winning good quality orders.

Jean-Luc Romain - *CM-CIC Securities - Analyst*

Thank you.

Operator

Fiona Maclean, Merrill Lynch

Fiona Maclean - *Merrill Lynch Bank of America - Analyst*

Thank you. Yes, it's Fiona here, from Merrill Lynch. I have a couple of questions. Firstly, on the dividend, given it is flat today for 2015, can you give some commentary on how we should be thinking about how that will progress in the coming two to three years?

And secondly, could we get a more detailed update on Yamal? Where we are in terms of the status, how everything is going, in particular between the works that you're doing in Asia versus the works that you're doing on site? Thank you.

Julian Waldron - *Technip - CFO*

Fiona, thanks for the questions. I think Thierry will go through Yamal in detail, because I think that's something that we'd like to talk about in good detail.

On the dividend, I mean, I think it's probably the right thing to start off by saying one year at a time. But I think secondly, over and above that, we've always made it clear to our shareholders that we put the dividend first in our priorities for the use of cash, that we want to set the dividend at a level that we believe is sustainable, and when we look at the coverage of the dividends, when we look at the cash flow of the Group, and we look at the underlying earnings this year, the dividend is well covered.

Fiona Maclean - *Merrill Lynch Bank of America - Analyst*

Okay.

Julian Waldron - *Technip - CFO*

Yamal?

Thierry Pilenko - *Technip - Chairman and CEO*

All right, the Yamal. So, Yamal is progressing as per plan. We have delivered last year eight modules in Sabetta, in the Yamal peninsula. This year we have a very large number of modules to deliver. Actually, this is a peak year in terms of module delivery. So, as an example, last month we delivered four modules and this week we are about to launch and load four modules. So, the client has delivered to us icebreaker capabilities, barges, on which we are, as we speak, loading modules, and those icebreakers will be transporting those modules to the Yamal project.

So, engineering is basically complete. We are now very much in module fabrication and work at the site is on schedule as well. So as far as the Yamal project is concerned, everything so far has been done as per plan, and to the plan satisfaction.

Fiona Maclean - *Merrill Lynch Bank of America - Analyst*

That's great. Thank you. That's all from me.

Julian Waldron - *Technip - CFO*

Thank you, Fiona.

Operator

Christyan Malek, Nomura.

Christyan Malek - *Nomura - Analyst*

Hi, good morning, gentlemen. Just a few questions. First of all, at what point would you consider taking your higher-end fleet off line if no FIDs materialize in the second half of the year into 2017? I know you've had a -- you've done a fantastic job restructuring thus far, but in terms of more the higher end fixed costs, I just want to understand what your thinking is on that.

The second question is in your margin target for this year do you assume variation orders and profit recognition that continues as normal? How do you risk it in the event that your customers may push back on accepting bonuses, even if you have executed well? Thank you.

Julian Waldron - *Technip - CFO*

Christyan, thank you. I'll take the second question first. I think from our point of view we started highlighting in 2014 the change that we saw in our clients' attitude on things like VOs, and I believe our policy was clear then not to recognize them and not to recognize contingent revenue. That remains the policy, and I think adapting to that environment is something that we've done over the last two years. So the guidance we give is based on executing our projects in line with the plan, nothing more, nothing less.

I think on the fleet it's a good question. It's a bit hypothetical, but in any plan, in any operational plan, as you go through the years you can see how you can swap assets out. How you can replace third party assets with internal assets, or vice versa. How you could, for example, cluster a project on an asset and stack another one. We've got those things under review, I would say, but they remain hypothetical at this point. But clearly it's not something that we're not thinking about. But I don't think I have anything specific to say.

Christyan Malek - *Nomura - Analyst*

Can I just come back to that second point on hypothetical? I mean, if Total and several of your other customers have talked about very few FIDs for the next two years, so in the event that that plays out, where would you see margins normalize in subsea? Would you argue 13% is more reflection of the book, the work that you've secured, but going forward can you give us a range, or, again, this may be hypothetical, but if it's real that no projects are sanctioned what would you guide beyond this year as a sensible range we should be thinking about in our long-term modeling?

Julian Waldron - *Technip - CFO*

I don't think I've got any more to add to what I said as we went through the slides. I think it is a bit hypothetical. We are still taking orders in 2015. We took EUR650m in quarter four. There were no major FIDs in 2015 to speak of. So even without major FIDs there is still work to be won. That work can be flexible pipes, it can be umbilicals, it can be early stage, or it can be install, and I think we, with most of the other industry peers, do see work to be won in 2016 for execution in 2017.

The challenge is to win that, but in particular to win it on good terms. So there will be work. Thereafter I think what's important to us is what's the quality of the backlog that we have today? And we like the quality of the backlog that we have today. As Thierry said, we like the quality of the backlog that we added in subsea in 2015. What's important to us is to execute that well.

And then last, but by no means least, the cost reduction plan. The cost reduction plan is important in reducing the structural cost of both our subsea and our onshore offshore business, doing that already in 2017. So being able to expand the cost reduction across the Group from EUR830m to EUR1b gives us additional flexibility.

If we need to go beyond that in cost reduction, I'm certain that we can do so. We continue to look at and to reorganize the business, and that always throws up additional opportunities. I mentioned earlier the flexibility to move work and therefore try and optimize the utilization of one's fleet. I go back to what Thierry said. Our subsea business is not just about vessels working. It's about the flexible business, the umbilicals, the project management, the early stage work too.

So it's a good question and we understand why the question is coming, but I think I'd refer you back to the comments I made during the slide presentation, and close there.

Thierry Pilenko - *Technip - Chairman and CEO*

And by the way, Christyan, we continue to give objectives to the management team in terms of gross margin in the backlog. So the focus is on profitability. And we have driven the business very much like that for the past seven or eight years, and we'll continue to make sure that we have quality in our order intake.

But of course, you need to also make sure that you have the right balance between the order intake and the utilization, which is something we carefully monitor. But I don't think I would -- we haven't changed significantly the way we give incentive to people to drive the focus really on profitability.

Christyan Malek - *Nomura - Analyst*

Sure. Just coming back to this thing -- you mentioned there's about EUR2b of work that you haven't booked but is bookable. Is that correct? And I guess the question behind that is, well, is how confident are you that it will be booked? And secondly, is that it or is there more that can come up in the future? I just want to understand the dynamic on that.

Julian Waldron - *Technip - CFO*

Well, it's contracted work, first, so it's work under formal in-force contract. Under our rules, if that's, for example, on a reimbursable basis, we don't book it into backlog until the work orders which trigger that reimbursable work are triggered themselves. So it's maybe a little bit different to what other companies do in terms of recognizing backlog, but we feel that that prudence has always been in our industry, worthwhile.

Now, a chunk of that, for example is on Yamal, both the logistics and the construction on site, so it's difficult for me to see how that would not, at some point, come through the backlog and therefore into revenue. So it's contracted. It's there. At one point it needs to be called off. You can always say, well, will it be called off at this time or another time? Not sure.

What is not in there, just to be very clear, is any of the backlog related to, or any of the contracted work related to our PLSVs in Brazil, any of the eight vessels, because those vessels are in joint venture and therefore we have no revenue and no cost of sales. We just have the income from the JVs.

So I think it's part of looking at your backlog, trying to be prudent about it, trying to be consistent in the way you apply the rules from one year to the next. But you saw in 2015 probably around EUR2b of that work, because it used to stand somewhere around EUR3b, EUR3b plus, so around EUR2b of that came into the backlog during the course of 2015. We still have EUR1.8b, so yes, it is a part of the business that has been growing, and I reiterate what I said during the slide presentation. I think there are one or two elements that will grow over the next couple of quarters. So it's an important part of the way we look at the business and manage it.

(Multiple speakers).

Thierry Pilenko - *Technip - Chairman and CEO*

If I may add, over the past couple of months we have continued to replenish this EUR1.8b to EUR2b, so this is really an (inaudible) part of our business, pardon, but maybe we are more conservative than others, in terms of reconditioning the backlog, but this is, as Julian said, this is contracted work.

Julian Waldron - *Technip - CFO*

Thanks, Christyan, very much.

Christyan Malek - *Nomura - Analyst*

That's very clear. Thank you.

Thierry Pilenko - *Technip - Chairman and CEO*

Thank you.

Operator

Mick Pickup, Barclays.

Mick Pickup - *Barclays - Analyst*

Good morning, everybody. A couple of questions, if I may? On the onshore business obviously you appear quite confident about it. Can you just talk about any opportunities you're seeing out in the Middle East, given, I think you've done a pretty serious reorganization in your business out there, and what you're seeing in the onshore in the US, please, as a starter?

Thierry Pilenko - *Technip - Chairman and CEO*

Thank you, Mick, to highlight the onshore. Yes, we do have, I would say, better visibility on the onshore side, and particularly because the downstream is pretty strong, so if, looking at the downstream, I think we have excellent opportunities, excellent [cracker] opportunities in the US.

We do have some upstream opportunities in the Middle East. The Middle East has always been particularly Abu Dhabi and the Emirates have always been investing, I wouldn't say countercyclical, but trying to invest when the costs were at the lowest level, where they could secure the best teams. So I would say the US would be more petrochemicals and the Middle East would be more refining and some upstream development projects.

Mick Pickup - *Barclays - Analyst*

Okay, the next question, Julian, last year you gave us fixed against variable costs in the 2014 base. You couldn't just give us a breakdown for what it was in the 2015 number, could you?

Julian Waldron - *Technip - CFO*

Roughly 55 to 45, Mick.

Mick Pickup - *Barclays - Analyst*

55 fixed?

Julian Waldron - *Technip - CFO*

No, 55 variable 45 fixed.

Mick Pickup - *Barclays - Analyst*

Thank you, and just a tiny one, you said your fleet disposal plan was on track. I thought you were meant to be divesting three vessels over 2015? Has one slipped?

Julian Waldron - *Technip - CFO*

The Orelia is still with us. She's going in not too long, but I have to say she got a little bit of work that we weren't expecting, so she's still there at the moment.

Mick Pickup - *Barclays - Analyst*

Magic, thanks.

Julian Waldron - *Technip - CFO*

Good detail. Thank you, but that's the reason.

Mick Pickup - *Barclays - Analyst*

Okay, thanks.

Operator

Kevin Roger, Kepler Cheuvreux.

Kevin Roger - *Kepler Cheuvreux - Analyst*

Good morning, everyone. This is Kevin from Kepler Cheuvreux team. Just two quick questions, please, the first one coming back on Yamal. On the EUR1.7b of contract that you register this year from -- this quarter from non-backlog elements, can we consider that everything is linked to Yamal, and if it's, what's the amount remaining on Yamal in terms of variation orders?

And the second one, regarding Forsys, you mentioned that you had signed a third FEED contract. Can we have an idea of the size, potential size of this contract? And in Q3 you mentioned that you signed two contracts for potential element of EUR800m. Do you still expect to sign at least one EPC contract in 2016? Thanks a lot.

Thierry Pilenko - *Technip - Chairman and CEO*

Okay, Julian will answer the question on Yamal.

Julian Waldron - *Technip - CFO*

Thanks for the question. It's by no means all of that bottom bar on that slide. Which one is it? On the backlog slide. There are a lot of other projects, a lot of -- on slide 15, sorry. There are a lot of other projects, a lot of other types of projects. There is, for example, all of the PMC work that we do, whether that's in the Middle East, and a lot of it is actually in the Middle East. The RAPID refinery, for example, so -- and, for example, elements of Sasol in the US.

So, no, there's a lot within that EUR1.8b other than Yamal. And the things to come will, I think, be around the same diversity of sources.

Thierry?

Thierry Pilenko - *Technip - Chairman and CEO*

Yes, going to Forsys, so our first objective is still to convert one of these early stage projects into an EPCI this year. So this is still the objective of Forsys and of the alliance, FMC Technologies and Technip, so this hasn't changed.

Now, I will not give you the amount for the new project that we're signing. This project is public now. We've made a disclosure last month, or this month. This is the (inaudible) project for Statoil. And I think it's -- I consider it's a breakthrough because this is the first time we've been working so closely with Statoil, from a very early stage, with a very open environment where we shared the objectives of the cost with the client. And we had a preliminary estimate, based on preliminary architecture.

Now, the work that's going to happen over the next few months is to confirm the details of this architecture and of the solution, still maintaining focus on the cost. But it is a very significant project in the sense that we are achieving the savings that Statoil was hoping for, and that made the project economic.

And I think that's a very good example of something that, if it were approached the traditional way, with a potential disconnection from -- between SPS and [SERS] this project would not have moved and because FMC Technologies and Technip worked together through the Forsys joint venture we've been able to put that project back into the economic envelope of the client. I think it's very encouraging. But I will not give you the amount.

Kevin Roger - *Kepler Cheuvreux - Analyst*

Okay, thanks.

Julian Waldron - *Technip - CFO*

I think we're going to take two more, and then I'm conscious that it's a busy day, for everyone, so we'll take two more and then conclude, and then stop.

Operator

Okay, great. Mukhtar Garadaghi, Citi.

Mukhtar Garadaghi - *Citi - Analyst*

Hi, gentlemen. Thanks for taking my question. A couple of questions for Thierry. Thierry, as you work closer with your clients and make these projects smaller and simpler, as you've commented, how is that changing the pricing dynamics in subsea? Are you seeing having this transparency, does it reduce profitability? And how, in general, do you see pricing developing in the next 12 months?

The second question's on flexibles. Just can you comment on utilization for 2016 and 2017? How do you see that developing? And whether there are any pressures in Brazil or Asia?

And just a final one on downstream, you've talked about the opportunity set there. I just wonder how you look at profitability in downstream, on these projects where I would think are a bit more commoditized, versus other things in onshore offshore, like Yamal, where you have a clear advantage and a technological solution. Should we expect the margins to come under pressure there as well, as you migrate towards downstream? Thank you.

Thierry Pilenko - *Technip - Chairman and CEO*

Well, that's a lot of questions. I'll start with the flexible question. Brazil has very, very strong long-term visibility, because of the development of the presalt and the fact that I continue to say the same things I've said before that we are fully qualified for the ultra-deepwater large diameter technologies for flexible in Brazil. So extremely good visibility, multi-year visibility in Brazil.

Less so in Asia, as some projects have been moving around, but we have established long-term contracts with customers over there and alliances, which I think will change the dynamic in which they are replacing pipelines, particularly in Malaysia.

As far as the downstream is concerned, I don't think we see a significant difference in profitability between the petrochemical projects and the other types of projects, such as LNG. We generally focus on projects where we have either proposed the technology at an early stage, and since the acquisition of Stone & Webster we have, between the Stone & Webster technology and Technip technology, we have about 50% of the install base worldwide.

And that means our technologies are generally taken as referencing one case out of two, at least. And which means very early stage involvement, and therefore the ability to engage with the customer in sometimes what is not an environment which is as competitive as when you would do a project for a national company, say in Asia or somewhere else, in the sense that you can have a very open book estimate and direct to work. So I don't think we have a very different profitability compared to the rest of our onshore offshore business.

And your first question was about Forsys and whether that there would be, if I understood well, whether when we opened the book that this means that we have a different profitability. This is not what we are seeing so far, because the objective is not to squeeze the profitability of the different elements, if you want. The objective is first and foremost to find the right architecture, and this is where the 30% to 40% that is needed to make these projects economic again, this is where the savings are found, through the architecture.

So, of course it's a bit too soon to tell, because we will see those projects turning to EPCI at a later stage, and then we'll be able to tell you. But I think that the key is first and foremost to enable these projects to a much more robust and structurally lower cost architecture, and I think we are achieving this objective.

Julian Waldron - *Technip - CFO*

Mukhtar, I think just a general comment on -- I think this goes for both segments, but it's particularly true on the downstream. The best performance we have on projects, whether you look at that from a safety point of view, from a schedule point of view for the client, or from a cost point of view and therefore profitability point of view for us, the best projects are ones where we've been involved early and been involved with the design.

Therefore, when you look at the types of projects we're taking downstream at the moment, they fall, I think, into that sort of category. And I won't go back over the discussion on MIDOR, but it's those projects in our portfolio over the last several years that have worked the best for our clients and the best for us.

Mukhtar Garadaghi - *Citi - Analyst*

Okay, that's very clear. Thank you very much.

Julian Waldron - *Technip - CFO*

Thank you.

Thierry Pilenko - *Technip - Chairman and CEO*

Thank you.

Operator

Nick Green, Bernstein.

Nick Green - *Sanford C. Bernstein - Analyst*

Good morning, all. Thanks for taking my questions. I'll be quick with them. Just two points of clarification and one slightly longer question. So, firstly, on the cost-cutting, great to see additional cost-cutting there. Can you just please give some of the details about what is being extended there?

Secondly, can you just remind us how you bridge from the adjusted net cash number, the EUR1.9b, to IFRS net cash, which is at a lower number?

And then thirdly, just to return to Thierry's earlier comments about the PLSVs, just to confirm then that we have two vessels, the Vitoria and the Niteroi, our understanding is they're coming off contract pretty shortly.

Can you confirm when they come off contract and could you confirm whether or not you're exercising your legal right, as we understand it, to request that Petrobras switch out non-Brazilian flag vessels with some which may be with some of your competitors? Thank you.

Julian Waldron - *Technip - CFO*

Okay, Nick, thanks. I'll deal with the first two. IFRS to adjusted, it's contracts -- projects that we're operating in joint venture. So Yamal is a good example of that, where the project is operated in a separate legal entity, with the partners. Braskem, in Mexico, is another good example of that, and there may be other examples going forward, but those have probably, over the last couple of years, been the biggest.

THOMSON REUTERS

I think the good -- because we do monitor both, and I think the good thing is that the trends in cash in working capital in their construction contracts and therefore, if you like, net debt, or net cash, the trends, according to the two referentials, are very similar, and I think that shows there's a solid base for the business, whichever way you look at it.

On cost-cutting, the extension comes from, first of all, I would say a large number of small actions, so each of the individual actions that we took across the world around cost reduction, we've been able to push many of those a little bit further, and if you push each of them a little bit further, then the overall amount that you add up to is quite substantial.

I think we have also worked particularly hard on the real estate footprint, and as you -- for example, as you downsize, the ability either to free up space or to combine offices and reduce your cost as a result is quite significant. We've done, and continue to do, reorganizations. Those reorganizations enable you to take out the back office, in particular, enable you to combine and merge functions.

So I would say the extension is, first and foremost, the accumulation of a large number of small, incremental benefits.

Thierry?

Thierry Pilenko - *Technip - Chairman and CEO*

Your question on the PLSVs, so we have currently, as you say, two PLSV Brazilian flagged which have been in operation for quite a while in Brazil. So the Skandi Vitoria came off contract in November 2015. And that's why we are using the vessel now in West Africa, but the plan is for the Vitoria, as I said before, to go back to Brazil after that period in West Africa.

And the Skandi Niteroi will be off contract in the second quarter of this year. Now, you used the word leverage, a contractual leverage, and so forth. Yes, those vessels have a preference because they are Brazilian flagged, but we have a very constructive approach with Petrobras. They are a very large customer of ours. We work a lot for them to develop the presalt, and so we do know that we will have preference because of the flag, but we are certainly not using the word leverage or contractual enforcement or whatever. It's a constructive approach.

We are a very valued supplier of Petrobras and I think we always try to work with them to provide the greatest flexibility on both sides, and this is exactly what we did with the Vitoria. So -- but we are confident that this vessel will be working for Petrobras for the long term.

Nick Green - *Sanford C. Bernstein - Analyst*

Okay, thank you. Just to confirm then, but is your guidance for the year for 201, assuming that those two boats are rehired pretty quickly, or does it assume that they're not, that they just come off contract as they're currently scheduled to do?

Julian Waldron - *Technip - CFO*

Both of those are our vessels held in JV, so I don't think, either way, it makes a significant difference to the bottom line of the Group, in itself.

Nick Green - *Sanford C. Bernstein - Analyst*

Okay, thank you.

Julian Waldron - *Technip - CFO*

All right.

Thierry Pilenko - *Technip - Chairman and CEO*

Well, thank you very much for your questions, and to conclude our call, I'd like to come back to the following points. Well, first of all, our strategy, in recent years, has been a broad-based business with drivers which are beyond just large onshore, offshore and subsea projects, but with the development of a strong equipment technology and consulting business, which I think is a fundamental change compared to five to seven years ago.

I believe there'll be a premium in this period on being able to compete for the work available on a broad basis in a way which demonstrates tangible benefit to our clients, which means being able to, particularly to integrate things, be involved very early, committing to drive cost out through the application of technologies, standardization, simplification, and also efficient use of our supply chain.

And internally we are continuing to control our cost, our cash, our projects and our CapEx, maintaining a strong balance sheet, therefore we will have capacity to invest in growing and sustaining our leadership. And overall we have, I believe we are ready to seize opportunities in this market, even if it's a difficult market, to win projects, gain new markets, and as I said, retain and recruit the best talents, and create value for our stakeholders.

Thank you again, for attending our conference call, and see you on the road show. Thank you. Have a good day.

Julian Waldron - *Technip - CFO*

Thank you. Bye-bye.

Aurelia Baudey-Vignaud - *Technip - IR*

Ladies and gentlemen, this concludes today's conference and we would like to thank you all for your participation. As a reminder, a replay of this call will be available on our website in about two hours. You are invited to contact Technip Investor Relations should you have any questions or require additional information. Once again, we thank you all for your participation, and please enjoy the rest of your day.

Julian Waldron - *Technip - CFO*

Thank you very much.