

Building Solutions for the Energy Industry



Thierry Pilenko, Chairman and CEO

Pareto Oil & Offshore conference, Oslo, September 10, 2014

Technip
take it further.



Safe Harbor

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 Today



A World Leader Bringing Innovative Solutions to the Energy Industry

- A world leader in project management, engineering and construction for oil & gas, chemicals and energy companies
- Services provided to clients in its segments: Onshore/Offshore and Subsea
- 40,000 people in 48 countries
- 2013 Revenues: €9.3 billion⁽¹⁾; Operating margin⁽²⁾ of 9.0%⁽¹⁾

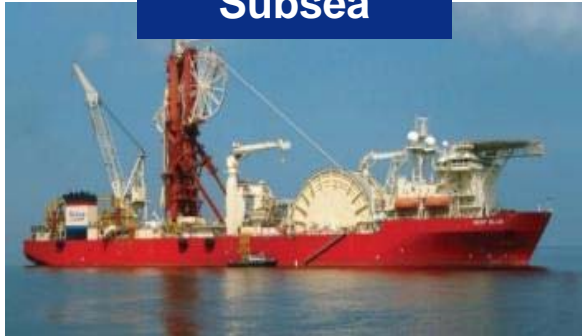


⁽¹⁾ Restated for retrospective application of IFRS 10, 11 & 12

⁽²⁾ From recurring activities

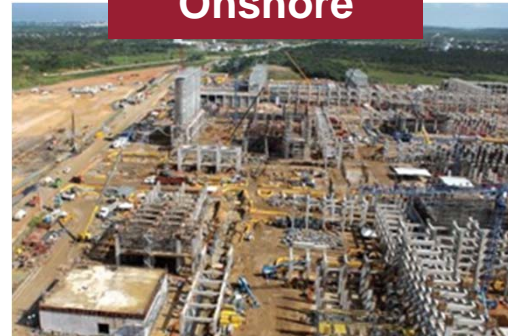
Complementary Business Segments

Subsea



- **Unique vertical integration**
 - R&D
 - Design & Project Management
 - Manufacturing & Spooling
 - Installation
- **First class assets and technologies**
 - Technologically Advanced Manufacturing plants
 - High performing vessels
 - Advanced rigid & flexible pipes
 - Very broad execution capabilities

Onshore



- **Proven track record with customers & partners**
 - Engineering, procurement and construction
 - Project execution capabilities
 - Early involvement through conceptual studies and FEEDs
- **Know-how**
 - High added-value process skills
 - Mastering design of all platform types
 - Own technologies combined with close relationship with licensors

Offshore





Second Quarter 2014 Highlights

Results

- **Revenue** increased by 9% year-on-year, to €2.6 billion
 - +12.4% growth in Subsea
 - +5.4% growth in Onshore/Offshore
- **Group operating margin** of 9.2%
 - 15.3% in Subsea
 - 5.3% in Onshore/Offshore
- **Net income** of €158 million
- **Net cash** of €611 million

Project awards

- **Yamal LNG, Russia:** Very major contract for onshore development in the Arctic
- **Kaombo, Angola:** Major EPCI⁽¹⁾, and Umbilicals Supply at water depths of 2,000 meters
- **RAPID⁽²⁾, Malaysia:** Project Management Consultancy for a world-scale refinery and petrochemical complex

€7.1 billion order intake takes backlog to €19.9 billion

(1) Engineering, Procurement, Construction and Installation

(2) Refinery and Petrochemicals Integrated Development

North Sea Canada: Strengthening our Presence

Assets & Activities

- **Engineering & project management centers**
- **Spoolbases**
 - Orkanger, Norway
 - Evanton, Scotland
- **Steel tube/thermoplastic umbilical plant**
 - Technip Umbilical, Newcastle, England
- **Yard:** Pori, Finland, specialized in Spar platforms fabrication
- **Vessels:**

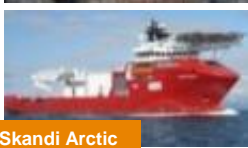
Apache II



Skandi Achiever



Skandi Arctic



Deep Energy



Technip in North Sea Canada

- ~4,800 people
- 1st office founded in 1978



- Regional Headquarter / Operating centers
- Manufacturing plants (umbilicals)
- ▲ Construction yard
- ▼ Spoolbases

Key Projects

- Quad 204, EPCI, Scotland
- Alder, Scotland
- Åsgard Subsea Compression, Norway
- Bøyla, EPCI, Norway
- Valdemar & Roar Gas Lift, Denmark
- Edradour, Scotland

Evanton spoolbase, Scotland



Newcastle plant, UK

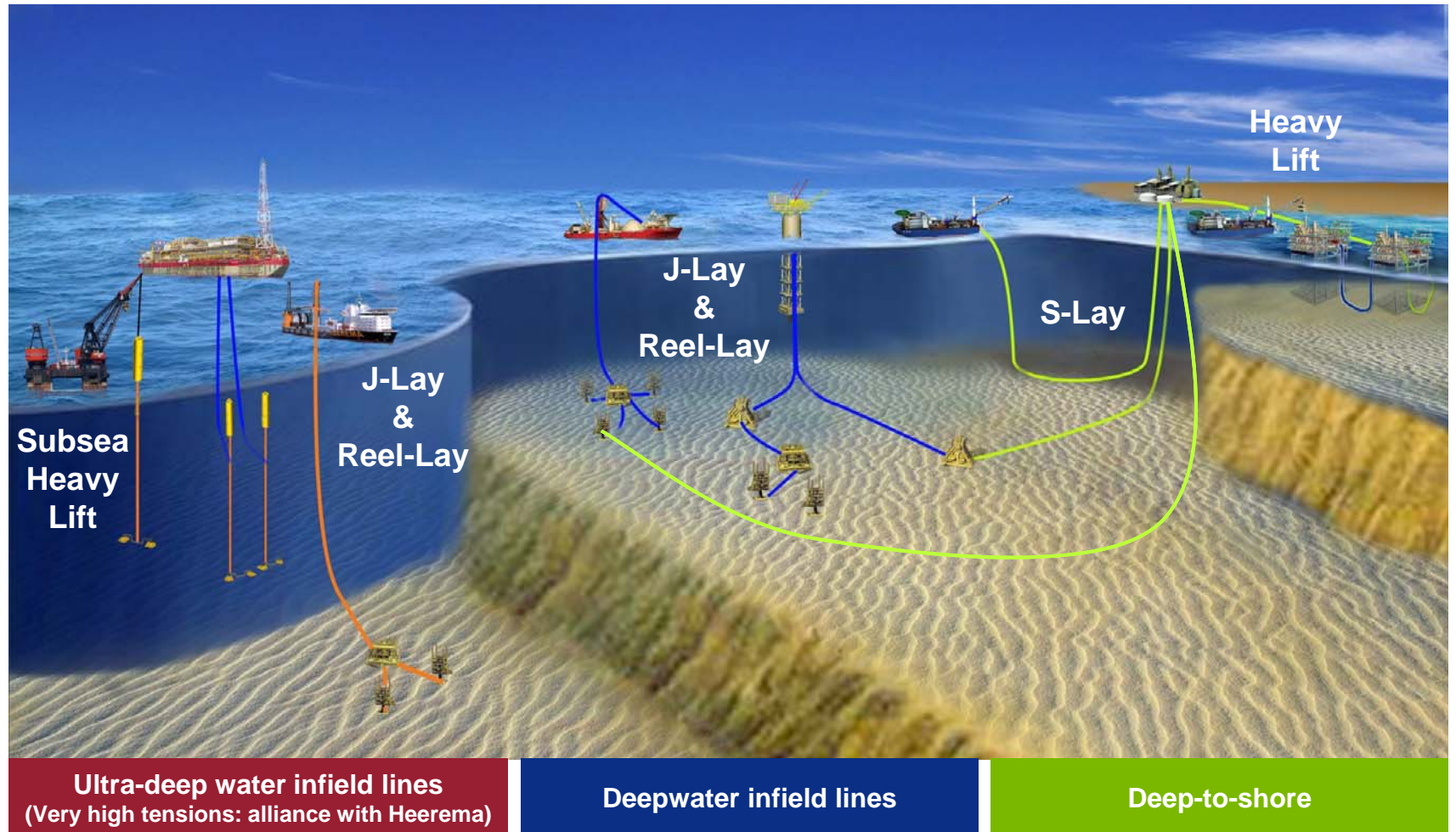


Sustaining Profitable Growth





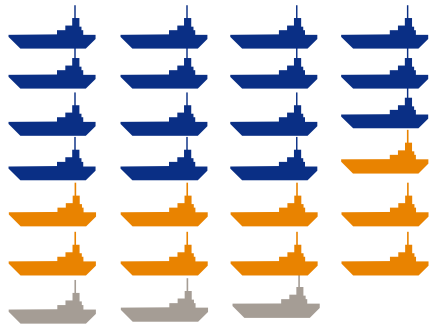
Very Broad Execution Capabilities in Subsea



Optimization Nearly Completed

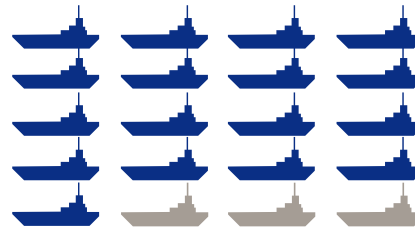
2012/2013

33, including
5 under construction

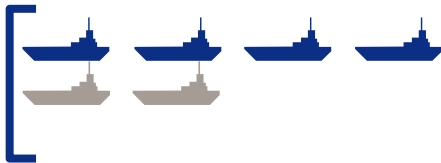


Today

30, including
9 under construction



Long-term
charters



Blue: built vessels
Orange: disposals
Grey: under construction

(1) Pipelay Support Vessels



2 PLSVs⁽¹⁾ (550 ton)



4 PLSVs⁽¹⁾ (2x300 ton and 2x650 ton)



Skandi Africa



Diving Support Vessel



North Sea Atlantic

Newcaflex Plant Upgrade: World's Largest Steel Tube Umbilical Manufacturing Facility

- Major expansion of Newcastle's existing facility
- Meets clients' demands for larger and more complex umbilicals
- Focusing on improvements to ensure top quality products
- Larger storage capacity



Investments in Offshore Competencies

- **Strategic Agreement on Kanfa**

- 49% acquisition of Kanfa from Sevan Marine
- Leading independent topsides and process technology specialists
- 50 highly-skilled engineers in Norway
- Expands access to local know-how through NORSOK⁽¹⁾ and local competencies in EPC projects in the North Sea
- Reinforces Offshore technology competence and early involvement execution



- **Majority Stake in Inocean**

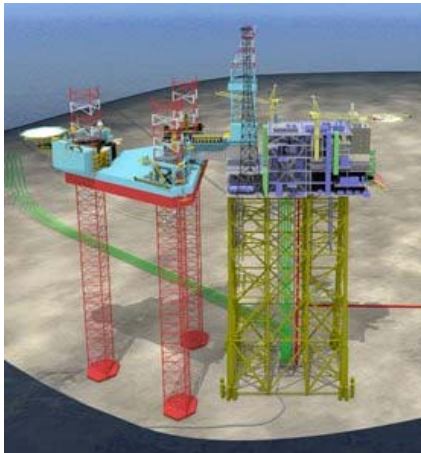
- 51% acquisition of Inocean from founders
- Norwegian offshore floater engineering experts with naval architect services in all phases of a project cycle
- 70 highly-skilled engineers in Norway
- Strengthens local NORSOK⁽¹⁾ know-how
- Enhances Technip's capabilities to support FEED & EPCI projects in the North Sea



(1) Norwegian Standards ruling Good Practices and Safety Framework

Diversified Project Portfolio in the North Sea Canada Region

Martin Linge Topside



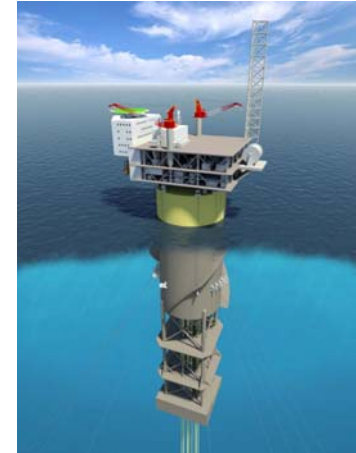
- Engineering, procurement, fabrication, transportation, and commissioning of the topside
- Estimated topside weight of 25,000 tons
- In consortium with SHI⁽¹⁾

Åsgard Subsea Compression



- Marine Operations for construction and tie-in of World's first large scale subsea gas compression facility
- Provision of special-handling-system for change-out of subsea modules
- Charter of North Sea Giant⁽³⁾ providing Life of Field services for Statoil until mid-2018

Aasta Hansteen Spar Hull



- Engineering, procurement, construction and transportation of the world's largest spar hull
- Total hull length of 195 meters, diameter of 52 meters
- In consortium with HHI⁽²⁾

⁽¹⁾ Samsung Heavy Industries

⁽²⁾ Hyundai Heavy Industries

⁽³⁾ Heavy Inspection, Maintenance and Repair vessel

Edradour: Complex High-Technology Project

Newcastle plant



Deep Energy



- EPIC⁽¹⁾ project in a remote and harsh environment, located approximately 75 kilometers North West of the Shetland Islands
- Engineering by Genesis in Aberdeen
- Pipelines fabricated at Technip's spoolbase in Evanton, Scotland
- Umbilicals manufactured at our plant in Newcastle, England
- Flexible tails manufactured at Technip's FlexiFrance facility
- Installation by the Deep Energy, the fastest and one of the largest and most capable pipelay vessels ever built in our industry

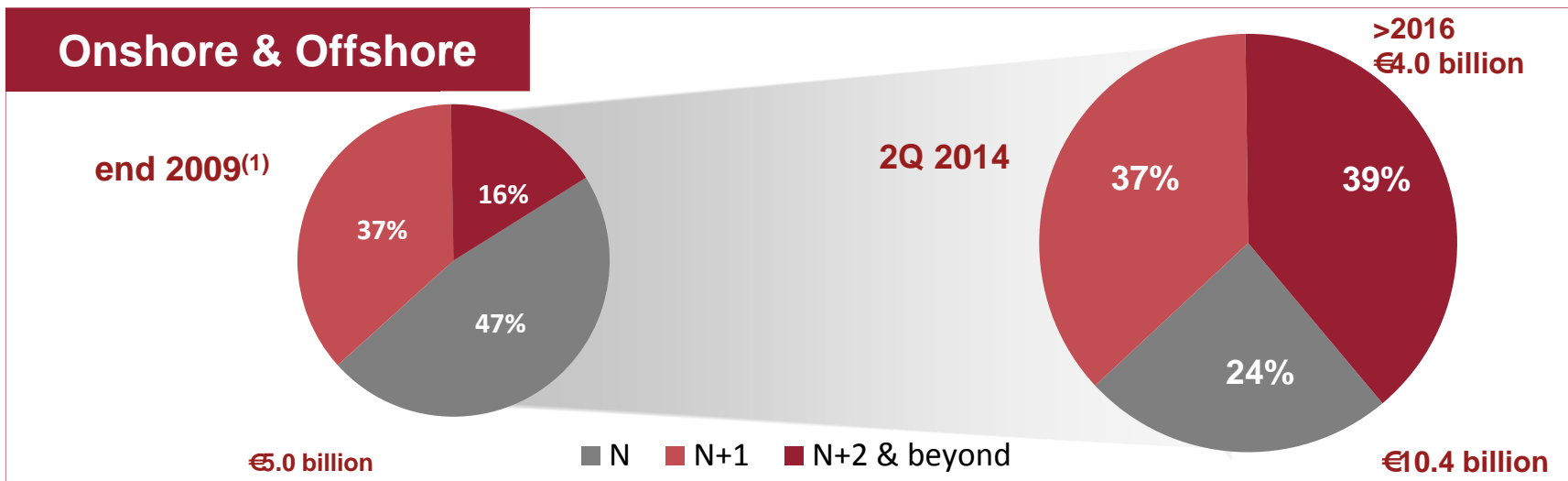
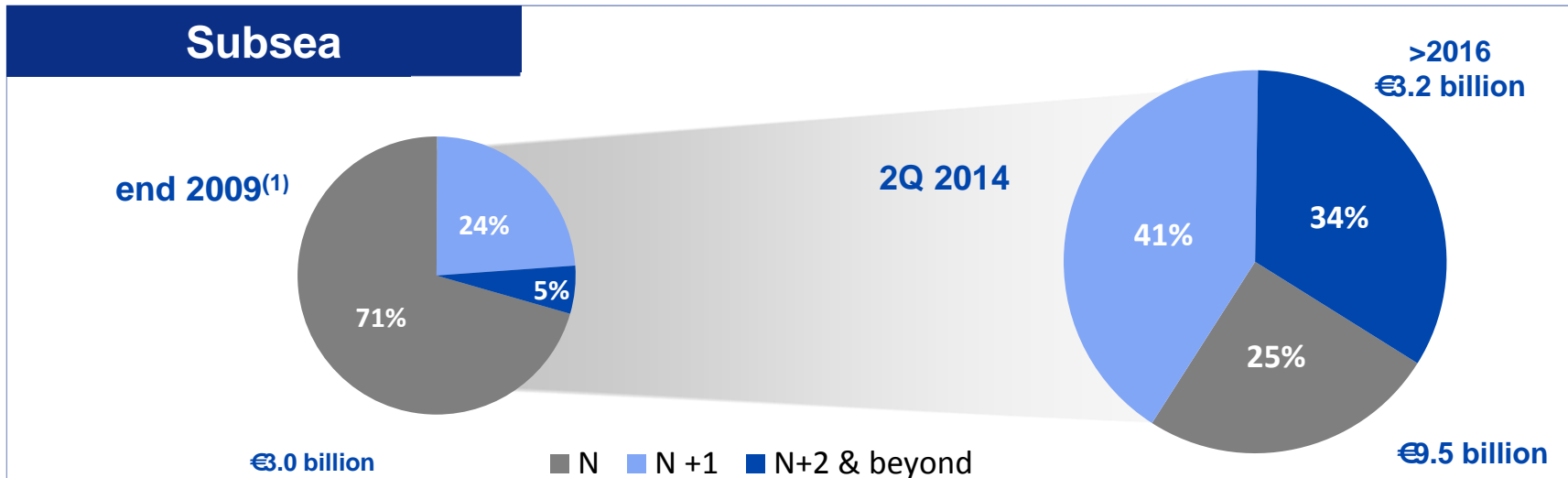
Demonstrates Technip's unique vertically integrated offering

⁽¹⁾ Engineering, Procurement, Installation and Commissioning

2014 & 2015 Outlook



Record Backlog Provides Increased Visibility



(1) Before acquisition of Global Industries & Stone and Webster Process Technologies



Backlog Scheduling⁽¹⁾

€ million	Subsea	Onshore/Offshore	Group
2014 (6 months)	2,396	2,501	4,897
2015	3,920	3,796	7,716
2016 and beyond	3,203	4,044	7,247
Total	9,519	10,341	19,860

(1) Backlog estimated scheduling as of June 30, 2014. Long-term charters not included, reflects the new application of IFRS 10, 11 & 12

West Africa Subsea Projects Anchor Asset Utilization

Moho Nord, Congo

- Client: Total
- Scope: major EPCI & supply for rigid, flexibles and umbilicals at water depths up to 1,100 meters
- Vertical integration enhanced
- S-lay and heavy lift capabilities using the G1200 vessel



Kaombo, Angola

- Client: Total and Sonangol
- Scope: major EPCI & supply for rigid and flexibles at water depths up to 2,000 meters
- First major award won through the Heerema alliance
- High national content with local manufacturing: umbilicals supply scope won by Technip



Block 15/06, Angola

- Client: ENI
- Scope: large EPCI & supply for flexibles and rigid at water depths up to 1,400 meters
- High national content with local manufacturing
- Installation campaign ongoing with Technip vessels

T.E.N., Ghana

- Client: Tullow
- Scope: major EPCI for rigid, flexibles and umbilicals at water depths up to 2,000 meters
- Reinforcing local presence in Ghana
- Strong know-how and technological innovation for ultra-deepwater

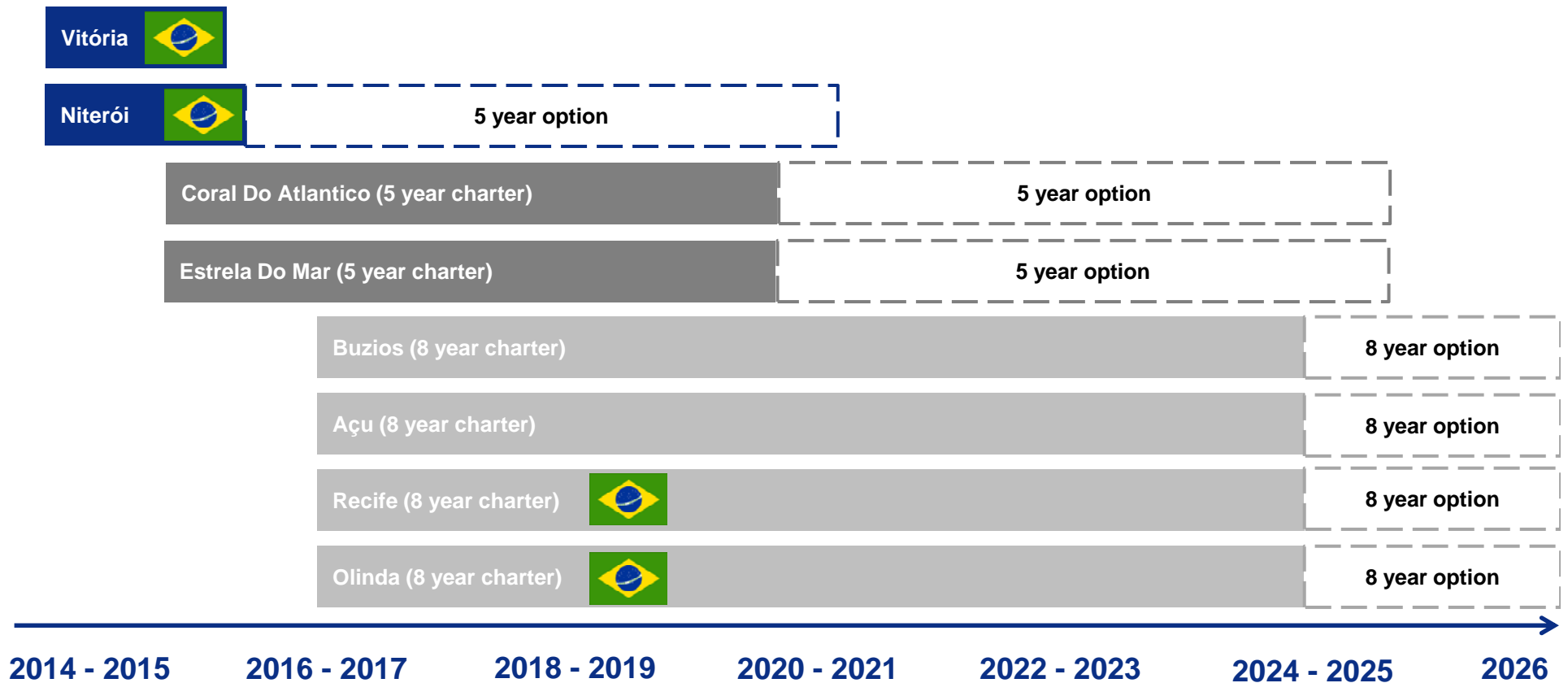
Egina, Nigeria

- Client: Total
- Scope: flexible and umbilicals supply
- High technology and large diameter pipes manufacturing



PLSVs Charters Grow in Importance

Total value excluding options: ~€1.3 billion⁽¹⁾



 Vessels built or to be built in Brazil

⁽¹⁾ Vessel charters not included in the June 30, 2014 scheduled backlog. Reflects the new application of IFRS 10, 11 & 12

Business Environment

North America & Caribbean

Gulf of Mexico

- Lower offshore activity in GoM: projects in early stage
- Higher competition in the near-term
- Offshore developments to increase >2015

Onshore

- Good opportunities in LNG & downstream
- Expansion & revamps for Technip Stone and Webster Process Technologies (worldwide)

North Sea

- Statoil reducing its spending
- Continued good level of tendering activity on UK side
- New entrants in subsea
- Technology remains a differentiator

Middle East

- Good opportunities offshore
- Greenfield demand for downstream in some countries
- Competition from Asia is again strong

Asia Pacific

- LNG: shift, if slowly, from onshore to offshore (FLNG)
- Emerging deepwater prospects
- GDP growth driving refining, petrochemicals and fertilizer investments

Brazil

- Investment programs confirmed
- Petrobras progressing with pre-salt subsea system awards
- Visibility of demand in the long-term increased due to Libra field
- Focus near-term on logistics

Africa

- West Africa projects ongoing
- Early phase engineering for East Africa, but slow process
- New discoveries to drive future onshore & offshore developments



Objectives for 2014 and 2015

2014

- **Subsea**

Revenue increased to between €4.6 and €4.9 billion

Operating margin of at least 12%: no change

- **Onshore / Offshore**

Revenue increased to between €5.55 and €5.80 billion

Base case operating margin 5% to 6%

2015

- **Subsea**

Revenue well above €5 billion: no change

Operating margin between 15% and 17%: no change

- **Onshore / Offshore**

Revenue increased to around €6 billion

Stable operating margin versus 2014

Technip in the Current Environment

- Solid backlog provides long-term visibility in both segments
- Pursue investments in technology and in the product supply part of our business
- Improving cash flow and returns in Subsea
- Capital discipline and optimization of our cost base
- Provide sustainable and predictable dividends for our shareholders

Broaden our industry leadership in oil & gas services to serve our clients better



Q&A Session



Thank you

