# 2007 Third quarter results

November 15, 2007

**TECHNIP: THIRD QUARTER 2007 RESULTS**

**Operating income from recurring activities: + 10%**

**Operating margin ratio from recurring activities: 5.5%**

**Earnings per share: + 28%**

November 15, 2007 01:00 AM Eastern Standard Time

PARIS--(BUSINESS WIRE)--

Regulatory News:

Technip: (Paris:TEC) (ISIN:FR0000131708):

| Euros in Millions | Third Quarter | | | Nine Months | | |
|---|---|---|---|---|---|---|
| (except EPS and E/ADS) | **2007** | **2006** | **Change** | **2007** | **2006** | **Change** |
| **Revenues** | **2,166.0** | **1,780.8** | **21.6%** | **5,785.3** | **4,944.2** | **17.0%** |
| **Operating Income from Recurring Activities** | **119.0** | **107.8** | **10.4%** | **355.0** | **219.4** | **61.8%** |
| **Op. Margin Ratio from Recurring Activities** | **5.5%** | **6.1%** | **- 60 bp** | **6.1%** | **4.4%** | **+170 bp** |
| **Net Income** | **76.1** | **60.3** | **26.2%** | **223.8** | **137.1** | **63.2%** |
| **EPS on a Diluted Basis (€)** | **0.72** | **0.56** | **27.6%** | **2.13** | **1.26** | **68.6%** |
| **E/ADS on a Diluted Basis ($)** | **1.02** | **0.80** | **27.6%** | **3.02** | **1.79** | **68.6%** |

On November 14, 2007, Technip's Board of Directors approved the third quarter and first nine months 2007 consolidated accounts.

Thierry Pilenko, Chairman and CEO, commented: "During the third quarter, revenue grew 22%, mainly fuelled by Onshore-Downstream activities thanks, in particular, to the positive impact of the Khursaniyah contract conversion to lump sum turnkey which occurred at an advanced stage of progress. This Onshore-Downstream important revenue growth associated with the SURF and Industries activities growth largely offsets the slowdown anticipated in the Offshore Facilities segment.

Concerning the operating income from recurring activities, the situation is more differentiated. The SURF business segment continued its positive evolution and achieved this quarter a record level with operating income margin ratio from recurring activities above 17%, which substantiates our investment and development strategy. This performance is the result of continuous robust environment, good project execution and high asset utilization rates.

The Onshore-Downstream business segment is at breakeven after a charge of EUR 50 million on a petrochemical project in Saudi Arabia which is experiencing construction difficulties. In Qatar, the construction of the three LNG plants is progressing with mobilization of additional resources and construction productivity is expected to increase as temperature conditions improve on site. Negotiations are ongoing between all parties which are focused on delivering the LNG trains in phase with customers'requirements.

Offshore Facilities and Industries business segments are performing satisfactorily.

During the third quarter 2007, we signed EUR 1,930 million of new projects including EUR 748 million for SURF. As of September 30, 2007, the Group backlog stands at EUR 9,411 million. Commercial outlook remains favorable, with major awards expected in the year to come, in spite of some delays in West Africa project awards.

For the full year 2007, we anticipate revenue in the range of EUR 8 billion, growing about 15% compared to 2006; the operating income from recurring activities will benefit from a strong SURF performance."

**I. OPERATIONAL HIGHLIGHTS**

**A. ORDER INTAKE**

During the first nine months of 2007, Technip's order intake has reached EUR 5,096.2 million compared to EUR 4,487.1 million in the first nine months of 2006. Listed below are the main contracts that came into force in the first nine months of 2007 along with their approximate value (Group share) if publicly disclosed:

- a contract, in consortium with Bechtel, with Saudi Aramco for the conversion of the Khursaniyah (Saudi Arabia) gas plant project into a lumpsum turnkey contract (approximately EUR 600 million). The contract was originally awarded to this consortium in March 2005 on a time unit rate basis,

- a contract with Grupa Lotos S.A. for an hydrocracking unit in its Gdansk refinery, Poland (approximately EUR 472 million),
- a contract with Abu Dhabi Gas Liquefaction Limited for gas compression plants and associated facilities to be located at Das Island, United Arab Emirates (EUR 460 million),
- three major contracts with Petrobras, for pipelines related to deepwater development projects offshore Brazil (approximately EUR 200 million),
- a contract with PKN Orlen S.A. on lump sum turnkey basis for services and procurement of materials and equipments and on cost plus fee basis for the construction of a paraxylene complex in its Plock refinery, Poland (approximately EUR 160 million),
- a SURF(1) contract with Petrobras for the Roncador field development, offshore Brazil (approximately EUR 115 million),
- a SURF contract with Talisman Energy for the YME field development, offshore Norway (approximately EUR 110 million),
- a contract with Abu Dhabi Marine Operating Company (ADMA-OPCO) for the Zakum gas processing facilities offshore Abu Dhabi, United Arab Emirates (approximately EUR 100 million),
- an EPCM reimbursable contract in joint venture with Hatch with Xstrata Nickel, for the construction of the Koniambo nickel smelter unit located in New Caledonia. Awarded in January 2006, final confirmation was awaited from Xstrata Nickel (approximately EUR 100 million),
- a SURF contract with British Petroleum for the Skarv field development, offshore Norway (approximately EUR 90 million),
- a contract with Murphy West Africa, Ltd., for the Azurite field development offshore the Republic of the Congo (approximately EUR 80 million),
- a contract with CEPSA for a hydrogen plant to be located at their Huelva refinery, Spain (approximately EUR 60 million),
- a SURF contract with BHP Billiton for the Shenzi field development, Gulf of Mexico,
- a lumpsum front-end engineering design (FEED) contract with Qatar Petroleum for the Al Shaheen refinery to be built in Messaieed, Qatar (approximately EUR 44 million)
- a turnkey contract with Elf Petroleum Nigeria Ltd. for the loading, transport and installation of the topsides for the OFP2 fixed platform on the Ofon field, Nigeria,
- a SURF contract with Bluewater Industries, Inc. for the Mirage field development, Gulf of Mexico,
- a SURF contract, as a partner in the Asia Pacific Technip-Subsea 7 Joint Venture, with Woodside Energy Limited, for the Enfield field development, offshore Australia,
- a SURF contract with Statoil, for the Gjøa field development, offshore Norway (approximately EUR 24 million),
- a SURF contract with Shell for the Ursa and Princess fields development, Gulf of Mexico,
- a SURF contract, as a partner in the Asia Pacific Technip-Subsea 7 Joint Venture, with Statoil for the Alve field development, offshore Norway (approximately EUR 18 million)
- a service contract with Fort Hills Energy L.P. for the transformation of heavy oil from the bitumen sands of Fort Hills Oil Sands project, in Alberta, Canada,
- a SURF contract, as a partner in the Asia Pacific Technip-Subsea 7 Joint Venture, with New Zealand Overseas Petroleum Limited for the Tui field development, offshore New Zealand,
- a SURF contract with Shell Oil and Gas Malaysia LLC., for the Cili Padi gas field development, offshore Malaysia,
- a lump sum project management contract with BYACO for an acetic acid plant, China,
- a basic engineering design and support contract with INEOS for a polyethylene plant, China.
- a SURF contract with Mariner Energy Inc. for the installation of umbilicals on the Bass Lite field, Gulf of Mexico,
- a service contract with Renault, Nissan and Mahindra to provide general contracting assistance for the construction of an automobile plant, India,
- a contract with Eramet for the engineering studies and assuming a go-ahead decision for the general contracting services for a laterite treatment plant on the island of Halmahera, Indonesia,
- a basic design and engineering package contract with Sinopec Yangzi Petrochemical Co. Ltd. (YPC) for a syngas plant located in Nanjing, China,
- a front end engineering design (FEED) contract with Biomass Investment Group (BIG) for their closed loop biomass power plant project in Florida, United States,
- a contract with a subsidiary of PTT, the national petroleum company of Thailand, for the basic and detailed engineering of four generic wellhead platforms with associated subsea pipelines and tie-ins, for the Arthit gas field, Gulf of Thailand,
- a contract with Silicium de Provence for preliminary studies pertaining to a polycrystalline silicon production plant dedicated to photovoltaic applications in Saint-Auban, France,
- a front-end engineering design (FEED) contract with Sonatrach for an ethane extraction project located in Arzew, Algeria, and
- a contract with Petrobras for a new four year charter of the Sunrise 2000 flexible pipe lay vessel operating offshore Brazil (approximately EUR 150 million).

At September 30$^{th}$, 2007, the Group backlog amounted to EUR 9,411.3 million, compared to EUR 10,851.6 million at September 30$^{th}$, 2006 and EUR 9,669.7 million at June 30$^{th}$, 2007. The breakdown of the backlog by business segment, at September 30$^{th}$, 2007, is as follows:

- SURF 28.0% [2]
- Offshore Facilities 5.5%
- Onshore-Downstream 63.7%
- Industries 2.8%

[1] SURF: Subsea Umbilicals, Risers and Flowlines

[2] Concerning long term frame agreement for offshore inspection repair and maintenance, Technip books in its backlog the estimated expected value of these activities for the current year only.

**B. PROJECTS, ASSETS AND CAPEX**

**1) Projects**

In the **SURF** business segment, ongoing projects are progressing in a satisfactory manner in all our areas. In shallow as well as deep water, vessels utilization rate stands at a high level; above 80% at Group level for the third quarter. The Agbami project is progressing according to the project schedule, with flexible pipes and umbilicals being manufacturing in Le Trait (France) and Duco in Newcastle (UK) respectively and offshore installation campaign started. On PDET project in Brazil, Deep Blue installation campaign has been successfully completed.

In the **Offshore Facilities** business segment, first topside modules are being installed on Akpo FPSO hull in the Korean yard. On the Perdido Spar project for the Gulf of Mexico, engineering and procurement are progressing and construction has started in Pori yard in Finland.

Concerning the Tahiti Spar project, Technip has identified metallurgical problems on some mooring shackles. Detailed investigations found that shackles did not exactly follow the same manufacturing process and heat treatment as the samples on which the acceptance tests were performed. Therefore, with the client's agreement, it was decided to replace all the mooring system shackles after procurement from an alternative source. Some of these new shackles have already been delivered to the client, the remaining ones being delivered in next January. Technip's Tahiti contract is to supply elements of the mooring system as well as the Spar hull. Replacement costs are covered by insurance. On the other Spar project affected by this issue, Technip provided the client with a solution, including new shackles, the associated cost being also covered by our insurance.

In the **Onshore-Downstream** business segment, a large number of projects are currently in construction phase like contracts signed in 2005 in Middle-East, Vietnam and Canada which are in full execution fledge. Others are about to be completed as LNG Train 6 in Nigeria which is to start by year end. Otway Onshore project in Australia is now completed.

In Saudi Arabia, due to construction difficulties experienced on a petrochemical project, Technip decided to record a charge of EUR 50 million related to this contract during the third quarter 2007. The progress of this contract is today around 80%.

In Qatar, the construction of the three LNG plants is progressing with mobilization of additional resources and construction productivity is expected to increase as temperature conditions improve on site. 61 000 people are now mobilized and 655 cranes are on the site. 700 000 tons of equipments have already been delivered. Negotiations are ongoing between all parties which are focused on delivering the LNG trains in phase with customers' requirements.

Within a market environment which remains favorable, many large-scale projects should be awarded in the year to come.

In the **Industries** business segment, projects are progressing satisfactorily.

**2) Assets and Capex**

Flexible manufacturing plants

- New development programs to expand Vitoria plant's storage area and to install a new large capacity crane, 800 tons, in Le Trait for vessel loading are progressing. These programs should be completed in 2008 and 2009 respectively.
- Studies related to the development of a new flexible manufacturing plant in South East Asia by 2010 are also progressing satisfactorily.

Fleet of vessels

- During the third quarter, two additional vessels joined the fleet. The Seamec Princess, after conversion works, is operational for shallow water indian works. The Skandi Achiever, a new diving support vessel, was delivered to Technip (8 years charter agreement) and is assigned for UK North Sea activities. Today Technip's fleet represents 16 vessels.
- Technip awarded STX Heavy Industries (Korea) a contract for the construction of its new pipelay vessel. This 194m-long vessel will have twin 2,800 ton reels. She will have a top tension capacity of 450 tons for laying rigid steel pipes and flexible products up to 18" in diameter through a dedicated lay tower installed at the stern. She will also be equipped with a 150 ton crane, a PLET (pipeline end terminations) handling system and accommodation for 140 people. With a transit speed of 20 knots, she has been specifically designed to minimize intercontinental transits and allow her efficient deployment in all deep water regions of the world.
- Finally, the other new diving support vessel, dedicated to Norway North Sea and 50% owned by Technip, will be delivered in 2008 as originally planned and a new flexible pipelay vessel dedicated to Brazilian market is expected to join the fleet in 2009, providing contract award.

Overall, capex should amount to EUR 210 million in 2007 (cash impact).

Beyond 2007, remaining capex, associated to ongoing vessel and plant development programs amounts to about EUR 750 million.

## II. FINANCIAL RESULTS

### A. THIRD QUARTER 2007

#### 1) Revenues

At EUR 2,166.0 million, third quarter 2007 Group **revenues** were up 21.6% compared to the third quarter 2006.

- **SURF** revenues reached EUR 648.2 million, up 9.2% compared to the third quarter 2006, generated by the Agbami (Nigeria), P-52 and PDET (Brazil) and Stybarrow (Oceania) projects, as well as medium or small size projects in the North Sea notably.
- **Offshore Facilities** revenues were EUR 161.0 million, down 46.8% compared to the same period one year ago. The main contributors were the Akpo FPSO (Nigeria) as well as the Perdido Spar project (Gulf of Mexico).
- **Onshore-Downstream** revenues were EUR 1,288.6 million, up 55.4% compared to EUR 829.2 million during the third quarter 2006. Main contributors were Khursaniyah project in Saudi Arabia, the four LNG projects in Qatar and Yemen, the three large ethylene steam-cracker projects in Qatar, Kuwait and Saudi Arabia, the Horizon heavy oil project in Canada, as well as the Dung Quat refinery in Vietnam.
- In the **Industries** segment, third quarter 2007 revenues were EUR 68.3 million, up 24.2% compared to one year ago.

During the quarter, the 8% depreciation of US dollar and associated currencies exchange rates had a negative impact of EUR 63 million on the Group revenues.

#### 2) Operating Income from Recurring Activities

Group **operating income from recurring activities** reached EUR 119.0 million, up 10.4% compared to the third quarter 2006. The associated margin ratio was 5.5%, down from 6.1% recorded in the third quarter 2006.

- **SURF** operating income from recurring activities was EUR 110.7 million during the third quarter 2007, up 69.8% compared to the same period a year ago. The associated margin ratio reached 17.1%, compared to 11.0% in the third quarter of 2006.
- **Offshore Facilities** operating income from recurring activities was EUR 8.6 million, compared to the EUR 21.5 million in the third quarter 2006, a high level which was due to the finalization of several projects during that period (Dalia FPSO, Shah Deniz TPG500, East Area). The associated margin ratio was 5.3% in 2007 compared to 7.1% one year earlier.
- **Onshore-Downstream** operating income from recurring activities for the third quarter 2007 was EUR 0.8 million, compared to EUR 25.3 million during the third quarter 2006. During the third quarter 2007, due to construction difficulties experienced on a petrochemical project, Technip decided to record a charge of EUR 50 million related to this contract. The operating income margin from recurring activities stood at 0.1% compared to 3.1% a year ago.
- In the **Industries** business segment, the operating income from recurring activities was EUR 3.8 million, up 18.8% compared to the third quarter 2006 (EUR 3.2 million). The associated margin ratio was at 5.6%.

Operating income from recurring activities does not include the following income from activity disposal.

#### 3) Income from Activity Disposal

During third quarter 2007, **income from activity disposal**, amounts to EUR 6.3 million and represents:

- In **SURF**, an additional capital gain (EUR 3.2 million) on the disposal of PSSL and PSSI which was recorded during the first quarter 2007.
- In **Offshore Facilities**, a capital gain (EUR 3.1 million) on the sale, on the market, of half of Technip minority ownership stake in Gulf Island Fabricator Inc. received in 2006 as a compensation of GMF assets.

During third quarter 2006, there was no activity disposal.

#### 4) Financial income on contracts

Financial income from contracts accounted as revenues, amounted to EUR 23 million during third quarter 2007, EUR 17 million being associated with Onshore-Downstream.

#### 5) Operating Income

During third quarter 2007, Group **operating income** reached EUR 125.3 million, up 16.2% compared to the EUR 107.8 million a year ago. Operating margin ratio stood at 5.8% compared to 6.1%.

#### 6) Results

**Net financial charges** were EUR 19.4 million, including a EUR 6.0 million negative impact of foreign currency exchange rate variation and from IAS 32-39 on hedging instruments' fair market value.

**Income tax** was EUR 29.1 million. The effective tax rate stood at 29.2% significantly lower than the 34.1% computed a year ago.

**Tax on income activity disposal** amounted to EUR 1.8 million during third quarter 2007.

**Net income** was EUR 76.1 million, showing a 26.2% increase compared to the third quarter 2006 net income.

Earnings Per Share or EPS (diluted Earnings per Share) is calculated by dividing profit or loss attributable to Parent Company's Shareholders by, the weighted average number of outstanding shares during the period, plus the effect of dilutive stock options calculated according to the "Share Purchase Method" (IFRS 2), plus the average number of weighed attributed performance shares, 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 charges to be recorded until the end of the plan of stock option) is lower than the share average market price during the period. For the third quarter 2007 this number of shares on a diluted basis stands at 105,749,881. Applying the same calculation method to the third quarter 2006, 106,931,042 shares are retained instead of the 109,270,089 shares actually computed for the EPS calculation one year ago.

**Diluted EPS and E/ADS** increased by 27.6% to EUR 0.72 and USD 1.02 compared to EUR 0.56 and USD 0.80, respectively, one year earlier according to this new dilution calculation.

Third quarter 2007 net income reconciled to U.S. generally accepted accounting principles (U.S. GAAP) amounted to EUR 88.8 million.

## B. FIRST NINE MONTHS 2007

### 1) Revenues

At EUR 5,785.3 million, first nine months 2007 Group **revenues** were up 17.0% compared to the first nine months 2006.

During the first nine months, the 8% depreciation of US dollar and associated currencies exchange rates, had a negative impact of EUR 169 million on the Group revenues.

### 2) Operating Income from Recurring Activities

Group **operating income from recurring activities** reached EUR 355.0 million, up 61.8% compared to the first nine months 2006. The associated margin ratio was 6.1%, up 170 basis points compared to the 4.4% level recorded in the first nine months 2006.

Operating income from recurring activities excludes income from sale of activities as follows.

### 3) Income from Activity Disposal

During the first nine months 2007, **income from activity disposal** amounted to EUR 20.7 million and came from the following:

- In **SURF**; the sale of PSSL and PSSI during first quarter 2007 (EUR 17.6 million) after an EUR 8.0 million goodwill reversal
- In **Offshore Facilities**; the sale of half of Technip's minority ownership stake in Gulf Island Fabricator Inc. (EUR 3.1 million) during third quarter 2007

During the first nine months 2006, income from activity disposal amounted to EUR 26.9 million and came from the following:

- In **Offshore Facilities**; the sale of GMF assets during first quarter (EUR 21.5 million)
- In **Onshore-Downstream**; the sale of several assets during the second quarter (EUR 5.4 million)

### 4) Financial income on contracts

Financial income from contracts accounted as revenues, amounted to EUR 73 million during the first nine months of 2007, EUR 53 million being associated with Onshore-Downstream.

### 5) Operating Income

During the first nine months 2007, Group operating income reached EUR 375.7 million, up 52.5% compared to the EUR 246.3 million a year ago. Operating margin ratio stood at 6.5% compared to 5.0%.

### 6) Results

**Net financial charges** were EUR 53.5 million including a EUR 19.0 million negative impact of foreign currency exchange rate variation and from IAS 32-39 on hedging instruments' fair market value.

**Income tax** was EUR 88.5 million. The effective tax rate stood at 29.4% compared to 35.2% one year ago: as per application of IFRS 3, an extraordinary goodwill reduction of EUR 2.5 million was accounted as a non-cash tax charge.

**Tax on income from activity disposal** amounted to EUR 9.0 million during the first nine months 2007, compared to EUR 1.9 million for the first nine months 2006.

**Net income** was EUR 223.8 million, showing a 63.2% increase compared to the EUR 137.1 million accounted during the first nine months 2006.

Earnings Per Share or EPS (diluted Earnings per Share) is calculated by dividing profit or loss attributable to Parent Company's Shareholders by, the weighted average number of outstanding shares during the period, plus the effect of dilutive stock options calculated according to the "Share Purchase Method" (IFRS 2), plus the average number of weighed attributed performance shares, 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 plan of stock option) is lower than the share average market price during the period. For the first nine months 2007 this number of shares on a diluted basis stands at 105,219,474. Applying the same calculation method to the first nine months 2006, 110,176,504 shares are retained instead of the 109,270,089 shares actually computed for the EPS calculation one year ago.

**Diluted EPS and E/ADS** increased 68.6% to EUR 2.13 and USD 3.02 compared to EUR 1.26 and USD 1.79 respectively, one year ago according to this new dilution calculation.

First nine months 2007 net income reconciled to U.S. generally accepted accounting principles (U.S. GAAP) amounted to EUR 243.0 million.

**7) Cash and Balance Sheet**

During the first nine months 2007, the **net cash** position was up at EUR 1,711.6 million compared to EUR 1,540.3 million at the end of 2006. This was primarily due to cash generated from operations (EUR 268.8 million), the change in working capital (EUR 406.6 million), and proceeds (EUR 82.5 million) from PSSL and PSSI disposal and the sale of half of Technip's minority ownership stake in Gulf Island fabricator Inc.; dividend payment amounted to EUR 274.7 million, share buy-backs to EUR 86.2 million and capital expenditures to EUR 142.1 million.

**Shareholders' equity** at September 30th, 2007 was EUR 2,292.1 million, compared to EUR 2,401.3 million at December 31st, 2006. This reduction is mainly due to the dividend payment which occurred on May 3rd, 2007 for an amount of EUR 274.7 million.

**III. NEW REPORTING STRUCTURE AS OF JANUARY 1ST, 2008**

As of January 1st, 2008, Technip quarterly financial results will be reported based on the following three business segments in addition to the corporate:

- SUBSEA : today's SURF,
- OFFSHORE : today's Offshore-Facilities,
- ONSHORE : combining today's Onshore-Downstream and Industries,

Comparable information will be provided on a quarterly basis.

Full year 2007 results, to be published next February, will be reported using today's form reporting business segments (SURF, Offshore Facilities, Onshore-Downstream and Industries) in addition to the corporate segment.

The information package on third quarter and first nine months 2007 results includes this press release and the annexes which follow as well as the presentation published on the Group's web site (www.technip.com).

**Cautionary note regarding forward-looking statements**

***This presentation contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, or statements of future expectations; within the meaning of Section 27A of the Securities Act of 1933 or Section 21E of the Securities Exchange Act of 1934, each as amended. 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, 2006; 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 are performing projects; and our ability to remain compliant with the obligations imposed by Sarbanes-Oxley.***

***Some of these risk factors are set forth and discussed in more detail in our Annual Report on Form 20-F as filed with the SEC on June 20, 2007, and as updated from time to time in our SEC filings. 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. Except as otherwise indicated, the financial information contained in this document has been prepared in accordance with IFRS, and certain elements would differ materially upon reconciliation to U.S. GAAP.***

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With a workforce of 22,000 people, Technip ranks among the top five corporations in the field of oil, gas and petrochemical engineering, construction and services. The Group is headquartered in Paris.

The Group's main operations and engineering centers and business units are located in France, Italy, Germany, the UK, Norway, Finland, the Netherlands, the USA, Brazil, Abu-Dhabi, China, India, Malaysia and Australia.

In support of its activities, the Group manufactures flexible pipes and umbilicals, and builds offshore platforms in its manufacturing plants and fabrication yards in France, Brazil, the UK, the USA, Finland and Angola, and has a fleet of specialized vessels for pipeline installation and subsea construction.

**ANNEX I (a)**

**CONSOLIDATED STATEMENT OF INCOME**

**IFRS,** Not audited

| Euros in Millions<br>(except EPS, E/ADS and number of shares on a diluted basis) | **Third Quarter** | | **Nine Months** | |
|---|---|---|---|---|
| | **2007** | **2006** | **2007** | **2006** |
| **Revenues** | **2,166.0** | **1,780.8** | **5,785.3** | **4,944.2** |
| Gross Margin | 211.2 | 202.0 | 648.1 | 490.8 |
| Research & Development Expenses | (10.1) | (9.5) | (29.3) | (23.9) |
| SG&A & Other Operating Income (Expense) | (82.1) | (84.7) | (263.8) | (247.5) |
| **Operating Income from Recurring Activities** | **119.0** | **107.8** | **355.0** | **219.4** |
| Income from Sale of Activities | 6.3 | - | 20.7 | 26.9 |
| **Operating Income** | **125.3** | **107.8** | **375.7** | **246.3** |
| Financial Income (Charges) | (19.4) | (17.6) | (53.5) | (44.8) |
| Income of Equity Affiliates | 0.4 | 0.1 | 2.1 | 0.4 |
| **Profit Before Tax** | **106.3** | **90.3** | **324.3** | **201.9** |
| Income Tax | (29.1) | (30.8) | (88.5) | (61.5) |
| Tax on Income from Sale of Activities | (1.8) | - | (9.0) | (1.9) |
| Minority Interests | 0.7 | 0.8 | (3.0) | (1.4) |
| **Net Income** | **76.1** | **60.3** | **223.8** | **137.1** |
| Net Income | 76.1 | 60.3 | 223.8 | 137.1 |
| Restatement of Redemption Premium on Convertible Bonds | - | - | - | 1.9 |
| **Restated Net Income** | **76.1** | **60.3** | **223.8** | **139.0** |
| Average Number of Shares (1) during the period on a diluted basis | 105 749 881 | 106 931 042 | 105 219 474 | 110 176 504 |
| **EPS (€) on a Diluted Basis (1)** | **0,72** | **0,56** | **2,13** | **1,26** |
| **E/ADS ($) on a Diluted Basis (2)** | 1.02 | 0.80 | 3.02 | 1.79 |

(1) As per IFRS, the Earnings Per Share (diluted Earnings per Share) is calculated by dividing profit or loss attributable to Parent Company's Shareholders by, the weighted average number of outstanding shares during the period, plus the effect of dilutive stock options calculated according to the "Share Purchase Method" (IFRS 2), plus the average number of weighed attributed performance shares, 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 plan of stock option) is lower than the share

average market price during the period. For the third quarter 2007 this number of shares on a diluted basis stands at 105,749,881. Applying the same calculation method to the third quarter 2006, 106,931,042 shares are retained instead of the 109,270,089 shares actually computed for the EPS calculation one year ago. For the first nine months 2007 the number of shares on a diluted basis stands at 105,219,474 and 110,176,504 shares are retained instead of the 109,270,089 shares actually computed for the EPS calculation one year ago.

(2) Earnings per American Depositary Share (E/ADS) are in U.S. dollars and, for all periods, are calculated based upon diluted EPS in euros converted into US dollars using the Federal Reserve Bank of New York noon buying rate (USD/EUR) of 1.4219 as of September 28, 2007.

**ANNEX I (b)**

**CONSOLIDATED BALANCE SHEET**

**IFRS**

| Euros in Millions | **Sept. 30, 2007** (not audited**)** | **Dec 31, 2006*** (audited) |
|---|---|---|
| Fixed Assets | 3,236.0 | 3,241.1 |
| Deferred Taxes and Other Non-Current Assets | 153.7 | 115.3 |
| **NON-CURRENT ASSETS** | **3,389.7** | **3,356.4** |
| Construction Contracts | 567.1 | 591.1 |
| Inventories, Customer & Other Receivables | 2,010.6 | 1,651.7 |
| Cash & Cash Equivalents | 2,427.2 | 2,402.8 |
| **CURRENT ASSETS** | **5,004.9** | **4,645.6** |
| Assets Held for Sale | - | 61.5 |
| **TOTAL ASSETS** | **8,394.6** | **8,063.5** |
| Shareholders' Equity (Parent Company) | 2,292.1 | 2,401.3 |
| Minority Interests | 19.0 | 15.5 |
| **SHAREHOLDERS' EQUITY** | **2,311.1** | **2,416.8** |
| Non-Current Debts | 655.5 | 676.6 |
| Non-Current Provisions | 124.1 | 124.1 |
| Deferred Taxes and Other Non-Current Liabilities | 150.9 | 161.6 |
| **NON-CURRENT LIABILITIES** | **930.5** | **962.3** |
| Current Debts | 60.1 | 185.9 |
| Current Provisions | 115.2 | 73.8 |
| Construction Contracts | 2,238.3 | 2,138.5 |
| Accounts Payable & Other Advances Received | 2,739.4 | 2,267.4 |
| **CURRENT LIABILITIES** | **5,153.0** | **4,665.6** |
| Liabilities Directly Related to Assets Held for Sales | - | 18.8 |
| **TOTAL SHAREHOLDERS' EQUITY & LIABILITIES** | **8,394.6** | **8,063.5** |

| **Changes in Shareholders' Equity (Parent Company)** | |
|---|---|
| **Shareholders' Equity at December 31, 2006** | **2,401.3** |
| First nine months 2007 Net Income | 223.8 |
| Capital Increases | 33.3 |
| IAS 32 and 39 Impacts | 19.2 |
| Dividend Payment | (274.7) |
| Treasury Shares | (86.2) |
| Translation Adjustments and Other | (24.6) |
| **Shareholders' Equity at September 30, 2007** | **2,292.1** |

* Following the analysis supervised by Technip auditors and performed between the date of the FY 2006 results press release issuance and the 2006

Annual Report, “construction contracts” has been modified, increasing the total amount of the balance sheet at December 31, 2006 by EUR 364.7 million with no impact on the statement of income and on the shareholders equity.

**ANNEX I (c)**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**IFRS**

Not audited

| Euros in Millions | **Nine Months 2007** | | **2006** | |
|---|---|---|---|---|
| Net Income | 223.8 | | 137.1 | |
| Depreciation of Property, Plant & Equipment | 107.2 | | 102.9 | |
| Split Accounting of Convertible Bonds | - | | 10.0 | |
| Stock Option and Performance Share Charge | 3.5 | | 1.5 | |
| Long-Term Provisions (Employee Benefits) | 1.5 | | 0.8 | |
| Reduction of Goodwill Related to Realized Income Tax Loss Carry Forwards not previously Recognized | 2.5 | | - | |
| Deferred Income Tax | (50.0) | | (18.7) | |
| Capital (Gain) Loss on Asset / Activity Sales | (20.9) | | (25.8) | |
| Minority Interests and Other | 1.2 | | 1.2 | |
| **Cash from Operations** | **268.8** | | **209.0** | |
| **Change in Working Capital** | **406.6** | | **499.4** | |
| **Net Cash Provided by (Used in) Operating Activities** | | **675.4** | | **708.4** |
| Capital Expenditures | (142.1) | | (114.7) | |
| Cash Proceeds from Tangible Asset Sales and Other | 0.5 | | 39.9 | |
| Cash Proceeds from Financial Asset Sales | 19.9 | | - | |
| Change of Scope of Consolidation | 67.4 | | 0.8 | |
| **Net Cash Provided by (Used in) Investment Activities** | | **(54.3)** | | **(74.0)** |
| Increase (Decrease) in Debt | (161.6) | | (4.1) | |
| Capital Increase | 33.3 | | 20.7 | |
| Dividend Payment | (274.7) | | (91.0) | |
| Share Repurchases | (86.2) | | (236.5) | |
| Convertible Bond Softcall Adjustment | - | | (63.4) | |
| **Net Cash Provided by (Used in) Financing Activities** | | **(489.2)** | | **(374.3)** |
| **Foreign Exchange Translation Adjustment** | | **(107.5)** | | **(76.8)** |
| **Net Increase (Decrease) in Cash and Cash Equivalents** | | **24.4** | | **183.3** |
| Cash and Cash Equivalents at Period Beginning | 2,402.8 | | 2,187.8 | |
| Cash and Cash Equivalents at Period End | 2,427.2 | | 2,371.1 | |
| | | **(24.4)** | | **(183.3)** |

**ANNEX I (d)**

**TREASURY AND CURRENCY RATES**

**IFRS**

Not audited

| Euros in Millions | Treasury and Financial Debt | | |
|---|---|---|---|
| | **Sept. 30, 2007** | **June 30, 2007** | **Sept. 30, 2006*** |
| Cash Equivalents | 2,005.9 | 1,944.1 | 1,904.4 |
| Cash | 421.3 | 407.5 | 466.7 |
| **Cash & Cash Equivalents (A)** | **2,427.2** | **2,351.6** | **2,371.1** |
| Current Debts | 60.1 | 188.0 | 179.2 |
| Non Current Debts | 655.5 | 661.5 | 683.5 |
| **Gross Debt (B)** | **715.6** | **849.5** | **862.7** |
| **Net Financial Cash (Debt) (A - B)** | **1,711.6** | **1,502.1** | **1,508.4** |

* In the 2006 Annual Report, fixed terms deposits were reclassified from Cash to Cash equivalents. Fixed terms deposits amounted to EUR 1,501.8 million at September 30th, 2006

**Euro vs. Foreign Currency Conversion Rates**

| | **Statement of Income** | | | **Balance Sheet at** | | |
|---|---|---|---|---|---|---|
| | **3Q 07** | **FY 06** | **3Q 06** | **Sept. 30 2007** | **Dec. 31 2006** | **Sept. 30 2006** |
| **USD** | 1.34 | 1.26 | 1.24 | 1.42 | 1.32 | 1.27 |
| **GBP** | 0.68 | 0.68 | 0.68 | 0.70 | 0.67 | 0.68 |

**ANNEX II (a)**

**REVENUES BY REGION**

**IFRS**

Not audited

| Euros in Millions | **Third Quarter** | | | **Nine Months** | | |
|---|---|---|---|---|---|---|
| | **2007** | **2006** | **Change** | **2007** | **2006** | **Change** |
| **Europe, Russia, C. Asia** | 363.2 | 389.1 | -6.7% | 910.3 | 1,093.3 | -16.7% |
| **Africa** | 204.7 | 292.4 | -30.0% | 752.4 | 910.9 | -17.4% |
| **Middle East** | 899.8 | 486.5 | 85.0% | 2,314.4 | 1,365.7 | 69.5% |
| **Asia Pacific** | 292.4 | 235.5 | 24.2% | 734.2 | 600.4 | 22.3% |
| **Americas** | 405.9 | 377.3 | 7.6% | 1,074.0 | 973.9 | 10.3% |
| **TOTAL** | **2,166.0** | **1,780.8** | **21.6%** | **5,785.3** | **4,944.2** | **17.0%** |

**ANNEX II (b)**

**ADDITIONAL INFORMATION BY BUSINESS SEGMENT**

**IFRS**

Not audited

| Euros in Millions | 3Q 07 | 3Q 06 | Change | 9M 07 | 9M 06 | Change |
|---|---|---|---|---|---|---|
| **SURF** | | | | | | |
| Revenues | 648.2 | 593.7 | 9.2% | 1,830.5 | 1,573.4 | 16.3% |
| Gross Margin | 148.6 | 103.9 | 43.0% | 396.7 | 254.8 | 55.7% |
| Operating Income from Recurring Activities | 110.7 | 65.2 | 69.8% | 270.8 | 143.3 | 89.0% |
| Depreciation | (29.5) | (28.8) | 2.4% | (88.7) | (82.7) | 7.3% |
| **OFFSHORE FACILITIES** | | | | | | |
| Revenues | 161.0 | 302.9 | -46.8% | 566.5 | 900.9 | -37.1% |
| Gross Margin | 21.3 | 37.9 | -43.8% | 70.0 | 91.6 | -23.6% |
| Operating Income from Recurring Activities | 8.6 | 21.5 | -60.0% | 29.3 | 41.5 | -29.4% |
| Depreciation | (2.4) | (2.3) | 4.3% | (6.4) | (6.8) | -5.9% |
| **ONSHORE-DOWNSTREAM** | | | | | | |
| Revenues | 1,288.6 | 829.2 | 55.4% | 3,219.5 | 2,316.0 | 39.0% |
| Gross Margin | 33.4 | 53.2 | -37.2% | 157.5 | 123.0 | 28.0% |
| Operating Income from Recurring Activities | 0.8 | 25.3 | -96.8% | 61.1 | 36.3 | 68.3% |
| Depreciation | (3.1) | (4.0) | -22.5% | (9.1) | (7.5) | 21.3% |
| **INDUSTRIES** | | | | | | |
| Revenues | 68.3 | 55.0 | 24.2% | 168.8 | 153.9 | 9.7% |
| Gross Margin | 8.9 | 7.0 | 27.1% | 23.9 | 21.4 | 11.7% |
| Operating Income from Recurring Activities | 3.8 | 3.2 | 18.8% | 9.2 | 8.3 | 10.8% |
| Depreciation | (0.3) | 1.2 | nm | (0.8) | (0.7) | 14.3% |
| **CORPORATE** | | | | | | |
| Operating Income | (4.9) | (7.4) | -33.8% | (15.4) | (9.9) | 55.6% |
| Depreciation | (0.6) | (1.7) | -64.7% | (2.2) | (5.2) | -57.7% |

nm: not meaningful

**ANNEX II (c)**

**ORDER INTAKE & BACKLOG**

Not audited

| Euros in Millions | **Order Intake by Business Segment** | | | | | |
|---|---|---|---|---|---|---|
| | **Third Quarter** | | | **Nine Months** | | |
| | **2007** | **2006** | **Change** | **2007** | **2006** | **Change** |
| **SURF** | 747.7 | 802.0 | -6.8% | 1,795.4 | 1,460.3 | 22.9% |
| **Offshore Facilities** | 106.9 | 145.3 | -26.4% | 363.3 | 412.8 | -12.0% |
| **Onshore-Downstream** | 927.2 | 359.3 | 158.1% | 2,674.5 | 2,460.4 | 8.7% |
| **Industries** | 148.5 | 53.8 | 176.0% | 263.0 | 153.6 | 71.2% |
| **TOTAL** | **1,930.3** | **1,360.4** | **41.9%** | **5,096.2** | **4,487.1** | **13.6%** |

| | **Backlog by Business Segment** | | |
|---|---|---|---|
| | **As of Sept. 30, 2007** | **As of June 30, 2007** | **Change** |
| **SURF** | 2,630.5 | 2,522.8 | 4.3% |

| | | | |
|---|---|---|---|
| **Offshore Facilities** | 521.5 | 601.9 | -13.4% |
| **Onshore-Downstream** | 5,999.9 | 6,366.4 | -5.8% |
| **Industries** | 259.4 | 178.6 | 45.2% |
| **TOTAL** | **9,411.3** | **9,669.7** | **-2.7%** |

| | **Backlog by Region** | | |
|---|---|---|---|
| | **As of Sept. 30, 2007** | **As of June 30, 2007** | **Change** |
| **Europe, Russia, C Asia** | 1,598.0 | 1,649.6 | -3.1% |
| **Africa** | 950.1 | 974.1 | -2.5% |
| **Middle East** | 3,994.8 | 4,250.0 | -6.0% |
| **Asia Pacific** | 1,144.6 | 995.0 | 15.0% |
| **Americas** | 1,723.8 | 1,801.0 | -4.3% |
| **TOTAL** | **9,411.3** | **9,669.7** | **-2.7%** |

**September 30, 2007 Backlog Estimated Scheduling**

| | **SURF** | **Offshore Facilities** | **Onshore-Downstream** | **Industries** | **Group** |
|---|---|---|---|---|---|
| **4Q 2007** | 647 | 162 | 1,350 | 55 | **2,214** |
| **2008** | 1,678 | 325 | 3,050 | 135 | **5,188** |
| **2009 and Beyond** | 305 | 35 | 1,600 | 69 | **2,009** |
| **TOTAL** | **2,630** | **522** | **6,000** | **259** | **9,411** |

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