

# Building Solutions for the Energy Industry



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# 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.*

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# 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<sup>(1)</sup>; Operating margin<sup>(2)</sup> of 9.0%<sup>(1)</sup>



<sup>(1)</sup> Restated for retrospective application of IFRS 10, 11 & 12

<sup>(2)</sup> From recurring activities

# Technip's Strengths Driving Backlog Growth...

**To Deliver Sustainable & Profitable Growth**

**Technology**

**Key differentiating assets**

**Execution capability**

**Vertical integration**

**National content**

**Well diversified, profitable backlog**

**Ethylene and hydrogen**

**Specialized** refining and petrochemical technologies

**Strong track record** in major projects execution

**Pioneers** in LNG & FLNG

**High-end** flexible products

**Innovative** rigid pipe designs

Conceptual technology and FEED resources for **early involvement**

**Vessels and manufacturing plants**

Experts close to our market worldwide: **40,000 people** today spread over **48 countries**

# Backlog Visibility<sup>(1)</sup>

€ million	Subsea	Onshore/Offshore	Group
<b>2014</b>	3,245	3,422	6,667
<b>2015</b>	3,320	2,517	5,837
<b>2016+</b>	1,841	1,012	2,853
<b>Total</b>	<b>8,406</b>	<b>6,951</b>	<b>15,357</b>

<sup>(1)</sup> Backlog estimated scheduling as of March 31, 2014

Note: IFRS 11 first application impact: (mainly vessel charter): Subsea €957million, Onshore/Offshore €5 million  
 Backlog Pre-IFRS 11 restatement: Subsea €9,363 million, Onshore/Offshore €6,956 million, Group €16,319 million



# 2014 and 2015 Objectives Unchanged

## 2014 focus

### Onshore / Offshore

- Revenue growing to between €5.4 and €5.7 billion, with operating margin between 6% and 7%. This excludes any potential change due to Yamal LNG.

### Subsea

- Revenue growing to between €4.35 and €4.75 billion, with operating margin of at least 12%.

# World Leader in Gas Monetization, Refining and Petrochemicals

## ■ Gas Monetization

- Gas treatment
- LNG (Liquefied Natural Gas)
- GTL (Gas to Liquids)



- Trunkline LNG, FEED
- Sasol Lake Charles GTL, FEED
- Ningxia Hanas LNG Plant, EP
- Yamal LNG, EPC

## ■ Refining

- Hydrogen
- Clean fuels
- Heavy oil upgraders



- NCRA, Hydrogen plant, EPC
- Petronas RAPID, FEED & PMC
- SATORP Al Jubail, FEED & EPC

## ■ Petrochemicals

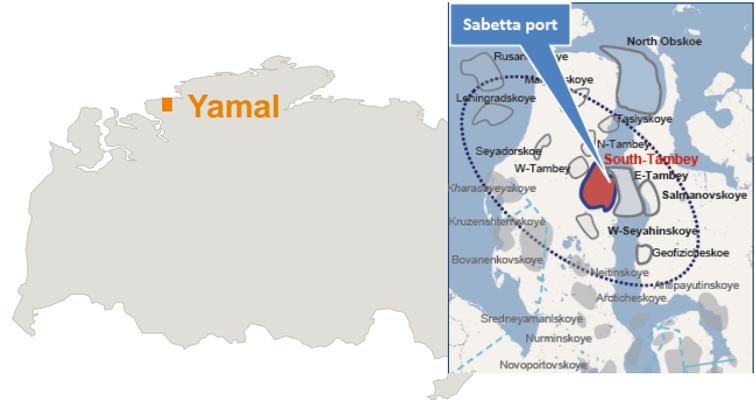
- Ethylene
- Polyolefins
- Aromatics
- Fertilizers



- Reliance Cracker, EP
- Brastem Etileno XXI, FEED & EPC
- Sibur PE, FEED & EPC
- JBF Purified Terephthalic Acid, EP

# Yamal LNG: Major EPC Award in the Arctic

- Technip leader of partnership
- Client: Yamal LNG (Novatek, Total, CNPC)
- Located in Yamal Peninsula, Russia
- Contract value: €4.5 billion for the lump-sum part
- 3 trains of 5.5 mtpa each
- Project planning, detailed engineering, estimation and procurement works ongoing for the past 14 months
- Modularized fabrication strategy to minimize construction on Yamal Peninsula
- Site construction managed on behalf of the client



# Unique and Customized Product Range to Match Offshore Client Needs



Conventional Fixed Platforms



Self-Elevating (TPG 500)



GBS

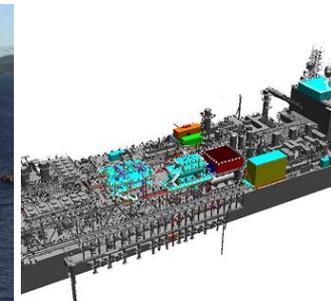


Artificial Islands

## Fixed Facilities



Floatover Installation



HU&C Modifications

## Services



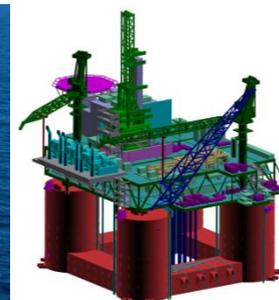
FPSO



Semi-Submersible



Spar



TLP



FLNG

## Floating Facilities

Complete range of technological solutions to answer the challenges faced by our clients

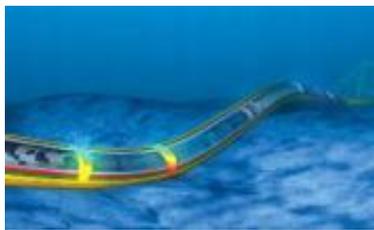
# World's Only Integrated Subsea Solution Provider

**Genesis<sup>(1)</sup>:** Providing independent subsea architecture development and component selection  
**Technip:** Integrating our subsea proprietary technologies and offshore platform know-how with third party processing equipment to provide innovative development solutions

## Technip proprietary technologies



Electrically Trace Heated Pipe-in-pipe



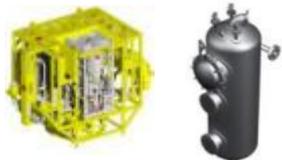
In-line Monitoring Technologies



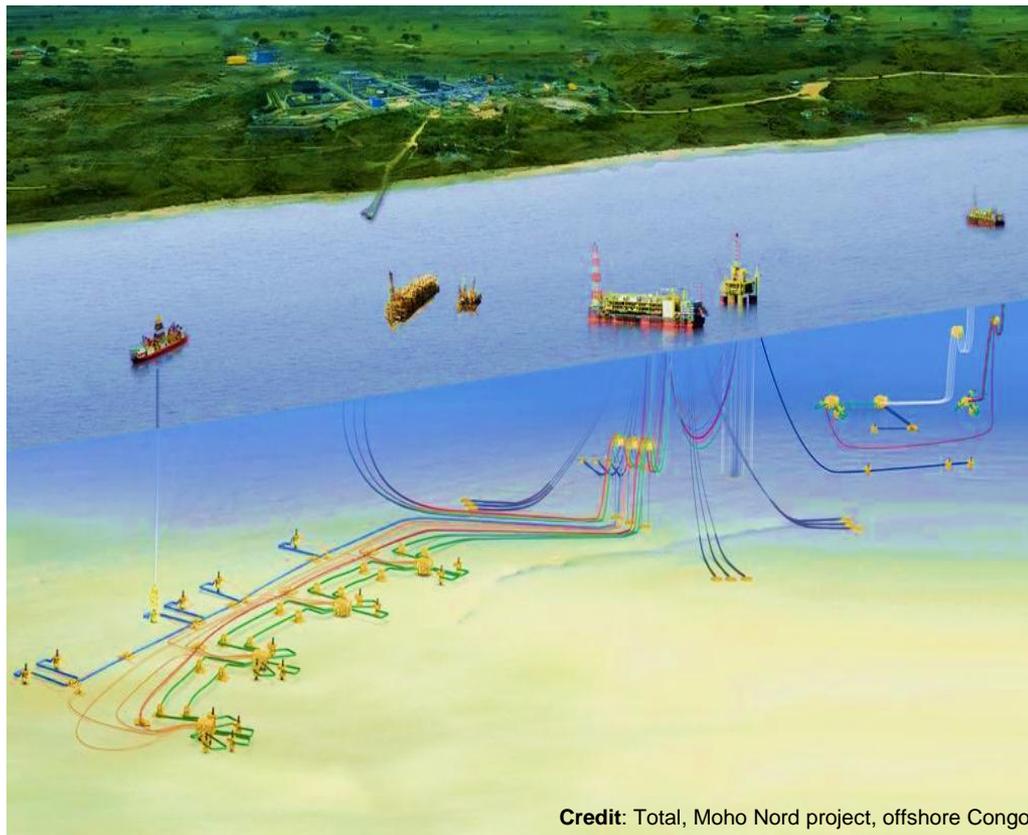
Umbilicals (Power & control)



Integrated Production Bundle



Subsea Equipment<sup>(2)</sup> (Separator & pump)



Credit: Total, Moho Nord project, offshore Congo

<sup>(1)</sup> Genesis Oil & Gas Consultants, a wholly owned & fully independent subsidiary of Technip  
<sup>(2)</sup> Third party equipment

# Technip Heerema Strategic Alliance: Award of Kaombo Project in April 2014



## Unique complementarity of capabilities for EPCI projects in complex environments:

- Experienced engineering & project management
- High capacity vessels with state-of-the-art laying technologies (J-, Reel-, S- and Flex-Lay)
- Logistic and construction network (yards, manufacturing plants)
- Sales & business development network

- Client: Total and Sonangol
- Block 32 offshore Angola at water depths up to 2,000 meters
- Engineering, procurement, fabrication and installation of rigid and flexible flowlines, risers and umbilicals
- High national content with local manufacturing: Dande spoolbase and Angoflex plant (Technip), Porto Amboim (Heerema)
- Use of Heerema and Technip vessels and teams
- Technip's separate contract to supply umbilical system

# North America: Solid Reputation With Enhanced Portfolio of Downstream Technologies

## Assets & Activities

- **Engineering & project management centers with Subsea, and Onshore/Offshore capabilities**
- **Spoolbases**
  - Mobile, Alabama
  - Carlyss, Louisiana
- **Umbilical plant**
  - Channelview, Texas
- **Vessel:**

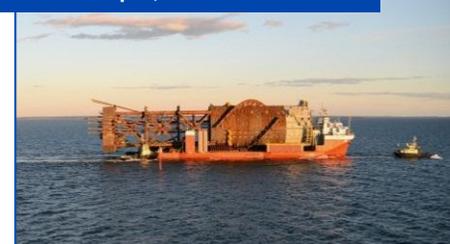
Ethylene XXI Plant, Mexico



## North America

- ~3,800 people
- Founded in 1971

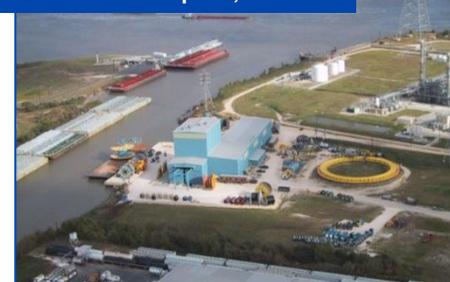
Lucius Spar, US Gulf of Mexico



Mobile spoolbase, Alabama



Duco umbilical plant, Houston



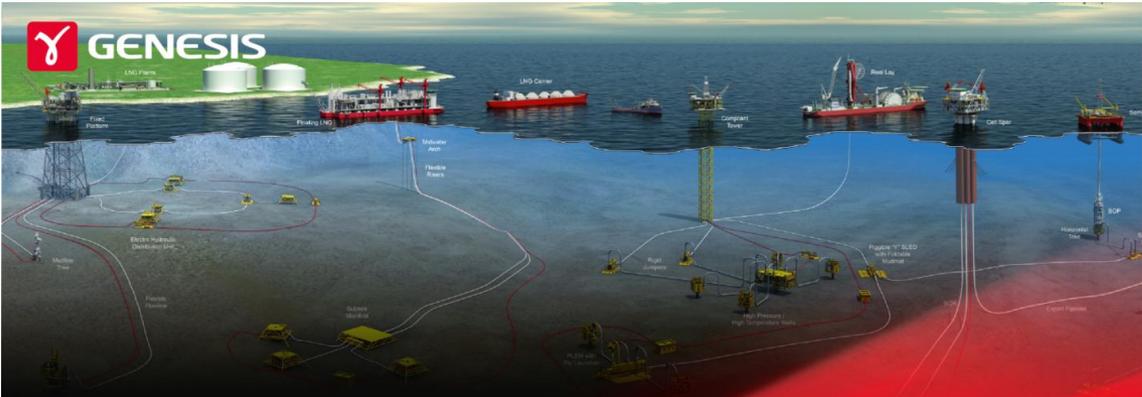
## Key Projects

- CPChem, 2 polyethylene plants, Old Ocean, Texas
- Ethylene XXI plant, Mexico
- Heidelberg spar, US Gulf of Mexico
- Stones gas pipeline, US Gulf of Mexico
- BP 10-year spar agreement, US Gulf of Mexico
- BG Trunkline LNG, Lake Charles, Louisiana
- Delta House subsea development, US Gulf of Mexico



As of March 31, 2014

# Early Involvement Delivering Fit-for-Purpose Solutions for Customers



**worldwide experience - complete subsea capability**

Advanced Analysis	Integrity Management	Subsea Hardware
Cost Modelling	Materials & Corrosion	Subsea Structures
Flow Assurance	Risers Systems	Subsea Systems Engineering
Flowlines/Pipelines	Risk & Reliability	Technical Assurance

deeper understanding www.genesisoilandgas.com




# Business Environment

## North America & Caribbean

- Early phase engineering in the GoM, Caribbean & Canada for offshore developments >2015
- LNG & downstream near-term opportunities
- LNG FEEDs moving into EPC
- Expansion & revamps for Technip Stone and Webster Process Technologies worldwide

## North Sea

- Increase in platform activity & brownfield works
- Smaller / medium-sized opportunities continue
- Larger & more complex projects in early phase (including Arctic)

## Middle East

- Good opportunities offshore
- Greenfield demand for downstream

## Asia Pacific

- LNG: shift from onshore to offshore
- Many opportunities for small / medium size platforms
- Emerging deeper water prospects
- GDP growth driving refining, petrochemicals and fertilizer investments

## Brazil

- Investment programs confirmed
- Petrobras progressing with pre-salt subsea system awards...
- ...and necessary assets including FPSOs and PLSVs

## Africa

- Strong momentum in West Africa subsea
- Early phase engineering for East Africa
- New discoveries to drive future onshore & offshore developments

# Key Messages

- **First quarter 2014 in line with expectations**
- **Good momentum in order intake to build a diversified portfolio**
- **Strong focus on project execution**
- **Continue to provide clients with value-added solutions earlier in their project life cycles**



# Building Solutions for the Energy Industry



# First Quarter 2014 Highlights

## Results

- **Revenue** increased by 23% year-on-year, to €2.5 billion
  - +10% in Subsea
  - +34% in Onshore/Offshore
- **Operating margins** in line with expectations
  - 5.5% in Subsea
  - 5.9% in Onshore/Offshore
- **Net income** of €67 million
- **Net cash<sup>(2)</sup>** of €573 million
- €15.4 billion **total backlog<sup>(2)</sup>**, with €2.8 billion **order intake**

## Order Intake

- **Subsea: large awards diversified by geography and scope**
  - Block 15/06 West hub EPCI<sup>(1)</sup> in Angola
  - Flexible pipe supply in Brazil
  - Jalilah B EPCI<sup>(1)</sup> in UAE
  - Jangkrik field EPCI<sup>(1)</sup> in Indonesia
- **Onshore/Offshore: small/medium-sized projects**
  - Early-stage involvement
  - Good technology momentum

(1) Engineering, Procurement, Construction and Installation

(2) Reflects the new application of IFRS 10, 11 & 12

# Portfolio of Market Leading Onshore technologies

Product Line	Technologies
Gas Monetization	Cryogenic separation, Gas liquefaction, Gas Processing
Hydrogen	Steam Methane Reforming, Syngas, and Hydrogen Production
Fertilizers	Ammonia/Urea, Phosphoric and Sulfuric Acids
Refining	Fluid Catalytic Cracking, Refinery/Petchem Integration, Master Plan
Ethylene	Proprietary technologies for steam cracking and olefin purification
Petrochemicals & Polymers	Polyolefins, Styrenics, Phenolics, purified terephthalic acid
Renewables	Wind, Solar, Renewable Fuels, Geothermal, Carbon Capture
Metals & Mining	Fluosolids® metal roasting, mixer/settler

- Proprietary technologies
- Best-in-class alliance partners
- Investments in R&D
- “First of a kind” technology market introduction
- Global teams of technological experts
- Close integration between technology & project delivery

# Early Involvement Delivering Fit-for-Purpose Solutions for Customers

