

Building Solutions for the Energy Industry



Hallvard Hasselknippe, President Subsea

SG Premium Review, Paris, December 3, 2015

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's Unique Position



World Leader Bringing Innovative Solutions to the Energy Industry

**Technip is
a world leader in
project management,
engineering and
construction for oil &
gas, chemicals and
energy companies**

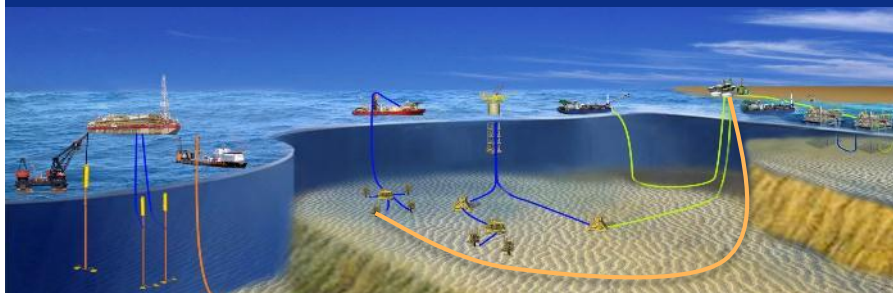
- Listed CAC 40 member ~€5.8 billion* market capitalization
- 36,000 people in 48 countries
- 2014 Adjusted Revenues of €10.7 billion and adjusted operating profits of €825 million (7.7% margin)
- Business segments: Subsea and Onshore/Offshore
- Diversified backlog of €17.5 billion end of September 2015
- BBB+ rating with Stable Outlook confirmed by Standard and Poor's on September 11, 2015



** As of November 30, 2015*

Complementary Business Segments

Subsea



Ultra-deep water
infield lines

Deepwater infield
lines

Deep-to-shore

2014

Adjusted Revenue: €4,880 million

Adjusted Operating Income*: €635 million

Positive Capital Employed

- **Segment activity / Know-how**
 - Subsea field architecture & integrated subsea design
 - Manufacturing, Spooling & Installation pipelines
 - Project management: engineering, procurement, construction, logistics and installation using our high-end fleet
- **Key differentiators**
 - Proprietary pipe technologies (rigid & flexible)
 - Leading industrial plants and operational facilities
 - Alliances with industry leading partners

Onshore/Offshore



2014

Adjusted Revenue: €5,844 million

Adjusted Operating Income*: €276 million

Negative Capital Employed

- **Segment activity / Know-how**
 - Preliminary studies to detail design
 - Project management: engineering, procurement, construction
 - Technology supply and project management
- **Key differentiators**
 - High added-value process design skills
 - Proficiency in design of all platform types
 - Proprietary technology, know-how and license partners

Two contrasting business cycles and financial models

Global Business with Unique Worldwide Footprint



Operational Focus



Market Environment

What we have seen

Clients

- New projects delayed
- Capex/opex discipline, strong focus on cash flow management
- Willingness to engage earlier and work differently

Contractors and supply chain

- Industry structural change
- Aggressive cost reduction plans
- Price deflation, but not uniform

Market opportunities

- Pockets of resilience in offshore and subsea markets
- Opportunities in onshore

What we expect

- Additional capex budget cuts
- Increased pressure on supply chain
- Strategic projects prioritized
- Accelerated standardization and simplification

- Further cost base reductions
- Efficiency improvements (technology, innovation)
- Capabilities integration (alliances, M&A)
- Address overcapacity

- Pockets of geographic resilience:
 - Brazil pre-salt developments
 - Downstream in North America, Eastern Europe and Africa / Middle East
- New contracting models
- Increased momentum in Technip / FMC Alliance

Subsea Vertical Integration: Customer Support from Concept to Execution

Concept

Upstream Engineering

- Pre-FEED⁽¹⁾ and FEED
- Offshore field development studies
- Innovative technology solutions for platform and subsea challenges



Execution

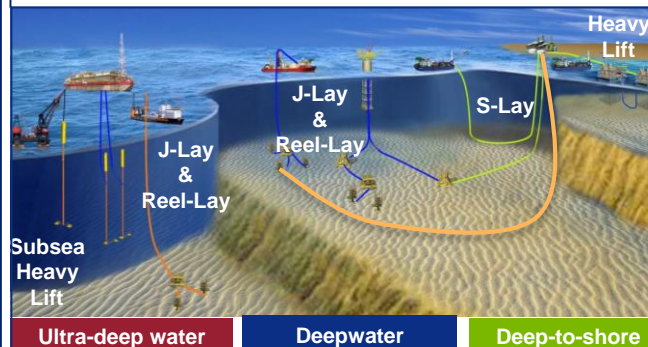
Project Engineering & Procurement

Manufacturing



- Flexible risers and flowlines
- Rigid Pipeline Welding/Spooling
- Umbilicals

Installation



- Flexible-lay
- Umbilical-lay
- Associated construction
- Rigid Reel-lay
- Rigid J-lay
- Rigid S-Lay
- Heavy-lift for Subsea infrastructure
- Offshore topside installation

Support, Diving & Logistics

R&D / Proprietary Software & Hardware / Life of Field

⁽¹⁾ FEED: Front End Engineering Design

Broader Integrated Solutions from the Conceptual Stage



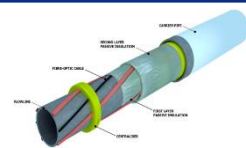
Providing independent architecture development and component selection



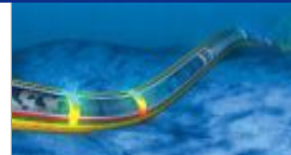
Agnostic Solutions



Proprietary Technologies



Electrically Trace Heated Pipe-in-pipe



In-line Monitoring Technologies



Umbilicals (Power & control)

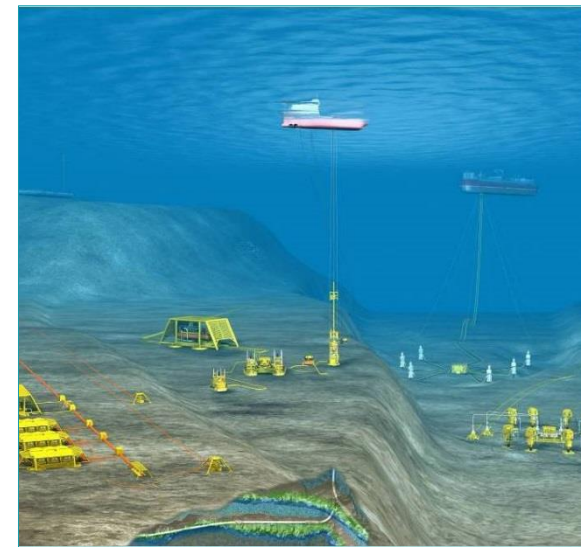


Integrated Production Bundle

Integrating Technip subsea proprietary technologies and offshore platform know-how with third party processing equipment to provide innovative development

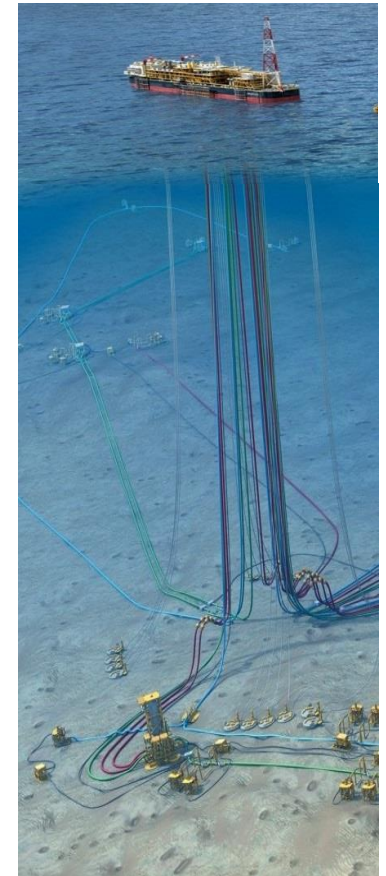
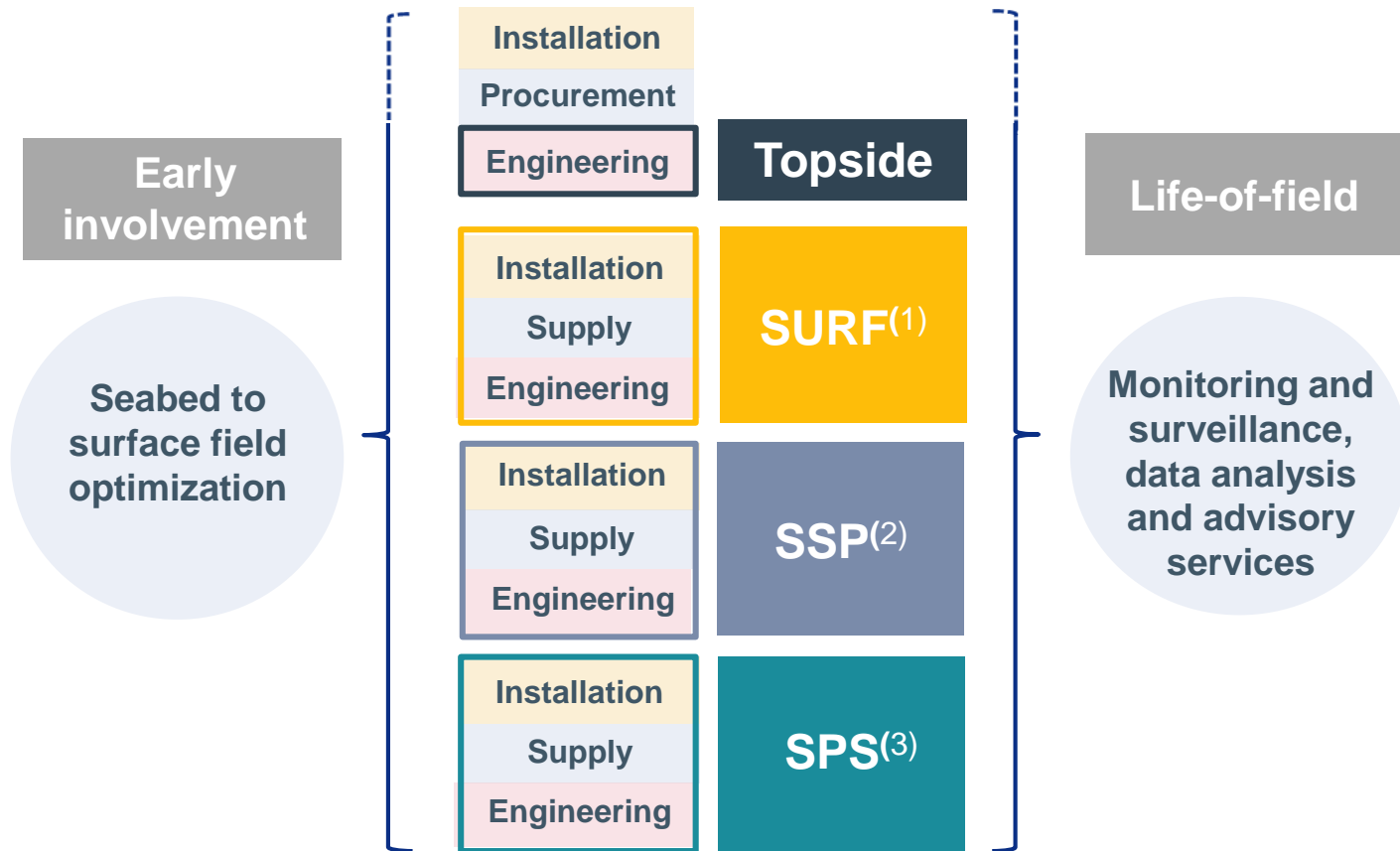


Improving equipment and installation converge in subsea architecture



Vendor Based Solutions

New Business Model to Improve Deepwater Project Economics: Forsys Subsea



- Two integrated early studies awarded to Forsys Subsea, with different characteristics showing broad interest on the approach
- Target an EPCI award for Technip / FMC Alliance in 2016

⁽¹⁾ Subsea, Umbilicals, Risers and Flowlines

⁽²⁾ SSP: Subsea Processing

⁽³⁾ SPS: Subsea Production Systems

Control Welding Activities to Improve Rigid Pipeline Operational Performance

Technip's Spoolbases



Technip's S-lay vessels



- **Develop leading-edge pipeline welding technologies and adapt upfront capabilities** to meet project challenges (ie. high corrosion, high strength steel applications, stringent fabrication codes)
- **Improve operational performance** through enhanced production and reliability (faster welding system, zero repair rate objective)
- **Increase spoolbases' profitability and competitiveness** through improved schedule and stricter control of welding activities (fully automated equipment, harmonization of methods)

Strengthening differentiating technology

Vertically Integrated Offering: West Africa Subsea Projects

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



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

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

Egina, Nigeria

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

High-end Flexibles Technology: Brazilian Pre-Salt Market Leadership

2010-2011

- **Group commitment to R&D** taking pre-salt development further
- **First pilot award for the Tupi field:** demonstrated feasibility of flexibles technology
- **New investment decision** to expand manufacturing footprint in Brazil

2012-2015

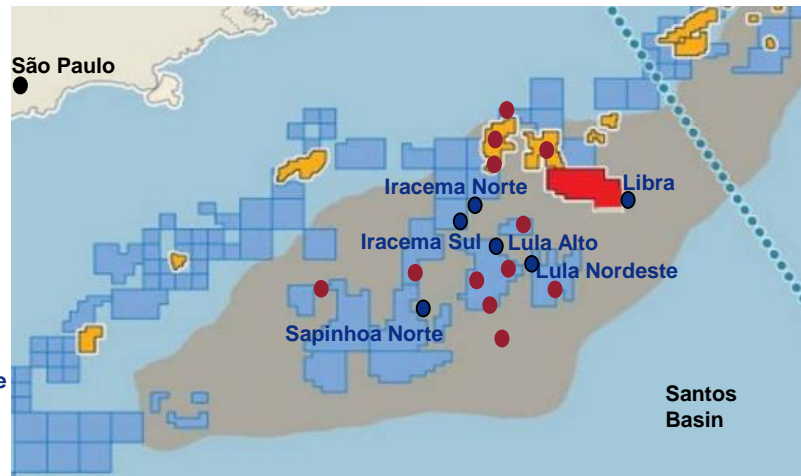
- **Strong backlog built throughout the period thanks to qualification of flexible pipe solution** led with momentum of awards
- **New Açuflex flexible pipe plant opened in 2014:** world's most technologically advanced manufacturing plant

2015 and beyond

- Additional R&D to overcome pre-salt technical challenges led to **first extended well-test award for Libra field**
- **Client investments confirmed** for upstream developments with FPSOs ordered



Açuflex Plant, Brazil



Technip

Optimizing Cost- and Schedule-Driven Projects

Conceptual studies

FEED

EPC(I) / Services

- **Design cost-effective project execution plans by engaging early:** Genesis and Technip Stone & Webster Process Technologies
- **Offer Integrated solutions** from design to development
- **Build optimized and fit-for-purpose solutions** working hand-in-hand with clients
- **Combine expertise from our segments** with complementary assets, technologies and capabilities



Prelude FLNG
Australia



RAPID
Malaysia



Juniper
Trinidad and Tobago



Sasol ethane cracker
USA

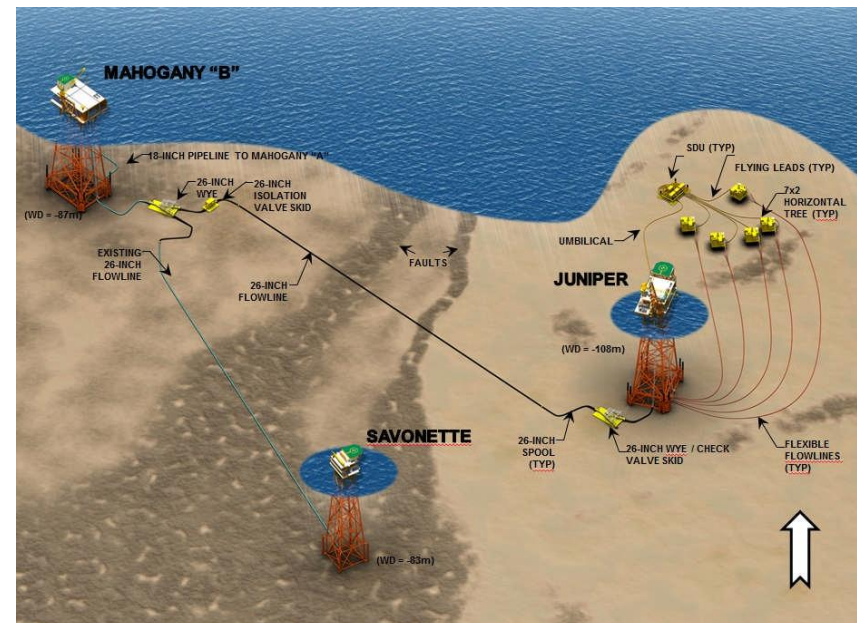
Making Marginal Fields Development Viable: Juniper Project

Original Project Delivery Model by Client

- FEED Engineering contracts
- Execution phase separate contracts for:
 - Detail Engineering & Procurement Services for Platform
 - Detail Engineering & Procurement Services for Subsea and Pipelines Scope
 - Fabrication Contracts for Jacket/Piles & Topsides
 - Installation Contract for Jacket/Piles & Topsides
 - Installation Contract for Subsea & Pipelines
 - Hook-up & Commissioning Contract
- Client staff required to manage both technical and commercial contracts & interfaces

Final Project Delivery Model by Technip

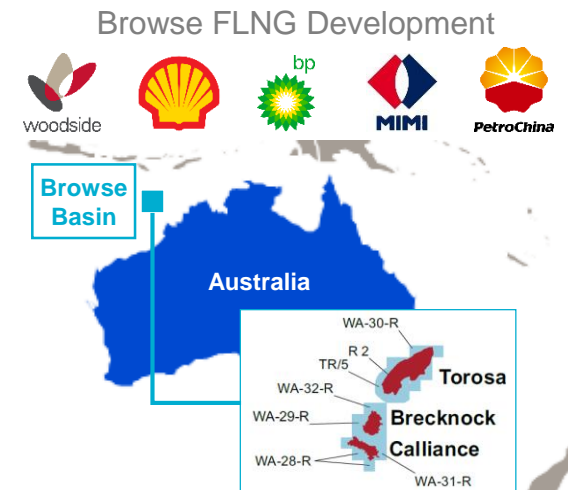
- FEED Engineering contract
- EPCIC for platform, subsea and Pipelines



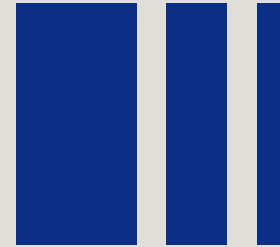
Bringing Together our Unique Combination of Expertise: Browse FLNG Project

Award Overview

- **Client:** Woodside and Shell
 - **Consortium** with Samsung Heavy Industries
 - **Location:** Development of 3 fields: Brecknock, Calliance & Torosa, located 425 kilometers North of Broome, Western Australia
 - **Scope of work*:**
 - FEED for three FLNG units signed with Shell, then novated to Woodside as operator
 - EPCI of the three FLNG units subject to clients' FID at the end of the FEED
-
- Early engagement to bring added value for a more cost- and schedule-effective solution
 - Associates the know-how and expertise for the design and construction gained on Prelude FLNG by our teams



Financial Highlights & Conclusion



Third Quarter 2015 Key Elements

Quarter highlights

- **Progress on project execution and restructuring plan across both segments**
- **Subsea growth initiatives**
 - Forsys Subsea awarded first two integrated front-end studies
 - Genesis and its subsurface partner working on first joint studies
- **Onshore/Offshore diversified order intake**
 - MIDOR refinery, early works, Egypt
 - Polyethylene plant, EPC, Czech Republic
 - Work orders on PMC / services contracts

Results

- **Adjusted Revenue** of €3.1 billion
 - +14.7% in Subsea
 - +5.8% in Onshore/Offshore
- **Adjusted OIFRA⁽¹⁾** of €292 million, +21% growth at Group level
 - Subsea adjusted OIFRA⁽¹⁾ of €232 million
 - Onshore/Offshore adjusted OIFRA⁽¹⁾ of €76 million
- **Net income** rose to €164 million
- **Adjusted net cash** at €1.3 billion

Order intake of €1.7 billion, ~€17.5 billion backlog

⁽¹⁾Adjusted Operating Income from Recurring Activities after Income/(Loss) of Equity Affiliates



2015 Objectives: Operating Profit Confirmed, Revenue Increased

Subsea

- Adjusted revenue over €5.5 billion
- Adjusted operating income from recurring activities⁽¹⁾ at around €840 million

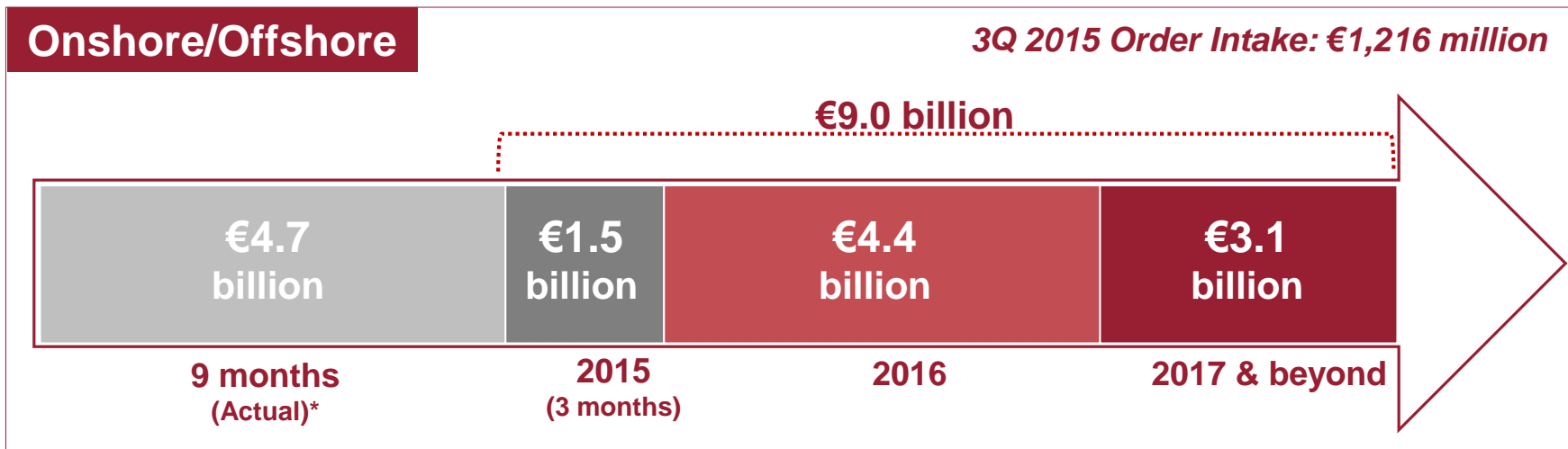
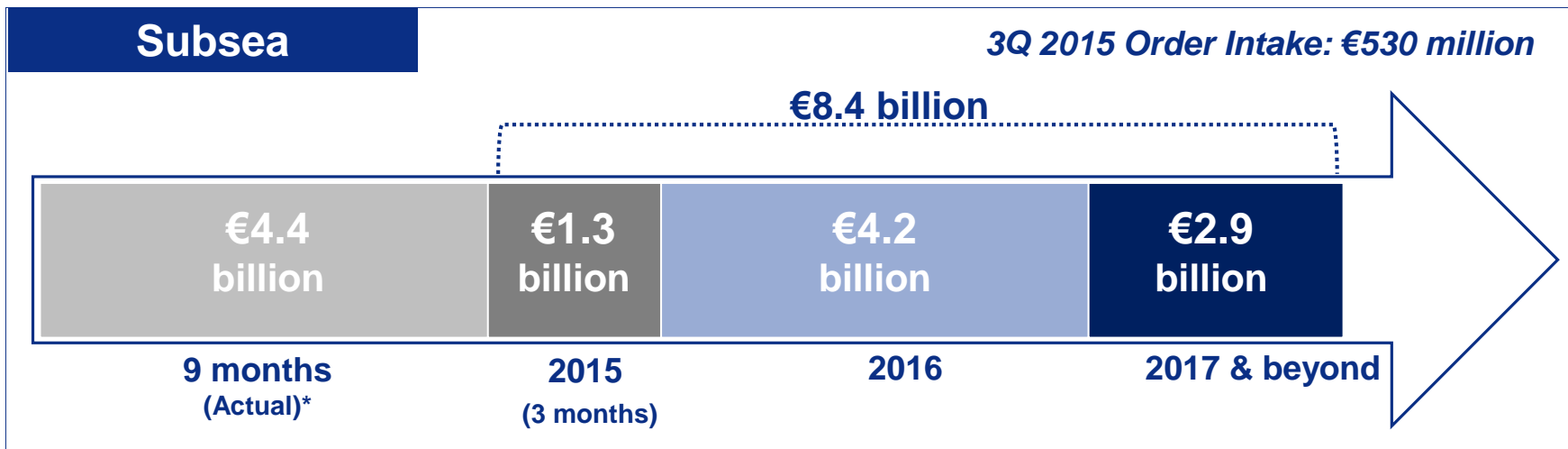
Onshore / Offshore

- Adjusted revenue over €6 billion
- Adjusted underlying operating income from recurring activities⁽²⁾ between €210 to €230 million

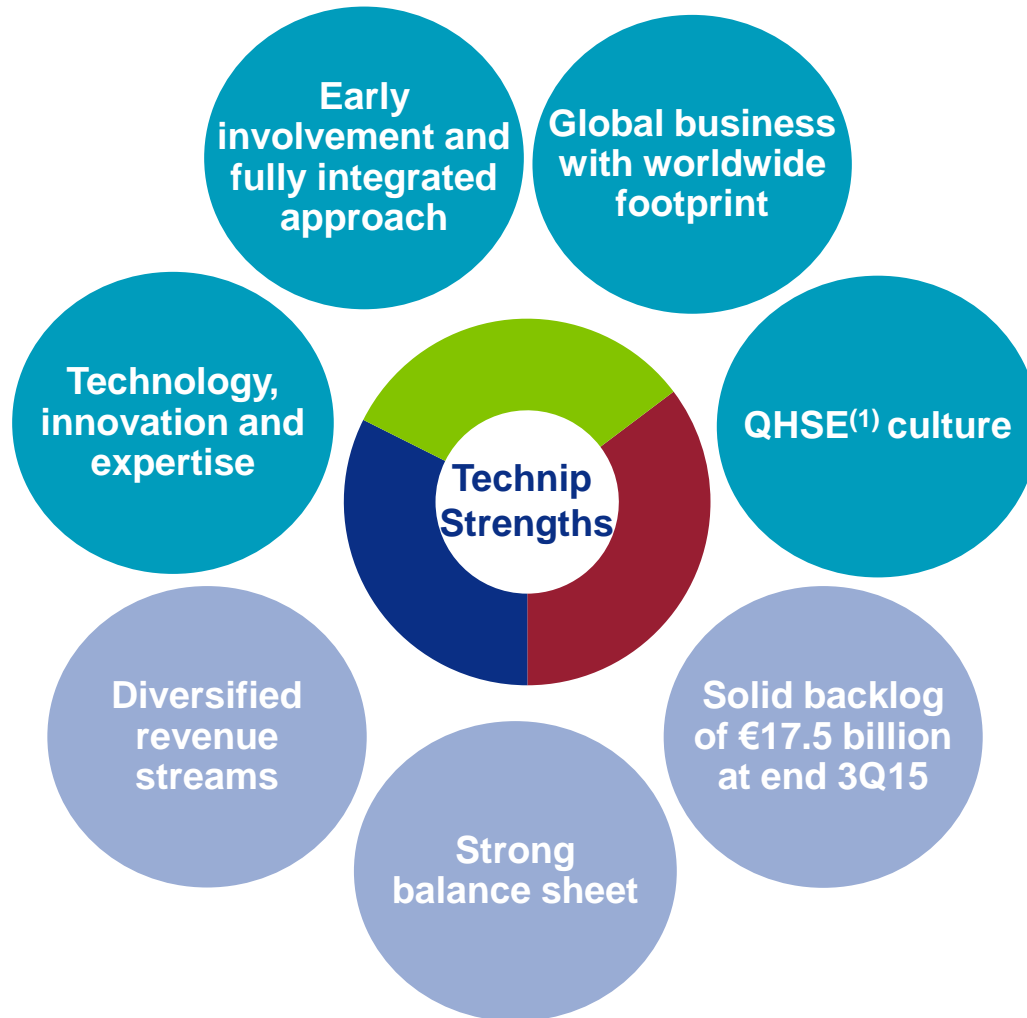
⁽¹⁾ Adjusted Operating Income from Recurring Activities after Income/(Loss) of Equity Affiliates

⁽²⁾ Adjusted Operating Income from Recurring Activities after Income/(Loss) of Equity Affiliates excluding Exceptional Items

Estimated Backlog Scheduling



Technip Strengths in a Challenging Environment



Technip Priorities

- Executing projects with discipline and improved efficiency
- Reducing client project costs through standardization and innovation
- Reducing our cost base and increasing our competitiveness
- Seizing opportunities in targeted markets
- Best position ourselves for the future

⁽¹⁾ Quality Health Safety Environment

Thank you



Questions & Answers