### Building Solutions for the Energy Industry



### **Thierry Pilenko, Chairman and CEO**

Pareto Oil & Offshore Conference, September 13, 2012



## Safe Harbor

his 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 gualified 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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- **1.** Technip Today
- 2. Strategic Priorities
- **3.** Our Presence in the North Sea
- 4. Outlook
- 5. Annex



## 1. Technip Today



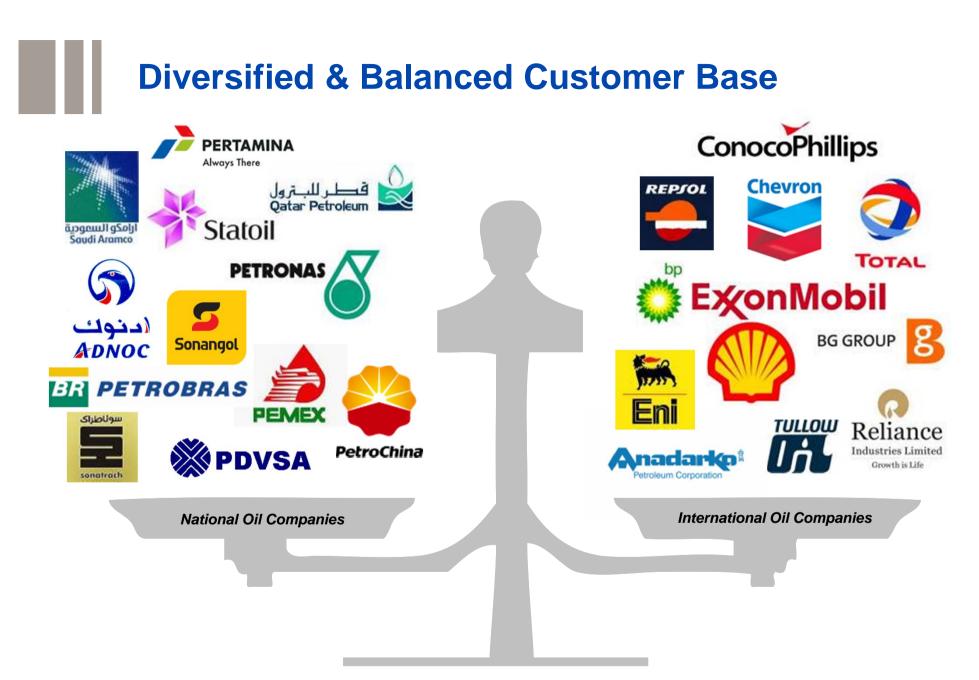
### A World Leader Bringing Innovative Solutions to the Energy Industry

- A world leader in project management, engineering and construction for oil & gas, chemicals and energy companies
- Revenues driven by services provided to clients Onshore/Offshore and Subsea
- Over 30,000 people in 48 countries
- 2011 Revenues: €6.8 billion; 2011 Operating margin<sup>1</sup> above 10% for the 3<sup>rd</sup> year



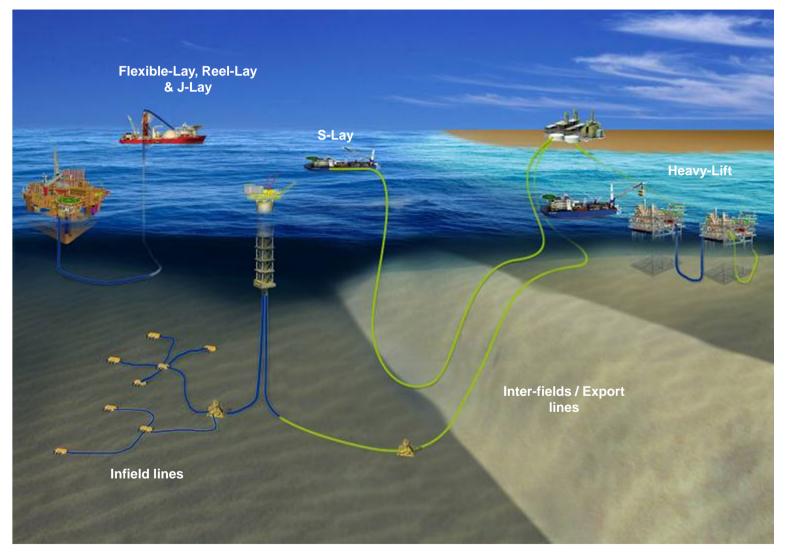


<sup>1</sup> from recurring activities





## Subsea: Infield, Deep-to-shore and Heavy-lift Capabilities





## **Onshore/Offshore Strong Positioning**

Floating LNG	Spar	
<ul> <li>Shell Prelude FLNG, Offshore Australia</li> <li>Leading position with first mover advantage</li> <li>Unique combination of Onshore/Offshore and Subsea expertise</li> </ul>	<ul> <li>Perdido Spar, Gulf of Mexico</li> <li>14 out of 17 Spars delivered</li> <li>Hull fabrication in Pori, Finland</li> </ul>	
Petrochemical & Ethylene	Fertilizer	
Yansab Ethylene         Plant, Saudi Arabia	Phu My Fertilizer           Complex, Vietnam	
<ul> <li>Market leader in ethylene with proprietary technologies</li> </ul>	<ul> <li>Unique position in the industry as "one-stop-shop"</li> <li>Draprietary phasehoria acid technology</li> </ul>	
<ul> <li>Over 150 petrochemical units successfully realized</li> </ul>	Proprietary phosphoric acid technology	
	Technip	

8

### **Business Environment**

#### North America

- Upswing in US Gulf of Mexico
- Increasing activity in Mexico, onshore & offshore
- US shale gas driving onshore downstream investments

#### Latin America

- Good visibility in Brazil with ramp-up of pre-salt developments
- Downstream and some offshore prospects across countries

#### North Sea

- High level of subsea awards continues
- Step change in size and complexity of offshore developments
- Increase in platform activity

#### Middle East

- Sustained volume of activity
   Good opport unities offshore
- Good opportunities offshore & downstream

#### Africa

- New discoveries to drive future onshore & offshore developments, incl. in new areas
- Project timing remains uncertain

#### Asia Pacific

- Australian gas projects continue to progress
- GDP growth drives refining, petrochemicals and fertilizer investments

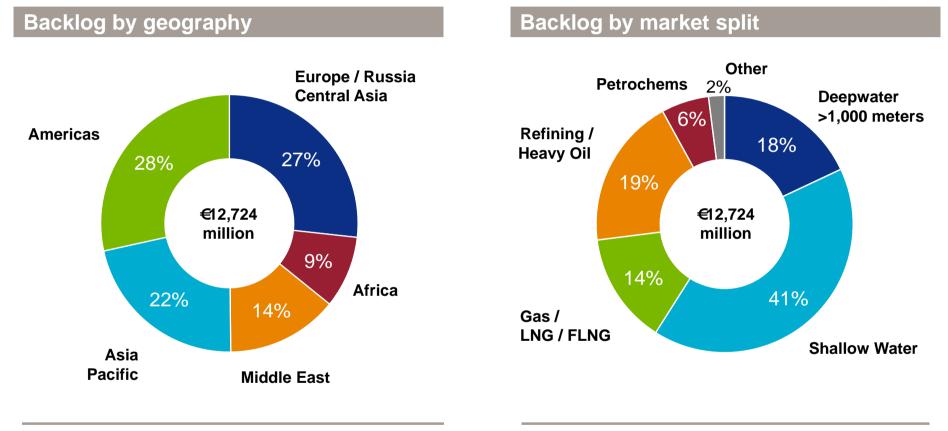


### **2. Strategic Priorities**



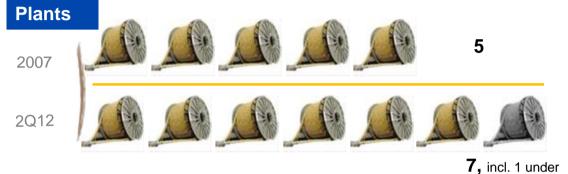
## **Diversified Backlog Across Regions and Markets**

As of June 30, 2012





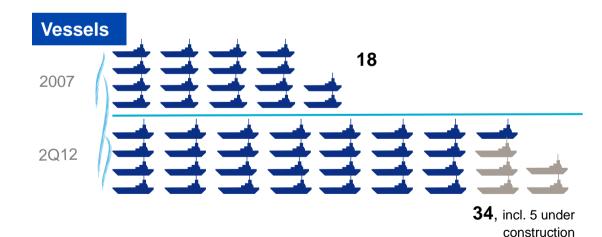
## **Investment in Key Subsea Assets**



construction

#### New long term charters







Newbuild vessel in Norway, delivery in 2014



### Investment in Technology: Stone & Webster Process Technologies



 Wider offer of licensing and downstream technologies

- High-end engineering services & design capabilities
- Enhanced project execution with skilled resources added notably in the US, the UK and India

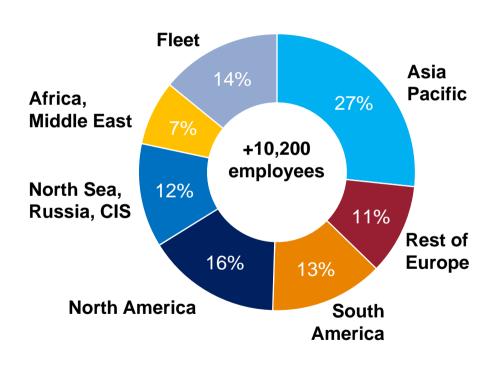
### Acquisition Completed on August 31, 2012



## **Investment in Talents Worldwide**

Workforce 34,200 23,500 Sept. 2012 2007 2008 2009 2010 2011 Regular workforce Acquisitions Contracted

#### Employee growth by geography since 2007





### **3. Our Presence in the North Sea**



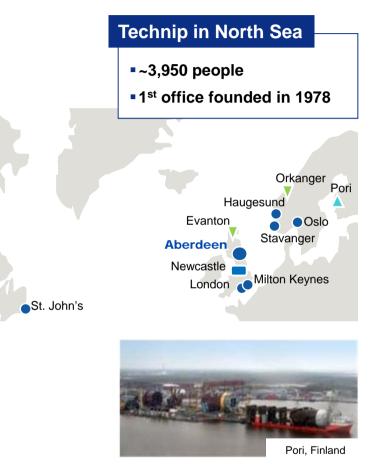
### North Sea Canada: Leading Technologies for Harsh Environment

#### **Assets & Activities**



#### **Key Projects**

- Quad 204, EPCI, UK
- Islay, ETH-PIP<sup>1</sup> EPCI, UK
- Åsgard Subsea Compression, Norway
- Åsgard Hot Tap, 1<sup>st</sup> remote retrofit tee hot-tap operation, Norway
- Bøyla, PIP<sup>2</sup> EPCI, Norway

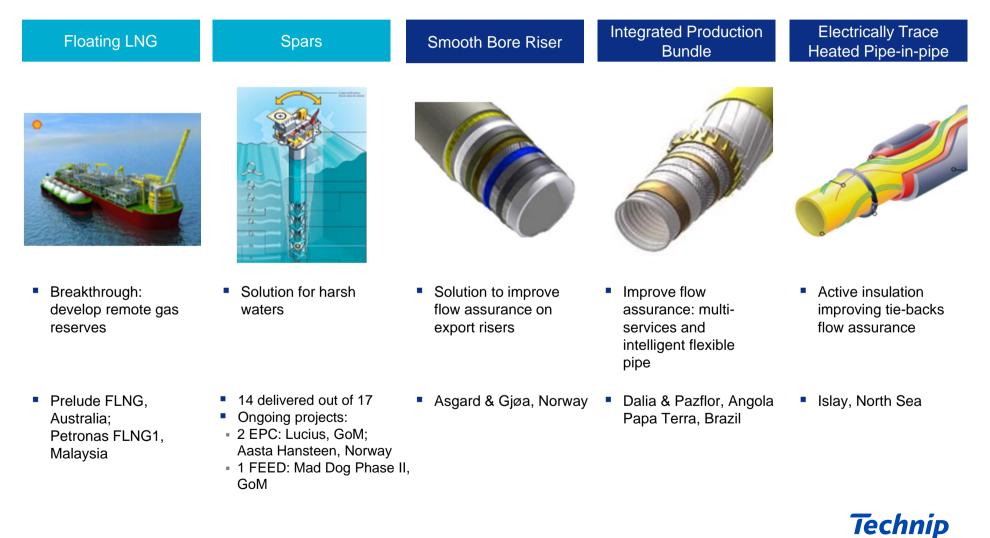


- Regional Headquarter / Operating centers
- Manufacturing plants (umbilicals)
- Construction yard
- Spoolbases

<sup>1</sup> ETH-PIP: Electrically Trace Heated Pipe-In-Pipe <sup>2</sup> PIP: Pipe-In-Pipe



### Providing Innovative Solutions for Offshore & Subsea Developments



# Solid Project Execution

### Marulk

 Heaviest pipe-in-pipe (12" in 16") installed in North Sea Tieback to Norne

### Nordstream Tie-Ins

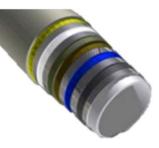
- Hyperbaric welding of tie-ins on the 48" North Stream pipelines
- 2 welds on each pipeline, executed in 2011 & 2012





#### Gjøa

 Gas export riser replacements with smooth bore risers to prevent flow induced vibrations





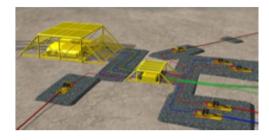
### **Continuous Commercial Success in The North Sea**

- Åsgard subsea compression marine operations
  - Subsea construction work for compression system
- 2-year extension of Statoil frame agreement for Subsea services
  - Diving, pipeline repair, contingency and modification services
- Quad 204 subsea infrastructure development
  - Largest single contract to date in the North Sea
- Bøyla field development
  - Largest single tieback project in the North Sea

### • Aasta Hansteen Spar EPC<sup>1</sup>

- Detailed engineering and construction of the world's largest ever Spar platform
- 1<sup>st</sup> Spar for Norwegian waters

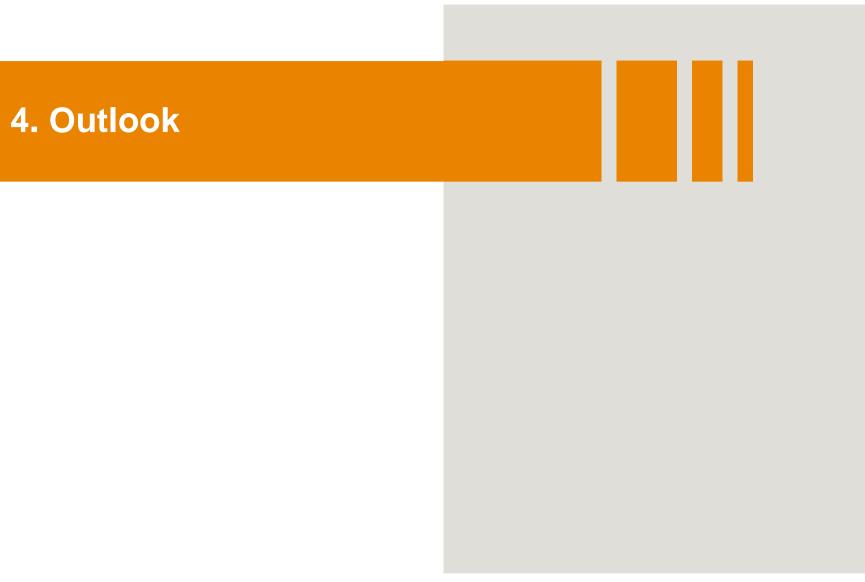
<sup>1</sup> Received a Letter of Intent (LOI) in July 2012













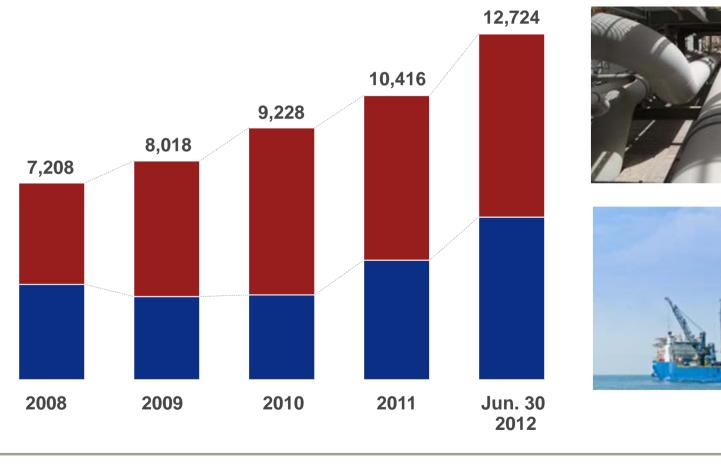


€ million

Asab 3, UAE

G1201

#### Backlog



- Onshore/Offshore backlog - Subsea backlog

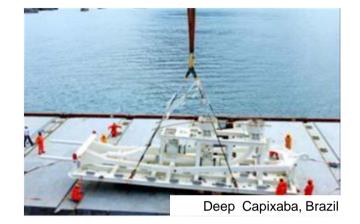




■ Group revenue between €7.65 and €8.00 billion

Subsea revenue between €3.35 and €3.50 billion, with operating margin<sup>2</sup> around 15%<sup>3</sup>

 Onshore/Offshore revenue between €4.3 and €4.5 billion, with operating margin<sup>2</sup> between 6% and 7%







<sup>&</sup>lt;sup>3</sup> including Global Industries

# **Technip at Work in Second Quarter 2012**





## 5. Annex



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### 2Q 2012 Subsea Order Intake

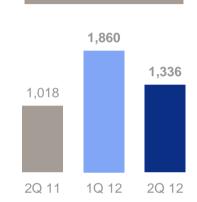
€ million



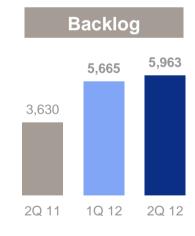
- Bay of Campeche EPCI, Mexico
- South West Fatah & Falah EPCI, UAE

#### Key contracts across regions & technologies

- Bøyla reeled pipe-in-pipe EPCI, Norway
- Alma & Galia field development, UK
- Panyu EPCI, China
- Prelude FLNG subsea installation, Australia
- P-58 flexible pipes supply, Brazil



**Order intake** 





## 2Q 2012 Onshore/Offshore Order Intake

€ million

#### Upstream

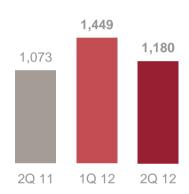
- Ichthys FPSO engineering & procurement services, Australia
- Offshore field engineering services, Angola & Gulf of Mexico
- Mad Dog Phase II Spar FEED, Gulf of Mexico
- Offshore pipelines replacement FEED, UAE

#### Gas, LNG & FLNG

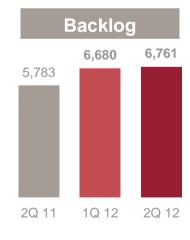
Petronas FLNG 1, Malaysia

#### Downstream

- Halobutyl facility EPC, Saudi Arabia
- Several petrochemical conceptual & FEEDs, North America
- Tobolsk polyethylene FEED, Russia



**Order intake** 





## 2Q 2012 Subsea Operations

€ million

### Offshore main operations completed

- Deep Capixaba, Brazil
- L56-57, Mexico
- GirRi, Angola

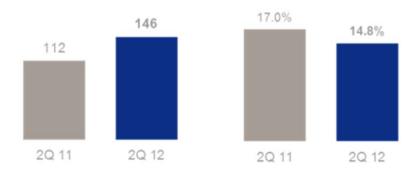
### Main ongoing projects

- Goliat, Barents Sea
- Gygrid, Norway
- Mariscal Sucre, Venezuela
- CoGa, Congo & Gabon
- Liwan shallow water, China

### Overall group vessel utilization rate: 74%



#### **Operating Income<sup>1</sup>**



(1) from recurring activities



### 2Q 2012 Onshore/Offshore Operations

 $\in$  million

#### Upstream

- Asab 3, UAE
- KJO, Saudi Arabia & Kuwait
- Lucius Spar, Gulf of Mexico

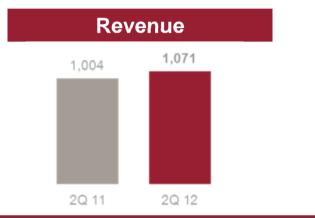
### Gas, LNG & FLNG

- Prelude FLNG, Australia
- PMP, Qatar

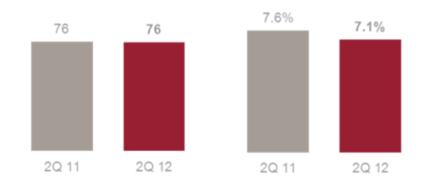
#### Downstream

- Jubail, Saudi Arabia
- Burgas, Bulgaria
- Ikra Vinyl Plant, Russia

### **Onshore/Offshore**



### **Operating Income**<sup>1</sup>



(1) from recurring activities



# **Group Financial Highlights**

€ million

	2Q 2011	2Q 2012
Revenue	1,663.9	2,052.2
EBITDA <sup>1</sup>	212.6	253.8
EBITDA Margin	12.8%	12.4%
Operating Income <sup>2</sup>	175.6	203.8
Operating Margin <sup>2</sup>	10.6%	9.9%
Non-Current Operating Result	-	(3.0)
Financial Result	11.3	(17.9)
Income / (Loss) before Tax	186.9	182.9
Income Tax Expense	29.7%	26.2%
Net Income	132.5	134.2

+23% year-on-year

 Additional fleet depreciation

- +16% year-on-year
- Acquisition costs
- Mark-to-market effects

<sup>1</sup> calculated as operating income from recurring activities before depreciation and amortization

<sup>2</sup> from recurring activities



### **Consolidated Statement of Financial Position**

€ million

	Dec. 31, 2011 <sup>1</sup>	Jun. 30, 2012	
Fixed Assets	5,506.7	5,673.8	•
Construction Contracts – Amounts in Assets	585.4	412.5	
Other Assets	2,752.3	2,919.0	
Cash & Cash Equivalents	2,808.7	2,473.7	
Total Assets	11,653.1	11,479.0	
Shareholders' Equity	3,673.3	3,779.5	
Construction Contracts – Amounts in Liabilities	698.3	763.7	
Financial Debts	2,150.9	2,221.7	-
Other Liabilities	5,130.6	4,714.1	
Total Shareholders' Equity & Liabilities	11,653.1	11,479.0	

Purchase price allocation for Global Industries' acquisition substantially completed

 €325 million raised in June through 10, 15 & 20-year private debt issues

<sup>1</sup> restated with preliminary assessment of purchase price allocation of Global Industries





	3 Months
Net Cash Position as of March 31, 2012	629.4
Cash Generated from / (Used in) Operations	232.0
Change in Working Capital Requirements	(299.7)
Capital Expenditures	(152.4)
Dividends Paid	(172.6)
Other including FX Impacts <sup>1</sup>	15.3
Net Cash Position as of June 30, 2012	252.0

- Tax payments and project progress
- Increased capital expenditure program
- €1.58 per share paid in May
- Including €38 million share buy-back for employee share plans

<sup>1</sup> includes impact of preliminary assessment of purchase price allocation of Global Industries



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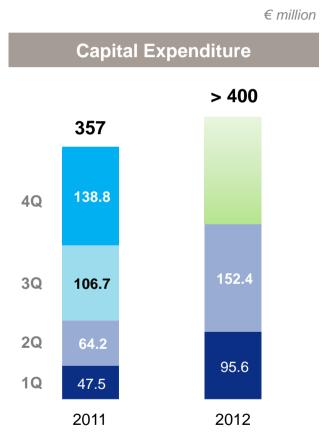
## **2012 Capital Expenditure Program Highlights**

### Manufacturing plants

- Machinery and land preparation at Açu, Brazil
- Main spending on umbilical upgrade at Newcastle, UK
- Carrousel and related umbilical infrastructures, Angola

#### Vessels

- Fit-out and integration works, Deep Energy
- Main construction phase, Deep Orient
- Initial payments, 550-ton Flex-lay vessels







€ million

	Subsea	Onshore/Offshore	Group
2012 (6 months)	1,520.0	2,145.2	3,665.2
2013	2,066.6	2,577.2	4,643.8
2014+	2,376.5	2,038.2	4,414.7
Total	5,963.1	6,760.6	12,723.7



<sup>1</sup> Backlog estimated scheduling as of June 30, 2012

## High Performing Fleet of 34 Vessels<sup>1</sup>



<sup>1</sup> As of June 30, 2012



<sup>2</sup> Vessels under construction

### **Flexible Pipe Manufacturing Plants**





## **Offshore Manufacturing & Logistic Bases**



#### **Umbilicals Manufacturing Plants**



37

## Delivering Best-for-Project Solutions Through Genesis



- Genesis: A wholly owned subsidiary of Technip
- Provide independent, early phase engineering support to concept selection
  - Fixed and floating platform configuration and selection
  - Subsea architecture development and component selection
- Provide subsea engineering services from FEED through execution and operation
  - Project management / engineering management
  - Flow assurance
  - Deepwater expertise
  - Subsea production systems
  - Pipelines & risers
  - Risk & integrity management

#### **Over 1,000 dedicated Engineers and Designers**



# Providing Innovative Solutions for Offshore & Subsea Developments



## FLNG<sup>1</sup>, an Innovative Solution for our Customers

- Floating LNG moving from concept to reality
- 2 facilities under construction after FEED completion
- Several conceptual studies for various clients
- Shell FLNG
  - 15 year master agreement
  - LNG capacity: 3.6 mtpa
  - Prelude FLNG in Australia under construction



- Petronas FLNG
  - LNG capacity: 1.2 mtpa
  - Offshore Malaysia
  - Floating LNG 1 under construction



- Petrobras FLNG
  - LNG capacity: 2.7 mtpa
  - Pre-salt basin, Brazil
  - Design competition won by Technip





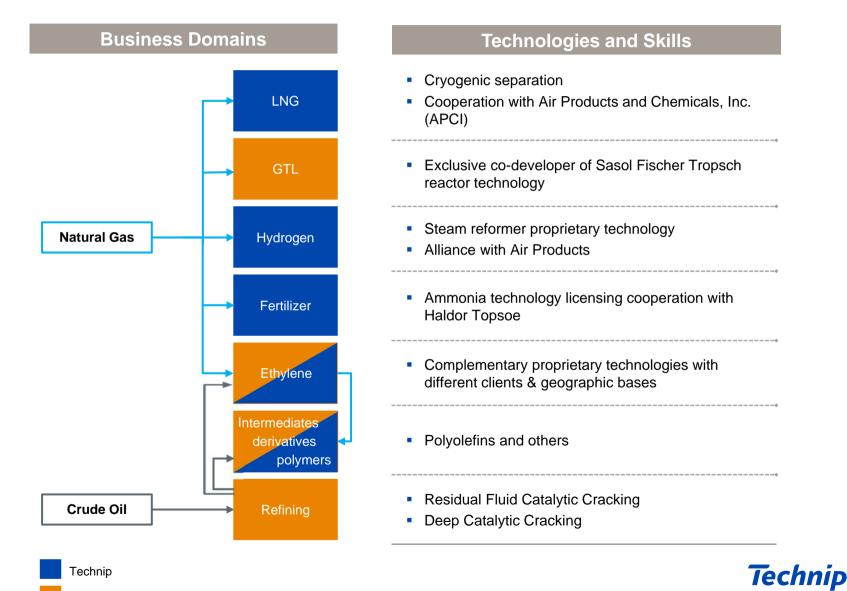
(1) Floating Liquefied Natural Gas

#### Acquisition of Stone & Webster Process Technologies

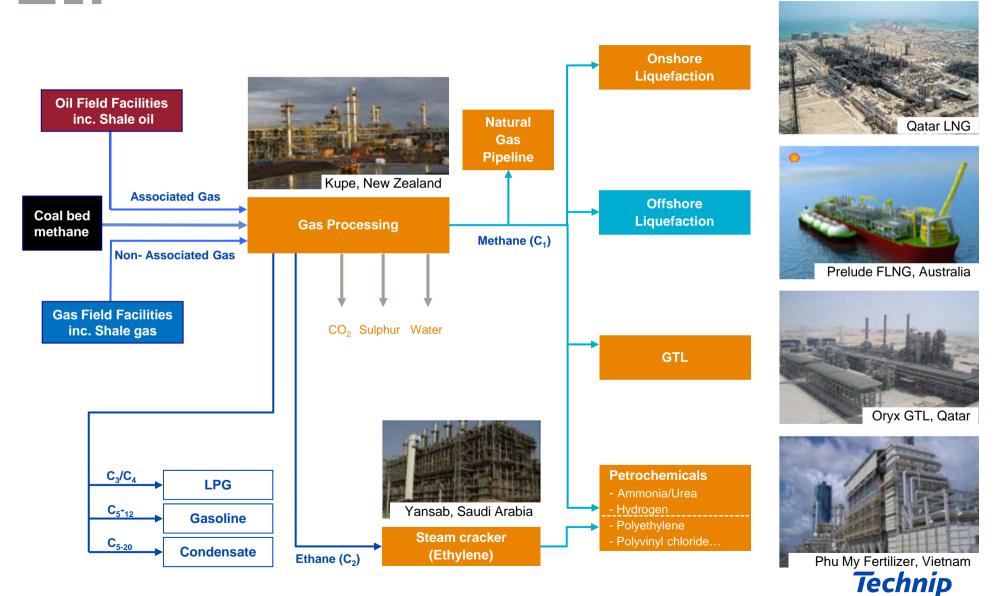
- Acquisition completed on August 31, 2012
- Cash consideration of ~€225 million
- Perimeter excludes Toronto and Baton Rouge sites and all legacy EPC contracts retained by Shaw
- Cost synergies (notably premises, IT) approximately €7 million, with one-off transaction and transition costs in 2012 of ~€15 million
- The acquisition roughly doubles the revenues that Technip already generates from this type of activity to ~€400 million on a pro forma basis
- Looking forward, the acquired business should generate margins above those of the Onshore/Offshore segment, as well as having a more robust and lower risk earnings profile



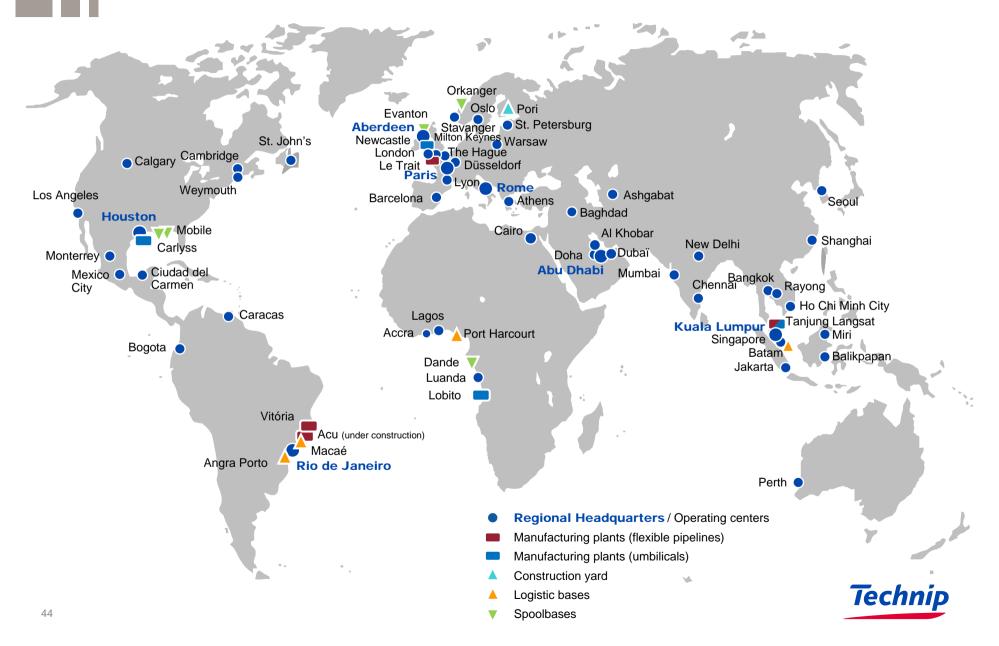
#### Stone & Webster Process Technologies: Enhanced Portfolio of Downstream Technologies



## **Opportunities all Along the Gas Value Chain**



## **A Unique Worldwide Footprint**



# Africa: Local Partner With Commitment to Long-term Presence

#### **Assets & Activities**

- Engineering & project management centers
- Umbilical manufacturing plant: Angoflex, Angola
- Spoolbase: Dande, Angola
- Logistic base: Port Harcourt, Nigeria

#### **Key Projects**

- Pazflor, Subsea, Angola
- West Delta Deep Marine Phase 7 & 8A, Subsea, Egypt
- Jubilee, Subsea, Ghana
- Fertilizer FEED, Onshore/Offshore, Gabon
- Akpo FPSO, Onshore/Offshore, Nigeria



Lagos Accra • • Accra • •



#### Technip in Africa

- ~700 people
- •1<sup>st</sup> office founded in 1995

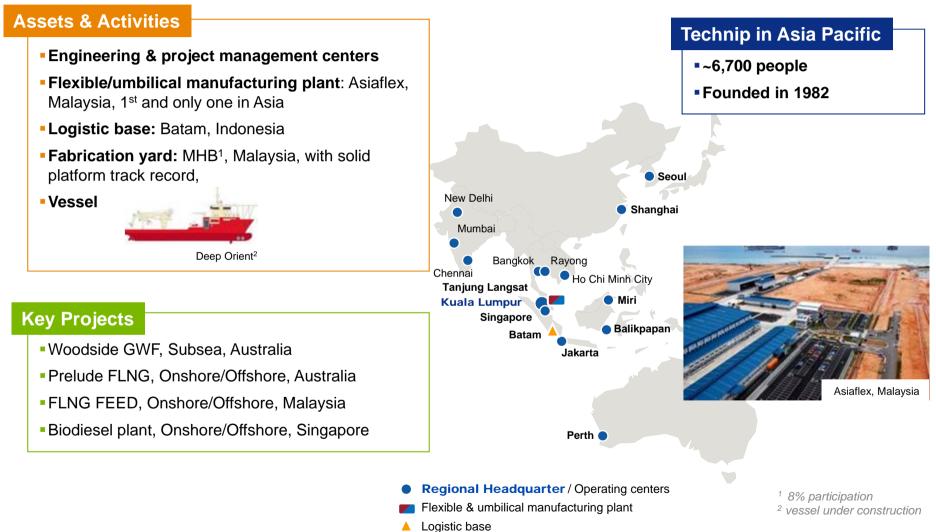




- Regional Headquarter / Operating centers
- Manufacturing plant (umbilicals)
- Logistic base
- Spoolbase

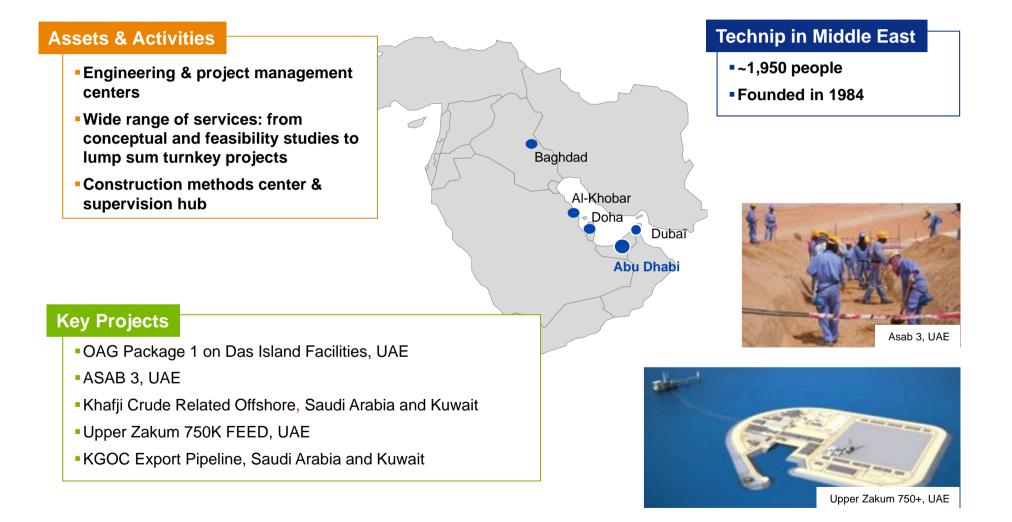


## Asia Pacific: Dedicated Assets for High Potential Market





## Middle East: Largest Engineering Capacity in the Region





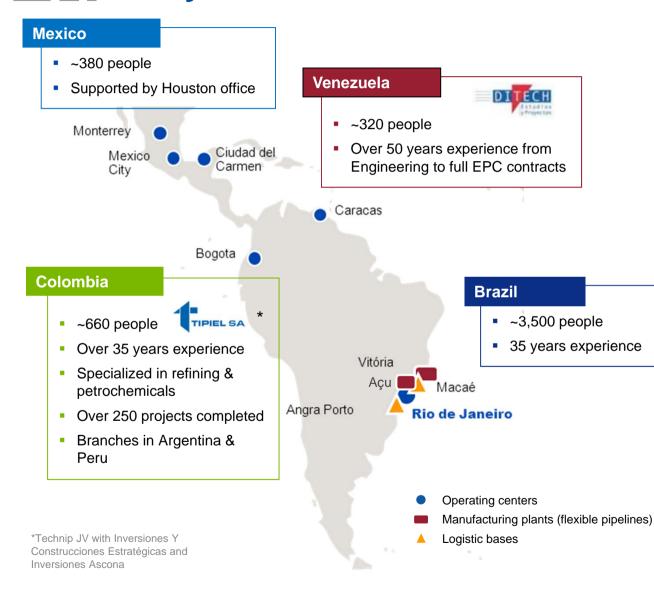
#### North America: Solid Reputation With Enhanced Portfolio of Downstream Technologies

#### **Assets & Activities**



48

#### Latin America: Strong Relationships with Local Players







Barrancabermeja refinery, Colombia



La Pampilla refinery, Peru



## **Brazil: 35 years of Local Presence**

#### **Assets & Activities**

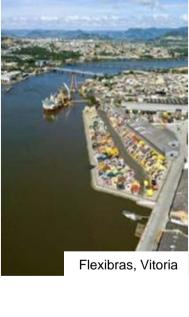


- Cubatao refinery, Onshore/Offshore
- P-56 semi-submersible, Onshore/Offshore

#### **Technip in Brazil**

- ~3,500 People
- Founded in 1977

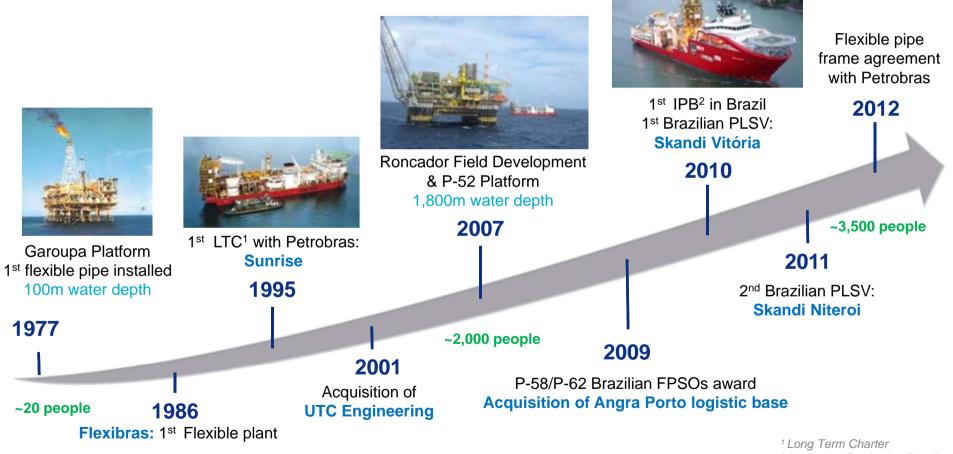




<sup>1</sup> under construction

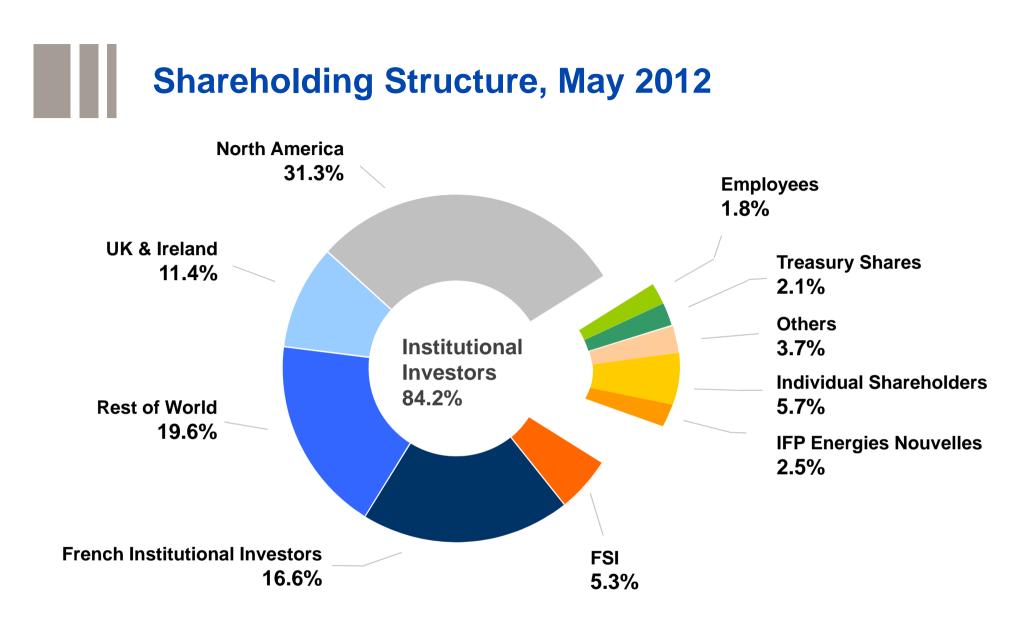


#### **Technip in Brazil: Steady Development to Provide Unmatched Local Content**



<sup>2</sup> Integrated Production Bundle





#### **Listed on NYSE Euronext Paris**





OCEANE 2010 ISIN: FR0010962704 OCEANE 2011 ISIN: FR0011163864

Private Placement Notes: ISIN: FR0010828095







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Depositary bank contacts:

ADR broker helpline: +1 212 250 9100 (New York) +44 207 547 6500 (London)

e-mail: adr@db.com ADR website: www.adr.db.com Depositary bank's local custodian: Deutsche Bank Amsterdam



## Building Solutions for the Energy Industry



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