

*This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.*

*The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.*

*This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.*

*This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.*

## **Technip**

Year ended December 31, 2012

**Statutory auditors' report  
on the financial statements**

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Membre de la compagnie  
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## Technip

Year ended December 31, 2012

### Statutory auditors' report on the financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended December 31, 2012, on:

- the audit of the accompanying financial statements of Technip;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the board of directors. Our role is to express an opinion on these financial statements based on our audit.

#### **I. Opinion on the financial statements**

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sample techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at December 31, 2012 and of the results of its operations for the year then ended in accordance with French accounting principles.

## **II. Justification of our assessments**

In accordance with the requirements of article L.823-9 of the French commercial code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- As indicated in note to the financial statements entitled "Provisions on affiliates", provisions on investments and related receivables are recognized considering the share held in the adjusted shareholders' equity, which notably takes into account the prospects for development of the subsidiary. Within the scope of our assessment of the significant estimates used to draw up the financial statements, we reviewed the assumptions used for the forecasting of future financial flows upon which these estimates were based and the corresponding figures for the most significant subsidiaries.
- As indicated in note to the financial statements entitled "Treasury shares", a provision for risks is calculated based on the treasury shares allocated to performance share plans and to share purchase option plans if the outflow of resources is probable. A provision for risks is also accrued if the outflow of resources is probable and when treasury shares held are not affected thereto or are insufficient to cover the plans.

The assessment of the probability of the outflow of resources is linked to turnover rate and performance conditions, for which a median assumption has been assumed by Technip. We have examined the relevance of the communicated data and the hypothesis on which these estimates are based.

- As regards to litigations, we have verified that the existing procedures enabled the collection, the valuation and the recording in the financial statements of any litigation in satisfactory conditions. We have specifically verified that significant litigations identified by Technip while performing these procedures were accurately described within the notes to the financial statements and particularly in note 6.21.

We carried out an assessment of the reasonableness of these estimates.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

## **III. Specific verifications and information**

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the board of directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French commercial code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris-La Défense, March 8, 2013

The statutory auditors  
*French original signed by*

PricewaterhouseCoopers Audit

ERNST & YOUNG et Autres

Edouard Sattler

Nour-Eddine Zanouda





Statutory Financial Statements  
for the year ended December 31, 2012

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# 1. BALANCE SHEET

## Assets

		As of December 31,	
In millions of Euro	Notes	2012	2011
Intangible Assets		1.2	-
Intangible Assets under Construction		-	-
<b>Total Intangible Assets</b>		<b>1.2</b>	<b>-</b>
Other Tangible Assets		0.1	0.1
Advances Paid to Suppliers		-	-
<b>Total Tangible Assets</b>		<b>0.1</b>	<b>0.1</b>
Investments	6.1	3,722.7	3,708.4
Loans Related to Investments	6.1	1,475.2	1,348.6
Other Financial Assets	6.1	138.2	105.0
<b>Total Financial Assets</b>		<b>5,336.1</b>	<b>5,162.0</b>
<b>Total Fixed Assets (I)</b>	<b>6.1</b>	<b>5,337.4</b>	<b>5,162.1</b>
Advances Paid to Suppliers		-	-
Trade Receivables	6.2	249.1	214.2
Other Current Receivables	6.2	59.2	37.8
Receivables from Group Companies	6.2	1.5	25.1
Marketable Securities	6.3	21.6	15.2
Cash at Bank and in Hand		2.9	10.1
<b>Total Current Assets, Cash and Cash Equivalents (II)</b>		<b>334.3</b>	<b>302.4</b>
<b>Accrued Assets (III)</b>	<b>6.4</b>	<b>30.9</b>	<b>25.7</b>
<b>Redemption Premiums on Bonds (IV)</b>	<b>6.4</b>	<b>7.8</b>	<b>2.6</b>
<b>Unrealized Exchange Losses (V)</b>		<b>2.1</b>	<b>1.0</b>
<b>TOTAL ASSETS (I TO V)</b>		<b>5,712.5</b>	<b>5,493.8</b>

## Equity and Liabilities

		As of December 31,	
In millions of Euro	Notes	2012	2011
Issued Capital		86.2	84.6
Share Capital Premiums		2,005.4	1,891.2
Reserves:			
■ Legal Reserves		9.8	9.8
■ Regulated Reserves		40.8	40.8
■ Other Reserves		119.0	119.0
Retained Earnings		330.8	145.8
Net Income		472.5	357.7
Interim Dividends		-	-
<b>Net equity</b>	<b>6.5</b>	<b>3,064.5</b>	<b>2,648.9</b>
Regulated Provisions	6.6	-	-
<b>Total Shareholder's Equity (I)</b>		<b>3,064.5</b>	<b>2,648.9</b>
Provisions for Risks		161.4	136.7
Provisions for Charges		2.1	1.3
<b>Total Provisions for Risks and Charges (II)</b>	<b>6.6</b>	<b>163.5</b>	<b>138.0</b>
Bonds		1,572.6	1,247.6
Bank Borrowings and Credit Lines		15.5	7.8
Other Financial Debts and Liabilities		-	-
Financial Debts towards Group Companies		805.9	1,278.2
Advances Received from Clients		-	-
Accounts Payables and Related Accounts		73.3	66.5
Tax and Social Security Liabilities		12.4	68.5
Payable on Assets		-	-
Other Liabilities		0.8	24.7
<b>Total Liabilities (III)</b>	<b>6.8</b>	<b>2,480.5</b>	<b>2,693.3</b>
Unrealized Exchange Gains (IV)		4.0	13.6
<b>TOTAL EQUITY AND LIABILITIES (I TO IV)</b>		<b>5,712.5</b>	<b>5,493.8</b>

## 2. STATEMENT OF INCOME

		12 months	
In millions of Euro	Notes	2012	2011
Sales of Goods: Rendering of Services		151.3	156.9
<b>Revenues</b>	<b>6.10</b>	<b>151.3</b>	<b>156.9</b>
Capitalized Expenses		-	-
Provision Reversals and Transferred Expenses		6.5	5.6
Other Operating Income		-	-
<b>Total Operating Income</b>		<b>157.8</b>	<b>162.5</b>
General and Administrative Costs		(204.1)	(194.1)
Taxes		(3.5)	(2.0)
Wages and Salaries, Social Security Costs		(14.2)	(15.8)
Allowances for Provisions and Amortization			
■ on Fixed Assets	6.1	(0.1)	(0.8)
■ on Other Current Assets		-	-
■ for Risks and Charges		(4.7)	(1.4)
Other Operating Expenses		(0.6)	(0.5)
<b>Total Operating Expenses</b>		<b>(227.2)</b>	<b>(214.6)</b>
<b>Income from Operating Activities (I)</b>		<b>(69.4)</b>	<b>(52.1)</b>
Dividends and Interim Dividends		479.0	420.5
Other Financial Income related to Financial Assets and Marketable Securities		47.8	8.5
Financial Interests		64.2	39.2
Reversals of Provisions and Charges Transferred		57.4	31.9
Exchange Gains Realized		31.4	31.0
Net Gain on Disposal of Marketable Securities		-	-
<b>Total Financial Income</b>		<b>679.8</b>	<b>531.1</b>
Allowance for Provisions and Amortization		(69.7)	(58.7)
Interest Charges		(31.7)	(42.3)
Exchange Loss Realized		(21.2)	(42.0)
Net Loss on Disposal of Marketable Securities		-	-
<b>Total Financial Expenses</b>		<b>(122.6)</b>	<b>(143.0)</b>
<b>Financial Result (II)</b>	<b>6.11</b>	<b>557.2</b>	<b>388.1</b>
<b>Current Income before Tax (I-II)</b>		<b>487.8</b>	<b>336.0</b>
Extraordinary Income from Operating Activities		16.7	2.0
Extraordinary Income from Financing Activities		1.2	2.8

Reversals of Provisions and Charges Transferred		4.6	4.5
<b>Total Extraordinary Incomes</b>		<b>22.5</b>	<b>9.3</b>
Extraordinary Expenses from Operating Activities		(15.1)	(0.1)
Extraordinary Expenses from Financing Activities		(60.3)	(31.2)
Allowance for Extraordinary Provisions		-	(0.3)
<b>Total Extraordinary Expenses</b>		<b>(75.4)</b>	<b>(31.6)</b>
<b>Extraordinary Result (III)</b>	<b>6.12</b>	<b>(52.9)</b>	<b>(22.3)</b>
<b>Profit Sharing (IV)</b>		-	-
<b>Income Tax (V)</b>	<b>6.13</b>	<b>37.6</b>	<b>44.0</b>
Income		860.1	702.9
Expenses		(387.6)	(345.2)
<b>NET INCOME (I TO V)</b>		<b>472.5</b>	<b>357.7</b>

### 3. STATEMENT OF CASH FLOWS

In millions of Euro	12 months	
	2012	2011
Net Income	472.5	357.7
Amortization and Depreciation of Fixed Assets and Prepaid Expenses	0.1	0.8
Increase/(Decrease) in Provisions <sup>(1)</sup>	13.8	26.6
Net (Gains)/Losses on Disposal of Assets and Investments	10.8	35.7
<b>Cash Flow from Operations</b>	<b>497.1</b>	<b>420.8</b>
<b>Changes in Working Capital</b>	<b>(125.6)</b>	<b>(32.6)</b>
<b>Net Cash Generated from Operating Activities</b>	<b>371.6</b>	<b>388.2</b>
(Purchases)/Disposals of Intangible Assets	(1.2)	-
(Purchases)/Disposals of Tangible Assets	-	-
(Purchases)/Disposals of Financial Assets <sup>(2)</sup>	(15.3)	(148.4)
<b>Net Cash Used in Investing Activities</b>	<b>(16.5)</b>	<b>(148.4)</b>
(Increase)/Decrease in Long-Term Receivables (subsidiaries loans) <sup>(3)</sup>	(126.4)	(1,094.7)
(Increase)/Decrease in treasury shares net of selling price	(39.5)	-
Increase/(Decrease) in Current Account Cash Pooling	(472.3)	1,162.8
Increase/(Decrease) in Short-Term Debts (Credit Facilities)	7.9	(30.5)
Increase/(Decrease) in Long-Term Debts (Bond) <sup>(4)</sup>	325.0	(152.4)
(Increase)/Decrease in Liquidity Contract	0.2	3.2
Capital Increase and Issuance Premium <sup>(5)</sup>	115.7	34.5
Dividends Paid <sup>(6)</sup>	(172.6)	(156.1)
<b>Net Cash (Used in)/Generated from Financing Activities</b>	<b>(362.0)</b>	<b>(233.2)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(6.9)</b>	<b>6.6</b>
Cash and Cash Equivalents as of January 1	9.7	3.1
<b>CASH AND CASH EQUIVALENTS AS OF DECEMBER 31</b>	<b>2.8</b>	<b>9.7</b>
Cash and Cash Equivalents	2.9	10.1
Bank Overdrafts	(0.1)	(0.4)
<b>CASH AND CASH EQUIVALENTS AS OF DECEMBER 31</b>	<b>2.8</b>	<b>9.7</b>

- (1) In 2012, including mainly provision for risks regarding performance shares (€23.8 million) and reversal of provision on investments of a subsidiary (€11.9 million)  
In 2011, including provision and reversal for risks regarding performance shares (€15.8 million) and provision on investments of a French subsidiary (€11.5 million).
- (2) In 2012, including mainly continuation of acquisition of Cybernétix shares and acquisition of additional MHB shares  
In 2011, including mainly acquisition of shares of Cybernétix and Front End Re and acquisition of additional MHB shares.
- (3) In 2012, including mainly increase of a French subsidiary loan (€102 million) for the purpose of Stones & Webster Process Technology Group acquisition.  
In 2011, including mainly increase of a French subsidiary loan (€982 million) for the purpose of Global Industries Group acquisition.
- (4) In 2012, long-term private placements issuance (€325 million)  
In 2011, OCEANE bond Issuance and reimbursement of corporate bond issued in 2004.
- (5) In 2012, capital increase linked to share subscription options exercised.  
In 2011, capital increase linked to share subscription options exercised and capital increase reserved for employees
- (6) In 2012, 2011 dividends for €172.6 million  
In 2011, 2010 dividends for €156.1 million.

## 4. NOTES ON ACCOUNTING PRINCIPLES

The accounting principles used by Technip in preparing the financial statements for financial year 2012 are in compliance with *plan comptable général* fixed by the *règlement* CRC No. 99.03 validated by the *arrêté* of June 22, 1999 (French GAAP).

The statutory financial statements of Technip as of December 31, 2012, were approved by the Board of Directors on February 19, 2013.

### Foreign Currency Transactions

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Transactions in foreign currencies related to financial revenues or expenses are recorded in accordance with current accounting policies.

At year-end, receivables and liabilities are translated at the exchange rates prevailing at the closing date, and any differences are recorded as unrealized exchange gains or losses.

If a potential loss is identified when converting receivables and payables at the closing exchange rate, a provision for exchange risk is booked for the same amount.

Treasury accounts and current accounts of the cash pooling entity of the Group are translated at the exchange rates prevailing at the closing date, and any differences are recorded as financial gains or expenses.

### Provisions on Affiliates

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Provisions on investments and related receivables are recognized whenever the gross carrying value of the investment is higher than the share held in the shareholders' equity, which has been adjusted in order to take into account certain commitments entered into by the parent company and the prospects for development of the subsidiary.

For the main subsidiaries, these prospects are assessed on the basis of forecasted future cash flows, based on the most likely scenarios adopted by the management.

All provisions booked to cover affiliate risks are fully recorded under financial expenses whether they cover write-downs of investments in affiliated companies, related receivables, or the booking of additional provisions for risk, if necessary.

Debt waivers and subsidies granted to subsidiaries are also accounted in financial result.

### Treasury Shares

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Treasury shares held by the Company are recorded at the acquisition cost, and gain/(loss) on sales of treasury shares are booked according to the FIFO method (First In, First Out).

The Company has applied the recommendations of the French accounting standards body, the *Comité de réglementation comptable* (CRC), dated December 2008 regarding accounting principles to be used for stock options plans and performance share plans granted to employees.

#### 1. Treasury shares allocated to Company employees

The treasury shares allocated to Company employees are classified under marketable securities.

A provision for risks is calculated based on the treasury shares allocated to performance share plans and to share purchase option plans, and is spread over the vesting period if the cash out is expected.

The assessment of delivery is linked to performance conditions (for which a median hypothesis has been assumed) and turnover rate. Regarding the share purchase option plans, the assessment of delivery is also linked to a fair value at the closing date (if the exercise price of the share purchase option is less than the market value of Technip share).

When the cash out is expected and no treasury share is allocated or is not sufficient to cover the corresponding plans, a provision for risk is also recognized. This provision is spread over the vesting period.

When the cash out is not expected, a provision on marketable securities is recognized, if necessary, for the difference between the market value (based upon the average of share price for the last month of the year) and the gross carrying amount of the treasury shares.



## 2. Treasury shares allocated to subsidiaries' employees

The treasury shares allocated to share purchase option plans and performance share plans granted to subsidiaries' employees are classified under other financial assets.

At year-end, if the market value of Technip's share (computed on the basis of the average price for the last month of the year) is less than the gross carrying amount of treasury shares, a provision for depreciation is recognized for the difference.

Moreover, for performance shares granted to subsidiaries' employees, a provision for risks is booked based upon the net book value of the treasury shares, taking into account the performance conditions and turnover rate.

When the cash out is expected and no treasury share is allocated or is not sufficient to cover the corresponding plans, a provision for risk is also recognized.

Due to the Stock Incentive Plan Recharge Master Agreement put in force with subsidiaries concerned, the Company books financial revenues equal to the provision for risks.

## 3. Other treasury shares non allocated to plans

The treasury shares not allocated to share purchase option plans and performance share plans are classified under other financial assets plans.

At year-end, if the market value of Technip's share (computed on the basis of the average price for the last month of the year) is less than the gross carrying amount of treasury shares, a provision for depreciation is recognized for the difference.

## Intangible Assets and Property, Plant and Equipment

Intangible assets include software, which is amortized over a period of 3 to 5 years, and software development costs, when they fulfill the eligibility criteria provided by the French Accounting Standards.

Fixed assets are carried at their acquisition cost, their production cost, or at their fair value in case of business combinations.

Tangible assets mainly relate to Adria Tower equipment and furniture. Amortization lifetimes, principally straight line, represent the useful lives estimated to be likely by the Company:

- Office fixtures and furniture      8 to 10 years
- IT equipment                              3 years

## Trade Receivables

Trade receivables are valued at their nominal value. A provision for doubtful accounts is recorded when receivables are highly likely to be uncollectible.

## 5. MAIN EVENTS OF THE YEAR

Technip's activities consist mainly in holding interests in affiliates, receiving dividends, centralizing and re-invoicing both management fees and other organizational costs, such as insurance and financing costs on guarantees.

- Following the settlement of the cash tender offer made by the Company on the shares of Cybernétix, the Company filed a request for the implementation of a squeeze-out for the remaining Cybernétix shares. This squeeze-out was aiming at 22,697 shares representing 1.40% of the share capital and 1.43% of the voting rights for a price corresponding to the offer price, *i.e.* €19 per share. This squeeze-out was implemented on February 2, 2012, when Cybernétix shares were delisted from the NYSE Euronext in Paris. The Company holds 100% of the share capital and the voting rights.
- In May 2012, the Company paid a dividend of €1.58 per share, which represented a global distribution of €172.6 million.
- In June 2012, the Company received 3 long-term private placements. Each long-term private placement has been subscribed by various investors; the total amount being €325 million:
  - a private placement for €150 million. The redemption date is June 14, 2022 and the annual coupon is 3.40% which is payable on June 14 of each year. This placement has been rated BBB+ by Standard & Poor's and has been listed on the NYSE Euronext Paris stock exchange.
  - a private placement for €75 million. The redemption date is June 15, 2027 and the annual coupon is 4% which is payable on June 15 of each year. This placement has been rated BBB+ by Standard & Poor's and has been listed on the NYSE Euronext Paris stock exchange.
  - a private placement for €100 million. The redemption date is June 14, 2032 and the annual coupon is 4% which is payable on June 14 of each year. An application quotation of this private placement on the open market ("Freiverkehr") of the Frankfurt Stock Exchange has been made.

These bond issues are part of the general management of the Group's cash and liabilities and raise funds for general corporate purposes. The Notes d'opération of these private placements include standard covenants and default clauses for these types of bond issues, and does not include any financial ratio. The issues provide that in the event of a change of control of Technip and the Standard & Poor's rating downgrade of the notes below BBB-, any bondholder may request, at his sole option, the early redemption of all the bonds he owns.

- On July 10, 2012, the Company realized a capital increase reserved for employees by issuing 1,475,143 new shares (including 365,616 new shares attributed through SAR - *Stock Appreciation Rights*), which resulted in an increase issued capital (€1.1 million) and increased share capital premiums (€86.9 million) minus net costs linked to this capital increase (€1.2 million), total amount being €85.7 million.

The reference price amounts to €74.63 and the subscription price amounts to €59.70 i.e. a 20% discount on face value.

- During the financial year, the Company bought treasury shares in accordance with Shareholder's meeting decision on April 28, 2011. The period of purchase is limited to 18 months and the number of shares to be bought cannot exceed 10% of issued capital, with a price ceiling amounting to €105. In 2012, the Company bought 1,337,110 shares at an average price of €81, total amount being €108.3 million.
- On August 20, 2012, the Company granted a loan to its subsidiary Technip Offshore International for a total amount of €102 million dedicated to the acquisition of Stones & Webster Process Technology investments. The annual interest rate is 2.1% and the maturity date is August 31, 2019.
- The number of treasury shares is 2,370,981 as of December 31, 2012. 264,100 of these shares are allocated to executive share subscription option and share purchase option plans, as well as performance share plans granted to the Company employees; 2,077,881 shares are allocated to performance share plans granted to Group subsidiaries' employees; 29,000 shares are allocated to the liquidity contract.

## 6. NOTES TO THE FINANCIAL STATEMENTS

### 6.1. Fixed Assets

#### (a) Changes over the past year

In millions of Euro	Intangible Assets	Tangible Assets	Financial Assets	Total Fixed Assets
<b>Gross Value as of January 1, 2011</b>	<b>11.9</b>	<b>12.8</b>	<b>3,959.6</b>	<b>3,984.3</b>
Acquisitions	-	-	1,372.6	1,372.6
Disposals	-	-	(153.2)	(153.2)
<b>Gross Value as of December 31, 2011</b>	<b>11.9</b>	<b>12.8</b>	<b>5,179.0</b>	<b>5,203.7</b>
Acquisitions <sup>(1)</sup>	1.2	-	310.9	312.1
Disposals <sup>(2)</sup>	-	-	(148.4)	(148.4)
<b>Gross Value as of December 31, 2012</b>	<b>13.1</b>	<b>12.8</b>	<b>5,341.5</b>	<b>5,367.4</b>
<b>Amortization and Depreciation as of January 1, 2011</b>	<b>(11.9)</b>	<b>(11.9)</b>	<b>(4.8)</b>	<b>(28.6)</b>
Allowance	-	-	(12.2)	(12.2)
Reversals	-	(0.8)	-	(0.8)
<b>Amortization and Depreciation as of December 31, 2011</b>	<b>(11.9)</b>	<b>(12.7)</b>	<b>(17.0)</b>	<b>(41.6)</b>
Allowance <sup>(3)</sup>	-	-	(1.3)	(1.3)
Reversals	-	-	12.9	12.9
<b>Amortization and Depreciation as of December 31, 2012</b>	<b>(11.9)</b>	<b>(12.7)</b>	<b>(5.4)</b>	<b>(30.0)</b>
<b>NET VALUE AS OF DECEMBER 31, 2012</b>	<b>1.2</b>	<b>0.1</b>	<b>5,336.1</b>	<b>5,337.4</b>

- Increase in financial assets due to mainly acquisitions of Cybernétix (€11.1 million) and MHB (€3.2 million) and share capital increases of Technip Offshore Wind (€1.4 million), increases in loans granted to subsidiaries (€182.9 million including mainly the loan granted to Technip Offshore International for the purpose of Stones & Webster Process Technology), and to increases in treasury shares on liquidity contract (€34.7 million) and for allocation to performance share plans and to share subscription option plans granted to subsidiaries employees (€70.8 million)
- Decrease in financial assets due to mainly disposals of shares in subsidiaries (€11.9 million), repayments of loans granted to subsidiaries (€47.6 million) decreases in treasury shares due to performance shares vested (€37.8 million) and decreases in treasury shares on liquidity contract (€34.7 million).
- Provisions on investments for €1.3 million.
- Reversal of Provisions on investments for €12.9 million.

## (b) Financial Assets

Financial assets break down as follows:

In millions of Euro	As of December 31,			
	2012			2011
	Gross Value	Provisions for Depreciation	Net Value	Net Value
Investments	3,728.3	(5.5)	3,722.7	3,708.4
Loans Related to Investments	1,475.2		1,475.2	1,348.6
Treasury Shares	127.2		127.2	94.1
Liquidity Contract	10.9		10.9	10.9
<b>TOTAL FINANCIAL ASSETS</b>	<b>5,341.6</b>	<b>(5.5)</b>	<b>5,336.1</b>	<b>5,162.0</b>

The detail of investments is presented in Note 7.

Investments are recorded at their acquisition cost excluding directly attributable transaction costs.

Loans related to investments mainly consist in loans granted to subsidiaries held both directly and indirectly. The increase of loans related to Investments is mainly due to the loan granted to Technip Offshore International for the purpose of Stones & Webster Process Technology acquisition (€102 million).

In 2012, Technip sold 747,192 treasury shares for performance shares vested to subsidiaries' employees. As of December 31, 2012, the balance of treasury shares (1,972,381) included shares bought from 2006 to 2012 and allocated to performance share plans granted to subsidiaries employees, included also 29,000 shares bought from the liquidity contract in 2012.

## 6.2. Current Assets

Current assets break down as follows:

In millions of Euro	As of December 31,			
	2012			2011
	Gross Value	Provisions for Depreciation	Net Value	Net Value
Trade Receivables	249.2	(0.1)	249.1	214.2
Other Receivables, Income Tax and VAT	54.8	-	54.8	26.9
Other Current Receivables, Sundry Debtors	4.5	(0.1)	4.4	10.9
<b>Total Other Current Receivables</b>	<b>59.3</b>	<b>(0.1)</b>	<b>59.2</b>	<b>37.8</b>
<b>Current Accounts with subsidiaries</b>	<b>4.7</b>	<b>(3.2)</b>	<b>1.5</b>	<b>25.1</b>

The trade receivables consist mainly in invoices to subsidiaries.

## 6.3. Marketable Securities

Marketable securities correspond to treasury shares allocated to share subscription option plans, share purchase option plans and performance share plans granted to Company employees. Their variations break down as follows:

In millions of Euro	As of December 31,	
	2012	2011
<b>Gross Value as of January 1</b>	<b>15.2</b>	<b>19.7</b>
Transfer to Financial Assets (1)	(19.4)	-
Increase in Treasury shares	56.8	
Decrease in Treasury Shares	(31.0)	(4.5)
<b>Gross Value as of December 31</b>	<b>21.6</b>	<b>15.2</b>
<b>Depreciation as of January 1</b>	<b>-</b>	<b>-</b>
Allowance	-	-
Reversal	-	-
<b>Depreciation as of December 31</b>	<b>-</b>	<b>-</b>
<b>NET VALUE AS OF DECEMBER 31</b>	<b>21.6</b>	<b>15.2</b>

(1) Treasury shares bought in 2012 and transferred to Financial Assets as they are allocated to share purchase option plans granted to subsidiaries employees

As of December 31, 2012, the balance of treasury shares (398,600 shares) included shares that were bought in 2006 and 2012.

## 6.4. Accrued Assets and Redemption Premium

### Accrued Assets (€24.7 million as of December 31, 2012)

They mostly include insurance costs.

### Deferred Charges (€6.2 million as of December 31, 2012)

They include:

- issuing fees (for a gross amount of €5.0 million) related to the €550 million convertible bond (OCEANE) issued in November 2010, to be amortized over five years and forty-five days. Annual amortization amounted to €1.0 million in 2012, and net value was €2.9 million as of December 31, 2012;
- issuing fees (for a gross amount of €4.2 million) related to the €497.6 million convertible bond issued on December 15, 2011, to be amortized over five years and seventeen days. Annual amortization amounted to €0.7 million in 2012, and net value was €3.3 million as of December 31, 2012.

### Redemption Premium (€7.8 million as of December 31, 2012)

This exclusively corresponds to:

- redemption premiums (for a gross amount of €3.1 million) related to the €200 million private placement received in 2010, to be amortized on a straight line basis over ten years. The net value was €2.3 million as of December 31, 2012.
- redemption premiums (for a gross amount of €5.2 million) related to the €100 million private placement received in 2012, to be amortized on a straight line basis over twenty years. The net value was €5.1 million as of December 31, 2012.
- redemption premiums (for a gross amount of €0.3 million) related to the €150 million private placement received in 2012, to be amortized on a straight line basis over ten years. The net value was €0.3 million as of December 31, 2012.
- redemption premiums (for a gross amount of €0.1 million) related to the €75 million private placement received in 2012, to be amortized on a straight line basis over fifteen years. The net value was €0.1 million as of December 31, 2012.

## 6.5. Shareholders' Equity

### (a) Changes in Shareholders' Equity

Changes in shareholders' equity are as follows:

In millions of Euro	As of December 31,	
	2012	2011
Shareholders' Equity as of January 1	2,648.9	2,412.2
Capital increase	86.8	-
Share Subscription Options Exercised	28.9	34.5
Net Income	472.5	357.7
Other <sup>(1)</sup>	-	0.6
Dividends	(172.6)	(156.1)
<b>SHAREHOLDERS' EQUITY AS OF DECEMBER 31</b>	<b>3,064.5</b>	<b>2,648.9</b>

(1) Adjustment on dividends to be paid related to dividends on treasury shares.

### (b) Changes in Issued Capital

Changes in issued capital are as follows:

	As of December 31,	
	2012	2011
Number of Shares as of January 1	110,987,758	110,249,352
Increase due to Share Subscription Options Exercised	577,612	738,406
Capital increase reserved for employees	1,475,143	
<b>NUMBER OF SHARES AS OF DECEMBER 31</b>	<b>113,040,513</b>	<b>110,987,758</b>
Share Nominal Value (in Euros)	0.7625	0.7625
<b>Common Stock as of December 31 (in millions of Euro)</b>	<b>86.2</b>	<b>84.6</b>

The number of shares that carry double voting rights is 5,576,491 as of December 31, 2012.

### (c) Share Subscription Option, Share Purchase Option and Performance Share Plans

#### 1/ Technip Share Subscription Option Plans

The details of Technip share subscription option plans are as follows:

Year of the Plan	2005				
	Part 1	Part 2	Part 3	Re-Granted Part 1 and 2	Re-Granted Part 1, 2 and 3
Date of the Shareholders' Meeting	April 29, 2005	April 29, 2005	April 29, 2005	April 29, 2005	April 29, 2005
Date of the Board of Directors Meeting	Dec. 14, 2005	July 26, 2006	March 12, 2007	Dec. 12, 2007	June 12, 2008
Term	6 years	6 years	6 years	6 years	6 years
Remaining Number of Options to be Exercised	-	-	202,505	7028	33,000

Current Exercise Price (in Euros)	46.9	41.4	49.2	55.7	60.0
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Part 2 of the 2005 plan expired in December 2012. A total number of 81,340 options were exercised in the financial year. 376,198 options of Part 3 were exercised during the financial year. Regarding re-granting of December 2007 and June 2008, respectively 55,216 and 64,658 options were vested in the financial year.

	2009
<b>Year of the Plan</b>	<b>Part 1</b>
Date of the Shareholders' Meeting	April 30, 2009
Date of the Board of Directors Meeting	June 15, 2009
Term	6 years
Remaining Number of Options to be Exercised	1,029,200
Current Exercise Price (in Euros)	34.7

	2010		
<b>Year of the Plan</b>	<b>Part 1</b>	<b>Part 2</b>	<b>Part 3</b>
Date of the Shareholders' Meeting	April 29, 2010	April 29, 2010	April 29, 2010
Date of the Board of Directors Meeting	June 23, 2010	Dec. 15, 2010	March 4, 2011
Term	6 years	6 years	4 years
Remaining Number of Options to be Exercised	1,055,900	17,400	76,900
Current Exercise Price (in Euros)	51.5	63.2	72.2

	2011		
<b>Year of the Plan</b>	<b>Part 1</b>	<b>Part 2</b>	<b>Part3</b>
Date of the Shareholders' Meeting	April 28, 2011	April 28, 2011	April 28, 2011
Date of the Board of Directors Meeting	June 17, 2011	Dec. 14, 2011	March 2, 2012
Term	7 years	7 years	7 years
Remaining Number of Options to be Exercised	338,400	49,000	48,707
Current Exercise Price (in Euros)	72.7	66.9	78,4

The 2011 Part 3 and the 2012 Part 1 and 2 share subscription option plans were granted in the financial year.

	2012	
Year of the Plan	Part 1	Part 2
Date of the Shareholders' Meeting	April 26, 2012	April 26, 2012
Date of the Board of Directors Meeting	June 15, 2012	December 12, 2012
Term	7 years	7 years
Remaining Number of Options to be Exercised	284,100	35,350
Current Exercise Price (in Euros)	74.6	87.1

These share subscription option plans were granted subject to certain performance targets. The final number of share subscription options granted to employees is contingent upon Technip achieving a satisfactory performance for its shareholders. For the 2005 plan, this performance will be measured as the increase in Group earnings per share compared to the average earnings per share growth for a sample of industry peers. For the 2009 and 2010 plans, this performance will be measured as the increase in Group consolidated net income compared to the average consolidated net income growth for a sample of industry peers. For the 2011 and 2012 plans, the performance will be respectively measured over the 2011-2013 period and 2012-2014 period on the basis of several criteria: Group results in terms of Total Shareholder Return, operating income from recurring activities and return on capital employed.

## 2/ Technip Share Purchase Option Plans

The details of Technip share purchase option plans are as follows:

	2008
Year of the Plan	Part 1
Date of the Shareholders' Meeting	May 6, 2008
Date of the Board of Directors Meeting	July 1, 2008
Term	6 years
Remaining Number of Options to be Exercised	524,005
Current Exercise Price (in Euros)	58.2

These share purchase option plans are exercisable from July 1, 2012. 362,555 were exercised in the financial year.

As of December 31, 2012, the charge related to share purchase option plans granted to the Company's employees amounted to €1.7 million (including €0.5 million vested).

## 3/ Performance Share Plans

Performance share plans have been implemented since 2007. Their characteristics are as follows:

	2008					
Year of the Plan	Part 1 List 1	Part 1 List 2	Part 2 List 1	Part 2 List 2	Part 3 List 1	Part 3 List 2
Date of the Shareholders' Meeting	May 6, 2008	May 6, 2008	May 6, 2008	May 6, 2008	May 6, 2008	May 6, 2008
Date of the Board of Directors Meeting	July 1, 2008	July 1, 2008	Dec. 9, 2008	Dec. 9, 2008	Feb. 18, 2009	Feb. 18, 2009
Term	5 years	4 years	5 years	4 years	5 years	4 years
Number of Outstanding Shares	-	-	-	-	-	118,650

The performance shares related to the 2008 plan Part 1 List 2 were vested in July 2012 (423,150 shares finally vested and 13,920 cancelled) and those of Part 3 List 1 were vested in February 2012 (58,342 shares finally vested and 600 cancelled). Performance shares of Part 3 List 2 will be vested in February 2013.

2009					
Year of the Plan	Part 1 List 1	Part 1 List 2	Part 2 List 1	Part 3 List 1	Part 3 List 2
Date of the Shareholders' Meeting	April 30, 2009	April 30, 2009	April 30, 2009	April 30, 2009	April 30, 2009
Date of the Board of Directors Meeting	June 15, 2009	June 15, 2009	Oct. 25, 2009	Feb. 16, 2010	Feb. 16, 2010
Term	5 years	4 years	5 years	5 years	4 years
Number of Shares Granted	-	584,900	-	42,250	52,300

2010						
Year of the Plan	Part 1 List 1	Part 1 List 2	Part 2 List 1	Part 2 List 2	Part 3 List 1	Part 3 List 2
Date of the Shareholders' Meeting	April 29, 2010	April 29, 2010	April 29, 2010	April 29, 2010	April 29, 2010	April 29, 2010
Date of the Board of Directors Meeting	June 23, 2010	June 23, 2010	Dec. 15, 2010	Dec. 15, 2010	March 4, 2011	March 4, 2011
Term	5 years	4 years	5 years	4 years	5 years	4 years
Number of Shares Granted	314,800	519,500	3,000	9,300	23,600	58,300

2011						
Year of the Plan	Part 1 List 1	Part 1 List 2	Part 2 List 1	Part 2 List 2	Part 3 List 1	Part 3 List 2
Date of the Shareholders' Meeting	April 28, 2011	April 28, 2011	April 28, 2011	April 28, 2011	April 28, 2011	April 28, 2011
Date of the Board of Directors Meeting	June 17, 2011	June 17, 2011	Dec. 14, 2011	Dec. 14, 2011	March 2, 2012	March 2, 2012
Term	5 years	4 years	5 years	4 years	5 years	4 years
Number of Shares Granted	132,800	215,550	6,000	27,750	13,600	34,207

The 2011 Part 3 and 2012 performance share plans were granted in the financial year.

2012				
Year of the Plan	Part 1 List 1	Part 1 List 2	Part 2 List 1	Part 2 List 2
Date of the Shareholders' Meeting	April 26, 2012	April 26, 2012	April 26, 2012	April 26, 2012
Date of the Board of Directors Meeting	June 15, 2012	June 15, 2012	December 12, 2012	December 12, 2012
Term	5 years	4 years	5 years	4 years
Number of Shares Granted	168,800	257,950	18,500	108,392



Performance shares were granted contingent upon the same performance conditions. For the 2008, 2009 and 2010 performance share plans, performance will be based on the Group's consolidated result relative to the average consolidated result of a panel of competitors. For the 2011 and 2012 plans, the performance is respectively measured over the 2011-2013 period and 2012-2014 period on the basis of several criteria: Group results in matter of Health/Safety/Environment, operating income from recurring activities and treasury generated from operating activities.

As of December 31, 2012, the charge related to performance share plans granted to the Company's employees amounted to €5.7 million (including €3.9 million vested).

## (d) Distributable Retained Earnings

As of December 31, 2012, the distributable retained earnings of Technip amount to €2,927.7 million including share capital premiums for €2,005.4 million, after estimated due taxes.

## 6.6. Provisions

### (a) Nature of Provisions for Risks and Charges

As of December 31, 2012, provisions for risks mostly include €2 million of provisions for foreign exchange losses, provisions for risks on treasury shares allocated to performance share plans granted to Company's employees (booked as marketable securities) for €3.7 million and granted to subsidiaries' employees (booked as financial assets) for €58.7 million, and €1 million of provisions for retirement indemnities.

The provision for retirement indemnities is calculated according the actuarial valuation method:

- discount rate: 3.1%;
- inflation rate: 2.0%;
- future salary increase: 2.2%;
- employee turnover: between 0.0% and 5.0% according to age;
- return on assets: 3.0%.

### (b) Changes in Provisions

Changes in provisions are as follows:

In millions of Euro	As of January 1, 2012	Allowance	Used Reversals	Unused Reversals	As of December 31, 2012
Regulated Provisions	-	-	-	-	-
Provisions for Risks	136.7	69.9	45.2	-	161.4
Provisions for Charges	1.3	1.0	0.2	-	2.1
<b>Total Provisions in Liabilities</b>	<b>138.0</b>	<b>70.9</b>	<b>45.4</b>	<b>-</b>	<b>163.5</b>
Provisions on Investments	16.0	1.4	11.9	-	5.5
Provisions on Loans	1.1	-	1.1	-	-
Provisions on Current Assets	0.1	-	-	-	0.1
Provisions on other Current Assets	0.1	-	-	-	0.1
Provisions on Current Accounts	3.3	-	0.1	-	3.2
<b>Total Provisions on Assets</b>	<b>20.6</b>	<b>1.4</b>	<b>13.1</b>	<b>-</b>	<b>8.9</b>
<b>TOTAL PROVISIONS</b>	<b>158.6</b>	<b>72.3</b>	<b>58.5</b>	<b>-</b>	<b>172.4</b>

The main variation is attributable to provisions for risks on treasury shares allocated to performance shares plans: allowance on provision on plans implemented in 2012 amounted to €62.4 million (i.e. €51.5 for performance share plans and €10.9 million for share purchase option plans) and reversal of provisions on plans vested in 2012 amounted to €38.6 million (i.e. €37.5 for performance share plans and €1.1 million for share purchase option plans);

## (c) Breakdown of Provision Changes

Allowances and reversals of provisions break down as follows:

In millions of Euro	2012	2011
Operating Allowances	4.7	1.4
Financial Allowances <sup>(1)</sup>	67.6	57.2
Extraordinary Allowances	-	0.3
<b>TOTAL PROVISION ALLOWANCES</b>	<b>72.3</b>	<b>58.9</b>
Operating Reversals	0.9	0.4
Financial Reversals	57.4	31.9
Extraordinary Reversals	0.2	-
<b>Total Provision Reversals</b>	<b>58.5</b>	<b>32.3</b>
Operating Charges Transferred <sup>(2)</sup>	5.6	5.2
Financial Charges Transferred <sup>(3)</sup>	4.4	4.5
<b>TOTAL PROVISION REVERSALS AND CHARGES TRANSFERRED</b>	<b>68.5</b>	<b>42.0</b>
<p>(1) Excluding amortization of deferred charges and redemption premiums on bonds (€2.3 million).            (2) Including mainly the reclassification of insurance indemnities as operating result.            (3) Reclassification of the result on the Company employees' treasury shares as payroll expenses.</p>		

## 6.7. Accrued Charges and Accrued Income Included in Assets and Liabilities

Accrued income included in assets amounts to €239.0 million as of December 31, 2012, against €194.6 million as of December 31, 2011.

Accrued charges included in liabilities amount to €48.5 million as of December 31, 2012, and €112.0 million as of December 31, 2011.

## 6.8. Maturity of Assets and Liabilities

The maturity of assets (net of provisions) and liabilities breaks down as follows:

In millions of Euro	As of December 31, 2012	Less than 1 Year	More than 1 Year
Financial Assets <sup>(1)</sup>	1,475.2	125.7	1,349.5
Trade Receivables	249.1	249.1	-
Receivables from Group Companies	1.5	1.5	-
Other Current Receivables	59.2	59.2	-
Accrued Assets	30.9	30.9	-
<b>TOTAL ASSETS</b>	<b>1,815.9</b>	<b>466.4</b>	<b>1,349.5</b>
<p>(1) Without investments, treasury shares and liquidity contract.</p>			

In millions of Euro	As of December 31, 2012	Less than 1 Year	Between 1 Year and 5 Years	More than 5 Years
Bond <sup>(1)</sup>	1,572.6	-	-	1,572.6
Bank Borrowings / Credit Lines	15.4	15.4	-	-
Other Financial Debts and Liabilities	-	-	-	-
Financial Debts and Liabilities with Group Companies <sup>(2)</sup>	805.9	-	805.9	-
Accounts Payables	73.2	73.2	-	-
Tax and Social Security Liabilities	12.4	12.4	-	-
Payable on Assets	-	-	-	-
Other Liabilities	1.0	1.0	-	-
<b>TOTAL LIABILITIES</b>	<b>2,480.5</b>	<b>102.0</b>	<b>805.9</b>	<b>1,572.6</b>

(1) The Company issued bonds:

- On November 17, 2010, a bond loan with an option for conversion and/or exchangeable for new or existing shares (OCEANE) for approximately €550 million.  
The OCEANE convertible bond, which was approved by the French Securities Regulator (AMF) on November 9, 2010, has the main following features:
  - issued at a price of €83.10 (the number of bonds issued was 6,618,531);
  - a coupon of 0.5% payable on January 31 of each year, which amounts to €0.42 per year and per bond;
  - a redemption date was set on January 1, 2016 for bonds not converted into shares at such date;
  - the option for bondholders to convert their bonds into shares at any time at the ratio of one share for one Bond;
  - the option for the Group to call for early redemption of the bonds at any time on or after the third anniversary of the issue date for a price at par plus accrued interest if the quoted value of the share exceeds 130% of the par value of the bond.
- On July 27, 2010, a private placement for €200 million in accordance with contractual conditions agreed on November 19, 2009.  
The main characteristics of this bond are as follows:
  - bonds are listed on the Luxembourg stock exchange;
  - the coupon payable on July 27 of each year amounts to 5% of nominal amount;
  - redemption date: July 27, 2020;
  - this placement includes the usual covenants and default provisions that are standard for this type of bond issue and does not include any financial ratio.
- On December 15, 2011, a bond loan with an option for conversion and/or exchangeable for new or existing shares (OCEANE) for approximately €497.6 million.  
The OCEANE convertible bond, which was approved by the French Securities Regulator (AMF) on December 7, 2011, has the main following features:
  - issued at a price of €96.09 (the number of bonds issued was 5,178,455);
  - a coupon of 0.25% payable on January 31 of each year, which amounts to €0.24 per year and per bond;
  - a redemption date was set on January 1, 2017 for bonds not converted into shares at such date;
  - the option for bondholders to convert their bonds into shares at any time at the ratio of one share for one Bond;
  - the option for the Group to call for early redemption of the bonds at any time on or after the third anniversary of the issue date for a price at par plus accrued interest if the quoted value of the share exceeds 130% of the par value of the bond.
- On June 14, 2012, the Company received the private placement for €150 million. The main characteristics of this bond are as follows :
  - an annual coupon of 3.40% payable on June 14 of each year
  - redemption date : June 14, 2022
  - this bond includes standard covenants and default clauses for these types of bond issues. The issues provide that in the event of a change of control of Technip and the Standard & Poor's rating downgrade of the notes below BBB-, any bondholder may request, at his sole option, the early redemption of all the bonds he owns. This bond does not include any financial ratio
- On June 15, 2012, the Company received the private placement for €75 million. The main characteristics of this bond are as follows :
  - an annual coupon of 4.0% payable on June 15 of each year
  - redemption date : June 15, 2027
  - this bond includes standard covenants and default clauses for these types of bond issues. The issues provide that in the event of a change of control of Technip and the Standard & Poor's rating downgrade of the notes below BBB-, any bondholder may request, at his sole option, the early redemption of all the bonds he owns. This bond does not include any financial ratio
- On June 14, 2012, the Company received the private placement for €100 million. The main characteristics of this bond are as follows :
  - an annual coupon of 4.0% payable on June 14 of each year
  - redemption date : June 14, 2032
  - this bond includes standard covenants and default clauses for these types of bond issues. The issues provide that in the event of a change of control of Technip and the Standard & Poor's rating downgrade of the notes below BBB-, any bondholder may request, at his sole option, the early redemption of all the bonds he owns. This bond does not include any financial ratio

(2) Including current account with the Group cash pooling entity: €804.5 million.

Invoices due dates break down as follows:

In millions of Euro	As of December 31, 2012	Not Due	Due 0-60 days	Due > 60 days
French Suppliers	23.3	-	23.3	-
Foreign Suppliers	2.7	-	2.5	0.2
Accruals	47.2	-	-	-
<b>TOTAL ACCOUNTS PAYABLES</b>	<b>73.2</b>	<b>-</b>	<b>25.8</b>	<b>0.2</b>

## 6.9. Trade Bills Included in Assets and Liabilities

Technip does not have any outstanding trade bills as of December 31, 2012 and 2011.

## 6.10. Revenues

Revenues amounted to €151.3 million in 2012 as compared to €156.9 million in 2011. In 2012, a total amount of €63.6 million of revenues was generated in France.

Revenues mostly consist in re invoicing management fees and insurance costs to other entities of the Group.

## 6.11. Financial Result

Financial result breaks down as follows:

In millions of Euro	2012	2011
Dividend Income	478.9	420.5
Allowance of Provisions on Investments	10.5	(12.2)
Allowance of Provisions on Current Accounts	-	(0.2)
Allowance of Provisions on Treasury Shares	-	-
Allowance of Provisions on Free Shares	(20.7)	(15.8)
Amortization of Redemption Premium Related to Bond	(0.5)	(0.4)
(Allowance)/Reversal of Provision on Exchange Losses	(1.1)	2.8
(Allowance)/Reversal of Provision on Loans	1.1	-
Interest Income from Loans	47.7	8.5
Financial Income from Stock Incentive Plan Recharge	64.2	39.1
Interest Expense on Bond	(20.7)	(25.0)
Interest Expense on Credit Line	(3.4)	(2.2)
Interest on Cash Pooling Current Account	(7.3)	(8.7)
Other financial expenses on Swap	-	(6.3)
Foreign Exchange (Loss)/Gain	10.3	(11.0)
Other	(1.7)	(1.0)
<b>FINANCIAL RESULT</b>	<b>557.3</b>	<b>388.1</b>

## 6.12. Extraordinary Result

Extraordinary result breaks down as follows:

In millions of Euro	2012	2011
Contributions and Gifts	(0.1)	-
Other Extraordinary Income	0.2	-
Allowance for Litigation	0.2	(0.3)
Reversal of Provisions	4.4	4.5
Gains and Losses on Sales of Investments	(10.7)	1.4
Result on Treasury Shares Sold	(46.9)	(27.9)
<b>EXTRAORDINARY RESULT</b>	<b>(52.9)</b>	<b>(22.3)</b>

In 2012, the extraordinary result is mainly attributable to the result on treasury shares sold related with performance shares vested for €46.9 million and the loss on sale of Eurodim securities to Technip France.

In 2011, the extraordinary result is mainly attributable to the result on treasury shares sold related with performance shares vested for €27.9 million.

## 6.13. Income Tax

Technip is the parent company of a consolidated tax group. Technip's taxable income is positive. This taxable income is added to taxable income of the other companies within the tax consolidation scope. The tax rate used in 2012 is 36.10% (including additional taxes).

The impact on the 2012 income statement is a tax credit of €37.6 million that breaks down as follows:

- tax credit generated by Technip: €10.3 million;
- tax credit generated by the tax group: €27.3 million.

Tax credit generated by Technip for €10.3 million consists of €29.4 million attributable to tax credit from current operations and €19.1 million related to the extraordinary result.

Temporary Differences: as of December 31, 2012, temporary differences are not material (€0.1 million) and consist of the ORGANIC (French Social Security tax).

## 6.14. Related Party Disclosure

The following amounts represent Technip's accumulated shares in the assets, liabilities, and financial income and expense of companies in which Technip directly or indirectly holds more than 50% of the share capital.

In millions of Euro	2012	2011
Financial Assets	5,050.3	4,929.9
Current Assets, Receivables from Group Companies	185.5	241.8
<b>TOTAL ASSETS</b>	<b>5,235.8</b>	<b>5,171.7</b>
Financial Debts (Group and Affiliates)	805.9	1,278.2
Current Liabilities	64.3	45.0
<b>TOTAL LIABILITIES</b>	<b>870.2</b>	<b>1,323.2</b>
Financial Charges	588.8	468.0
Financial Income	(8.7)	(8.7)

## 6.15. Off-Balance Sheet Commitments

Off-balance sheet commitments break down as follows:

In millions of Euro	As of December 31,	
	2012	2011
Parent Company Guarantees <sup>(1)</sup>	37,285.5	34,605.5
Commitments Given <sup>(2)</sup>	1,248.9	1,207.0
Commitments Received	None	None
Trade Bills Discounted before Maturity	None	None

(1) Parent company guarantees given by Technip to clients cover the proper performance of the specified contracts for which the average period until the release of the commitment guarantees is around five years. Parent company guarantee regarding joint ventures include the entire amount of the contract and are not reduced according to the projects' percentage of completion.

(2) These commitments are given on behalf of Group companies and mainly relate to:

- guarantees given to third parties;
- guarantees or counter-guarantees given to banks;
- guarantees given to various customers or partners for the realization of contracts.

### Adria Tower

In 2009, Technip signed a new 12-year long-term lease contract on the Adria Tower for the period from April 1, 2009, to March 31, 2021.

This office costs are back charged by Technip to a French subsidiary which signed a long-term sublease contract on the same period.

In millions of Euro	
2013	29.0
2014	29.0
2015	29.0
2016	29.0
2017 and beyond	123.3
<b>TOTAL ADRIA TOWER LEASE <sup>(1)</sup></b>	<b>239.3</b>
(1) Provisional amount, as the rent amount varies according to the INSEE Construction cost index.	

Technip did not enter into any leasing contracts in 2012 and 2011.

## 6.16. Financial Instruments

Technip held no financial instruments as of December 31, 2012.

## 6.17. Assets used as Collateral

Technip has not pledged any of its assets as collateral for material liabilities.

## 6.18. Average Number of Employees

The average number of employees was 7 people in 2012 and 8 in 2011.

## 6.19. Board of Directors Compensation

In 2012, the amount of Director's fees paid by Technip to the members of the Board of Directors amounted to €570,666 million.

No loan was granted to the Board members of Technip during the financial year.

The compensation of the Company's Chairman and Chief Executive Officer is determined by the Board of Directors, upon the recommendation of the Nominations and Remunerations Committee. It is composed of both a fixed and a variable portion.

For 2012, the aggregate amount of compensation paid by the Company to Thierry Pilenko amounted to €2,579,715 (see Section 15.1.1, Table 2, for further details).

The variable portion of compensation is based on the fixed compensation for the previous year. For 2012, the target variable portion is equal to 100% of the annual base compensation. 70% of the target variable portion is linked to the financial performance of the Group and 30% is linked to the achievement of individual objectives. These objectives are directly linked to Technip's strategy and cannot be disclosed for confidentiality reasons.

The share of the variable portion is linked with a financial target (70% of the total) and broken down into two objectives:

- Up to 50% on the Group operating income budgeted for 2012: the share of the variable portion is (i) nil if real performance is below 80% of the budgeted amount (minimum level), (ii) between 0% and 100% for a performance equal to 80% to 100% of the budgeted amount, (iii) between 100% and 140% for a performance equal to 100% to 110% of the budgeted amount, (iv) between 140% and 160% for a performance equal to 110% to 120% of the budgeted amount and (v) between 160% and 200% for a performance equal to 120% to 125% of the budgeted amount (maximum level); and
- Up to 20% on the percentage of gross margin on order intake: the share will be: (i) nil if real performance is below 80% of the budgeted amount (minimum level), and (ii) between 0% and 100% for a performance equal to 80% to 100% of the budgeted amount (maximum level).

If achieved Group current operating income is superior to the budgeted objective, a multiplier rate is calculated, up to a maximum of 2. It is then applied to the other variable portion criteria in order to calculate the 2012 final variable share, which is capped at 200% of the target variable portion.

The variable portion due to Thierry Pilenko for the financial year 2012 is €1,672,704 and will be paid in 2013.

Furthermore, on June 15, 2012, the Board of Directors resolved that Thierry Pilenko can benefit from a deferred compensation equal to, at a maximum, 20% of his gross annual fixed compensation, *i.e.* €180,000 gross. This deferred compensation can be paid to him in 2015 at the double condition (i) that he is still in the Group and (ii) that performance conditions of the Group are achieved. The performance will be measured by the progression and achievement by Technip, over the period of financial years 2012, 2013 and 2014, of satisfactory performance in relation to Health/Security/Environment (HSE), Operating Income From Recurring Activities (OIFRA) and Order Intake.

Thierry Pilenko does not receive any directors' fees for the positions he holds as a Company director or in the Group's companies.

There is no specific retirement plan for Thierry Pilenko as the Chairman and Chief Executive Officer. The Chairman and Chief Executive Officer is a beneficiary of the supplementary retirement plan for Group executives, with fixed contributions of 8% of gross annual compensation paid up to the 3rd tranche, *i.e.*, eight times the annual French Social Security ceiling. The contribution for 2012 amounted to €23,278.

The Chairman and Chief Executive Officer also benefits from the Company's existing supplementary retirement plan for Executive Committee (Excom) members: a retirement income guarantee of 1.8% per year of service, on the 4<sup>th</sup> tranche of gross annual compensation paid, *i.e.*, exceeding eight times the French Social Security ceiling. In order to be eligible for the retirement plan, the minimum seniority to be taken into account is five years as Excom members, up to a limit of 15 years. The amount of gross compensation to which this retirement income guarantee applies corresponds to the average of the gross compensation, paid over the five financial years preceding the date of departure from the Company. The retirement income guarantee will only be due in the following events: a departure from the Company after his 60<sup>th</sup> birthday; a departure from the Company as a result of a 2nd or 3rd category disability (as defined under French law); a departure from the Company after his 55<sup>th</sup> birthday provided that such departure is not the result of gross misconduct or negligence (*faute grave* or *faute lourde*) on his part and that no professional activity is resumed between leaving the Company and receiving a pension under the general French Social Security scheme.

In this last case, by exception, the Company did not take into account the requirement to remain in the Company considering that the requirement for no professional activity was restrictive enough.

55,000 share subscription options and 25,000 performance shares were granted to Thierry Pilenko over financial year 2012 (see Section 15.1.1, Tables 4 and 6, for further details). Thierry Pilenko exercised 151,500 share purchase options during financial year 2012 (Table 5). Thierry Pilenko is not a beneficiary of any share subscription warrants from the Company or any other company of the Group.

At the time of the renewal of Thierry Pilenko as Chairman of the Board of Directors, during the meeting of the Board of Directors of April 28, 2011, it was decided to maintain the existing principles relating to a worldwide non-compete agreement for a 24-month period.



## 6.20. Auditors' fees

The Auditors' fees break down as follows:

In thousands of Euro	Ernst & Young		PricewaterhouseCoopers	
	2012	2011	2012	2011
Auditing, certification of financial statements, examination of Company and Consolidated Financial Statements	535	535	535	535
Other work and services directly related to the responsibilities of Statutory Auditors	891	810	95	190
<b>TOTAL FEES</b>	<b>1,426</b>	<b>1,345</b>	<b>630</b>	<b>725</b>

## 6.21. Litigation and Pending Investigations

### TSKJ

Technip is one of four shareholders of TSKJ, which carried out the construction of a natural gas liquefaction complex in Nigeria for Nigeria LNG Limited ("NLNG") between 1994 and 2004. The companies, including Technip, KBR (formerly a subsidiary of the US Group Halliburton), Snamprogetti Netherlands BV (a subsidiary of the Italian Group ENI) and JGC Corporation (Japan), each hold 25% of TSKJ's share capital.

In 2004, the United States Securities and Exchange Commission ("SEC") and the United States Department of Justice ("DOJ") commenced formal investigations into certain payments made in connection with the construction by TSKJ of a natural gas liquefaction complex for NLNG which resulted in the signing in June 2010 of agreements with both the SEC and DOJ to fully resolve all potential claims arising from Technip's participation in the TSKJ joint venture between 1994 and 2004 providing for (i) the Company to pay a total of USD240 million to the DOJ and USD98 million to the SEC over a two-year period and (ii) the resolution of the DOJ investigation through a deferred prosecution agreement ("DPA") in which the DOJ agreed not to pursue a prosecution of Technip in return for Technip's agreement to undertake a variety of steps for the remainder of the two-year period, including maintaining and enhancing its compliance program and cooperating with the DOJ notably through a two-year supervision period by an independent corporate monitor. Technip has reported in full detail all legal and financial risks attached to this matter in each of its annual reports since 2004.

Technip paid the SEC USD98 million in disgorgement relating to the TSKJ joint venture and on February 1, 2012, Technip paid the last of the eight equal installments related to the USD240 million settlement to the DOJ.

Having fulfilled all the terms of the agreement with the DOJ, on October 15, 2012, the United States District Court for the Southern District of Texas, Houston division entered an order dismissing with prejudice the Criminal Information against Technip dated June 28, 2010.

As of the date of this Reference Document, there have been no other governmental, legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Company is aware) over the previous 12 months, which may have, or have had a significant impact on the Group's financial position or profitability.



## 7. SUBSIDIARIES AND INVESTMENTS

In millions of Euro	Country	Percentage of Ownership (%)	Share Capital	Reserves and Retained Earnings before Allocation *	Share Book Value		Outstanding Loans and Advances	Bonds Posted and Guarantees Issued	Revenues 2012	Net Income 2012	Dividends Received in 2012
					Gross Value	Net Value					
<b>A. DETAILED INFORMATION CONCERNING INVESTMENTS FOR WHICH GROSS-VALUE EXCEEDS 1% OF TECHNIP'S SHARE CAPITAL</b>											
Technip France	France	77.79%	22.7	(45.6)	42.7	42.7	-	13,134.4	1,773.8	159.8	122.1
Technip Offshore Wind France	France	99.76%	0.1	-	1.4	-	-	-	0.1	-	-
Seal Engineering	France	100.00%	0.1	1.4	1.1	1.1	-	-	5.6	1.8	1.5
Technip Offshore International	France	100.00%	7.8	1,302.3	3,120.6	3,120.6	1,096.3	-	0.1	84.8	256.3
Technipnet	France	100.00%	2.0	(44.5)	2.0	2.0	-	2.2	10.9	(42.7)	-
Technip Corporate Services	France	77.97%	6.1	8.0	0.9	0.9	-	-	128.5	0.9	-
Cybermétix SA	France	100.00%	5.0	7.0	30.9	30.9	-	-	33.6	0.5	-
Technip Italy	Italy	100.00%	68.0	27.7	22.1	22.1	-	6,480.9	607.7	81.9	80.0
TPL	Italy	100.00%	9.0	0.1	7.8	7.8	-	-	-	(0.1)	-
Technip Germany	Germany	100.00%	12.8	5.0	100.2	100.2	-	192.0	44.9	2.0	3.0
Technip Holding Benelux BV	Netherlands	100.00%	9.1	18.2	26.7	26.7	-	-	-	17.1	-
Technip Benelux NV	Belgium	100.00%	89.2	1.1	89.3	89.3	-	15.4	8.1	0.7	0.9
Technip International AG	Switzerland	99.94%	4.1	(3.3)	3.1	-	-	-	-	(0.1)	-
Engineering Re	Switzerland	100.00%	1.7	19.3	1.7	1.7	-	3.0	-	4.5	-
Front End Re SA	Luxembourg	100.00%	3.1	13.3	117.4	117.4	-	150	-	-	-
Technip Far East	Malaysia	100.00%	6.9	(0.6)	5.9	5.9	-	9.3	60.9	(0.9)	-
Asiaflex Products	Malaysia	33.00%	45.2	(15.3)	16.7	16.7	70.0	-	84.6	5.3	-
Technip Tianchen Chemical Engineering	China	100.00%	1.0	10.5	3.3	3.3	-	-	29.0	2.6	-
Technip RUS	Russia	99.96%	0.2	14.4	0.9	0.2	-	-	48.7	17.9	3.2
MHB	Malaysia	8.50%	NC (**)	NC (**)	125.0	125.0	-	-	624.6 (**)	35.9(**)	3.4
<b>B. OTHER SUBSIDIARIES AND INVESTMENTS</b>											
<b>Other Subsidiaries of which share capital is more than 50% owned by Technip</b>											
French Subsidiaries		NA	NA	NA	1.5	1.5	-	-	NA	NA	3.1
Foreign Subsidiaries		NA	NA	NA	1.2	1.0	-	-	NA	NA	4.4
<b>Other Investments of which share capital is owned from 10% to 50% by Technip</b>											
French Investments		NA	NA	NA	-	-	-	-	NA	NA	-

Foreign Investments		NA	NA	NA	1.2	1.1	-	-	NA	NA	-
<b>TOTAL</b>		<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>3,723.6</b>	<b>3,718.1</b>	<b>1,166.3</b>	<b>19,987.2</b>	<b>NA</b>	<b>NA</b>	<b>478.0</b>

(\*) Excluding the net result from the financial year

(\*\*) Based on yearly financial statements audited as of September 30, 2012.

## 8. SUBSEQUENT EVENTS

There have been no significant events since December 31, 2012.