# REFERENCE DOCUMENT

**2012**

INCLUDING THE ANNUAL FINANCIAL REPORT

Technip

take it further®

# Reference Document 2012

*(Unofficial English language translation)*

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

*The original French version of this Reference Document was filed with the French Financial Market Authority (AMF) on March 20, 2013 in accordance with Article 212-13 of its General Regulations. This Reference Document may be relied upon in relation to a financial transaction provided it is accompanied by a transaction notice approved by the AMF. This document was prepared by the issuer and its signatories are liable for its content.*

*Copies of this Reference Document are available for free from Technip, at 89, avenue de la Grande Armée – 75116 Paris (France), and on Technip's website (www.technip.com) and the AMF's website (www.amf-france.org).*

# Contents


| | | |
|---|---|---|
| | FOREWORD | 4 |
| 1 | PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT | 5 |
| | 1.1. Person responsible for the Reference Document | 5 |
| | 1.2. Statement by person responsible for the Reference Document | 5 |
| 2 | STATUTORY AUDITORS | 6 |
| | 2.1. Primary Statutory Auditors | 6 |
| | 2.2. Alternate Statutory Auditors | 6 |
| | 2.3. Information on Statutory Auditors' Fees and Services | 6 |
| 3 | SELECTED FINANCIAL INFORMATION | 7 |
| | 3.1. General presentation of the Group | 7 |
| | 3.2. Selected financial information | 8 |
| 4 | RISK FACTORS | 10 |
| | 4.1. Risks relating to the Group and its operations | 11 |
| | 4.2. Risks relating to the Group's industry | 13 |
| | 4.3. Regulatory and legal risks | 15 |
| | 4.4. Industrial and environmental risks | 17 |
| | 4.5. Credit/counter-party risk | 18 |
| | 4.6. Liquidity risk | 18 |
| | 4.7. Market risks | 21 |
| | 4.8. Risk management policy and insurance | 24 |
| 5 | INFORMATION ON THE COMPANY AND THE GROUP | 30 |
| | 5.1. History and development | 30 |
| | 5.2. Investments | 34 |
| 6 | OVERVIEW OF THE GROUP'S ACTIVITIES | 36 |
| | 6.1. Technip's business in 2012 | 37 |
| | 6.2. Group business environment | 47 |
| | 6.3. Description of Project strategy | 48 |
| | 6.4. The Group's business segments | 50 |
| | 6.5. Suppliers | 55 |
| | 6.6. Environment | 55 |
| 7 | ORGANIZATIONAL STRUCTURE | 57 |
| | 7.1. Simplified Group organizational structure as of December 31, 2012 | 57 |
| | 7.2. Subsidiaries and investments | 57 |
| 8 | PROPERTY, PLANT AND EQUIPMENT | 59 |
| | 8.1. Significant existing or planned property, plant and equipment and major related expenses | 59 |
| | 8.2. Environmental matters that may impact the Group's use of its property, plant and equipment | 63 |
| 9 | OPERATING AND FINANCIAL REVIEW | 64 |
| | Preliminary | 65 |
| | 9.1. Presentation of the consolidated financial statements included in the Reference Document | 65 |
| | 9.2. Changes in backlog, order intake and revenues | 67 |
| | 9.3. Presentation of operating costs and income | 70 |
| | 9.4. Comments on the operating results for the financial year ended December 31, 2012, compared to the financial year ended December 31, 2011 | 71 |
| | 9.5. Changes in the statement of financial position between the year ended December 31, 2012 and the restated year ended December 31, 2011 | 75 |
| 10 | CAPITAL RESOURCES | 77 |
| | 10.1. Changes in net cash position and in cash flows for the financial year ended December 31, 2012 and the restated financial year ended December 31, 2011 | 77 |
| | 10.2. Changes in shareholders' equity and financing between the financial year ended December 31, 2012 and the restated financial year ended December 31, 2011 | 79 |
| 11 | RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES | 80 |
| | 11.1. Research and Development | 80 |
| | 11.2. Patents and licenses | 82 |
| | 11.3. Technological partnerships | 82 |
| | 11.4. Acquisitions | 83 |
| 12 | INFORMATION ON TRENDS | 84 |
| | 12.1. Prospects | 84 |
| | 12.2. Financial communications agenda | 85 |
| 13 | PROFIT ESTIMATES AND FORECASTS | 86 |
| 14 | ADMINISTRATIVE, MANAGEMENT, SUPERVISORY BODIES AND SENIOR MANAGEMENT | 87 |
| | Compliance with Code | 87 |
| | 14.1. Board of Directors | 88 |
| | 14.2. The Company's management | 91 |

14.3. Committees of the Board of Directors 92
14.4. Conflicts of interest at the level of administrative, management and supervisory bodies and the senior management 93
14.5. Shareholders' agreements 93

15 COMPENSATION AND BENEFITS 94
15.1. Compensation and other benefits granted to directors 94
15.2. Compensation and retirement commitments of the Group's principal executives 102

16 BOARD AND MANAGEMENT PRACTICES 103
16.1. Policies and practices of the Board of Directors 103
16.2. Company's management 106
16.3. Policies and practices of the Board of Directors' Committees 106
16.4. Corporate governance: evaluation of the Board of Directors and its Committees 111
16.5. Contracts between the Board members and the Company or one of the Group's company 111

17 EMPLOYEES 112
17.1. Workforce 112
17.2. Participating interests and share subscription options or share purchase options held by members of the Board of Directors and other corporate officers *(mandataires sociaux)* 116
17.3. Employee incentive and profit-sharing schemes 122

18 MAJOR SHAREHOLDERS 123
18.1. The Company's major shareholders 123
18.2. Shareholder voting rights 126
18.3. Controlling interest 126
18.4. Arrangements that may result in a change of control 126

19 RELATED PARTY TRANSACTIONS 127
19.1. Main Related Party Transactions 127
19.2. Statutory Auditors' report on related party agreements and commitments for the year ended December 31, 2012 127

20 FINANCIAL INFORMATION ON THE COMPANY'S ASSETS, FINANCIAL SITUATION AND RESULTS 129
20.1. Group consolidated financial statements as of December 31, 2012 130
20.2. Statutory Financial Statements as of December 31, 2012 197
20.3. Dividend distribution policy 218
20.4. Legal and arbitration procedures 218
20.5. Significant changes in the financial or commercial position 218

21 ADDITIONAL INFORMATION 219
21.1. Share capital 219
21.2. Articles of Association 224

22 MAJOR CONTRACTS 227
22.1. 2010 private bond placement with deferred payment 227
22.2. 2010-2016 convertible bond issue 227
22.3. 2011-2017 convertible bond issue 228
22.4. 2012 private placement notes 228
22.5. *Skandi Arctic* financing 228
22.6. *Skandi Vitória* financing 228
22.7. *Skandi Niterói* financing 228
22.8. BNDES financing 228
22.9. Pipelay support vessels financing 229
22.10. *Deep Energy* financing 229
22.11. 2011 Bank facility 229
22.12. External financing of Global Industries 229
22.13. Revolving credit agreement and bilateral facilities 229

23 INFORMATION FROM THIRD PARTIES, DECLARATIONS FILED BY EXPERTS AND DECLARATIONS OF INTEREST 230

24 PUBLICLY AVAILABLE DOCUMENTS 231

25 INFORMATION ON HOLDINGS 232
A Annex: Offices held by Board members, current as of December 31, 2012 and over the past five years 233
B Annex: Financial results of the last five years as of December 31, 2012 234
C Annex: Report of the Chairman of the Board of Directors to the Shareholders' Meeting on the composition, conditions of the preparation and organization of the Board of Directors' work, the internal control procedures and risk management procedures put in place by the Company 235
D Annex: Statutory Auditors' report, prepared in accordance with Article L. 225-235 of the French Commercial Code on the report prepared by the Chairman of the Board of Technip 252
E Annex: Society and Environment Report (Articles L. 225-102-1 of the French Commercial Code – Grenelle II Law of July 12, 2010) 254
F Annex: Statutory Auditors' attestation and assurance report on social, environmental and societal information, prepared in accordance with Article L. 225-102-1 of the French Commercial Code 289
G Annex: Combined Shareholders' Meeting of April 25, 2013 292
H Reconciliation tables (Annual Financial Report – Management Report – Society and Environmental report) 305
I Annex: Glossary 310

# Foreword

When used in this Reference Document, the terms "Technip" and "Group" refer collectively to Technip, the Group's parent company, and to all of Technip's directly and indirectly consolidated subsidiaries located in France and outside France.

In this Reference Document, the terms "Company" and "issuer" refer exclusively to Technip, the Group's parent company.

In accordance with Article 28 of European Commission regulation No. 809/2004 of April 29, 2004, the following information is incorporated by reference in this document:

- the 2011 consolidated financial statements and statutory financial statements, as well as the Statutory Auditors' reports for the financial year ended December 31, 2011 included in Sections 20.1 and 20.2 of the 2011 Reference Document dated March 21, 2012 filed with the French Financial Market Authority (AMF) under no. D.12-0191;
- the key financial information, the Company's and the Group's Management Reports and all of the financial information for the financial year ended December 31, 2011 included in Section 3 as well as the sections mentioned in the Reconciliation Tables in Annex G of the 2011 Reference Document dated March 21, 2012 filed with the AMF under No. D.12-0191;
- the 2010 consolidated financial statements and statutory financial statements, as well as the Statutory Auditors' reports for the financial year ended December 31, 2010 included in Sections 20.1 and 20.2 of the 2010 Reference Document dated March 24, 2011 filed with the AMF under No. D.11-0173;
- the key financial information, the Company's and the Group's Management Reports and all of the financial information for the financial year ended December 31, 2010 included in Section 3 as well as the financial information in the sections mentioned in the Reconciliation Tables in Annex G of the 2010 Reference Document dated March 24, 2011 filed with the AMF under No. D.11-0173.

This Reference Document contains all of the information from the Management Report of the Board of Directors as set forth in the Reconciliation Table which is included in Annex H of this Reference Document.

Furthermore the Glossary including the definitions of the main technical terms can be read in Annex I of this Reference Document.

# 1 Person responsible for the Reference Document

1.1. Person responsible for the Reference Document .......... 5
1.2. Statement by person responsible for the Reference Document .......... 5

## 1.1. Person responsible for the Reference Document

The person responsible for the Reference Document is Thierry Pilenko, the Company's Chairman and Chief Executive Officer.

## 1.2. Statement by person responsible for the Reference Document

"To the best of my knowledge, and after taking every reasonable measure for such purpose, I attest that the information contained herein gives a true and fair view of the facts and that no material aspects of such information have been omitted.

I confirm that, to my knowledge, the financial statements have been prepared in compliance with applicable accounting standards and are a true representation of the assets, financial position and profits of the Company and all consolidated entities and that the Management Report as referred to in the Table of Reconciliation in Annex H of this Reference Document is a true representation of any changes in the business, profits and the financial position of the Company and all consolidated entities as well as the description of the main risks and uncertainties facing them.

I have obtained a work completion document from the Auditors *(lettre de fin de travaux)*, in which they indicate that they have verified the information relating to the financial situation and the financial statements presented in this Reference Document and have carried out a review of the entire Reference Document".

Thierry Pilenko
Chairman and Chief Executive Officer

# 2 Statutory Auditors

2.1. Primary Statutory Auditors 6
Ernst & Young et Autres, represented by Nour-Eddine Zanouda 6
PricewaterhouseCoopers Audit, represented by Édouard Sattler 6
2.2. Alternate Statutory Auditors 6
Auditex 6
Mr. Yves Nicolas 6
2.3. Information on Statutory Auditors' Fees and Services 6

## 2.1. Primary Statutory Auditors

### ERNST & YOUNG ET AUTRES, REPRESENTED BY NOUR-EDDINE ZANOUDA

Member of the *Compagnie Régionale de Versailles*

1/2, place des Saisons
92400 Courbevoie – Paris-La Défense 1 (France)

Date of first appointment: 1986

Expiry date of current appointment: at the end of the Shareholders' Meeting held to approve the financial statements for financial year 2015.

### PRICEWATERHOUSECOOPERS AUDIT, REPRESENTED BY ÉDOUARD SATTLER

Member of the *Compagnie Régionale de Versailles*

63, rue de Villiers – 92208 Neuilly-sur-Seine Cedex (France)

Date of first appointment: 2004

Expiry date of current appointment: at the end of the Shareholders' Meeting held to approve the financial statements for financial year 2015.

## 2.2. Alternate Statutory Auditors

### AUDITEX

Member of the *Compagnie Régionale de Versailles*

11, allée de l'Arche – Faubourg de l'Arche – 92037 La Défense Cedex (France)

Date of first appointment: 2007

Expiry date of current appointment: at the end of the Shareholders' Meeting held to approve the financial statements for financial year 2015.

### MR. YVES NICOLAS

Member of the *Compagnie Régionale de Versailles*

63, rue de Villiers – 92208 Neuilly-sur-Seine (France)

Date of first appointment: 2004

Expiry date of current appointment: at the end of the Shareholders' Meeting held to approve the financial statements for financial year 2015.

## 2.3. Information on Statutory Auditors' Fees and Services

For information regarding Statutory Auditors' fees and Services, please refer to Note 34 to the Consolidated Financial Statements as of December 31, 2012, set forth in Section 20.1 of this Reference Document.

# 3 Selected financial information


3.1. General presentation of the Group .......... 7
Subsea .......... 7
Onshore/Offshore .......... 7

3.2. Selected financial information .......... 8
Extract of the Consolidated Statement of Income for 2012 and 2011 in accordance with IFRS .......... 8
Other Financial Information Derived from the Consolidated Statement of Income for 2012 and 2011 .......... 8
Information by Business Segment .......... 9
Extract of the Consolidated Statement of Financial Position as of December 31, 2012 and 2011 – restated .......... 9


## 3.1. General presentation of the Group

Technip is a world leader in project management, engineering and construction for the energy industry, and holds a comprehensive portfolio of innovative solutions and technologies that generated consolidated revenues of €8.2 billion in 2012.

As of February 28, 2013, Technip employed a regular workforce of approximately 36,500 people, from 109 nationalities. The Group is present in approximately 48 countries on five continents.

As of February 28, 2013, its production facilities (for flexible pipes and umbilicals), manufacturing yard, logistic bases and spoolbases were located in Angola, Brazil, France, the United States, Finland, Indonesia, Malaysia, Norway and the United Kingdom. The Group's fleet comprises of 33 vessels specialized in subsea rigid and flexible pipelines, subsea construction and diving support, four of which are under construction.

Technip possesses integrated capacity and recognized expertise in subsea infrastructures (Subsea), onshore facilities and offshore platforms (Onshore/Offshore). The Group is active in two segments of the worldwide oil and gas industry:

### SUBSEA

In 2012, the Subsea segment generated revenues of €4,047.6 million, representing 49.3% of consolidated revenues. With respect to hydrocarbon field development, Technip's subsea operations include the design, manufacture and installation of rigid and flexible subsea pipelines as well as umbilicals. Technip is a key operator on this market as a result of its investments in Research and Development. Technip offers a wide range of innovative subsea pipe technologies and solutions, and holds leading industrial and operational assets. Technip has three flexible pipe manufacturing plants (with a fourth under construction in Brazil), four umbilical production units, five reeled rigid pipe spoolbases as well as a constantly evolving fleet of specialized vessels for pipeline installation and subsea construction, which is deployed strategically across the major offshore markets around the world.

In 2012, Technip and Heerema Marine Contractors (Heerema) entered into a worldwide alliance agreement pursuant to which the two companies have agreed to combine their capabilities to enable their clients to best address the fast growing subsea ultra-deepwater market.

### ONSHORE/OFFSHORE

In 2012, the Onshore/Offshore segment generated revenues of €4,156.3 million, representing 50.7% of consolidated revenues.

The Onshore business is active in engineering and construction for the entire range of onshore facilities for the oil and gas industry (refining, hydrogen, gas treatment and liquefaction, ethylene and petrochemicals, onshore pipelines), as well as non-oil facilities (mining and metallurgical projects, biofuels, wind offshore and renewable energy). Technip holds several proprietary technologies and is a leader in the design and construction of LNG and gas treatment plants as well as hydrogen and petrochemical units.

Technip is strongly committed to developing innovative technologies and reinforcing its project execution capabilities in each of its business segments. Technip is active in increasingly ambitious, complex and challenging projects involving deepwater, extreme climatic conditions, large-scale projects, non-conventional resources and higher environmental performance standards. The Group is thus a key participant in the development of sustainable solutions to the challenges facing the energy sector in the 21st century.

The Offshore business includes engineering, development and construction operations in relation to offshore oil and gas facilities for both shallow water (fixed platforms such as TPG 500 and Unideck®) and deepwater (floating platforms such as Spar, tension leg platform, semi-submersible platform and FPSO or floating LNG (FLNG). Technip dedicates significant resources each year to Research and Development and is a leader in floatover technology. With the development of FLNG, Technip continues to strengthen its offshore expertise.

As of February 28, 2013, the Group's roster of clients included international oil companies, such as BP, Chevron, ConocoPhillips, ExxonMobil, Shell, Statoil and Total, a large number of national companies, such as CNOOC, PDVSA, Pemex, Petrobras, Petronas, Qatar Petroleum, Saudi Aramco and Sonatrach as well as large independent companies such as Anadarko and Tullow Oil. Its five main clients represented 30.6% of consolidated revenues in 2012 compared to 38.5% in 2011, and the revenues generated from its top ten clients represented 44.9% of consolidated revenues in 2012 compared to 52.7% in 2011.

In 2012, the top five projects represented 17.5% of consolidated revenues compared to 26.2% in 2011. In 2012, the top ten projects generated 26.3% of consolidated revenues compared to 34.9% in 2011.

## 3.2. Selected financial information

The table below shows selected consolidated financial data for the Group, which has been extracted from the Consolidated Financial Statements, prepared in accordance with International Financial Accounting Standards (IFRS), for the two years ended December 31, 2012 and 2011.

This note should be read in conjunction with the Consolidated Financial Statements included in Section 20.1 of this Reference Document.

### EXTRACT OF THE CONSOLIDATED STATEMENT OF INCOME FOR 2012 AND 2011 IN ACCORDANCE WITH IFRS

| | 12 months | |
|---|---|---|
| In millions of Euro | 2012 | 2011 |
| **Revenues** | **8,203.9** | **6,813.0** |
| **Operating Income/(Loss) from Recurring Activities** | **821.7** | **709.5** |
| **Operating Income/(Loss)** | **812.2** | **693.8** |
| **NET INCOME/(LOSS) FOR THE YEAR** | **543.1** | **502.5** |
| Attributable to: | | |
| Shareholders of the Parent Company | 539.7 | 507.3 |
| Non-Controlling Interests | 3.4 | (4.8) |

### OTHER FINANCIAL INFORMATION DERIVED FROM THE CONSOLIDATED STATEMENT OF INCOME FOR 2012 AND 2011

| | 12 months | |
|---|---|---|
| In millions of Euro | 2012 | 2011 |
| Revenues | 8,203.9 | 6,813.0 |
| Gross Margin | 1,551.6 | 1,286.6 |
| (in % of Revenues) | 18.9% | 18.9% |
| Operating Income/(Loss) from Recurring Activities | 821.7 | 709.5 |
| (in % of Revenues) | 10.0% | 10.4% |
| Operating Income/(Loss) | 812.2 | 693.8 |
| (in % of Revenues) | 9.9% | 10.2% |
| Net Income/(Loss) for the Year | 543.1 | 502.5 |
| Amortization and Depreciation for the Year | 194.9 | 174.0 |
| Earnings per Share (in Euro) | 4.91 | 4.69 |
| Diluted Earnings per Share (in Euro) | 4.50 | 4.41 |

# INFORMATION BY BUSINESS SEGMENT

## Consolidated statement of income

| Subsea | 12 months | |
|---|---|---|
| In millions of Euro | 2012 | 2011 |
| Revenues | 4,047.6 | 2,972.0 |
| Gross Margin | 907.1 | 724.9 |
| Operating Income/(Loss) from Recurring Activities | 603.1 | 497.9 |
| (in % of Revenues) | 14.9% | 16.8% |
| EBITDA (1) | 767.3 | 645.1 |
| *(in % of Revenues)* | *19.0%* | *21.7%* |

| Onshore/Offshore | 12 months | |
|---|---|---|
| In millions of Euro | 2012 | 2011 |
| Revenues | 4,156.3 | 3,841.0 |
| Gross Margin | 644.5 | 561.7 |
| Operating Income/(Loss) from Recurring Activities | 290.4 | 273.7 |
| (in % of Revenues) | 7.0% | 7.1% |
| EBITDA (1) | 321.1 | 300.5 |
| *(in % of Revenues)* | *7.7%* | *7.8%* |

(1) Operating income from recurring activities before depreciation and amortization.

| Corporate | 12 months | |
|---|---|---|
| In millions of Euro | 2012 | 2011 |
| Revenues | - | - |
| Gross Margin | - | - |
| Operating Income/(Loss) from Recurring Activities | (71.8) | (62.1) |
| (in % of Revenues) | N/A | N/A |

# EXTRACT OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2012 AND 2011 – RESTATED

| | As of December 31, | |
|---|---|---|
| In millions of Euro | 2012 | 2011 restated (*) |
| Non-Current Assets | 6,332.6 | 5,981.2 |
| including Goodwill | 3,292.3 | 3,112.4 |
| Current Assets | 5,248.4 | 5,789.3 |
| including Cash and Cash Equivalents | 2,289.3 | 2,808.7 |
| **TOTAL ASSETS** | **11,581.0** | **11,770.5** |
| Equity attributable to Shareholders of the Parent Company | 4,001.2 | 3,651.6 |
| Non-Controlling Interests | 13.2 | 21.7 |
| Current Liabilities | 5,433.4 | 6,172.1 |
| Non-Current Liabilities | 2,133.2 | 1,925.1 |
| **TOTAL EQUITY AND LIABILITIES** | **11,581.0** | **11,770.5** |
| Other Information: | | |
| Capital Expenditures over the Year | 518.9 | 357.2 |

(*) The restatement of the 2011 consolidated financial statements is described in Note 2 to the Consolidated Financial Statements for the financial year ended December 31, 2012.

4

# Risk factors


4.1. Risks relating to the Group and its operations 11
4.2. Risks relating to the Group's industry 13
4.3. Regulatory and legal risks 15
4.4. Industrial and environmental risks 17
4.5. Credit/counter-party risk 18
4.6. Liquidity risk 18
4.7. Market risks 21
4.7.1. Currency risk 21
4.7.2. Rate risk 22
4.7.3. Stock risk and other financial instruments 23
4.7.4. Commodity risk 23
4.8. Risk management policy and insurance 24
4.8.1. Overview 24
4.8.2. Crisis and business continuity management 24
4.8.3. Management of risks relating to the Group and its operations 24
4.8.4. Management of risk of subcontractors and suppliers 25
4.8.5. Management of competition risk 25
4.8.6. Management of risks relating to the assets of Technip 25
4.8.7. Management of commodity and equipment risk 25
4.8.8. Management of environmental and industrial risks 25
4.8.9. Management of change in climate risk 26
4.8.10. Management of weather conditions risk 26
4.8.11. Management of maritime security risk 26
4.8.12. Best practices/Large-scale projects security management 27
4.8.13. Management of air travel risk 27
4.8.14. Management of risks related to information and information systems 27
4.8.15. Management of risk linked to its personnel 27
4.8.16. Financial risk management 27
4.8.17. Insurance 27


Investors should carefully consider all of the information in this Reference Document, including the risk factors described in this section, before deciding whether to invest in the Company's securities. The risks described in this section are those that the Company has identified as of the date of this Reference Document, which could have a significant adverse effect on the Group, its business activity, financial position, performance and growth if they were to materialize. Investors should be aware that other currently unknown or unforeseen risks may exist, which could also have a significant adverse effect on the Group, its business activity, financial position, performance and growth.

# 4.1. Risks relating to the Group and its operations

### TECHNIP IS CONTRACTUALLY EXPOSED TO MATERIAL RISKS, WHICH COULD CAUSE TECHNIP TO INCUR LOSSES ON ITS PROJECTS.

Technip is subject to material risks in connection with lump sum turnkey contracts, under which Technip designs, engineers, builds and delivers a ready-to-operate industrial facility for a fixed price. Actual expenses incurred in executing a lump sum turnkey contract can vary substantially from those originally anticipated for several reasons, including:

- unforeseen construction conditions;
- delays caused by local weather conditions and/or natural disasters (including earthquakes and floods); and
- failure of suppliers or subcontractors to perform their contractual obligations.

Under the terms of lump sum turnkey contracts, Technip is not always able to increase its prices to reflect factors that were unforeseen at the time its bid was submitted. As a result, it is not possible to estimate with complete certainty the final cost or margin of a project at the time of bidding or during the early phases of execution. If costs were to increase for any of these reasons, Technip's profit margins could be reduced and Technip could incur a material loss on the contract.

### UNFORESEEN ADDITIONAL COSTS COULD REDUCE TECHNIP'S MARGIN ON LUMP SUM CONTRACTS.

Technip's engineering, procurement and construction ("EPC") projects could encounter difficulties that could lead to cost overruns, lower revenues, litigation or disputes. These projects are generally complex, requiring the purchase of important equipment and the management of large-scale construction projects. Delays could occur and Technip could encounter difficulties with the design, engineering, procurement, construction or installation in relation to these projects. These factors could impact Technip's ability to complete certain projects according to the initial schedule.

Technip could be held liable to pay monetary compensation should it fail to meet deadlines or to comply with other contractual provisions. Problems with the execution of contracts (whether present or future) could also have a material impact on Technip's operating income and harm Technip's image in its industry and with its customers.

### NEW CAPITAL ASSET CONSTRUCTION PROJECTS FOR VESSELS AND PLANTS ARE SUBJECT TO RISKS, INCLUDING DELAYS AND COST OVERRUNS, WHICH COULD HAVE A MATERIAL ADVERSE EFFECT ON TECHNIP'S AVAILABLE CASH RESOURCES AND RESULTS OF OPERATIONS.

Technip is continuously upgrading and developing its asset base. Any such construction projects are subject to similar risks of delay or cost overruns inherent in any large construction project resulting from numerous factors, including the following:

- shortages of key equipment, materials or skilled labor;
- unscheduled delays in the delivery of ordered materials and equipment;
- weather interference with business operations or project construction;
- difficulties in obtaining necessary permits or in meeting permit conditions;
- design and engineering problems; and
- shipyard delays and performance issues.

Failure to complete construction on time, or the inability to complete construction in accordance with its design specifications, may, in some circumstances, result in loss of revenues. Additionally, capital expenditures for construction projects could materially exceed the initially planned investments, and/or can result in delays in putting such assets in operation.

### RISKS RELATED TO SUBCONTRACTORS AND SUPPLIERS WITHIN CONTRACT EXECUTION.

Technip generally uses subcontractors and suppliers for the performance of its contracts. Technip's inability to hire subcontractors or to acquire equipment and materials could compromise its ability to generate a significant margin on a project or to complete it within the contractual timeframe.

Any delay on the part of subcontractors or suppliers in the completion of their portion of the project, any failure on the part of a subcontractor or supplier to meet its obligations, or any other event attributable to a subcontractor or supplier that is beyond Technip's control, or that Technip cannot anticipate, can lead to delays in the overall progress of the project and/or generate potentially significant extra costs.

Technip could be required to compensate customers for such delays. Even where these extra costs are borne by the defaulting supplier or subcontractor, Technip could be unable to recover the entirety of these costs and this could impact Technip's financial results.

### EQUIPMENT OR MECHANICAL FAILURE COULD IMPACT PROJECT COSTS AND DECREASE TECHNIP'S FINANCIAL RESULTS.

The successful execution of projects by Technip is dependent on its assets being highly reliable. Nevertheless, Technip could experience equipment or mechanical failures. Equipment or mechanical failures could not only result in greater project execution costs, but also lead to delays in ongoing or subsequent projects for which such assets were intended to be used.

Any equipment or mechanical failures with respect to Technip's principal assets could impact the project's costs, decrease results and lead to penalties for failure to comply with a project's conditions. Any such event could materially affect the economics of a project and Technip's results of operations.

### TECHNIP'S OPERATIONS COULD BE IMPACTED BY TERRORIST ACTS, UPRISINGS, WARS OR REVOLUTIONS WHETHER NATIONALLY OR INTERNATIONALLY INCITED, AS WELL AS BY THE CONSEQUENCES OF SUCH EVENTS. FURTHERMORE, SOME PROJECTS ARE LOCATED IN COUNTRIES WHERE POLITICAL, ECONOMIC AND SOCIAL INSTABILITY COULD DISRUPT THE COMPANY'S OPERATIONS.

In 2012, a part of Technip's business operations was carried out in areas where the risks of terrorism, acts of piracy, wars or revolutions, unpredictable political changes, or social unrest are elevated such as in 2011. The realization of those risks could result in a decline of the Group's profit rates and could negatively impact its financial results.

Political instability in general may diminish the number of potential projects that meet Technip's risk management criteria. It could also lead to more significant expenses and therefore impact the Group financial results while limiting its prospects for growth.

There are two ways to mitigate these risks: either by choosing not to carry out new projects in an impacted area or country, or by conducting specific risk analysis based on appropriate preventive and protective measures and regular audits of security measures already in place.

Technip can contract with insurance companies and export-credit agencies to obtain, when necessary, insurance to cover political risk. However in the event of a major national or regional political turmoil, the insurance policy may be inadequate to prevent a loss for ongoing projects. Such a loss could reduce Technip's net income or cause a net loss.

### TECHNIP'S OPERATIONS MAY CAUSE HARM TO PERSONS AND ASSETS, WHICH COULD DAMAGE THE COMPANY'S REPUTATION OR INCUR SUBSTANTIAL COSTS, IF SUCH HARM IS NOT COVERED CONTRACTUALLY OR BY INSURANCE.

Technip's operations are subject to the risks inherent to any company providing engineering and construction services to oil and gas, petrochemical and mining industries such as equipment failure, personnel injuries, fire or explosion. If realized, these risks might entail definite or temporary disruption of Technip's activities, damage to movable property and real assets, pollution or other environmental damage, which may result in claims being brought against Technip, including the risk of claims being brought by subsequent operators of facilities designed by Technip.

Technip's policy is to contractually limit its liability and provide for indemnity provisions, as well as to obtain insurance coverage. However, such precautions may not always provide full protection from liabilities. Technip may be deemed, as a matter of law, to have liability pursuant to environmental law and employment law in certain jurisdictions where Technip operates. In addition, clients and subcontractors might not have adequate financial resources to meet their indemnification obligations to Technip.

Furthermore, losses may result from risks that are not addressed in Technip's indemnity agreements or that are not covered by its insurance policies.

Finally, the Group may not be in a position to obtain adequate insurance coverage on commercially reasonable terms for certain types of risks. Failure to have an appropriate and adequate insurance coverage in place for any of the reasons discussed here in above could subject Technip to substantial additional costs and potentially lead to losses. Additionally, the occurrence of any of these events could harm Technip's image and negatively impact its financial results.

### MARITIME SECURITY RISKS

Piracy risks, mainly in the Somali Basin and Arabian Sea, and, in the Gulf of Guinea, still remain significant. Piracy represents a risk for both Technip's projects and vessels which operate and transit through sensitive maritime areas. Maritime risks have the potential to physically harm crews, or to negatively impact upon the execution schedule for a project or several projects. If Technip's maritime employees or assets are endangered, additional time is required to find an alternative solution that might once again delay the project realization and negatively impact Technip's operating margin and image.

### AIR TRAVEL RISKS

Technip operates in several countries where the performance of airlines and/or the air-traffic control network is poor. The limited number of flights for certain destinations – especially for domestic flights – can force employees to use the only available means of transportation. Should air travel risks materialize, they could impact the safety of employees, human resources, a project's execution or offer submission schedule, and can harm the Group's image.

### RISKS RELATED TO INFORMATION AND INFORMATION SYSTEMS

Data storage on electronic and other information devices is an essential part of Technip's engineering operations. A weakness in, a malfunction of, or an attack against the Group's information systems may result in a delay in a project realization or may negatively impact the Group's image.

### DEPENDENCE

Technip believes that the large portfolio of technologies that it owns or that it licenses from third parties is a strategic asset in winning and executing its projects. However, Technip could be subject to legal actions brought by third parties for the purpose of enforcing intellectual property rights they may claim that they hold.

Such legal actions could have a material impact on operations and image and result in a decline in Technip's market share and consequently affect the Group's financial results.

However, Technip does not believe that its business or financial situation is dependent upon any single patent, brand, technology or intellectual property right.

Technip is not dependent upon its suppliers. Technip is not limited in its choice of suppliers and approaches all suppliers that are active on the worldwide market.

Technip is not dependent on any individual customer as a result of its large customer base. Over the course of the last two financial years, the top client as well as the top five and the top ten clients generated revenues which break down as follows:

| In % of Group revenues | 2012 | 2011 |
|---|---|---|
| Revenues from the top client | 11.3% | 12.1% |
| Revenues from the top 5 clients | 30.6% | 38.5% |
| Revenues from the top 10 clients | 44.9% | 52.7% |

#### THE SUCCESS OF JOINT VENTURES OR CONSORTIA IN WHICH TECHNIP PARTICIPATES DEPENDS ON THE SATISFACTORY PERFORMANCE OF ITS PARTNERS' OBLIGATIONS.

The failure of Technip's partners to perform their contractual obligations could lead to additional obligations being imposed on Technip, such as taking over the defaulting partner's obligations, or to additional costs being incurred by Technip as a result of a partner's poor performance of its obligations (such as a delay), which could reduce Technip's profits or, in certain cases, generate material losses.

#### THE COMPANY HAS MADE AND MAY CONTINUE TO MAKE ACQUISITIONS WHOSE IMPACT ON ITS ACTIVITIES AND RESULTS MAY BE LESS FAVORABLE THAN ANTICIPATED OR AFFECT ITS FINANCIAL POSITION OR PROSPECTS.

As part of its development strategy, Technip has made and may continue to make acquisitions. These acquisitions could be of varying size and may take the form of company or equity purchases, the formation of joint ventures, or mergers. Acquisitions such as of Global Industries, Ltd in late 2011 or Stone & Webster Process Technologies and associated Oil & Gas Engineering capabilities in 2012 are significant at Group level. These acquisitions involve the following risks: (i) the business plan assumptions underlying the valuations may not be accurate, especially concerning market price, cost savings, earnings, synergies, assessment of market demand and expected profitability; (ii) the Group may not successfully integrate the acquired companies, their technologies, product lines and employees; (iii) the Group may not be able to retain certain employees, customers or key suppliers of the acquired companies; (iv) Technip could be forced to increase its debt to finance these acquisitions, thus limiting its financial flexibility and opportunities to contract new loans in the future; and (v) in respect of the merger control authorities, the Group may be forced to take on commitments which when implemented would be on less favorable terms than initially expected for the Group. Consequently, the expected benefits from future acquisitions or acquisitions already carried out may not be realized and this may affect the expected financial situation or prospects of the Group.

## 4.2. Risks relating to the Group's industry

#### TECHNIP COULD FAIL TO RETAIN ITS KEY PERSONNEL OR ATTRACT NEW QUALIFIED EMPLOYEES IT WILL NEED TO MAINTAIN AND DEVELOP ITS KNOW-HOW.

Technip's success is dependent upon its ability to recruit, train and retain a sufficient number of employees including managers, engineers and technicians who have the required skills, expertise and local knowledge. Competition for the recruitment of individuals with the required profile is strong.

Technip's operations depend substantially on the services of employees having the technical training and experience necessary to ensure the successful operation of projects. As a result, the continuing availability of such personnel is required. If Technip should suffer any material loss of personnel with the requisite level of training and experience to adequately operate the equipments of the Group or be unable to employ additional or replacement of such personnel, the operations of Technip could be adversely affected.

#### TECHNOLOGICAL PROGRESS MIGHT RENDER THE TECHNOLOGIES USED BY TECHNIP OBSOLETE.

The oil industry is pursuing oil and gas reserves in increasingly difficult conditions, such as the deep seas, high-pressure and high-temperature fields and extreme conditions in the Arctic. Technological development is key to overcoming these difficulties and provides a significant competitive advantage.

Unlike other sectors, this industry has not experienced any major or disruptive shifts in technology, however continuous research and development is required in order to continually push the limits of production-exploration. Technip's success depends on continuous and regular research and development in order to develop new products and new installation methods that will provide solutions at an acceptable cost to the market, (see Section 11, and Note 4 (c) of Section 20.1 of this Reference Document for details regarding R&D policy and expenses).

The failure to sustain continuous and regular research and development could result in a decline in Technip's market share, which could have a significant negative impact on its operations and its financial results.

### INCREASING PRICE PRESSURE BY COMPETITORS COULD REDUCE THE VOLUME OF CONTRACTS MEETING TECHNIP'S MARGIN CRITERIA.

Most of Technip's contracts are obtained through participation in a competitive bidding process, as is customary for the sector. Technip's main competitors are engineering and construction companies in the Americas, Europe, Asia and the Middle-East. While service quality, technological capability, reputation and experience are considered in client decisions, price remains one of the determining factors in most contract awards. Historically, this industry has always been subject to intense price competition. Such competition intensified from the growing demand over the period from 2004 to 2008 and could have a negative impact upon the Group's margin requirements if demand were to decrease significantly and sustainably and consequently have a negative impact on the Group's revenues.

### IMPACT OF THE CURRENT FINANCIAL AND ECONOMIC CRISIS ON LOANS, LETTERS OF CREDIT, BANK GUARANTEES AND OTHER GUARANTEES NECESSARY TO TECHNIP'S OPERATIONS.

In 2011, the financial crisis, which began in July 2007 and became an economic crisis in 2008 and 2009, became a crisis of confidence in Europe and in the sovereign debt of European Union member states and a new economic crisis in 2012.

Since summer 2011, the weak economic and financial environment in Europe and the future entry into force of strict banking regulations again increased the margin costs for bank credit and have had an increasing impact on banking fees regarding guarantees and letters of credit requested in the course of Technip's operations. These increased costs are due to regulatory limitations that banks and financial institutions now face which impact balance sheets, liquidity, financing costs for greater than one or three years, as well as constraints in relation to the allocation of capital. This latter constraint is only partially compensated for by the currently low (before bank margins) interest rates.

During the first half of 2011, Technip was able to renew a syndicated credit facility increasing its amount from €850 million to €1 billion (undrawn) at banking conditions that were more demanding than in 2005 but less demanding than those seen for a corporate borrower of its credit rating since the end of 2007.

The convertible bond issue (OCEANE) of €497.6 million was made at financial conditions which were more attractive in December 2011 for the issuer than those obtained at the convertible bond issue in November 2010. This has allowed Technip to reduce by a corresponding amount the amount of a credit facility of USD1.1 billion, undrawn that was negotiated before the acquisition of Global Industries at more demanding conditions than those in force in the first half of 2011.

During the first half of 2012, Technip issued three bonds for €325 million over long maturities (10, 15 and 20 years), each subscribed by a different European investor under the form of private placements.

In July 2012, Technip negotiated five bilateral credit facilities for a €420 million aggregate amount under competitive banking conditions.

Technip continues also to benefit from bank guarantee lines for significant amounts with a large number of financial institutions, enabling Technip to satisfy its contractual obligations.

However, the maintenance of high banking credit margins, associated with a possible increase in the interest rate, could deteriorate the actual conditions of new credit.

As a significant proportion of the financial debt of the Group has been entered into at fixed interest rates, the Group is protected against an increase in the interest rates to the extent of its currently utilized debt.

Nevertheless, adverse changes in the banking market may have an impact on the future issuance of bank guarantees and letters of credit in a significant amount and may require the involvement of several banks. These issuances could be more restrictive and more expensive to structure in a banking market where banks are increasingly reluctant to take risks on their peers. This could impact Technip's capacity to develop its business, its backlog and its earnings.

Despite Technip's credit risk management and hedging procedures, particularly during project assessments where such procedures begin at the offer stage (as detailed in Sections 6.3.1 and 6.3.2 of this Reference Document), Technip cannot guarantee that it will not be required to directly bear the risk of financial failure of any of its clients, partners or subcontractors following the loss of financing for certain projects and, more generally, due to the impact of the current financial crisis on the availability of credit to companies or the increase of negotiation periods for financing of projects for which Technip is a contractor. Such trends may have a significant adverse impact on Technip's activities and results.

### THE DECREASE IN AVAILABLE EXPORT CREDITS AND BANK LOANS COULD MAKE THE FINANCING OF CERTAIN PROJECTS MORE DIFFICULT FOR TECHNIP'S CLIENTS AND LEAD TO A DECREASE IN THE NUMBER OF NEW PROJECTS, WHICH COULD LIMIT TECHNIP'S GROWTH OPPORTUNITIES.

Technip and its subsidiaries maintain contact with many export credit agencies that promote projects which may generate new contracts and to obtain as an exporter their assistance in the hedging or guarantee of such projects. Technip's clients negotiate the conditions to obtain export credit financed by banks with the support of export credit agencies, as well as commercial credit providers, these two forms of credit being involved in the financing of the projects of certain clients of Technip. Should the level of support of these export credit agencies decline or if the amount of the commercial credit, whether or not supported by export credit agencies, were to be reduced from current levels, or if the commercial credit margins were to remain high after the announced increases for these measures, customers could choose to undertake fewer projects or decide to postpone completion of the projects. Any resulting decline in the number of new contracts could limit Technip's growth opportunities and have a significant impact on its business.

### A REDUCTION IN INVESTMENTS IN THE OIL SECTOR COULD CAUSE TECHNIP'S PROJECTS TO BE POSTPONED OR CANCELLED AND COULD LIMIT TECHNIP'S ABILITY TO INCREASE OR MAINTAIN ITS PROFITS.

Technip's business is largely dependent on investments made in the oil industry to develop onshore or offshore oil and gas reserves, as well as to process oil, natural gas and their by-products (refining units, petrochemical sites, natural gas liquefaction plants).

Oil and gas prices on world markets, as well as expectations of changes in these prices, significantly impact the level of investment in this sector.

In the upstream segment of the oil industry, a prolonged decrease in oil and gas prices where development costs, such as equipment procurement costs, do not simultaneously decline, could force customers to postpone new investments, significantly reduce the amount of such investments or even cancel such investments.

In the downstream segment of the industry, a sustained increase in oil and gas prices may put downward pressure on consumer demand for products derived from oil and gas, including fuel and plastics. Any slowing of demand would reduce incentives for Technip's clients to invest in additional treatment capacity.

Furthermore, in both of these segments high volatility in oil and gas prices could also lead oil and gas companies to delay or even cancel their investment projects.

Finally, investments in the oil industry are not only influenced by oil prices, but also by other factors including most importantly:

- the level of exploration and development of new oil and gas reserves;
- the rate of decline of existing reserves;
- changes in the global demand for energy;
- international economic growth;
- local political and economic conditions; and
- changes in environmental legislation and regulations.

A decrease in investment in the oil industry, as a result of one of the factors described above, or for any other reason, could decrease Technip's capacity to increase, or even maintain, its operating income and profits.

### WEATHER CONDITIONS RISK

Technip's business could be materially adversely affected by severe weather conditions in the countries in which it operates, which could require the evacuation of its employees and the suspension of its activities. Such events may cause a decline in revenue for the relevant business unit and a substantial increase in the costs involved in the maintenance or repair of such assets.

## 4.3. Regulatory and legal risks

### NEW GOVERNMENTAL LAWS OR REGULATIONS COULD POTENTIALLY BE UNFAVORABLE TO TECHNIP.

Technip's operations and means of production are governed by international, regional, transnational and national laws and regulations of approximately 50 countries worldwide, in various constantly evolving fields such as export control, securities laws, internal control, health and safety, personal data protection, ethics, anti-corruption, labor and environmental protection laws. In order to adapt itself to and comply with these laws and regulations and any changes thereto, Technip could be required to make financial and technical investments or otherwise withdraw its activities from certain countries. In addition, a misconduct or failure to comply with these laws and regulations could expose Technip and/or its employees to criminal, civil and administrative liabilities and could be damaging to its reputation and/or shareholder value.

Technip cannot guarantee that in exceptional cases certain assets will not be nationalized or expropriated or that contractual rights will not be challenged. The materialization of such risks could result in a loss of market share and have a material impact on the Group's operations and financial results.

### CHANGES IN TECHNIP'S OPERATIONAL ENVIRONMENT, IN PARTICULAR, CHANGES IN TAX REGULATIONS OR INTERPRETATIONS THEREOF IN COUNTRIES WHERE TECHNIP IS ACTIVE, COULD IMPACT THE DETERMINATION OF TECHNIP'S TAX LIABILITIES.

Technip operates in approximately 50 countries and is, as a result, subject to taxes in a number of different tax jurisdictions. Revenues generated in the various jurisdictions are taxed differently, including net income actually earned, deemed net profit and withholding taxes. The final determination of Technip's tax liabilities requires an interpretation of local tax laws, treaties and the practices of the tax authorities for each jurisdiction in which Technip operates, as well as the making of assumptions regarding the scope of future operations and the nature and timing of the financial results from these operations. Changes in tax regulations and practices could materially impact Technip's tax liabilities if the Group, contrary to the recommendations of the Group Tax Department, should not be contractually protected against a risk incurred as a result of a change in tax regulations, interpretations and practices.

### IF TECHNIP FAILS TO EFFECTIVELY PROTECT ITS TECHNOLOGIES, CERTAIN COMPETITORS COULD DEVELOP SIMILAR TECHNOLOGIES, CAUSING TECHNIP TO LOSE ITS COMPETITIVE ADVANTAGE RESULTING IN A LOSS OF REVENUES.

Certain of Technip's products, as well as the processes used by Technip to produce and market such products, are patented, or are subject to patent applications, or constitute trade secrets. Not all countries offer the same level of protection for intellectual property rights. If Technip's intellectual property rights were to be considered invalid or if they could not be protected, or if Technip failed to obtain a given patent, its competitors could then independently develop and exploit technologies similar to Technip's unpatented or unprotected technologies. Such events could have an impact on the Group's brand, operations or financial results.

Technip may need to take legal action to have its intellectual property rights enforced, as well as to assess the validity and scope of rights held by third parties. Technip could also be subject to legal actions brought by third parties for the purpose of enforcing intellectual property rights that they claim to hold. Any court proceedings could result in major costs as well as requiring the dedication of resources, which could have a material impact on Technip's operating income.

### THE GROUP MAY BE INVOLVED IN LEGAL PROCEEDINGS WITH CLIENTS, PARTNERS, SUBCONTRACTORS, EMPLOYEES AND TAX OR REGULATORY AUTHORITIES.

The Group is occasionally involved in legal proceedings with clients, partners and subcontractors in its normal course of business. It could also be involved in proceedings conducted by (i) employees or former employees of the Group with occupational disease claims related to certain activities (*e.g.,* divers) or to exposure to hazardous substances (*e.g.,* asbestos), (ii) tax or regulatory authorities and/or (iii) any third parties. Technip cannot exclude the possibility that if this risk materializes it may have an impact on the Company's image and/or its financial condition.

Details of significant legal litigation and proceedings that involve the Group can be found in Section 20.4 of this Reference Document.

### THE DOUBLE VOTING RIGHTS AND CHANGE OF CONTROL PROVISIONS, WHICH ARE INCLUDED IN CERTAIN AGREEMENTS TO WHICH TECHNIP IS A PARTY, CAN LIMIT THE AMOUNT OF PREMIUM THAT COULD BE OFFERED BY A POTENTIAL ACQUIRER.

Since the Shareholders' Meeting of November 24, 1995, the Company's articles of association *(statuts)* have provided that shareholders who have held fully paid-up shares in registered form in their name for at least two years have the right to two votes for every share held. Double voting rights are automatically lost in the event that such shares are converted into bearer form or are transferred. Double voting rights can only be cancelled when approved by an Extraordinary General Meeting of the Company's shareholders following approval by a special assembly of such double voting rights holders.

As of February 28, 2013, 11,228,155 shares carried double voting rights, representing approximately 9.93% of the share capital and approximately 18.42% of the voting rights in the Company.

A takeover of Technip could potentially trigger the relevant provisions of certain commercial contracts having an *"intuitu personae"* nature, especially with respect to license contracts. The direct effect of provisions that give, for example, a licensor the option to challenge granted rights, should not result in the prevention or delay of a change in control but could, as the case may be, decrease the Group's access to certain markets.

Double voting rights as well as the change of control provisions discussed above may make it more difficult for a potential buyer to acquire a percentage of the Company's share capital, or even impede such an acquisition, and therefore provide a defense against hostile takeovers and may delay or even prevent a change in control in which the Company's shareholders might have received a premium in relation to the market price of the shares.

### TECHNIP'S LIMITED REMAINING WORK IN IRAN MAY BE SUBJECT TO US SANCTIONS, WHICH COULD RESTRICT ITS ABILITY, OR EVEN PROHIBIT IT, FROM DOING BUSINESS IN THE UNITED STATES OR WITH US PERSONS.

As a multinational corporation organized outside the United States and with operations throughout the world, Technip operates in certain countries where US economic sanctions prohibit US persons, US entities and non-US entities that are US-owned or controlled from doing business and also expose non-US persons and non-US entities (even if not US-owned or controlled) to sanctions risk in certain situations. Pursuant to the Iran Sanctions Act of 1996 ("ISA"), as further amended and expanded by the Comprehensive Iran Sanctions, Accountability, and Divestment Act of July 2010 ("CISADA") and the Iran Threat Reduction and Syria Human Rights Act of 2012, as well as pursuant to US Executive Order 13590 the President of the United States may investigate and potentially retaliate against non-US persons who, among other things, knowingly make investments exceeding certain monetary thresholds that contribute to Iran's development of its petroleum and natural gas resources.

As of the date of this Reference Document, Technip no longer pursues projects in Iran. The revenues generated by residual obligations linked to prior contracts were close to zero. Technip cannot however completely exclude risk of sanctions under ISA and CISADA and similar US sanctions laws. In the event that sanctions are imposed under the ISA or similar laws, this could significantly increase Technip's costs of borrowing and substantially reduce its business opportunities. Under CISADA, the US President could apply a wide range of sanctions against Technip, including, in certain cases, prohibiting US persons from doing business with it.

The principles used to evaluate the amounts and types of provisions for liabilities and charges are described in Note 1-C (u) Provisions; the criteria for classifying an asset/liability as "current" or "non-current" in the statement of financial position is described in Note 1-C Accounting Rules and Estimates which is included in Section 20.1 of this Reference Document.

# 4.4. Industrial and environmental risks

### THE OPERATION OF FACILITIES THAT TECHNIP USED, BUILT OR IS CURRENTLY BUILDING COULD EXPOSE TECHNIP TO LIABILITY FOR COMPLIANCE WITH ENVIRONMENTAL PROTECTION AND INDUSTRIAL RISK PREVENTION REGULATIONS.

Technip operates in countries which have increasingly stringent and constantly changing regulations that relate to environmental protection and the operation of industrial sites. Technip could be held liable for environmental liabilities pursuant to Directive 2004/35/EC of the European Parliament and of the Council of April 21, 2004 on environmental liability, which has been implemented in the legislation of most of the EU member states in which Technip operates. In particular, Technip could be held liable for pollution, including the release of petroleum products, hazardous substances and waste from the Group's production, refining or industrial facilities, as well as other assets owned, operated or which were operated in the past by the Group, its customers or subcontractors. A breach of environmental regulations could result in: (i) Technip having to restore polluted sites at its own cost, which could prove to be substantial; (ii) the suspension or prohibition of certain operational activities; or (iii) Technip's liability for damages suffered by third parties, each of which could have a negative impact on the Group's operations and financial results.

Although Technip does not directly operate facilities that fall within the scope of Paragraph IV of Article L. 515-8 of the French Environmental Code for high threshold Seveso sites, certain of its activities (construction, installation or start-up) are carried out at industrial facilities that are exposed to industrial and environmental hazards.

In the event of a major industrial accident in a facility exposed to such hazards, Technip's liability, as an onsite participant, for damages to its employees or property, or the loss of an important customer as a result of such accident, could have a negative impact on the Group's results of operations. No provision was made during fiscal year 2012 given the exceptional nature of the occurrence of such risks and the difficulty of quantifying them.

### CLIMATE CHANGE COULD HAVE AN UNFAVORABLE IMPACT ON TECHNIP'S OPERATIONS AND INCOME.

Technip classifies climate change risks into two categories, each of which is approached separately in terms of economic risks:

1. Regulatory risks arising from more stringent international, European or national regulations aimed at reducing greenhouse gas emissions; and
2. Competition risks from a further shift in customers' demand for more energy-efficient products and processes to reduce greenhouse gas emissions.

   Each of these risks could materially adversely affect Technip's compliance with contractual completion deadlines as well as Technip's results of operations:

1. Technip has no facilities that fall within the scope of either the French national scheme for greenhouse gas quota (PNAQ II for the 2008-2012 period) or Directive 2010/75/EU of the European Parliament and of the Council on industrial emissions (integrated pollution prevention and control). Investments in the petroleum industry can be materially impacted by changes in environmental laws or regulations applicable to the project or to the relevant business sectors. If certain regulations change in an unexpected manner or impose requirements with which Technip may not be able to comply, the obligations imposed by such laws or regulations could have a significant negative impact on the Group's operations and financial results.
2. If the Group does not sufficiently anticipate evolutions in technologies that lower greenhouse gas emissions and based on renewable energies, Technip could no longer be able to satisfy market demand, which could negatively impact its operations and financial results.

### TECHNIP COULD FACE CLAIMS FOR OCCUPATIONAL DISEASES RELATED TO ASBESTOS AND INCUR LIABILITIES AS AN EMPLOYER.

Like most diversified industrial groups, Technip may be exposed to claims for occupational diseases related to its employees' exposure to health hazards, including asbestos. To avoid any harm to its employees, Technip implements prevention programs designed to reduce specific health risks. In the event that occupational diseases related to asbestos are discovered or reported, an employer could be held liable and be required to pay indemnities to victims or to their heirs and assigns in a substantial amount. In certain very limited exceptions, the exposure of Technip's employees to asbestos could result from the unknown presence of asbestos in certain buildings or equipment used in the numerous locations where the Group operates, and not from the use of asbestos in the manufacturing process. The Group is unaware of any claims for occupational diseases in this respect. Nevertheless, if Technip was held liable for occupational diseases and should the law regarding the indemnities given in relation to such diseases evolve in favor of the victims, the Group could suffer serious financial loss.

# 4.5. Credit/counter-party risk

The worldwide market for the production, transportation and transformation of hydrocarbons and by-products, as well as the other industrial sector markets in which the Group operates, is dominated by a small number of companies. As a result, Technip's business relies on a limited number of customers. The Group regularly performs credit risk analyses before entering into contracts and, where the risk is considered to be too high, puts in place payment guarantees and procedures for monitoring customer payments, as necessary.

In 2012, and as of the date of this Reference Document, the Group has not suffered any significant payment defaults by its clients (see Note 16 to the Consolidated Financial Statements included in Section 20.1 of this Reference Document, indicating the amounts for doubtful accounts and provisions made for their depreciation).

For information purposes, the percentages of consolidated revenues generated from Technip's top client and the consolidated revenues generated by its top five and top ten customers is reported in Section 4.1 of this Reference Document.

# 4.6. Liquidity risk

The Group's exposure to liquidity risks is presented in Note 33 (a) to the Consolidated Financial Statements included in Section 20.1 of this Reference Document.

As of December 31, 2012, Standard & Poor's corporate credit rating for Technip was BBB+/Stable/A-2.

Technip's business generates negative working capital requirements. The contractual terms and conditions for payment are negotiated between the Group's entities and their clients, suppliers or subcontractors for the realization of projects. These terms and conditions provide the Group's entities with cash resources and are reflected in the accounts, in particular the consolidated accounts, by a negative working capital requirement.

- Technip's financing needs are met pursuant to a Group policy implemented by the Finance and Control Division.
- Cash management is centralized at the head office and coordinated through finance departments located in the Group's main operating subsidiaries.

  Technip Eurocash SNC, a French general partnership *(société en nom collectif)*, acts to centralize cash pooling for the Group's main entities, in compliance with applicable laws and regulations in each of the relevant countries. Technip Eurocash SNC has entered into cash pooling agreements with most of the Group's subsidiaries in order to consolidate surplus cash and to meet their needs, except where local economic and financial considerations have required recourse to external local debt.
- As of December 31, 2012, the Group had multiple financing sources for financing its general corporate needs, or for financing new assets or certain operations.

### 2010 PRIVATE PLACEMENT NOTES

On July 27, 2010, Technip received the proceeds of the €200 million private placement notes in accordance with contractual terms and conditions agreed on November 19, 2009. The purpose of this private placement was a partial refinancing of the 2004-2011 bond issue, which was repaid at its maturity May 26, 2011. The notes have a 10-year term from July 27, 2010 and an annual coupon of 5%. This placement includes the usual covenants and default provisions that are standard for this type of bond issue and does not include any financial ratios. These notes are listed on the Luxembourg Stock Exchange.

### 2010-2016 CONVERTIBLE BOND

On November 17, 2010, Technip issued 6,618,531 bonds convertible into and/or exchangeable for new or existing shares (OCEANE) for approximately €550 million. The bonds will be redeemed at par on January 1, 2016 except in the event of an early conversion, exchange or redemption. Bondholders have the option to convert their bonds into shares at any time at the ratio of one share for one bond. In addition, the Group has the option to call for the early redemption of all outstanding 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.

The nominal value of each bond was set at €83.10. The bonds are listed on the Euronext Paris market.

The bonds bear interest at an annual rate of 0.50% payable annually in arrears on January 31 of each year, *i.e.*, €0.42 per year and per bond.

The main purpose of the convertible bond issue was to partially refinance the 2004-2011 bond issue, as well as to secure long-term financing to cover the Group's recent investments.

The bonds will be convertible into or exchangeable for new/existing Technip shares at the ratio of one share per bond, subject to future anti-dilution adjustments as described in the documentation, *i.e.*, the *Note d'opération* approved by the AMF on November 9, 2010 under No. 10-392.

The bond issue was rated BBB+ by Standard & Poor's. The *Note d'opération* includes covenants and default clauses standard for this type of bond issue, and does not include any financial ratios. The issue provides that in the event of a change of control of Technip, any bondholder may, at its sole option, request the early redemption in cash of all or part of the bonds it owns.

As of the date of the issue of the bonds, the debt booked as non-current financial debt in the statement of financial position amounted to the fair value of the debt component. The fair value of the debt component is decreased by a proportion of the expenses related to the issue. The difference between the nominal value of the OCEANE and the fair value of its debt component is recorded as shareholders' equity. As of December 31, 2012, the amount of the bond booked as non-current financial debt in the statement of financial position amounted to €508.2 million and the amount booked as shareholders' equity amounted to €63.3 million (see Note 21 (b) in Section 20.1 of this Reference Document).

### 2011-2017 CONVERTIBLE BOND

On December 15, 2011, Technip issued 5,178,455 bonds convertible into and/or exchangeable for new or existing shares (OCEANE) for approximately €497.6 million. The bonds will be redeemed at par on January 1, 2017 except in the event of an early conversion, exchange or redemption. Bondholders have the option to convert their bonds into shares at any time at the ratio of one share for one bond. In addition, the Group has the option to call for the early redemption of all outstanding 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.

The nominal value of each bond was set at €96.09. The bonds are listed on the Euronext Paris market.

The bonds bear interest at an annual rate of 0.25% payable annually in arrears on January 31 of each year, *i.e.* approximately €0.24 per year and per bond. The first coupon payment on January 31, 2012 amounted to approximately €0.03 per bond.

The main purpose of the convertible bond issue was to partially replenish the Group's cash balances following the payment of Global Industries, Ltd shares for USD936.4 million in December 2011.

The bonds will be convertible into or exchangeable for new/ existing Technip shares at the ratio of one share per bond, subject to future anti-dilution adjustments as described in the documentation, *i.e.*, the *"Note d'opération"* approved by the AMF on December 7, 2011 under No. 11-562.

The bond issue was rated BBB+ by Standard & Poor's. The *"Note d'opération"* includes standard covenants and default clauses for this type of bond issue and does not include any financial ratios. The issue provides that in the event of a change of control of Technip, any bondholder may, at its sole option, request the early redemption in cash of all or part of the bonds it owns.

As of the date of the issue of the bonds, the debt booked as non-current financial debt in the statement of financial position amounted to the fair value of the debt component. The fair value of the debt component is decreased by a proportion of the expenses related to the issue. The difference between the nominal value of the OCEANE and the fair value of its debt component is recorded as shareholders' equity. As of December 31, 2012, the amount of the bond booked as non-current financial debt in the statement of financial position amounted to €435.2 million and the amount booked as shareholders' equity amounted to €73.1 million (see Note 21 (b) in Section 20.1 of this Reference Document).

### 2012 PRIVATE PLACEMENT NOTES

In June 2012, Technip concluded three long-term private note placements, each subscribed by a different investor, for an aggregate amount of €325 million. These bond issues consist of:

- €150 million 10-year private note placement concluded on June 14, 2012 with an annual coupon of 3.40% payable annually in arrears on June 14 of each year. These private notes have been rated BBB+ by Standard & Poor's and are listed on the market NYSE Euronext Paris;
- €75 million 15-year private note placement concluded on June 15, 2012, carrying an annual coupon of 4.0% payable annually in arrears on June 15 of each year. These private notes have been rated BBB+ by Standard & Poor's and are listed on the market NYSE Euronext Paris; and
- €100 million 20-year private note placement concluded on June 14, 2012 with an annual coupon of 4.0% payable annually in arrears on June 14 of each year. An application for quotation of this private note 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 note placements include standard covenants and default clauses for these types of bond issues, and does not include any financial ratios. The issues provide that in the event of a change of control of Technip and a rating downgrade of the notes below BBB- deemed to have occurred in respect of that change of control, any bondholder may, at its sole option, request the early redemption of all the bonds it owns.

### *SKANDI ARCTIC* FINANCING

In March 2009, Doftech DA (a 50% owned subsidiary of Technip) entered into a NOK1 billion facility agreement for the financing of the *Skandi Arctic* vessel. This facility will be reimbursed in 24 equal semi-annual installments from September 16, 2009 to March 16, 2021. As of December 31, 2012, the facility, fully drawn, amounted to NOK708.3 million following semi-annual payments starting from September 16, 2009.

One tranche of the facility, corresponding to 70% of the total amount is granted at a fixed rate of 5.05% by the Norwegian financing institution Eksportfinans and benefits from a guarantee by GIEK. The other tranche of the facility is granted at a floating rate by a commercial bank.

This credit facility is guaranteed jointly, but not severally, by Technip Offshore International and by the ultimate parent company of the other shareholder of Doftech DA, on an equal basis. It also benefits from a mortgage over the *Skandi Arctic* vessel.

This credit agreement includes the covenants and default provisions that are standard for this type of credit agreement and does not include any financial ratios.

### *SKANDI VITÓRIA* FINANCING

In April 2010, the Brazilian subsidiary Dofcon Navegação, a 50% owned subsidiary of Technip, and BNDES (Banco Nacional de Desenvolvimento Econômico e Social) entered into two loan agreements for a total amount of USD240 million with a fixed interest rate of 3.09% which has increased to approximately USD244 million (by capitalization of interest up until December 31, 2010), for the financing of the *Skandi Vitória* vessel.

The two loans will be reimbursed in 204 equal monthly installments from January 10, 2011 until December 10, 2027. As of December 31, 2012, the facility amounted to USD213.5 million following the installments paid since January 2011. Each of the loans is secured by joint and several guarantees given by Technip and the ultimate parent company of the other shareholder of Doftech Navegação and by a mortgage on the *Skandi Vitória*.

The loan agreements include covenant and default provisions that are standard for such facilities with BNDES, including a covenant that the loan amount does not exceed an amount such that the estimated value of the *Skandi Vitória* is equal or greater than 110% of the loan amount.

### *SKANDI NITERÓI* FINANCING

On May 5, 2011, the Brazilian subsidiary Dofcon Navegação, a 50% owned subsidiary of Technip, and BNDES (Banco Nacional de Desenvolvimento Econômico e Social) entered into two loan agreements for an initial total amount of USD136.5 million with a fixed interest rate of 3.40% p.a., for the financing of the *Skandi Niterói* vessel.

The first loan of USD105.5 million will be reimbursed in 210 equal monthly installments from July, 2011 until December, 2028. The second loan of USD31 million will be reimbursed in 204 equal monthly installments from January, 2012 until December, 2028. As of December 31, 2012, the facilities amounted to USD126.9 million following successive installments paid since July 2011 and January 2012 depending on the loans.

Each of the loans is secured by joint and several guarantees given by Technip and the ultimate parent company of the other shareholder of Dofcon Navegação and by a mortgage on the *Skandi Niterói.*

The loan agreements include covenants and default provisions that are standard for such facilities with BNDES, including a covenant that the loan amount does not exceed an amount such that the estimated value of the *Skandi Niterói* is equal or greater than 110% of the loan amount.

### BNDES (BANCO NACIONAL DE DESENVOLVIMENTO ECONÔMICO E SOCIAL) FACILITIES

As of December 31, 2012, Flexibras Tubos Flexiveis, one of the Group's Brazilian subsidiaries, had 15 separate credit facilities for a total amount of BRL700 million to sustain the pre-financing of its export operations.

Each facility was entered into on behalf of BNDES in connection with BNDES financing. The 15 credit agreements include the standard default provisions for such facilities with BNDES and do not include any financial ratio.

As of December 31, 2012, these fixed rate loans are fully drawn and consist in:

- four separate credit facilities for a total amount of BRL250 million, each entered into in June 2010 and each with different commercial banks (each facility amounted to respectively BRL90 million, BRL70 million, BRL55 million and BRL35 million). The four facilities have a single redemption date of June 15, 2013;
- five separate credit facilities for a total amount of BRL200 million, each entered into with different commercial banks in April 2011. Each facility of BRL40 million has a single redemption date of April 15, 2013;
- a BRL50 million credit facility entered into in December 2011, with a redemption date of July 15, 2013;
- two separate credit facilities for a total amount of BRL85 million entered into in August 2012, each with different commercial banks (each facility of respectively BRL50 million and BRL35 million). Both facilities have a single redemption date of September 15, 2015; and
- three separate credit facilities for a total amount of BRL115 million concluded each with different commercial banks in November 2012. Two facilities of BRL32.5 million each have a single redemption date of November 15, 2015. The facility of BRL50 million has a redemption date of December 15, 2015.

Flexibras Tubos Flexiveis redeemed the three separate credit facilities for a total amount of BRL300 million entered into in September 2009 at the August 15, 2012 maturity date.

### PIPELAY SUPPORT VESSELS FINANCING

As of December 31, 2012 the Dutch subsidiary Technip Odebrecht PLSV CV, a 50% owned subsidiary of Technip, benefits from a USD90 million credit facility. The facility is drawn up to USD70.8 million. It is guaranteed jointly, but not severally, by Flexibras Tubos Flexiveis, a Brazilian subsidiary of the Group, and the parent company of the other shareholder of Technip Odebrecht PLSV CV, on an equal basis.

Eighty per cent of the first project costs related to the construction of two Pipelay Support Vessels being built in the Korean yards of Daewoo Shipbuilding & Marine Engineering Co, are currently financed by this variable interest rate credit facility. Both vessels will be chartered and operated for Petrobras for 10 years (5-year fixed/5-year optional) following the bid awarded by Petrobras in October 2011.

The credit facility will be repaid by the use of a project finance financing which documentation is currently in the final stages of negotiation.

### *DEEP ENERGY* FINANCING

In 2012, Technip cancelled the USD213 million credit facility agreements entered into in 2009 for the financing of the *Deep Energy* vessel which is currently under construction:

- on August 3, 2012, the Group cancelled the credit facility in the amount of USD125 million granted to Technip; and
- on May 15, 2012, Technip cancelled the credit facility in the amount of USD88 million granted to TP-NPV Singapore Ltd, guaranteed by Technip and benefiting from a credit insurance from the export credit agency Finnvera (Finland).

### 2011 BANK FACILITY

On June 14, 2012, the USD1.1 billion one-year bank facility signed by Technip on November 18, 2011 and reduced to a USD455 million revolving credit facility following the 2011-2017 convertible bond issue, was cancelled. This facility was undrawn. Its purpose was to finance or refinance the acquisition of Global Industries, Ltd and the prepayment of its financial debt, with any excess to be used for the Group's general requirements.

### GLOBAL INDUSTRIES EXTERNAL FINANCING

*Bank Facility*

As of December 31, 2012, the remaining outstanding amount of bonds and letters of credit covered since December 1, 2011, acquisition date of the group Global Industries, Ltd, by a Technip corporate guarantee issued on behalf of Global Industries entities, amounted to USD1.3 million.

*Convertible Bond*

On January 11, 2012, following the acquisition of Global Industries, Ltd by Technip and its delisting from the NASDAQ (New York), Global Industries Ltd reimbursed, to comply with the conditions set out in the original offering memorandum of the 2.75% USD325 million Senior Convertible Debentures, due 2027, issued on July 27, 2007, a principal amount of USD322.6 million (corresponding to 99.3% of the outstanding debentures) and paid accrued interest of approximately USD3.9 million to the bondholders. As of December 31, 2012, the non-tendered bonds amounted to USD2.4 million.

*Bonds guaranteed by the United States Government*

On November 30, 2012, Technip redeemed the bonds guaranteed by the US Government under Title XI of the Federal Ship Financing Program. This early redemption amounted to USD71.3 million, including the payment of a premium.

These bonds bore an interest of 7.71% p.a. and were secured by a mortgage on the Hercules vessel which was released pursuant to the redemption.

#### SYNDICATED CREDIT FACILITY AND BILATERAL FACILITIES

As of December 31, 2012, the Group had various unutilized financing sources for an aggregate amount of €1,461.7 million that allow it to meet its general financing needs. These facilities are not secured by any of the Group's assets. They contain covenant and default provisions that are standard for such financing, from Technip and some of its affiliates, and do not include any financial ratio. These credit agreements do not include early payment provisions in case of deterioration of the borrower's credit rating.

1. The credit facility in the amount of €1 billion put in place on July 21, 2011 with two one-year extensions at the borrowers' option, subject to the lenders' approval and which may be drawn in Euros, in US dollars or in British pounds, has been extended to July 21, 2017.

   The facility, in the event it is utilized, includes a floating interest rate and an applicable margin which varies according to a schedule of Technip's credit rating.
2. In 2012, five separate credit facilities in a total amount of €420 million which may be drawn in Euros were granted to Technip and replaced the existing facilities. Following bilateral negotiations, the amounts and maturity dates are as follows:
   - a €80 million facility that matures on July 25, 2014 and contains two one-year extensions at the borrowers' option, subject to the lender's approval;
   - a €100 million facility that matures on July 25, 2015;
   - a €80 million facility that matures on July 31, 2015;
   - a €80 million facility that matures on August 2, 2015; and
   - a facility in the amount of €80 million that matures on July 27, 2016, after a first €40 million reduction on July 27, 2015.
3. Various unutilized credit facilities amounting to €34.4 million were granted to Technip.

   These credit agreements include a floating interest rate in the event that they are utilized as well as standard default provisions.

As of December 31, 2012, the credit facilities confirmed and available to the Group amounted to €1,461.7 million, of which €1,420.0 million is available after December 31, 2013. Out of this total of €1,461.7 million, €41.7 million is reserved for the financing of certain assets or for certain subsidiaries.

As of the December 31, 2012, Technip returned to the commercial paper market in light of favorable market conditions. As of December 31, 2012, the outstanding commercial paper amounted to €150 million. The Group retains an authorization from the Banque de France for a maximum amount of €600 million.

As of December 31, 2012, debt falling due in 2013 and 2014 amounted to €417.4 million including €18.6 million of accrued interest and fees and €398.8 million of principal.

# 4.7. Market risks

## 4.7.1. CURRENCY RISK

### Operating currency risk

Technip considers that its operations generate the principal currency risk faced by the Group. Therefore, very strict policies and procedures have been put in force for the past several years with the objective of optimizing hedging of the Group's operating currency exposure.

For each contract, a currency risk analysis is performed to take into account currency inflows and outflows. During the tender phase of a contract, and where possible in collaboration with the client and partners, currency exposure is minimized by the use of natural hedging. At the inception of the contract, any remaining exposure is systematically hedged by use of financial instruments. During the execution of the contract, the exposure to currency risk is reviewed on a regular basis and, as necessary, the hedging is adjusted. Each contract is individually monitored pursuant to the Group's internal procedures, with the results included in the Group's internal reporting.

Currency hedging is conducted in accordance with the relevant international accounting standards (IFRS) and takes into account future cash flows (thereby providing "microeconomic cover").

For most entities, financial hedging instruments are contracted centrally by Technip Eurocash SNC and are in turn contracted across several banking counterparties that have been selected following an appropriate analysis.

Currency hedging instruments used by the Group and their respective sensitivities are presented in Notes 1-C (c), 26 and 33 (b) in Section 20.1 of this Reference Document. As of December 31, 2012, the Group has not used any currency options.

The Group's internal rules require that all transactions contracted in foreign currencies must be hedged. As a result, even if the Group's consolidated currency position is not measured, on the basis of individual monitoring and internal reporting, almost all of the assets, liabilities and cash flows that are denominated in a currency different from the functional currency of the operating entity are hedged, using either natural hedging or financial instruments. Technip believes that any residual currency risk is not significant.

As of December 31, 2012, Technip's outstanding hedging instruments by currency were as follows:

In millions of Euro

| USD/EUR Purchase | USD/EUR Sale | GBP/EUR Purchase | GBP/EUR Sale | Purchase/Sale of Foreign Currency vs. EUR | Purchase/Sale of Foreign Currency vs. Foreign Currency | Total Nominal Value of Hedging Instruments |
|---|---|---|---|---|---|---|
| 137.5 | 851.8 | 5.0 | 210.0 | 148.3 | 974.5 | 2,327.1 |

### Financing currency risk

Most of the short term financing needs of the Group's subsidiaries in relation to a requested currency are met by the centralizing cash pooling entity, Technip Eurocash SNC. Technip Eurocash SNC centralizes excess cash in any currency for most of the Group's subsidiaries and therefore, has the necessary cash available in a requested currency. Otherwise, it enters into currency swap contracts.

The Group has no external financial debt contracted in a currency other than the functional currency of the contracting entity, which means that the Group does not have significant exposure to currency risk related to its financial debt.

### Foreign investment currency risks

The Group does not have any hedge of a net investment in a foreign operation.

In 2012, approximately 70% of the Group's revenues were realized outside the euro zone, including 19% by companies having US Dollars as the functional currency and 17% by companies having British Pounds as the functional currency.

A variation of 10% in the USD/EUR exchange rate would impact Group revenues by €132.2 million, while a variation of 10% in the GBP/EUR exchange rate would impact Group revenues by €149.8 million.

## 4.7.2. RATE RISK

The following table presents a schedule of the maturities for Technip Group's financial assets and financial debts, after yield management, as of December 31, 2012. The schedule of maturities corresponds to the date of revision for interest rates.

| In millions of Euro | Call Money rate within 1 year | 1 to 5 years | Over 5 years | Total |
|---|---|---|---|---|
| Convertible Bonds (including Accrued Interest Payable) | 3.7 | 943.4 | - | 947.1 |
| Bond Issue (including Accrued Interest Payable) | 11.1 | - | 519.0 | 530.1 |
| Bank Borrowings and Credit Lines (including Accrued Interest Payable) | 203.5 | 129.6 | 100.9 | 434.0 |
| Commercial Papers | 150.0 | - | - | 150.0 |
| **Fixed Rate** | **368.3** | **1073.0** | **619.9** | **2,061.2** |
| Cash and Cash Equivalents | (2,289.3) | - | - | (2,289.3) |
| Bank Borrowings and Credit Lines | 31.8 | 6.8 | 6.0 | 44.6 |
| Bank Overdrafts | 0.3 | - | - | 0.3 |
| **Floating Rate** | **(2,252.2)** | **6.8** | **6.0** | **(2,244.4)** |
| **TOTAL** | **(1,888.9)** | **1,079.8** | **625.9** | **(183.2)** |

The outstanding fixed rate debt for which the residual maturity is greater than one year amounts to €1,692.9 million. The outstanding fixed rate debt mainly consists of the convertible bonds (OCEANE) and the private placements. It is also made of drawings on bank loans.

### Sensitivity analysis in regards to a change in interest rates

As of December 31, 2012, Technip's variable rate debt amounted to €44.9 million, as compared to total debt of €2,106.1 million.

The Group's treasury is invested in short-term securities so as to ensure its liquidity. Financial income varies depending on the fluctuations in currency interest rates.

As of December 31, 2012, the Group's net short-term cash position (cash and cash equivalents, less short term financial debts) amounted to €1,888.9 million.

As of December 31, 2012, a 1% (100 basis points) increase in interest rates would reduce the fair value of the fixed rate bonds and fixed rate convertible bond issues (OCEANE) before tax by €71.5 million. Conversely, a decrease of 1% (100 basis points) would increase fair value before tax by €71.5 million.

Moreover, a 1% (100 basis points) increase in interest rates would generate an additional profit of €18.8 million before tax to the Group's short term net cash position. A 1% (100 basis points) decrease in interest rates would generate a loss in the same amount.

| In millions of Euro | Impact on Estimated Financial Charges and Revenues before Taxes (*) | Impact on Equity before Taxes |
|---|---|---|
| Impact of +1% Change on Interest Rates | 18.8 | 0 |
| Impact of -1% Change on Interest Rates | (18.8) | 0 |

(*) On the basis of outstanding amounts as of December 31, 2012.

### Method of monitoring interest rate risks

The Director of the Treasury Division, who reports directly to the Deputy CFO, is responsible for regularly monitoring Technip's exposure to interest rate risks.

The Group does not use financial instruments for speculative purposes.

As of December 31, 2012, the Group did not enter into any derivative contracts to hedge interest rates.

## 4.7.3. STOCK RISK AND OTHER FINANCIAL INSTRUMENTS

### Risks related to Technip's shares and other financial instruments

| In millions of Euro | Portfolio of treasury shares |
|---|---|
| Asset Balance | 148.8 |
| Provisions for Risk | (158.7) |
| **NET TOTAL POSITION** | **(9.9)** |

### Sensitivity to changes in share price

As of December 31, 2012, the Company holds 2,370,981 treasury shares. In the event of a 10% decrease in Technip's share price, which was €86.84 as of that date, the Company would not be required to record a provision in its annual accounts.

As of December 31, 2012 and 2011, the Group owned 789,067 shares, *i.e.* 5.5%, of Gulf Island Fabrication, Inc. (GIFI), a company listed in New York (NASDAQ).

In 2010, the Group acquired an 8% interest in Malaysia Marine and Heavy Engineering Holdings Berhad (MHB) for €114.5 million (*i.e.* 128,000,000 shares). In 2011, Technip increased its Interest In MHB by 0.35% for €7.1 million (*i.e.* 5,555,000 supplementary shares), then increased its interest again in 2012 by an additional 0.15% for €3.2 million (*i.e.* 2,455,000 supplementary shares), for a total interest of 136 million shares. This company is listed in Malaysia (Bursa Malaysia Securities Berhad).

As of the date of this Reference Document, other than the shareholdings mentioned above, the Group did not hold any other third party listed shares, either directly or through a collective investment vehicle (*Organisme de Placement Collectif en Valeurs Mobilières,* or "OPCVM").

For a summary of investments by financial instrument and accounting classification, please refer to Note 26 to the Consolidated Financial Statements in Section 20.1 of this Reference Document.

## 4.7.4. COMMODITY RISK

Technip's main procurement is of equipment, in relation to which suppliers and subcontractors purchase raw materials. The main equipment includes, but is not limited to, rotating equipment, pressure vessels and heat exchangers.

The direct impact of fluctuations in the price of raw materials on equipment cost is limited, except in relation to certain products such as pipes or electrical cables, because there is a limited margin of added value.

Since the flexible pipes and their components produced by Technip have a very specific purpose, plants limit their stock to the level needed for ongoing projects and backlog.

Technip participates in the commodity market as part of its procurement in relation to flexible pipes and umbilicals for its plants. In 2012, this represented 69% of the Group's procurement, by value. Such procurement is made up of steel wires, thermoplastics and stainless steel strips (ordered by decreasing value).

A significant increase in commodity prices, especially in relation to energy prices for oil and gas, as well as iron ore, may impact the operating costs of the Group and its subcontractors. Where Technip is committed to a lump-sum contract, it is not always possible to recover an increase in commodity prices from clients.

# 4.8. Risk management policy and insurance

Technip aims to deliver high quality installations and services and to perform within the deadlines and budgets negotiated with its clients. Furthermore, its leading global position in project management, engineering and construction for the oil and gas industry, as well as the large technological portfolio that it is able to offer to its clients, exposes it to technological, strategic and reputational risk, which are particularly affected by the development of the environment in which the Company operates and by applicable regulations. Consequently, the balanced management of risks and opportunities of a financial, industrial, environmental, geopolitical and business nature is a key element of the economic and operational development and performance of the Group.

## 4.8.1. OVERVIEW

Technip's risk management policy is to adopt the best practices in the identification, evaluation and quantification of risks to ensure that these risks are reduced and maintained at a level acceptable to the Company. All managers within the organization must understand the nature of risk and accept responsibility for risks associated with their area of authority.

Risk management is an important commitment within the Group (see Section 4.2.2 of the Report of the Chairman of the Board of Directors in Annex C of this Reference Document) and is managed at every level of the organization, from the Group to Regional functions, entities and Projects.

The Group is organized into Corporate Divisions under the authority of the Chairman and Chief Executive Officer of the Company. Each Corporate Division contributes, within its scope of responsibility, to the management and assessment of the risks faced by the Group. Risk assessment is directed by the Corporate Divisions, across the Regions and the other entities of the Group, down to the level of each individual project. The risk management process is monitored by a network of Risk Managers who are responsible for its implementation and the procurement of the necessary resources.

Additional information on risk management and the participants involved is included in Section 4.2.2 of the Report of the Chairman of the Board of Directors included in Annex C of this Reference Document.

A statistical survey and an analysis of risks are undertaken within the Group under the supervision of the Senior Vice President Audit & Risks. Identified risks are monitored using internal risk-mapping and improvement programs and accounting provisions where necessary. This process covers all categories of risk, including operational and transverse risks.

The risk management objectives of the Company are to:

- incorporate risk management within the culture of the Company;
- identifying the Group's exposure to risks;
- implement cost effective and rational actions to reduce risks;
- ensure risk is properly assessed in the decision-making process.

These objectives will be achieved through the implementation of:

- an appropriate periodic review at all levels of the organization;
- an integrated risk management process in every decision-making process; and
- regular training all of the Group's employees on risk management techniques.

At Group level, an evaluation of the financial risk for the project Portfolio is conducted, together with specific key metrics to assess efficiently the overall risk profile of the Company.

## 4.8.2. CRISIS AND BUSINESS CONTINUITY MANAGEMENT

As part of its global Security Management System, Technip implements a three-level organization to manage crisis that reflects the Company's specific organizational and operational requirements.

Within Technip, Crisis Management system is a joint approach developed by and between all relevant departments, in particular the Security, Medical, HSE and Communication departments.

At each level of the organization, dedicated emergency response teams, processes, and facilities are set up to be immediately mobilized in the event of an incident. Regular exercises are organized by Technip Security Division to test the efficiency of crisis management procedures in different entities, under as close to real conditions as possible. In 2012 major efforts in terms of crisis management preparedness were concentrated on the revision of Technip's joint Notification and Incident management Standard, on the basis of a joint approach between the Security, Medical, HSE and Communications departments, in order to build on lessons learnt from past years and to face new potential threats.

In order to provide better guarantees to clients and partners, Technip Security Division supported Regions and Entities through the organization of seminars and trainings on their own approach to implementing business continuity policies.

Business continuity approach is being developed in order to minimize necessary time for the resumption of Group's critical operations in case of a major incident notably by having operational business continuity plan in every Technip entity. A special focus has been implemented on offshore assets and manufacturing plants. Technip Incident and Continuity Application (TICA) has been designed as an integrated tool in order to support Crisis Management (through the creation of a virtual Crisis Center) and Business continuity (through dedicated checklists).

## 4.8.3. MANAGEMENT OF RISKS RELATING TO THE GROUP AND ITS OPERATIONS

In addition to the standard legal precautions undertaken at the project selection stage (see Sections 6.3.1 and 6.3.2 of this Reference Document), the Group endeavors to reduce its exposure to risks it encounters in connection with its operations.

From this perspective, Technip manages its project portfolio from the pre-selection phase onwards based on a systematic identification of the associated risk profile. The Group conducts a detailed analysis of its projects, aimed at diversifying contractual arrangements and the geographic regions where it performs its contracts, at diversification of the backlog composition across business segments, and at developing partnership strategies that will allow it to share the risks on projects.

More specifically, the Group endeavors to limit risks relating to contract margins through a selective approach to projects as early as the project's request for tender stage. See Section 6.3.2 of this Reference Document for further information.

The contracts entered into by Technip contain standard clauses under which its customers agree to provide information relating to design or engineering, as well as materials or equipment for use on a particular project. These contracts may also require the customer to indemnify Technip for any additional work or expenses relating to (i) changes in instructions or (ii) failure to provide Technip with required information relating to the design or engineering of the project or adequate materials and equipment necessary for the project.

In these circumstances, Technip generally negotiates monetary compensation from the customer for any additional time or money spent as a consequence of the customers' failure.

Risk management for projects currently in progress is ensured at every organizational level. At the Group level, a detailed and regular analysis by segment is conducted to ensure the management of risks that could affect the results of contracts. This analysis is supplemented by a detailed monitoring of major risks linked to the Group's operations and an assessment by category. At an operational level, Technip has developed a systematic risk management process. The entire chain of command for a project is involved and participates in the implementation of measures intended to evaluate execution risks and provide a reasonable degree of certainty in relation to a project's financial performance.

Risk management procedures also include the development of know-how relating to providing security for its large projects (a dedicated tool has been specifically developed: Technip Security Management System) and, if applicable, the subscription of insurance policies covering political risks.

### 4.8.4. MANAGEMENT OF RISK OF SUBCONTRACTORS AND SUPPLIERS

Technip includes in its selection process for subcontractors and suppliers a credit analysis, the results of which could lead Technip to decide not to select a subcontractor or a supplier, or to require that they provide bank guarantees or adapt their payment terms and conditions to the specific risks identified.

### 4.8.5. MANAGEMENT OF COMPETITION RISK

The Group endeavors to reduce its exposure to competition risks by seeking to differentiate itself from its competitors in the various business segments in which Technip operates, in particular through its technologies, geographic organization and execution capabilities. Finally, distributing operations across geographic regions and business segments contributes to reducing competition risks (see Section 6.3.1 of this Reference Document).

### 4.8.6. MANAGEMENT OF RISKS RELATING TO THE ASSETS OF TECHNIP

The Group implements a regular maintenance program to keep its industrial and naval assets in good working condition.

### 4.8.7. MANAGEMENT OF COMMODITY AND EQUIPMENT RISK

Technip has an information network which aims to adequately anticipate the risk of an increase in commodity prices. For projects requiring a large quantity of raw materials that are the most sensitive to market fluctuations, Technip endeavors to fix its prices at the time that the contract is entered into. For those contracts in which a specific raw material or specific equipment represents a significant portion of the project, Technip may specify a fixed purchase price of such raw materials or equipment as part of its project bid in order to pass on the risk of any increase in the price of such raw materials or equipment for the duration of the contract.

Technip continuously strives to consolidate its procurement sources and to maintain a sufficient panel of suppliers for its strategic equipment and raw materials. The objective is to allow each project within the Group to benefit from best market terms at any point in time.

New suppliers have been qualified, and the qualification campaign continued with the opening of Asiaflex Products, the latest production unit of flexibles and umbilicals in Malaysia. These new sources will be called upon to provide all facilities within the Group.

For these facilities and whenever it is possible, Technip aims to enter into long-term contracts with its suppliers to limit the impact of unforeseen events that may lead to fluctuations in the prices of the relevant commodity.

### 4.8.8. MANAGEMENT OF ENVIRONMENTAL AND INDUSTRIAL RISKS

Technip's heads of operations working at industrial facilities that are exposed to risks, in cooperation with Technip's customers, are subject to a number of obligations and in particular must take all necessary measures to monitor, evaluate and manage risks and to evacuate personnel in the event of an incident. Technip's policy in relation to the management of these environmental and industrial risks recognizes the importance of training and benefits from efforts spent on quality-assurance and employee accident prevention. In 2012, more than 420,000 hours have been invested in HSE training within the Group.

Since 2003, in addition to its strict compliance with applicable legislation, Technip has adhered to the ten principles of the United Nations Global Compact (UNGC) and discloses its initiatives in this respect (see Section 6.6 of this Reference Document).

Technip has also implemented an internal control system based on the framework of the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and the risk management processes described in Section 4 to the Report of the Chairman of the Board of Directors to the Shareholders' Meeting, included in Annex C of this Reference Document. This internal control system assesses the main risks faced by the Group, in addition to providing risk management at the various levels of the Group. These risks are assessed annually and may give rise to corrective actions, which are in turn analyzed by the Internal Audit Plan.

## 4.8.9. MANAGEMENT OF CHANGE IN CLIMATE RISK

Technip classifies climate change risks and opportunities into two categories, each of which is approached separately in terms of economic risks and opportunities:

1. Regulatory risks and opportunities arising from more stringent international, European or national regulations aimed at reducing greenhouse gas emissions; and
2. Competition risks from a further shift in customers' demand for more energy-efficient products and processes to reduce greenhouse gas emissions.

Technip considers these two categories more as opportunities than risks.

Technip itself would in any case not be directly impacted by regulatory changes as it does not have many industrial facilities and conducts regular regulatory surveys for all its facilities. For example, Technip has no facilities that fall within the scope of the French scheme for national greenhouse gas quota (PNAQ II for the 2008-2012 period) or Directive 2010/75/EU of the European Parliament and of the Council on industrial emissions (integrated pollution prevention and control).

These two categories of climate change risks and opportunities are an opportunity for Technip to work together with its customers towards a better environmental performance, in compliance with Technip's policies and values. Technip is able to propose innovative solutions to help its customers comply with any new environmental law or regulation and satisfy market demand, including technologies with lower greenhouse gas emissions or based on renewable energies.

In 2012, Technip successfully continued its expansion on the Offshore Wind market through several initiatives launched in France and the rest of Europe. Technip also provided an important support to geothermal power plants in the United States, as detailed in paragraph 3.1.2 of the Society and Environment Report included in Annex E to this Reference Document.

## 4.8.10. MANAGEMENT OF WEATHER CONDITIONS RISK

The Group has implemented a three-tier Crisis or Emergency organization system to quickly respond to any crisis situation that the Group may face requiring the evacuation of its employees and the halt of operations because of severe weather conditions. This system is detailed in Section 4.8.2 of this Reference Document.

In addition, expenses incurred by Technip in these circumstances may be partially covered by insurance policies.

## 4.8.11. MANAGEMENT OF MARITIME SECURITY RISK

Maritime security processes for Technip vessels and its crews are regularly updated by Technip Security Division in order to reduce the Group exposure to maritime risks in the ports such as theft, attacks, consequences linked to potential stowaways, intrusion of illegal products, as well as to piracy risks during transits or operations in high-risk areas. A permanent security analysis and monitoring of the "piracy" incidents and a close coordination with the relevant international authorities enable Technip to implement security processes adapted to the evolution of the threat. Emphasis is also placed on raising awareness and training crews on how to react in the event of a major incident. Awareness-raising is carried out through training and exercise prior to transits and/or operations in high-risk areas, as well as the release of tools such as the Anti-Piracy DVD developed by Technip Security division and largely distributed to Technip fleet executives and crew members.

To be closest to Technip operations worldwide and be able to react immediately and efficiently in case of need, the maritime security organization has been adjusted and is managed by regional time zones, on the same approach of the "air traffic control system". This enables to have an accurate and close security follow-up.

Following the acquisition of new assets in 2012 and the extension of Technip Fleet, the major part of Technip vessels are integrated in Technip internal maritime security software. It is designed to enable the real-time identification of the position of Technip fleet and the piracy risks prevention thanks to the permanent analysis of the piracy acts. Every time a vessel enters a sensitive maritime area, Technip Security Division teams are informed by this dedicated software to monitor the transit of the vessel in real time. For any transit or operations in high risk areas, mandatory *ad hoc* protective measures are implemented under the leadership of a single authority.

Technip Security experts, exclusively dedicated to maritime security, report directly to the managers of fleet operations in order to provide expertise and maintain contact with the various relevant authorities on a permanent basis.

## 4.8.12. BEST PRACTICES/LARGE-SCALE PROJECTS SECURITY MANAGEMENT

Technip is continuing to develop its specific security know-how for large scale construction projects in Africa, Asia and the Middle East, and more recently in Central and South America.

In an increasingly complex and unstable environment, Technip has developed its own security assessment system, based on its internal sources, for an upstream identification of potential risks and a global security management system based on innovative solutions that are adapted to local and regional specificities.

Technip Security Division analyses permanently the security context and evolutions in all countries where the Company operates in order to anticipate any potential deterioration of the security situation. In addition, dedicated security procedures and a specific security organization are developed and updated to clarify the roles and responsibilities of each stakeholder on a project and ensure the protection of Technip staff at all times. Dedicated physical security measures, security awareness-raising of staff, and the project crisis management system are key-elements for the implementation and development of a coherent and efficient security management system to mitigate the risks on a project in a sensitive area.

The Technip Project Security Management System handbook is a tool which was specifically developed by the Security Division for the projects, defining the security measures to be carried out at each stage of a Project. It underscores the need for the definition of security measures at the very early stages of a project in order to propose bespoke solutions (especially in terms of human involvement and expenses). Implementation of appropriate security measures is a key factor for the successful execution of projects, in particular during the Construction phases. In 2012, various training programs were organized for Project and Proposal Managers to raise their awareness regarding project security.

## 4.8.13. MANAGEMENT OF AIR TRAVEL RISK

Technip pays particular attention to the secure travelling of its employees especially by air. The Group internal Travel Management procedure and requirements in terms of risk assessment and audit regarding air travel has been designed to minimize the risk and its potential operational impact. This documentation was largely distributed to the Regions and Entities.

## 4.8.14. MANAGEMENT OF RISKS RELATED TO INFORMATION AND INFORMATION SYSTEMS

Protection of Technip technological know-how is crucial for the Group. Information Systems Security, notably on Projects, preserves this know-how and reduces the risk of IT incidents, which could affect Technip operations and the proper functioning of the Group business.

In 2012, a Chief Information Security Auditor (CISA) and his team were appointed within the Security Division. This CISA and his team performed several random audits within the Group. This approach ensures neutrality and independence of internal audits carried out by Technip Security Division. It allows the identification of the potential major vulnerabilities of information systems that are to be consequently fixed in full coordination with the IT Division.

## 4.8.15. MANAGEMENT OF RISK LINKED TO ITS PERSONNEL

In order to attract qualified employees, Technip has for several years been carrying out a dynamic human resources policy led in particular by:

- a Vice President for Strategic Resources. Dedicated to specific populations of qualified employees (Onshore, Offshore, Subsea, experts, critical support functions), he or she ensures Technip has the appropriate workforce plan in place to manage its resources both quantitatively and qualitatively; and
- a Head of Global Sourcing & Recruitment who is in charge of identifying talents globally, in order to meet the recruitment objectives for the Regions.

In particular, these functions depend upon Talent Managers who are in charge of career development management.

The Group has implemented more transparent internal mobility conditions in line with the Group strategy to facilitate expatriation and the mobilization between the several Technip centers.

Introduced in 2009, in order to retain qualified employees, Technip established a list of personnel considered essential, who hold critical positions or who have high advancement potential and for whom retention mechanisms, as well as an alert system, have been put in place.

This list of critical personnel is prepared jointly by business managers and the HR management and is updated twice a year. These critical personnel represent 25% of the total headcount.

## 4.8.16. FINANCIAL RISK MANAGEMENT

Within the framework of its operations, Technip is subject to certain types of financial risks: credit/counter-party risk, liquidity risk, currency risk, interest rate risk and share price risk. The Group has implemented a policy to cover such risks as described in Sections 4.5 to 4.7 of this Reference Document.

## 4.8.17. INSURANCE

The general policy for covering the Group's risks relating to contracts, damage to properties, business interruption and third-party liability is determined by the Group Legal Division, in close consultation with the Heads of the Regional Insurance Departments. Technip aims to optimize its insurance on the basis of the coverage available on the market and in light of the specific features and risks of its projects. The Group believes that its coverage is in line with normal business practices in this sector. However, it cannot guarantee that its insurance policies are sufficient to cover all possible circumstances and contingencies or that it will be able to maintain adequate insurance coverage at reasonable rates and under acceptable conditions in the future.

Technip's insurance policy currently focuses on two main areas:

- insurance policies relating to contracts; and
- permanent insurance policies.

## 1. Insurance policies relating to contracts

Insurance policies relating to contracts are specific policies which are subscribed to in order to cover the needs of, and last the duration of, a single contract , for which costs are either re-invoiced to the customer or borne directly by the customer according to the terms described below. Technip is the beneficiary under these policies, either as a direct subscriber on its own behalf and on behalf of its contracting partners on the project (the costs relating to these policies are passed on to the client as part of the contract price) or as an additional insured party where policies are directly subscribed by the client.

Generally, policies relating to contracts are "Builders' All Risks", which have the advantage of covering the installation to be completed, including equipment, products and materials to be incorporated, against the risk of damage during the design, transport, transit, construction, assembling, load testing and defects liability period/maintenance. These policies will ordinarily cover the total value of the installations to be completed.

The high premiums (generally between 0.3% to 0.6% for "Onshore" risks) and from 3.5% to 5% as regards to "Subsea" risks and deductibles (occasionally up to USD5 million) of these policies encourage the Group to improve its technical and legal means of prevention and protection.

In this regard, a panel of specific guidelines for the negotiation of insurance provisions in contracts applies throughout the Group and is regularly updated.

Moreover, the Group maintains worker's compensation insurances of workers' industrial injuries outside France (workmen's compensation) depending on the specific profile of each contract and on the applicable regulations in the countries where such contracts are being performed and it monitors the insurance coverage of its car fleets on a regional basis.

## 2. Permanent insurance policies

Permanent insurance policies cover as a priority the consequences of losses that are not covered by specific policies relating to contracts, so that together the policies relating to contracts and permanent policies provide an optimal breadth of coverage.

### Technip's professional liability Insurance Program

The Group's liability insurance program covers the risk of professional liability as well as general liability across all activities of the Group and is implemented by way of a unique mechanism developed at the Group level. This integrated program is based on a Master Policy that includes all policies subscribed locally by the Group's subsidiaries, complemented by additional policies where additional coverage is required.

### The Group's maritime business

The main policies relating to the Group's maritime business are the following:

- a "Hull and machinery" policy, which covers the entire fleet in the event of total loss or physical damage;
- a liability incurred by shipowner's policy, referred to as "Protection & Indemnity" ("P&I"), which is placed with P&I Clubs. This policy also covers pollution risks attributable to vessels; and
- a "Transferable Materials" policy, covering all risks of physical loss to offshore materials and equipment intended to be mobilized on-board vessels for carrying out "Subsea" and "Offshore" projects.

### Insurance of industrial sites and assets

Industrial sites for the manufacture of Group products are covered by "All Risks with Exceptions" policy *(Tous dommages sauf),* with respect to both physical and business interruptions losses resulting from a damage.

In addition, the Group's various premises, in particular, the head office, are covered by multi-risk policies.

### Prospects of permanent policies

In 2012, the following significant events occurred:

- following the acquisition on December 1, 2011 of Global Industries and its subsidiaries, insured risks of the acquired entities were completely integrated within Technip's programs;
- at closing of the takeover bid for Cybernétix, on January 20, 2012, the insured risks of the acquired entities were fully integrated within the Group's programs;
- the renewal of the civil and professional liability program on July 1, 2012 led to the renegotiation of the program on professional civil liability, on general responsibility and on employer liability. This renewal is valid for two years;
- within the framework of the acquisition of Stone & Webster Process Technologies and associated capacities, all the risks have been integrated with Technip's various programs on August 31, 2012, closing date of the acquisition; and
- in 2012, the aggregate cost of the Group Insurance for all permanent policies remained under 1% of the Group's consolidated revenues.

In 2013, Technip, with its partners, will undertake a process of renewing any expiring insurance programs with the objective of optimizing its conditions of policy coverage by the use of its proprietary risk management tools.

## 3. Group Risk Management Tools

Over the past ten years, there has been a process of continually optimizing the Group Insurance programs by increasing the role of Technip's reinsurance subsidiary, Engineering Re. In January 2011, recent developments in the Group's operational activities have led to the purchase of a second reinsurance subsidiary named "Front End Re".

### Engineering Re

Engineering Re takes part in the following programs:

#### PROFESSIONAL AND GENERAL LIABILITY

Engineering Re manages its risk exposure by limiting its participation in the lower tranches of risk, which are themselves guaranteed by means of reinsurance.

#### HULL & MACHINERY AND TRANSFERABLE MATERIALS

Engineering Re took an interest as reinsurer in the "Hull & Machinery" and "Transferable Materials Policies" in lower tranches or retention, thus underlining a strategy of diversifying the scope of this reinsurance subsidiary to include risks beyond strict Civil Liability.

### Front End Re

After having gradually diversified the scope of Engineering Re, Technip purchased a second reinsurance captive company "Front End Re" incorporated and located in Luxembourg. This decision was taken in consideration of the development of the characteristics of specific projects (*i.e.*, contractual undertakings, the magnitude and duration of the projects, technology).

This reinsurance subsidiary is secured by reinsurance protection.

# 5 Information on the Company and the Group

5.1. History and development 30
- 5.1.1. Name 30
- 5.1.2. Registration place and number 30
- 5.1.3. Date of incorporation and term 30
- 5.1.4. Registered office, legal form and applicable law 30
- 5.1.5. History 30
- 5.1.6. Technip and the stock exchange 33

5.2. Investments 34
- 5.2.1. Investments made since 2007 34
- 5.2.2. Major current and future investments 34

## 5.1. History and development

### 5.1.1. NAME

The name of the Company is “Technip”.

### 5.1.2. REGISTRATION PLACE AND NUMBER

The Company is registered with the Paris Company and Commercial Register under number 589 803 261 RCS Paris.

The APE code of the Company is 7010 Z.

### 5.1.3. DATE OF INCORPORATION AND TERM

The Company was incorporated on April 21, 1958 for a period of 99 years. The expiration date is April 20, 2057.

### 5.1.4. REGISTERED OFFICE, LEGAL FORM AND APPLICABLE LAW

The registered office is located at 89, avenue de la Grande Armée – 75116 Paris (France).

The registered office telephone number is +33(0)1 47 78 24 00.

Technip is a French limited liability company *(société anonyme)* with a Board of Directors, governed by French law, including the provisions of Book II of the French Commercial Code.

### 5.1.5. HISTORY

#### 1958-1960s

Technip was created on April 21, 1958. Its first significant orders were refinery and natural gas contracts with Total. Building on its initial success in France, Technip began to look abroad. Technip also played a pioneering role within the gas industry.

By the late 1960s, Technip had expanded its expertise to include petrochemicals, chemicals and fertilizers.

#### 1970s

In the early 1970s, Technip further developed as an international engineering group with the creation of Technipetrol in Rome, Italy and Tecplant in Barcelona, Spain.

In 1971, Coflexip, a company specializing in the design and manufacture of flexible pipes used in subsea hydrocarbon extraction was created.

Over the course of this decade, Technip also formed Technip-Geoproduction, a hydrocarbon field equipment specialist, and merged with COCEI, an engineering company specialized in various non-oil industrial sectors such as bottling factories and cement production facilities and equipment, which provided Technip with sector diversification.

## 1980s

The early 1980s brought significant progress in the Middle East with contracts to build gas processing plants (Iraq, Qatar, Saudi Arabia). Technip further reinforced its local presence with the creation of Technip Abu Dhabi in the United Arab Emirates, and TPG Malaysia in Kuala Lumpur. Additionally, Technip launched phase one of the Astrakhan gas complex in the former USSR, and also purchased Creusot Loire Entreprise (CLE), gaining a foothold in the cement industry.

In the mid-1980s, while undergoing a financial restructuring, Technip won two major gas processing contracts in the former USSR and in Qatar. Adding to Technip's reputation as a pioneer, Technip-Geoproduction achieved a technological breakthrough by raising the Ekofisk platforms in the North Sea. In cooperation with SGN, Technip also helped expand La Hague, France's nuclear fuel reprocessing plant. Meanwhile, Coflexip strengthened its foothold in Brazil with the opening of a flexible pipe manufacturing plant in 1986.

## 1990s

In 1990, Coflexip founded Duco Ltd, a company that operates an umbilical manufacturing plant in Newcastle, United Kingdom.

In the early 1990s, EPC turnkey contracts became a major part of Technip's business. Continuing its expansion, Technip acquired Spie-Batignolles' industrial engineering operations (Speichim and EGI) and took over a company based in Saint Petersburg, Lentep, named Technip RUS as of today. Coflexip also acquired Perry Tritech Inc., a radio-guided subsea robot manufacturer.

Coflexip was listed in the United States on the NASDAQ in 1993, while Technip was listed on the Paris Stock Exchange in 1994.

Turnkey construction of the Leuna refinery in Germany and the Bonny natural gas plant in Nigeria began in the 1990s. Technip also delivered breakthroughs in the global upstream oil sector with the construction of the world's largest floating production unit in the N'Kossa field (Republic of the Congo) and the first TGP 500 platform in the Harding field (the North Sea).

In mid-1990s, following another period of expansion, the Company founded Technip Tianchen in China and acquired a majority stake in CBS Engineering, a Houston, Texas upstream oil specialist, and formed the chemical engineering company Krebs-Speichim. Technip rounded out the decade by strengthening its global positioning with the acquisition of KTI/MDEU and the creation of Technip Germany, Technip USA and Technip Benelux, thereby increasing its worldwide workforce by more than one-third in just a few short years to 10,000 employees. It was at this point that Technip became the industry leader in Europe.

Meanwhile, Coflexip acquired Stena Offshore, specializing in the installation of reeled pipes, and expanded its business with the creation in Houston, Texas, of a manufacturing unit operated by Duco, Inc.

## 2000s

In April 2000, Technip took an important step by becoming Coflexip's largest shareholder.

Coflexip acquired Aker Maritime's Deep Sea division. Technip launched a takeover bid for Coflexip in 2001. The two companies were merged into Technip-Coflexip, Europe's leading operator in the engineering, technology and oil and gas services sectors, and fifth largest worldwide. Technip was listed on the New York Stock Exchange (NYSE) in 2001.

Once it had integrated its acquisitions, Technip underwent a structural reorganization and adapted its asset base to changes in its markets:

- Technip created a joint venture with Subsea 7 to address subsea opportunities in the Asia-Pacific region (excluding India and the Middle East). Technip Subsea 7 Asia Pacific Pty Ltd began operations on July 1, 2006. In February 2009, Technip and Subsea 7 announced their decision to terminate this joint venture;

  In early 2007, Technip sold its 100% holding in Perry Slingsby Systems Ltd and Perry Slingsby Systems Inc. to Triton Group Holdings; and

  In addition, Technip continued to consolidate its leadership in the oil and gas markets by acquiring complementary technologies and technological expertise, as well as reinforcing its global presence. Technip also strengthened its construction and manufacturing activities:
- in 2007, Citex, a wholly-owned subsidiary of Technip specializing in chemical engineering, acquired Setudi, an engineering company with a staff of approximately 40 employees, located in Rouen, France; and
- also in 2007, Technip Offshore (Nigeria) Ltd, a wholly-owned subsidiary of Technip, acquired a 39% stake in Crestech Engineering Ltd, a Nigerian company with a staff of approximately 100 employees.

Technip also grew organically by increasing its flexible pipe production and plant capacity in Vitória, Brazil and at the Le Trait plant (France), while creating Malaysia-based Asiaflex Products that manufacture flexible pipes and umbilicals. A joint venture was created between Technip Norge AS and Dofcon AS for ownership of the *Skandi Arctic* vessel built for the Norwegian market.

Later in 2007, Technip voluntarily delisted its American Depositary Shares (ADS) from the New York Stock Exchange (NYSE) and deregistered from the U.S. Securities and Exchange Commission (SEC).

Despite the tumultuous economy in 2008, Technip seized the opportunities that arose to develop its activities. The Company acquired engineering and consulting company Eurodim and formed a joint venture with Areva called the TSU Project to develop major mining projects. Technip Onshore activity acquired EPG Holding BV, an engineering specialist with strong positions in the oil and gas and petrochemical sectors.

Technip continued to assist its clients in developing innovative renewable energy projects, including Hywind, the world's first full-scale offshore floating wind turbine, and a non-exclusive partnership, dated as of August 1, 2008, with Geogreen. This partnership allows Technip and Geogreen to offer to their clients integrated solutions for the entire $CO_2$ capture, transport and storage chain.

Technip expanded its Angoflex umbilical manufacturing plant in Lobito, Angola as part of a unique hub of local assets serving the West African deepwater market.

In September 2009, Technip was added to the CAC 40, the primary index of Euronext Paris, where Technip's shares are listed. This puts Technip among a selected group of leading companies, giving it the opportunity to increase its visibility, especially in the financial markets.

## 2011

Technip continued to assert its position as a worldwide leader with a multitude of projects across the globe in its traditional markets, while taking clients to new frontiers where Technip's R&D efforts provide innovative technologies and solutions. In the harsh environment of the North Sea, for example, Technip's reelable, electrically trace heated pipe-in-pipe (ETH-PIP) solution reduces capital and operating costs for fields with challenging flow assurance conditions.

In recognition of Technip's pioneering technology and deepwater expertise it was awarded the contract on behalf of the Marine Well Containment Company (MWCC) for the design, procurement and fabrication of an emergency response system to contain oil in the event of a potential future deepwater well incident in water depths down to 3,000 meters in the US Gulf of Mexico.

Technip's leadership in Spar platform technology was acknowledged by BP Exploration and Production, Inc.'s award of a 10-year framework agreement to Technip for the design, procurement and construction of hulls and mooring systems for Spars to be located in the Gulf of Mexico.

Technip's expertise in Spar platforms and its ability to provide solutions for ultra-deep water developments was further recognized with the award by Anadarko Petroleum Corporation to Technip of a contract for the engineering, construction and transport of a 23,000 ton Truss Spar hull for its Lucius field development at a water depth of 2,165 meters, in the US Gulf of Mexico.

This will be the fifteenth Spar delivered by Technip, out of 18 worldwide.

In Brazil, and especially in the promising pre-salt market where the key challenges are the water depths beyond 2,200 meters accompanied by high carbon dioxide ($CO_2$), and hydrogen sulfide (H2S) content, Technip has produced proprietary technology and high performance equipment including distributed temperature sensors (DTS) technology developed with Schlumberger.

Technip also announced that it will expand its capacity and technological capabilities to manufacture flexible pipes in Brazil. This new manufacturing plant, to be located in Açu, will focus on high-end products that are unique to Technip and addresses many of the pre-salt challenges.

Technip achieved a development of the Floating Liquefied Natural Gas (FLNG) facility resulting from the combination of technologies and knowhow from Technip's sectors: offshore process of natural gas liquefaction, offshore floating facilities and subsea infrastructures. FLNG is a revolutionary innovation that will allow the production, liquefaction, storage and transfer of LNG at sea, helping to open up new offshore natural gas fields that are currently too costly or difficult to develop. Three different clients (Shell, Petronas and Petrobras) have awarded Technip front-end engineering design (FEED) contracts.

Technip's leadership in this major FLNG innovation in a very promising market was recognized when Shell gave notice to proceed with the construction of the world's first FLNG, which will be the largest floating offshore facility in the world at 488 meters from bow to stern. This is part of the 15-year framework agreement entered into the Technip-Samsung consortium.

Technip further expanded its global reach in the fast growing Asia-Pacific region with the launch of a new flexible pipe and umbilical plant in Malaysia. This is the only flexible pipe facility in the region.

Technip also acquired an 8% interest in Malaysia Marine and Heavy Engineering Holding Berhad ("MHB"), a subsidiary of Petronas, in connection with its listing and initial public offering on the Main Market of Bursa Malaysia (Kuala Lumpur stock exchange). Technip and MHB's subsidiary MMHE[(1)] have worked together previously and are currently co-contractors for Petronas' onshore and offshore facilities in Asia.

Technip continues to expand its business base and relationships as demonstrated by initiatives ranging from the:

- exclusive global agreement to jointly market the Spiral Stacked Turret, a turret system component intended for floating units. This flexible hose-based solution is best suited for high pressure and large capacity flow transfer systems;
- execution of a three-year strategic partnership agreement with the French Technological Research Division at CEA *(Commissariat à l'énergie atomique et aux énergies alternatives)*. Technip aims to harness and increase the competitiveness of its core business and expand, while differentiating its business footprint though new technologies;
- Umbrella Service Contact awarded by BASF for chemical and petrochemical projects. Both companies are contemplating a long-term partnership that is complementary to Technip's extensive engineering resources to BASF's investments; and

(1) Malaysia Marine and Heavy Engineering Sdn Bhd ("MMHE"), a wholly-owned subsidiary of MHB, which provides a wide range of oil and gas production facilities, repair and conversion services, as well as marine engineering and construction services.

- initiative in the emerging and innovative renewable energy industry of offshore wind, which offers additional business opportunities for Technip. As part of this strategy Technip, in partnership with Nenuphar, Converteam and EDF Énergies Nouvelles is testing a pre-industrial vertical-axis offshore floating wind turbine prototype. This has the potential to generate new possibilities for offshore wind farms.

Accompanying Technip's strategy of developing a leading position in the renewables market through offshore wind, Technip acquired Subocean, a UK based subsea wind cable-installation company. Approximately 300 employees joined Technip.

Technip also announced the formation of Genesis, the combination of Technip's wholly-owned subsidiary, Genesis Oil and Gas Consultants and Technip's deepwater engineering team in Houston. The aim is to be a fully independent and objective worldwide leader in early-phase engineering consultancy and full-life cycle subsea and offshore engineering services.

In December 2011, Technip finalized the acquisition of Global Industries, Ltd, which brings its complementary subsea know-how, assets and experience, notably including two newly-built leading edge S-Lay vessels, as well as strong positions in the Gulf of Mexico (in both US and Mexican waters), Asia-Pacific and the Middle East. This broadens Technip's capabilities and expands its addressable market by roughly 30% in deep-to-shore projects and reinforces its leadership in the fast-growing subsea market.

Technip's business in 2012 is described in Section 6.1.1 of this Reference Document.

## 5.1.6. TECHNIP AND THE STOCK EXCHANGE

Technip's shares are listed on the Euronext Paris exchange and, in the United States, within the OTC market in the form of American Depositary Receipts (ADR), one Technip share representing four ADRs.

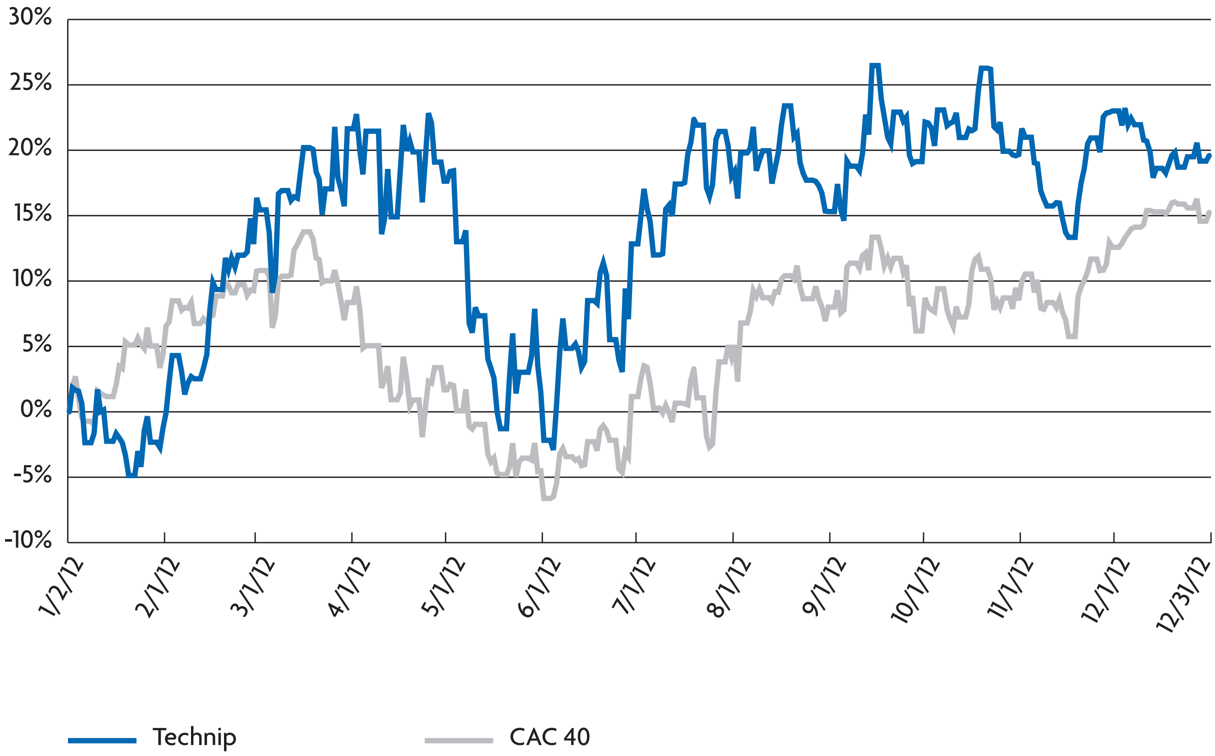
As of December 31, 2012, Technip's shares ranked 25th on the CAC 40 by weighted capitalization (1.27%), compared to 36th (0.64%), when Technip joined the index in September 2009.

In 2012, despite uncertainty in relation to the worldwide economic recovery and European sovereign debt crisis, Technip's share price rose by 19.58% which outperformed the STOXX® 600 Oil & Gas Index by over 20% and the CAC 40 index by 4.4%.

In 2012, Technip continued to implement its strategy focused on a profitable and sustainable growth particularly based on successful project execution, technological excellence and diversified order intake. At the start of 2012, Technip's share price was €72.62 and was at €86.84 as of December 31, 2012.

### Share performance

#### Share price performance on Euronext Paris – Compartment A (from January 2, 2012 to December 31, 2012)



### Technip share performance on Euronext Paris over the last 18 months

| | | High/low prices (in Euro) | | | |
|---|---|---|---|---|---|
| | Date | Highest | Lowest | Number of shares traded | Capital exchanged |
| 2011 | September 2011 | 69.80 | 56.06 | 15,986,465 | 1,015,029,000 |
| | October 2011 | 72.78 | 52.85 | 14,090,303 | 896,052,800 |
| | November 2011 | 70.99 | 60.79 | 13,861,318 | 911,541,100 |
| | December 2011 | 73.00 | 65.26 | 10,746,620 | 744,640,500 |
| 2012 | January 2012 | 74.55 | 68.76 | 13,534,631 | 969,720,500 |
| | February 2012 | 83.36 | 72.57 | 12,431,034 | 972,896,300 |
| | March 2012 | 89.17 | 78.85 | 11,944,468 | 1,013,856,000 |
| | April 2012 | 89.70 | 82.03 | 11,637,783 | 1,005,712,000 |
| | May 2012 | 87.15 | 71.03 | 14,023,730 | 1,079,965,000 |
| | June 2012 | 81.95 | 69.21 | 13,393,948 | 1,025,903,000 |
| | July 2012 | 89.71 | 80.60 | 11,608,842 | 988,712,200 |
| | August 2012 | 89.94 | 83.15 | 6,980,571 | 602,098,600 |
| | September 2012 | 91.84 | 82.75 | 8,077,420 | 708,698,400 |
| | October 2012 | 92.36 | 85.82 | 10,194,626 | 889,130,100 |
| | November 2012 | 89.93 | 82.09 | 7,231,323 | 621,173,900 |
| | December 2012 | 90.10 | 85.36 | 5,894,524 | 515,800,600 |
| 2013 | January 2013 | 89.40 | 76.82 | 13,099,332 | 1,070,207,000 |
| | February 2013 | 84.40 | 77.83 | 11,586,725 | 938,817,800 |

# 5.2. Investments

## 5.2.1. INVESTMENTS MADE SINCE 2007

To meet sustained demand in this sector, Technip launched a major investment program from 2007, in particular, to expand its fleet and to increase its flexible and rigid pipe production capacity. The investments made within the framework of this program include, in particular:

- an increase in the production capacities of the Le Trait (France) and Vitória (Brasil) plants;
- a 10-year lifespan extension for the *Orelia* diving vessel that has operated in the North Sea;
- a diving and construction vessel, the *Skandi Arctic,* jointly owned (50/50) with DOF, which is dedicated to the North Sea. Delivered in mid-2009, this vessel set the industry standard for diving operations and offshore constructions in extreme environments;
- a rigid pipelay vessel, the *Apache II,* which was acquired from Oceanteam ASA. This vessel, delivered in August 2009, which underwent a major overhaul carried out at one of the Group's sites (Pori in Finland), undertakes rigid pipelay operations in a wide range of water depths;
- two flexible pipelay vessels in Brazil, the *Skandi Vitória* and *Skandi Niterói* jointly owned (50/50) with DOF, which accompany the increase in the Group's flexible pipe laying capacity in this country. These two vessels built in Brazil, under Brazilian flag, were delivered respectively in October 2010 and October 2011. The two vessels are on long term charter with the oil company Petrobras; and
- the construction of a flexible pipe plant in Malaysia, the production of which began at the end of 2010. This plant is also equipped with a thermoplastic umbilicals production unit intended to the Asia-Pacific market.

At the end of 2011, the acquisition of Global Industries which operates 14 vessels, significantly increased the size of Technip's fleet and includes two newly-built leading edge S-Lay vessels the *Global 1200* and the *Global 1201.*

## 5.2.2. MAJOR CURRENT AND FUTURE INVESTMENTS

In 2012, in order to strengthen its position on the high-growth Subsea market and to meet a demand which is shifting towards the development of deep water fields with high technology added value, Technip has continued its steady investment program. The main current investments are:

- a new flexible pipelay vessel, the *Deep Orient,* which is intended for deployment in Asian markets and consolidates Technip's position in the Asia-Pacific region;
- two new vessels, in partnership with Odebrecht Oil & Gas, for the installation off the Brazilian coast of umbilicals, flowlines and risers intended to connect subsea wells, in deep water down to 2,500 meters, to floating production units. These vessels are under long term chartering arrangements with the oil company Petrobras;

- a rigid pipelay vessel, the *Deep Energy,* with a top speed of 20 knots per hour, which is designed to be used in all subsea markets around the world;
- the increase in the production capacity of the umbilicals plant in Angola in order to meet the increasing demand of deepwater projects in West Africa;
- in the umbilicals sector, Technip has launched the development, in Newcastle (United Kingdom), of a steel umbilical production unit dedicated to the deep offshore market; and

In order to support the pre-salt development in Brazil and to satisfy locally the demand for flexible pipes with a high technological level capacity and uses, Technip started on the new port complex of Açu (Brazil), the building of a new plant specialized in the manufacture of high technological flexible pipes.

As of December 31, 2012, the total amount of these investments amounted to €518.9 million. The breakdown by segment is as follows:

- Subsea: €447.9 million;
- Onshore/Offshore: €71 million.

Capital expenditures in 2012 amounted to €519 million *versus* €357 million one year ago, underlying our sustained effort to introduce new assets as quickly as possible. Total capital expenditures for 2013 are expected to be similar.

# 6 Overview of the Group's activities


6.1. Technip's business in 2012 ..... 37
- 6.1.1. Business activities in 2012 ..... 37
- 6.1.2. Major acquisitions and Divestments in 2012 ..... 44
- 6.1.3. Events between January 2013 and the Reference Document publication date ..... 45

6.2. Group business environment ..... 47
- 6.2.1. Market environment ..... 47
- 6.2.2. Group business segments ..... 47
- 6.2.3. Geographic areas where the Group is present ..... 48

6.3. Description of Project strategy ..... 48
- 6.3.1. A balanced management of the backlog ..... 49
- 6.3.2. Internal process for review of potential transactions ..... 49
- 6.3.3. Description of contractual structures ..... 49
- 6.3.4. Types of associations ..... 50

6.4. The Group's business segments ..... 50
- 6.4.1. Subsea ..... 50
- 6.4.2. Onshore/Offshore ..... 52

6.5. Suppliers ..... 55

6.6. Environment ..... 55
- 6.6.1. consumption of water resources ..... 56
- 6.6.2. Consumption of raw materials, energy use and efficiency ..... 56
- 6.6.3. Greenhouse gas emissions (GGE) ..... 56
- 6.6.4. Waste management ..... 56
- 6.6.5. Noise and olfactory pollution ..... 56
- 6.6.6. Biodiversity protection ..... 56
- 6.6.7. Legal and regulatory compliance ..... 56
- 6.6.8. Environmental certification policy and process ..... 56
- 6.6.9. Expenses related to reducing the Group's environmental impact ..... 56
- 6.6.10. Health, Safety and Environment organization ..... 56
- 6.6.11. Environmental provisions and indemnities – compensation paid during the financial year ended December 31, 2012 resulting from Court decisions on environmental issues imposing subsequent action to remedy damage ..... 56
- 6.6.12. Targets assigned to subsidiaries outside France ..... 56

# 6.1. Technip's business in 2012

## 6.1.1. BUSINESS ACTIVITIES IN 2012

### Subsea

In January, Technip was awarded a number of subsea contracts in the North Sea. First, Statoil awarded Technip an extension of the framework contract for diving, pipeline repair, contingency and modification services. This framework contract, an exclusive agreement for all diving and diver-assisted operations offshore for Statoil, has been held by Technip since January 2007 and has now been extended December 2014. The yearly revenue under the contract is expected to be in the range of €50-80 million. This is an important milestone in an expanding diving market. It covers management and execution of subsea marine operations within inspection, maintenance and repair and diving, such as planned maintenance, modifications and installation work, and contingency for pipeline and subsea equipment repair.

Technip was then awarded a lump sum contract by Nexen Petroleum UK Limited worth approximately €135 million for the Golden Eagle development. This was the largest ever such contract awarded to Technip in the UK continental shelf at that time. It covers the engineering, procurement, installation and commissioning of flowlines: two export, one production, one mechanically lined water injection and one gas lift. It also covers one main umbilical and two subsea isolation valve umbilicals; subsea equipment; trenching and backfilling of all flowlines and umbilicals; tie-ins, protection, pre-commissioning and commissioning support.

In mid-January, Technip was awarded two contracts by Statoil worth a total of around €55 million for the Vilje South field and Visund North developments located in the North Sea at water depths of 120 and 385 meters respectively. These contracts cover welding and installation of a 10 kilometer production flowline; subsea equipment installation and tie-ins; and umbilical installation and tie-ins.

In February, Technip was awarded a large number of new projects, starting in the South Atlantic. Technip was awarded two contracts by Tullow Ghana Limited worth approximately €100 million for Phase 1A of the Jubilee project, located offshore from Ghana at a water depth of 1,300 meters. These contracts cover full project management, engineering, fabrication and installation of a new flexible riser, two rigid flowlines and 11 spools/jumpers, as well as the installation of two manifolds and 5 kilometers of umbilicals.

These contracts constitute a significant milestone for Technip's presence in Ghana. After the successful execution of the first phase of Jubilee completed in 2011, Technip is proud to have been selected by Tullow and its partners for this second phase.

Technip was awarded a five-year framework agreement contract from Petróleo Brasileiro S.A. ("Petrobras") for the supply of around 1,400 kilometers of flexible pipes. Supply will start in 2013 and orders are guaranteed for at least 50% of the total value, which is currently estimated to be worth around USD2.1 billion. This award, to be fulfilled by Technip with the use of a high degree of local Brazilian content, confirms the strong rationale of the investment announced last year in a second flexible pipe plant in Brazil capable of delivering a range of technologically advanced, high-end flexible pipe products to meet the strong demand growth and evolving technology requirements Technip expects in the Brazilian market.

In Asia Pacific, Technip's wholly owned subsidiary Global Offshore Pty Ltd was awarded a pipeline installation contract by Woodside Energy Limited for the Greater Western Flank Phase 1 Project located 130 kilometers northwest of Karratha in Western Australia. This pipeline will link the Goodwyn GH and Tidepole fields through a subsea tie-back to the existing Goodwyn A ("GWA") platform and represents the next major development for the Woodside-operated North West Shelf Project.

Technip was awarded a further North Sea contract valued above €150 million for Statoil's major Åsgard Subsea Compression project located in the Norwegian Sea, 40 kilometers east of the Åsgard field, at a water depth of 340 meters. The contract covers the installation of the subsea compression system and its connection to the existing subsea infrastructure and the Åsgard platform. The contract includes fabrication, installation and tie-in of pipeline spools, including protection covers, and installation of power cables and umbilicals. It also comprises options for (i) engineering, fabrication and supply of a special handling system ("SHS") for the installation and retrieval of the subsea compression system modules, and (ii) initial installation of the subsea compression system modules.

Statoil also awarded Technip two subsea contracts under the Diving Frame Contract for the Åsgard and Gudrun & Valemon projects worth a total of around €45 million. The Åsgard contract includes deep water testing of the PRS remote hot-tap equipment, preparations works, installation of protection structures and the first remote retrofit tee hot-tap operation ever performed. The Gudrun & Valemon contract includes installation and tie-in of spools and power cable and also a Morgrip midline tie-in, all performed by divers.

In February, Genesis was awarded a five-year Enterprise Framework Agreement by Shell Global Solutions International B.V. covering Subsea Umbilical Risers and Flowlines (SURF), Engineering and Project Management Services. The contract has the option to extend for an additional five years and will cover the supply of services to support all of Shell's SURF projects worldwide.

In Brazil, the second Petrobras contract awarded to Technip in early 2012 was a highly technological lump sum contract for the Guara & Lula Nordeste pre-salt field development located in the Santos Basin, offshore from Brazil, at a water depth of 2,250 meters. The contract covers the manufacture of 24 kilometers of 6'-inch gas injection flexible lines rated for 552 bars (7,850 pound-force per square inch) design pressure. The gas injection lines will be used to re-inject produced gas into the reservoir to respect new Brazilian environmental regulation.

This very innovative solution developed by Technip's French and Brazilian R&D teams takes Technip further to meet corrosion and fatigue requirements, which increased with pre-salt field developments. Technip's success in this first pre-salt tender for gas injection flexible risers demonstrates the leading edge position of Technip's Teta-Clip pressure vault technology to meet such high internal pressure and high tension requirements.

Technip entered into six contracts in the Gulf of Mexico in the first half of the year. The first was a lump sum contract by Hess Corporation for the development of the Tubular Bells field, located in the Mississippi Canyon area of the Gulf of Mexico at a water depth of approximately 1,370 meters. The contract covers the design, engineering, fabrication and subsea installation of more than 45 kilometers of flowlines, steel catenary risers, pipeline end terminations, piles and structures.

The second was a contract by Exxon Mobil Corporation for subsea equipment on the Hadrian South natural gas project in the Gulf of Mexico in approximately 2,300 meters of water. The project consists of a subsea tie-back to the Anadarko operated Spar platform, Lucius. The contract covers project management, procurement and installation of two 7-mile long flowlines and associated jumpers; installation of a nine-mile umbilical, associated foundation and flying leads; and pre-commissioning.

The third was also in the Lucius field, a lump sum contract by Anadarko Petroleum Corporation for the development of the Lucius field, located in the Keathley Canyon area of the Gulf of Mexico at a water depth of approximately 2,130 meters. The contract covers installation of a flexible flowline; multiple flexible gas lift jumpers; main gas lift and infield umbilicals; subsea distribution units; electrical, fiber optic and hydraulic flying leads; design and fabrication of the flexible flowline end termination; fabrication and installation of rigid jumpers; burial of flowlines; flooding and hydro-testing of the flowline system. This contract constitutes a significant milestone in Technip's recent acquisition of Global Industries, as it will utilize a number of Global Industries' key assets.

The fourth was a front end engineering design ("FEED") contract awarded by BP Exploration & Production Inc. This contract covers the design of a Spar hull and mooring systems for the Mad Dog Phase 2 Project, located near Green Canyon Block 825 in the Gulf of Mexico. This is the first award under the framework of the 10-year Spar platform master services agreement signed in 2011.

The fifth and the sixth contracts were subsea contracts in the Bay of Campeche, Mexico, awarded by Petróleos Mexicanos ("PEMEX") and worth a total of €105 million. The contracts' scope includes the procurement and construction of two 16-inch rigid pipelines, of 9.2 and 8.6 kilometers for the first project, and the development of engineering, procurement and construction of a 17 kilometer 24-inch gas rigid pipeline for the second project.

In the first half of 2012, Technip was awarded five contracts in Australia.

In March, Santos Limited awarded Technip a flexible pipe supply contract for the Fletcher Finucane oil field development in Western Australia. The field is located in the Carnarvon Basin, offshore from north Western Australia, at a water depth of 160 meters. The contract includes project management, engineering and the supply of 31 kilometers of 10.2-inch and 9-inch production flowlines, along with 22 kilometers of 3-inch service lines. This award constitutes an important milestone for Technip, as it will be the largest contract awarded to date to its flexible pipe plant, Asiaflex Products, in Tanjung Langsat, Malaysia, since the plant started operation in 2010. Totaling more than 50 kilometers of pipes, this contract solidifies the position of Technip as the primary supplier of flexible pipes in Asia Pacific.

April brought a pair of contracts, the first from Chevron Australia Pty Ltd for the Wheatstone Project, one of Australia's largest resource projects. The contract, valued at approximately €245 million, covers the development of the Wheatstone and Lago fields, located in the Carnarvon Basin. This contract is expected to create a significant number of jobs in Western Australia, including in the Pilbara region. This contract confirms the effectiveness of Technip's strategy to build conceptual, engineering, manufacturing and installation resources dedicated to its clients' subsea projects in the region. As of the date of this report, this is the largest EPCI contract for Technip in the area, and includes a first win for Technip's new build construction/flex pipelay vessel *Deep Orient* in this area, working together with the newly acquired *G1201*. The scope of the project illustrates perfectly the expected synergies from the recent acquisition of Global Industries, whose teams bring complementary subsea know-how, assets and experience, including in Asia Pacific.

The second which was awarded by Inpex Coprporation ("Inpex") was a flexible pipe supply lump sum contract for the Ichthys gas field, in Australia. Inpex has novated this contract to McDermott as part of the overall subsea umbilical, riser, flowline EPCI contract. Gas from the Ichthys field, in the Browse Basin approximately 200 kilometers offshore from Western Australia, will undergo preliminary processing offshore to remove water and extract condensate.

A contract was awarded to Technip by BP and partners to develop the subsea infrastructure for the Quad 204 project, located west of Shetland (UK). As of the date of this report, this is Technip's largest contract in the UK North Sea, worth approximately €600 million.

This project involves replacing the existing Schiehallion production facility with a new purpose-built FPSO and installing extensive new subsea infrastructure. This major re-development will enable the potential recovery of an additional 450 million barrels of resource and extend production through to 2035.

The broad scope of work, includes:

- removal of the existing Schiehallion FPSO and mooring system;
- recovery of all existing flexible risers and dynamic umbilical systems;
- positioning and installation of a new FPSO and associated mooring system and anchor piles;
- supply and installation of 21 dynamic flexible risers;
- installation of four static and dynamic umbilicals;
- coating, welding and installation of 15 steel pipelines, totaling 50 kilometers;
- supply and installation of numerous flexible jumpers; and
- installation of various manifolds, jumpers and infrastructure associated with the field development.

Lastly, Technip was awarded a large subsea installation contract by Shell Development (Australia) Pty Ltd for the Prelude Floating Liquefied Natural Gas ("FLNG") facility moored some 200 kilometers off the northwest coast of Australia, in the Browse Basin, at a water depth of approximately 240 meters. This award represents a key milestone for Technip, achieving the first reel-pipelay project in the region for the new-built vessel, the *Deep Energy.*

The summer brought a large number of contracts in North Sea. In June, Technip was awarded an engineering, procurement, installation and commissioning contract by Marathon Oil Norge AS worth above €300 million for the Bøyla field development in the North Sea, located about 225 kilometers west of Stavanger, Norway, at a water depth of 120 meters. The contract includes all activities necessary to complete the construction of the subsea system for the Bøyla field development and connect it to the existing Alvheim subsea facilities, located 28 kilometers away.

Additionally, in June, Technip was awarded by EnQuest Britain Limited a contract for the development of the Alma and Galia fields, located 310 kilometers southeast of Aberdeen, Scotland. The fields, which will be tied back to the EnQuest Producer floating production storage and offloading unit ("FPSO"), are located at a water depth of approximately 80 meters.

In July, Technip was awarded a contract by Marathon Oil Norge AS for ongoing expansion of the subsea drill centers at Kneler B and Volund located in the Alvheim area in the North Sea. The water depth in the area is around 120 meters, and the subsea work will be performed by use of remotely-operated vehicles as well as by divers. The contract includes engineering, fabrication, installation and diving tie-ins of pipeline spools, including protection covers and installation of a manifold.

Later in July, Technip was awarded a subsea installation contract by Apache Energy Ltd worth approximately about €50 million for the Balnaves oil field development offshore from north Western Australia. The contract includes the project management, design, engineering and installation of seven kilometers of flexible flowlines and risers; three kilometers of umbilicals; manifolds, spools, flying leads and jumpers; and a mooring system and riser column.

Subsequently, Technip was awarded an EPIC subsea contract by Ithaca Energy (UK), a new client for Technip, Ltd for the Greater Stella Area ("GSA") development East-Southeast of Aberdeen, Scotland. Ithaca Energy (UK) Ltd is developing the GSA, centered on the Stella and Harrier fields. The contract covers: detailed design and pipelay of a gas export pipeline and various subsea works.

Technip's final win for the North Sea over the summer was the award of a five-year inspection, repair and maintenance (IRM) framework agreement contract with ConocoPhillips (U.K.) Limited for various assets in the Central, Southern North Sea and East Irish Sea. The contract covers diver repair and maintenance solutions for the Company's existing U.K. subsea infrastructure.

Back in Asia Pacific, Technip was awarded a pipeline installation contract by Offshore Oil Engineering Co, Ltd ("COOEC") for the Liwan 3-1 shallow water project, located in the Pearl River Mouth Basin, China Sea, approximately 300 kilometers south of Hong-Kong, China. With a total length of 260 kilometers, the pipeline will link the Liwan gas platform to China National Offshore Oil Corporation's ("CNOOC") Gaolan gas plant.

Technip's scope covers the shallow water portion of the development project. It includes the installation of 160 kilometers of 30-inch export oil/gas two-phase pipeline from the Liwan gas platform to a water depth of approximately 70 meters. This contract demonstrates Technip's ability to realize the full value and potential of Global Industries' assets and to play a leading role in the large-diameter/long-distance pipelay. It is also a step further in Technip's ambition to become a leading player in the emerging Chinese subsea market and to further strengthen its relationship with COOEC and CNOOC.

The subsea division had a strong second half, starting with an engineering, procurement, installation and commissioning ("EPIC") contract awarded by Dubai Petroleum for the South West Fatah and Falah fields offshore Dubai, United Arab Emirates. The contract scope includes the replacement of a 12-inch gas pipeline and six 18-inch water injection pipelines.

This contract is a significant milestone for Technip in the Middle East. It confirms Technip's entry into the promising subsea business in the region, where it was traditionally focused on the onshore and offshore markets, due notably to positions and assets gained from the acquisition of Global Industries in 2011.

The final Subsea North Sea win for the year was a contract with Statoil for the fabrication, installation and tie-ins of flowlines for the Gullfaks South field development. The field is in the northern part of the North Sea, located approximately 190 kilometers northwest of Bergen, Norway. The Gullfaks South project development will contribute to Statoil's extensive initiatives on increased oil recovery and consists of two manifolds tied back to the existing Gullfaks South infrastructure by 20 kilometers of new flowlines. This development will be based on the use of direct electrical heating and pipe-in-pipe flowline technology.

The Subsea division was also awarded projects in the Middle East and Africa, where a consortium of Technip and the National Petroleum Construction Company ("NPCC") won a lump sum engineering, procurement, fabrication, installation, commissioning and start-up contract with Zakum Development Company ("ZADCO") for the Upper Zakum 750K project in Abu Dhabi, United Arab Emirates. The field is divided into four production artificial islands (Central, North, South, and West), with processing facilities at the Central Complex. The scope of work covers: 240 kilometers of subsea pipelines ranging from 6" to 42"; 128 kilometers of subsea composite and fiber-optic cables; and almost 30,000 tons of offshore structures (jackets, riser platforms, flare towers and bridges), including approximately 3,000 tons of islands modules and bridges. The contract also includes the complete initial production facilities for temporary wells hook up to serve initial production distributed amongst the North, South and Central islands.

In October, Technip, in a consortium with COOEC, was awarded an engineering, procurement, installation and construction services contract by CNOOC Deepwater Development Limited. This contract, worth approximately €200 million (Technip share: approximately €110 million), is for the South China Sea deepwater gas development project in the Panyu field. The development consists of a new subsea production system with six wells and its associated control system tied up to a new central processing platform. This award represents a major step forward to reinforce Technip's strong presence in the emerging Chinese subsea market.

Technip won a number of successes in the Americas late in the year, starting with a lump sum contract for the development of the Dalmatian field in the Gulf of Mexico, awarded by Murphy Exploration & Production Company, USA. The project consists of a subsea tie-back to an existing Gulf of Mexico platform. The contract covers: project management, engineering, fabrication and installation of a gas riser, an oil riser, a 38-kilometer flowline and a 34-kilometer pipe-in-pipe flowline with associated pipeline end terminations (PLET) and jumpers; installation of a main subsea control umbilical, infield umbilical, and associated foundation and flying leads; and pre-commissioning.

Next came a lump sum contract for the development of subsea infrastructure for the Gulf of Mexico's Cardamom field. The project consists of a subsea tie-back to the Auger tension leg platform, wholly owned by Shell Offshore Inc. The contract covers the project management, engineering, fabrication and installation of the East and West Loop 12.8 kilometer pipe-in-pipe flowlines with associated PLETs and steel catenary risers. The contract follows notably the delivery to Shell of the umbilical systems for the Perdido development (which are the deepest installed umbilicals in the world, at a water depth of approximately 2,950 meters).

In November, Technip was awarded an EPIC contract by Total E&P Angola for the second phase of the Girassol Resources Initiatives ("GirRI") development project. The contract covers the project management, engineering, fabrication and installation of: 21 kilometers of umbilicals; 13 kilometers of interconnecting power cable between the Dalia and the Girassol FPSO, both delivered by Technip; the recovery and disposal of four rigid spools; and the installation of eight new flexible spools.

After the successful completion of the first phase of the GirRI development project in 2012, Technip is proud to have been awarded the second phase of this project by Total E&P Angola and its partners. This contract is a significant milestone, as it demonstrates Technip's capabilities to execute a subsea project while maximizing the Angolan national content.

Technip was also active in Asia in the second half, winning a Swiber Offshore Construction flexible pipe supply contract for the Brunei Shell Petroleum's Champion Field, located 40 kilometers offshore Brunei. The contract covers the supply of 12 flexible flowlines with a total length of 19 kilometers. This award is an important milestone for Technip as it confirms the cost-effectiveness of the flexible pipe solution for shallow water field redevelopment in Asia. It also reinforces Technip's position as the primary flexible pipes supplier in Asia Pacific.

In December, Technip was awarded a lump sum engineering, procurement, commissioning and installation ("EPCI") contract by BG International Ltd ("BG") for the development of the Starfish field. Located in the East Coast Marine Area, offshore from Trinidad, the field lies at a water depth of approximately 130 meters and will be tied back to the existing Dolphin "A" Platform operated by BG. The EPCI contract covers the project management, detailed design and procurement of: a 14" 10-kilometer concrete coated production flowline; an 11-kilometer control umbilical; riser and spoolpiece tie-ins; and four flexible jumpers. In addition, the following client-supplied items will be installed: a subsea manifold and topsides high integrity pipeline protection system (optional).

This project is an excellent example of the value of vertical integration within the expanded capability of Technip's subsea offering. The S-Lay and heavy lift capability of the *G1200* has allowed us to increase Technip's accessible market.

Finally, Technip was awarded a lump sum pipeline installation contract by the Discovery System for Discovery's South Timbalier Block 283 Junction Platform project. The pipelines will be installed between existing facilities in South Timbalier 280 and Ewing Bank 873 and the new platform in Block 283, at water depths ranging from 83 to 244 meters. The contract covers project management, engineering, transport, installation and pre-commissioning: 15.8 kilometers of 12-inch pipeline, and 13.9 kilometers of 30-inch pipeline. This award is the largest-diameter pipelay contract for Technip in the Gulf of Mexico, due to the acquisition of Global Industries. This 30-inch pipeline will also be the largest diameter lines installed by the *G1200* vessel to date.

## Onshore/Offshore

In the first half of 2012, the Onshore/Offshore segment had successes in a wide variety of fields around the world.

In January, Lukoil Neftochim Burgas ad, a subsidiary of OAO LUKOIL, awarded Technip a lump sum turnkey contract worth more than €900 million (Technip's share is around €600 million), for the engineering, procurement and construction of Phase 1 of a heavy residue hydrocracking complex to be built at their refinery in Burgas, Bulgaria. This contract covers the detail engineering, procurement of equipment and material, construction, pre-commissioning and commissioning of a 2.5 million tons/year vacuum residue hydrocracker based on Axens H-Oil process, as well as amine regeneration unit, sour water stripper, hydrogen production units, utilities and offsites upgrading. The contract follows the successful execution of the front-end engineering design completed by Technip in the first quarter of 2010, and the detailed engineering and procurement services contract won at the beginning of 2011.

Also in January, Technip's Gaiya joint venture with Ingérop was awarded a contract by the National Agency for the Management of Radioactive Waste ("ANDRA" – *Agence nationale pour la gestion des déchets radioactifs*) to be the main contractor of the future Industrial Geological Storage Center ("CIGEO" – *Centre industriel de stockage géologique*) to be located in Meuse/Haute-Marne (eastern France). ANDRA is responsible for designing and setting up a storage center for high-activity and medium-activity, long-life radioactive waste. It covers CIGEO's conceptual and front-end engineering phases.

Technip and Ingérop are closely combining their respective skills and expertise in nuclear installations, underground facilities and large projects to assist ANDRA in carrying out this project, which is exceptional in both its scope and technological requirements. CIGEO is designed to provide long-term confinement for the waste and to ensure that the storage is reversible.

Technip Oceania ("TPO"), a Technip Group operating center in Perth, Australia, won a contract worth approximately €90 million from Daewoo Shipbuilding and Marine Engineering ("DSME") for the detailed design of Chevron's Wheatstone offshore gas processing platform, located 200 kilometers off Western Australia's coast. This award follows on from TPO's successful completion of the front-end engineering design of the project, a contract awarded by Chevron in 2009. The contract represents a breakthrough for TPO, which is leading the work and performing over 40% locally in Australia.

In February, Technip, in partnership with DSME, was awarded by Dong E&P and Bayerngas, a contract for the Hejre project development, offshore from Denmark, at a water depth of 70 meters. This contract covers engineering, procurement, fabrication, hook-up, and commissioning assistance for a fixed wellhead and process platform and associated facilities. The platform includes 11,500-ton topsides supported by a 6,500-ton jacket, and is designed to process high pressure and high temperature hydrocarbons fluids. The platform, which also comprises a living quarter to accommodate 70 people and a flare, will be capable of producing up to 76 million standard cubic feet of gas per day and 35,000 barrels of oil per day.

This strategic contract symbolizes the return of Technip on the North Sea Offshore market, as an engineering, procurement and construction ("EPC") leader on technically complex projects that are very demanding in terms of health, safety and environment.

Building on that North Sea win, Technip won a lump sum FEED contract from Statoil ASA for the development of the Aasta Hansteen floating platform, offshore from Norway, at a water depth of approximately 1,300 meters. The contract covers the design and planning for procurement, construction and transportation of a Spar hull and the mooring systems as well as the design of the steel catenary risers. The award builds on the study work (including pre-FEED) that has been ongoing since early 2010 to document the suitability of a Spar platform in Norwegian waters.

This award confirms Technip's leadership in the design of Spar platforms, mooring systems and steel catenary risers, and further confirms that the Spar continues to be the platform of choice for certain developments, not only in Gulf of Mexico and the Far East, but also in new basins, in this case the Norwegian Sea.

In the Middle East, Technip won a contract from Kuwait Gulf Oil Company ("KGOC") for the engineering, procurement, construction and commissioning assistance of its Gas and Condensate Export System project. The project is spread over onshore and offshore locations in two countries, Saudi Arabia and Kuwait. The objective of the project is to deliver a combination of lean gas, condensate and sour gas through a single 12" export pipeline from Al Khafji Joint Operations ("KJO") facilities in Saudi Arabia to Kuwait Oil Company ("KOC") tie-in facility, namely the Intermediate Slug Catcher being constructed under KOC Project No. EF/1718 near Al Ahmadi, Kuwait. The facilities will also assist KPC/KJO in achieving one of their primary targets of 1% flaring by reducing the gas flared and additionally monetize valuable hydrocarbon resources. This award demonstrates Technip's capabilities in both the onshore and offshore sectors, and is a new milestone in Technip's continued support to its clients in the Middle East.

In Asia Pacific, Technip was awarded a FEED contract by Petronas for its proposed Refinery and Petrochemical Integrated Development ("RAPID") project located in the state of Johor, Malaysia. RAPID aims at building a world-scale integrated refinery and petrochemical complex to answer the growing need for specialty chemicals and demand for petroleum and commodity petrochemical products in the Asia Pacific region by 2016. The proposed refinery will have a capacity of 300,000 barrels per standard day and will supply naphtha and liquid petroleum gas feedstock for the RAPID petrochemical complex, as well as produce gasoline and diesel that meet European specifications. The petrochemical units, on the other hand, will enhance the value of the olefinic streams coming from the RAPID steam cracker by producing various merchant grade petrochemicals products, such as polyethylene, polypropylene, synthetic rubbers and other petrochemicals products.

In South America, Technip was awarded a lump sum contract for the basic, front-end engineering design and the first phase of project management consultancy services for the Petrocarabobo upgrader to be built in the Faja del Orinoco region, Venezuela. The final client is Petrocarabobo S.A. The upgrader will have a capacity of 200,000 barrels per standard day.

In France, Technip and the Compagnie Industrielle de la Matière Végétale ("CIMV") entered into a cooperation agreement in the green chemistry business with to industrialize CIMV's process. The two companies have been working together for the past five years (Technip has provided CIMV with its technological expertise in the fields of engineering and construction, enabling CIMV to pass from the pilot unit stage to the industrial unit stage). During this period, CIMV's process has been identified as a disruptive technology in the field of green chemistry. Today, this technology is among the only ones in the market capable of converting solid biomass into hydrocarbons that can be used as a feedstock by the petrochemical industry. The CIMV technology can thus be seen as a key enabler for the sustainable green chemistry sector based on non-edible feedstock.

More recently, in parallel with the technical collaboration, Technip established a sales force to promote the CIMV process outside France, along with the wide range of bio-sourced applications it offers industrial companies. This collaboration was made official with the signing of a commercial and industrial cooperation contract.

In April, the French Government announced its decision to award the Iberdrola – Eole-RES consortium exclusive rights to develop a 500 MW offshore wind project in the Saint-Brieuc bay, off the coast of Brittany. The project is expected to generate some 2,000 jobs and play a key role in developing an offshore wind industry in France. The offshore wind farm will be built by the consortium led by Iberdrola and Eole-RES, which includes technology partners Areva, Technip and Neoen Marine. A joint venture company, Ailes Marines, or Sea Wings, has been set up to manage the project and subsequent operation of the site. Wind farm operation and maintenance alone will generate 140 permanent jobs in Saint-Brieuc Bay for a minimum of 20 years.

In June, Technip was awarded two front end engineering and design contracts by ZapSibNeftekhim LLC (an affiliate of JSC Sibur Holding) for plants located in Tobolsk, in the Tyumen Region of Russia. The first contract concerns a linear low/high density gas phase polyethylene plant; the second is for a high density slurry phase polyethylene plant. Each plant will consist of two parallel production trains with a total capacity of 1.5 million tons per year of polyethylene. Both will be developed using INEOS Technologies licenses.

In June, Technip was also awarded two contract Asia-Pacific. First, a consortium with Daewoo Shipbuilding & Marine Engineering (DSME) Co. Ltd, the Technip-Daewoo Consortium ("TDC"), was awarded by Petronas Floating LNG 1 (Labuan) Ltd, a wholly owned subsidiary of Petroliam Nasional Berhad ("Petronas") a services contract for engineering, procurement, construction, installation and commissioning for a FLNG facility with a 1.2 million ton per year maximum capacity. The 300 meter-long and 60 meter-wide FLNG facility will be located offshore from Malaysia. The contract is an Alliance between TDC, led by Technip, and Petronas. Technip's portion is composed of project management services and lump sum for engineering.

Second, Technip was awarded a services contract for the Ichthys FPSO unit. The FPSO unit will be located in the Browse Basin, Western Australia, at a water depth of 250 meters. Technip will provide these services to Daewoo Shipbuilding & Marine Engineering ("DSME"). This contract covers detailed engineering and procurement assistance for the topsides facilities of the 1.2 million barrels storage capacity Ichthys FPSO. The Ichthys LNG project is expected to produce 8.4 million tons of LNG and 1.6 million tons of LPG per annum, along with approximately 100,000 barrels of condensate per day at peak.

In the second half of 2012, Technip's Onshore/Offshore segment attained a large number of projects. To begin with, Technip was chosen by Reliance Industries Limited ("RIL") for a license, supply of basic engineering package and an engineering and procurement services contract for the Refinery Off-Gas Cracker ("ROGC") plant. This contract is part of the expansion project being executed at RIL's world-scale Jamnagar refining and petrochemical complex in Gujarat, on the west coast of India.

The ROGC plant will be among the largest ethylene crackers in the world and will be integrated with RIL's Jamnagar refinery complex, using refinery off-gas as feedstock. The products from that plant will be used as feedstock for the new downstream petrochemical plants. The ROGC plant will utilize Technip's ethylene technology, including its proprietary SMK® furnaces technology, one of the major cornerstones of the Technip's ethylene know-how.

Technip is one of the largest experienced contractors in licensing, designing and implementing grassroot mega-crackers for ethylene production. This contract reinforces Technip's position as a major player in this field.

In July, Technip received a Letter of Intent from Statoil for their Aasta Hansteen (previously named Luva) field development offshore from Norway. The project will be led by Technip in a consortium with Hyundai Heavy Industries ("HHI"). The contract covers the engineering, procurement, construction and transportation of a Spar hull, the mooring systems as well as the design of the steel catenary risers.

The Aasta Hansteen Spar will be the first Spar in Norwegian waters, the first Spar concept chosen by Statoil, and the largest ever built with a total hull length of 195 meters. This award follows the successful execution by Technip of the front-end engineering and design of this project. It confirms Technip's leadership in the design of Spar platforms. The Aasta Hansteen Spar hull is the 16th to be executed by Technip (out of nineteen worldwide). This contract entered Technip backlog end of 2012, when signed.

Later that same month, Technip announced a long-term charter agreement for a new build offshore construction vessel with North Sea Shipping. The charter commitment will be for a period of five or seven years plus a five-year extension option, with a further option to purchase the vessel. The vessel is specially designed and equipped to suit the Norwegian installation market. The new vessel's design specification meets the highest requirements for subsea work and although it will work predominantly in the North Sea, it is also suitable for deepwater operations worldwide. This vessel will be a valuable addition to the Technip fleet and further demonstrates Technip's commitment to continually improving its fleet of marine assets.

Technip was awarded a contract by the petrochemical company Al Jubail Petrochemical Company ("KEMYA"), a joint venture between SABIC and Exxon Chemical Arabia, an affiliate of ExxonMobil Chemical Company, for the engineering, procurement and construction of a Halobutyl facility located in Al Jubail, Saudi Arabia. This new facility will produce 110,000 tons of rubber per year using ExxonMobil licensed technology.

In September, Technip was awarded two contracts worth a total value of about €50 million for the FEED services of two refineries in Kazakhstan. These awards consist of the modernization of two out of the three existing refineries in the country: the first contract, for Pavlodar Oil Chemistry Refinery, is to upgrade the Pavlodar refinery, which is scheduled to be completed in the second semester of 2013; the second one, for Petrokazakhstan Oil Product, concerns the revamp of the Shymkent refinery, whose FEED documentation is scheduled to be completed by the end of 2013. The scope of both projects includes new and revamp process units as well as utilities and offsite facilities aiming to increase production capacity and conversion.

These contracts confirm Technip's expertise in the oil refining sector and strengthen the Group's relationships with leading Kazakh energy operators.

Technip was also awarded an important offshore commissioning contract by Inpex Corporation worth approximately €210 million for the Ichthys LNG Project located in the Browse Basin, Western Australia. Technip's team of leading FPSO for offshore facilities installation and semi-submersible experts who are among the world's most experienced commissioning engineers, as well as many supporting resources with practice on similar projects in Perth will ensure the success of this project as Technip grows its hook-up and commissioning offering for the Australian market.

In October, Braskem Idesa S.A.P.I. awarded to a joint venture formed by Odebrecht (40%), Technip (40%) and ICA Fluor (20%) a contract worth around €2.1 billion for the EPC of a petrochemical complex to be built in the Coatzacoalcos/Nanchital region, in the Mexican state of Veracruz.

The petrochemical complex will include the following facilities: an ethane-based ethylene cracker, producing 1 million tons per year, using Technip proprietary technology; two high density polyethylene plants using INEOS Innovene™ technology; a low density polyethylene plant using BASEL Lupotech technology; storage, waste treatment and utility facilities, including a 150 MW combined cycle power and steam co-generation plant; a multi-modal logistics platform for shipment of 1 million tons per year of polyethylene *via* bulk train, bulk truck or bagged; administrative, maintenance, control room and ancillary buildings.

This award follows the successful execution of the front-end engineering design of the ethylene, HDPE and utilities contracts awarded to Technip in the first quarter of 2011 and the front end engineering of the offsite facilities executed by Odebrecht and ICA Fluor during 2011. The Ethylene XXI cracker will be the most modern and efficient in operation in the Americas and will use Technip's state-of-the-art technology. Technip is leveraging its relationship with Odebrecht in Brazil and its technology portfolio, which has been recently expanded with the acquisition of Stone & Webster process technologies and associated oil and gas engineering capabilities, to accompany Braskem in its international development.

Building upon the aforementioned expertise and experiences, Technip's final onshore contract win of the year was a FEED contract and cracking furnaces engineering and procurement services contract awarded by The Dow Chemical Company (NYSE: DOW) for a previously announced large new world-scale ethylene production plant to be located at Dow Texas Operations in Freeport, Texas. The new facility will be based on low-cost ethane feedstock. The products from the new plant will be utilized for Dow's downstream facilities in the Gulf Coast in Texas and Louisiana. Texas Operations is Dow's largest integrated manufacturing site worldwide and the largest single-company chemical complex in North America.

In November, Technip was awarded a framework agreement by Shell Global Solutions (Malaysia) Sdn Bhd for offshore facilities in a region covering Asia, Australia, and New Zealand ("East region"), a region where the offshore market is growing fast. The contract is for a period of five years, with an additional five-year extension option. The contract concerns engineering and project management services to support Shell's offshore project facilities engineering scope in the East region. The scope of work includes pre-front-end engineering design, front-end engineering design, detailed design engineering, procurement services and construction management.

Later in November, Technip received instructions from Anadarko Petroleum Corporation to begin the engineering, construction and transport of a 23,000-ton Truss Spa hull for their Heidelberg field development in the US Gulf of Mexico. The Letter of Intent allows Technip to begin construction work on the project and other early works, including purchase of long-lead items for the hull and start of fabrication, in advance of the expected project sanctioning around mid-2013, after which the contract will enter into Technip's backlog.

Finishing out the year, Shell Gas & Power Developments B.V. (Shell) and the Technip Samsung Consortium ("TSC") signed a heads of agreement to enhance collaboration on the design, engineering, procurement, construction and installation of future innovative FLNG facilities. The agreement builds on the existing relationship, formed in 2009, to ensure the parties can capitalize on insights gleaned from the design and construction of Shell's Prelude FLNG facility and expand the technology offering to the energy market. It will drive a culture of joint delivery, continuous improvement and ensure greater value from the collaboration by all parties.

FLNG enables the development of gas resources ranging from clusters of smaller more remote fields to potentially larger fields *via* multiple facilities where, for a range of reasons, an onshore development is not viable. This can mean faster, cheaper, more flexible development and deployment strategies for resources that were previously uneconomic, or constrained by technical or safety/security risks, helping to bring more natural gas to the market.

Shell and Technip are already working together on the world's first FLNG project, Prelude FLNG, which will be moored 200 kilometers off the North West coast of Australia in the Browse Basin. As their experience grows, Shell and Technip perceive that there are many opportunities ahead.

## Corporate

On January 26, 2012, the French Financial Markets Authority ("AMF") published the results of the cash offer made by Technip on the shares of Cybernétix. During this offer, which commenced on December 16, 2011, and ended on January 20, 2012, 474,325 shares of Cybernétix were tendered. Taking into account the 743,014 shares acquired by Technip from Mr. Gilles Michel, Askoad Conseil, Comex S.A. and Sercel Holding on November 16, 2011 and the 385,755 purchased on the market during the offer, at closing of the offer, Technip held 1,603,094 shares representing 98.60% of the share capital and 98.57% of the voting rights in Cybernétix. On February 2, 2012, Technip acquired the remaining shares and voting rights in Cybernétix it did not hold pursuant to a squeeze-out. The shares of Cybernétix were delisted from Euronext Paris on the same date.

The second half was a particularly busy for Technip's corporate division. In August, Technip announced the completion of the Stone & Webster process technologies and associated oil and gas engineering capabilities acquisition. The transaction creates a world-class downstream technology leader and will enable Technip to:

- enhance substantially its position as a technology provider to the refining and petrochemicals industries;
- diversify further its Onshore/Offshore segment, adding revenues based on technology supply;
- strengthen its relationships with clients worldwide, backed by the Stone & Webster reputation;
- expand in promising growth areas such as the US, where downstream markets will benefit from the supply of unconventional gas; and
- add skilled resources, notably in research in the US, and engineering in the US, the UK and India.

To make the most of these strengths, a new business unit, Technip Stone & Webster Process Technology, was developed within the Onshore/Offshore segment.

In September, Genesis Oil and Gas Consultants Ltd announced that it had entered into a binding agreement to acquire Suporte Consultoria e Projetos Ltda, ("Suporte") a Brazilian pipeline and structural engineering company based in Rio de Janeiro. Brazil is one of the fastest growing oil and gas markets in the world and this acquisition will significantly enhance the position of Genesis in this country, after the inauguration of a new operating center in Rio de Janeiro in 2011.

This transaction will enable Genesis to:

- increase immediate access to the Brazilian growing market;
- strengthen its relationships with Brazilian customers;
- add significant skill sets to the global team; and
- expand its workforce with 80 talented people.

Genesis has been working with Suporte since 2002, with a first joint contract to design a gas export pipeline for the Campos Basin in Brazil.

Brazil offers great opportunities for the Genesis team to grow and expand its global operations. The acquisition of Suporte will help Technip provide subsea and consultancy services to all its customers in Brazil. It also allows Technip to offer further opportunities to local people. The Suporte engineering team and its well-established local customer base will constitute a solid ground for the future development of Genesis in Brazil.

In October, Technip and Heerema Marine Contractors ("Heerema") announced that they had signed a worldwide alliance agreement under which the two companies will combine their capabilities to help their clients best address the fast growing subsea ultra-deepwater market.

Ultra-deepwater projects are expected to be the fastest growing part of the subsea market over the next several years. These developments have significant challenges for Technip's clients, which the alliance of Technip and Heerema addresses:

- increasing size and complexity of ultra-deepwater projects require extensive project management skills and execution track record;
- complexity of deepwater reservoirs requires technology investment to optimize field design and provide solutions for high pressure, high temperature or highly corrosive hydrocarbons; and
- deeper water and heavier pipes increase pipe-tensioning and installation requirements of specialized pipe-lay vessels.

The five-year alliance agreement makes available the complementary assets of the two companies for ultra-deepwater EPCI projects in all subsea markets requiring substantial tensioning capability and brings:

- worldwide commercial footprint;
- international network of engineering centers;
- leading-edge technologies supported by growing R&D spend;
- strong project management capabilities and experience in very large and complex ultra-deepwater projects;
- unmatched network of logistic bases and manufacturing plants;
- high tension J-Lay vessels, provided by Heerema through their installation vessels Aegir (under construction) and Balder; and
- S-Lay and Reel-Lay assets of both companies, as needed.

Technip and Heerema teams start to work together as of today to implement this exclusive agreement. The two companies will bid together on several major projects in the years to come.

The alliance furthers Technip's strategic objective of broadening its portfolio of capabilities in Subsea, building on its capex program and last year's acquisition of Global Industries, Technip also covers environments from ultra-deepwater to shore. The alliance also fulfills Technip's near-term requirements for high-tension vessel capabilities.

### 6.1.2. MAJOR ACQUISITIONS AND DIVESTMENTS IN 2012

Technip's external growth policy aims to consolidate the Group's leadership in its markets by strengthening its geographic positions, technological portfolio and resources and capabilities in critical areas for successful project execution.

In financial year 2012, Technip completed the following transactions:

- On August 31, 2012, Technip acquired Stone & Webster Process Technologies, along with its associated oil and gas engineering capabilities, from The Shaw Group. This transaction, announced on May 21, 2012, created a world-class downstream technology leader that enables Technip to substantially enhance its position as a technology provider to the refining and petrochemicals industries, as well as to further diversify its Onshore/Offshore segment, adding revenues based on technology supply.

  Following this acquisition, a new business unit, Technip Stone & Webster Process Technology, was set up within the Onshore/Offshore segment.
- On September 18, 2012, Genesis Oil and Gas Consultants Ltd, a company of the Group, acquired Suporte Consultoria e Projetos Ltda, a Brazilian pipeline and structural engineering company based in Rio de Janeiro.

## 6.1.3. EVENTS BETWEEN JANUARY 2013 AND THE REFERENCE DOCUMENT PUBLICATION DATE

The information presented below is taken from Technip's 2013 press releases, which are available in their entirety on the Group's website (www.technip.com). The following is a summary to be read in conjunction with the quantified information included in these press releases, where applicable.

### January 2013

- Technip was awarded by The Mosaic Company the front-end engineering and design (FEED) contract, as well as preparation of the corresponding engineering, procurement and construction (EPC) proposal, for a new ammonia plant under consideration by the global crop nutrient company. Mosaic's preference is to locate the proposed plant adjacent to the company's existing Faustina fertilizer manufacturing operations in St. James Parish, Louisiana. It would have a capacity of 2,200 metric tons per day.

  Mosaic is the world's largest producer of finished phosphate products, with annual production capacity greater than the next two largest producers combined. The company's plan is to backward integrate more fully into ammonia production by expanding its present capacity at Faustina.

  The proposed design of the plant would feature Haldor Topsøe' proprietary ammonia process technology that Technip has successfully engineered and constructed in projects for more than 40 years. Technip will also perform the preliminary design work for the plant offsites, utilities, interconnections, and other supporting units for the facility.
- Technip was awarded by GDF-Suez E&P UK Limited an engineering, procurement, installation and construction contract for the Juliet project, located 40 kilometers East of the Humberside estuary, at a water depth of approximately 20 to 60 meters.

  This contract will cover the installation of a 12" 22-kilometer rigid flowline, a 22 kilometer static controls umbilical, a 12" riser, a 16" J-Tube assembly and a 100-ton manifold.

  Technip's operating centers in Aberdeen, Scotland and in Oslo, Norway will work in conjunction to deliver this project. The offshore campaign is scheduled to be completed by the end of 2013 and will use vessels from the Technip fleet, including the *Apache II* and *Normand Pioneer*.
- Technip was awarded by JBF Petrochemicals, a wholly–owned subsidiary of JBF Industries Ltd, an important contract for a 1.25 million tons per year latest-generation purified terephtalic acid (PTA) unit, to be located in the Special Economic Zone in Mangalore, India. PTA is the primary feedstock for polyesters used in textiles and packaging.

  The contract covers the basic engineering, front-end engineering design, detailed engineering and procurement services for the ISBL (Inside Battery Limit) and the OSBL (Outside Battery Limit) of the unit. The scope of work also includes supply of materials and construction management services for the ISBL. The plant will feature BP's leading-edge proprietary PTA technology.

  Technip's operating centers in Rome, Italy and in Chennai, Mumbai and Delhi, India will execute the contract, which is scheduled to be completed in the first semester of 2015.
- Technip was awarded engineering and procurement contracts by Westlake Chemical Corporation for the expansion and modernization of the ethylene cracking furnaces and the recovery section of Westlake's ethylene plant in Calvert City, Kentucky. The ethylene production capacity will be increased by 40 percent – from 450 million pounds per year to 630 million pounds per year – and will use ethane feedstock instead of propane as per the original design.

  The expansion and feedstock conversion of the ethylene plant will enhance Westlake's vinyl chain integration and leverage low-cost ethane being developed in regional shale gas areas. Westlake is one of the major ethylene producers in the U.S. and its Calvert City operation is a large integrated PVC site.

  Technip's operating center in Claremont, California, will execute the work.

### February 2013

- Technip, in a consortium with AFCONS Infrastructure Ltd and TH Heavy Engineering Berhad, was awarded a contract by Oil & Natural Gas Corporation Ltd (ONGC), worth approximately €220 million (Technip share: about €50 million), for the Heera Redevelopment (HRD) process platform project in the Arabian Sea, at approximately 70 kilometers South-West of Mumbai, India.

  The scope of work covers the:
  - engineering, procurement, fabrication, transportation, installation, hook-up and commissioning of the HRD process platform;
  - shifting of the existing cable in the seabed;
  - installation of a new bridge connecting the existing HRC process platform, the strengthening of the existing bridge and the modification on an existing HRC process platform to ensure interconnections between all the process lines and the utilities.

Technip's operating center in Mumbai, India will execute the overall engineering and procurement of tagged equipment of the project. The topsides will be designed for the float-over installation using the Group's proprietary Unideck® integrated deck installation system with the support of Technip's operating center in Paris, France. The project is scheduled to be completed in the first semester of 2015.

- Technip was awarded by Shell U.K. Limited an engineering, procurement, installation and construction contract for the Gannet F Reinstatement project, located in the North Sea, 180 kilometers east of Aberdeen, at a water depth of 95 meters.

  The contract concerns the replacement of the Gannet F flowline at the Gannet Alpha Platform and covers the:

  - fabrication and pipelay of an 11.8 kilometre pipe-in-pipe;
  - installation of a 4.5" gas lift pipeline;
  - trenching and installation of an 11.9 kilometer umbilical.

- Technip, in a joint venture with Malaysia Marine and Heavy Engineering Sdn Bhd (MMHE), was awarded by Sabah Shell Petroleum Company Ltd (SSPC) a substantial contract for the engineering, procurement and construction of a tension leg platform (TLP) for the TLP Malikai Deepwater Project.

  This TLP will be designed as a fully-manned platform to be installed 110 kilometers offshore Sabah, Malaysia, at a water depth of approximately 500 meters. The TLP will weigh approximately 26,000 metric tonnes incorporating a topsides, which will have facilities to process 60,000 barrels of oil and 1.4 million cubic meters per day of gas, and a hull. The tendons will be fabricated in the U.S. Gulf of Mexico, and transported to Malaysia for installation at the Malikai field.

- Technip, in a consortium with Construcciones Industriales Tapia, was awarded by Petróleos Mexicanos (PEMEX) through its subsidiary PEMEX Refinación, a contract for the revamp of one of the conversion unit of the Ing. Héctor R. Lara Sosa refinery, located in Cadereyta, Mexico. Technip's share of the contract is worth approximately USD40 million.

  The scope of work includes the detailed engineering, procurement, construction, training, commissioning and start up for the recondition of the combustion gases system of the No. 1 catalytic plant (FCC) of the refinery.

- Technip was awarded by Sabah Shell Petroleum Company Ltd (SSPC) an important subsea pipelines contract for the Malikai Deepwater project, located offshore Sabah, at a water depth of approximately 650 meters.

  The contract includes transportation, installation and pre-commissioning of a 8" 50-kilometer gas pipeline and a 10" 55-kilometer liquid pipeline including steel catenary risers. The pipelines stretch from the Malikai tension leg platform site to the Kebabangan platform.

  Offshore installation will be carried out by Technip's flagship S-Lay vessel, the *G1201.*

- Technip was awarded by Sarawak Shell Berhad an engineering, procurement, construction, installation and commissioning contract for two new gas-export lines at the Laila and D12 fields, respectively located 50 kilometers Northwest of Miri, at a water depth of 75 meters, and 140 kilometers offshore Bintulu, Malaysia, at a water depth of 50 meters.

  The contract covers the:

  - design, fabrication and installation of a five-kilometer flexible pipe and a ten-kilometer flexible pipe respectively of 7" and 12.8" diameters;
  - diver installation of riser clamps at both jacket platforms;
  - pre-commissioning of the flowlines;
  - project management.

  Technip's new-built multipurpose installation and construction vessel, the *Deep Orient,* will be used for the installation.

- Technip was awarded by BP Angola an important five-year contract for engineering and modification services for the existing Greater Plutonio and Plutao, Saturno, Venus and Marte (PSVM) floating production storage and offloading (FPSO) units, located in Blocks 18 and 31 offshore Angola.

  This contract follows the successful completion of a previous five-year contract for engineering services for the Greater Plutonio FPSO. This new award covers two FPSOs and involves not only engineering, but also procurement and management of offshore and onshore construction activities.

## March 2013

- Technip announces that it has signed two agreements with State Corporation Russian Technologies (Rostec) during the official meeting between François Hollande, President of the French Republic, and Vladimir Putin, President of the Russian Federation. The agreements aim at manufacturing flexible pipes and umbilicals in Russia, for the Arctic region and the Black Sea oil fields, as well as at the construction and renovation of refining and petrochemical units in Russia.

  Technip and RT-Chemcomposite Holding Company, a Rostec subsidiary, signed a memorandum of understanding to express their intention to form a joint-venture (JV) company for subsea activities in Russia. Under the terms of this memorandum, the joint venture is a cooperation in the production of equipment for the oil and gas industry and in particular flexible composite pipes based on Technip's technology. It allows to produce oil and gas at the depth of down to 3,000 meters and provides for speedy pipe laying operations. They will also intend to evaluate the possibility of establishing a research and development center.

  Moreover, another agreement was executed between Technip and Rustechexport, another company operating under the umbrella of Rostec, whereby the parties set forth the main terms and conditions for a jointly-owned company they intend to establish to provide engineering, design, and turnkey construction for oil refinery, petrochemical and gas chemical production projects in Russia, including the facilities required for offshore oil field operations.

- Technip announces the acquisition of Ingenium AS, a highly-experienced offshore engineering and services contractor located in Oslo, Norway. Ingenium AS designs and develops mechanical and electro-hydraulic tools and equipment, for the offshore oil and gas industry, and provides engineering services for marine operations, such as the installation of pipes and cables. Comprising over 20 highly-skilled engineers in the subsea business, the umbilical lay spread on the *North Sea Giant*, for the Goliat project, in 2012 is one of their recent achievements.

# 6.2. Group business environment

## 6.2.1. MARKET ENVIRONMENT

2012 was a year of growth for the upstream capital expenditures of Oil & Gas companies. According to Barclay's Capital's Original E&P Spending Survey dated December 2012, global E&P expenditures increased by 10% in 2011 with 11% growth anticipated for 2012.

On the Downstream side, capital expenditures were high and concentrated in those emerging economies that have a rapidly increasing demand for energy as well as in those countries with a significant stock of hydrocarbons that are committed to expand into downstream activities. Conversely, Onshore Downstream capital expenditures remained depressed in industrialized countries such as Western Europe.

The IFP Énergies nouvelles report titled Investment in Exploration & Production and Refining dated October 2012 provides a similar assessment of the environment, *i.e.,* a rebound in upstream markets and fewer signs of recovery in downstream markets in 2013 where several projects have been postponed due to financing difficulties.

In both the medium and long term, the factors driving Technip's markets remain robust, future global oil and gas demand remain solid despite a slight downward revision, a need for oil and gas companies to offset the natural depletion of their reserves and an ongoing shift towards harsh environments (notably deepwater developments) and complex projects (in particular Floating LNG solutions).

## 6.2.2. GROUP BUSINESS SEGMENTS

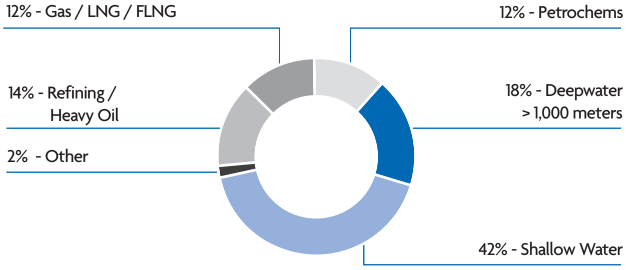
Technip is a world leader in project management, engineering and construction for the oil and gas industry.

Its main markets include onshore plants (*e.g.,* refining and gas treatment), offshore platforms (*e.g.,* Spar and FLNG) and subsea construction (*e.g.,* installation of subsea pipelines).

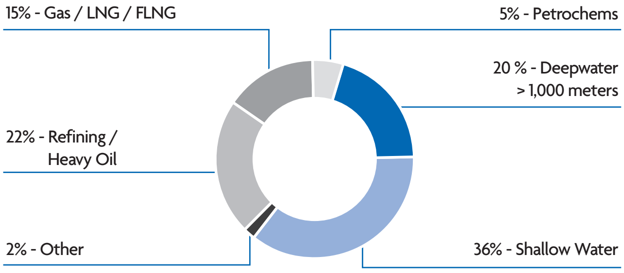
### Technip revenues by segment

| In millions of Euro | 2012 | 2011 |
|---|---|---|
| Subsea | 4,047 | 2,972 |
| Onshore/Offshore | 4,156 | 3,841 |
| **TOTAL** | **8,203** | **6,813** |

### Technip backlog as of December 31, 2012




### Technip backlog as of December 31, 2011




### Subsea

#### Subsea market environment

The positive trend of 2012 is expected to continue in 2013 and beyond, driven in particular by offshore gas developments, a continuous shift to deeper waters and, in terms of geographies, especially by Brazil and the Asia Pacific region.

#### Subsea strategy

Technip aims to strengthen its worldwide leadership in the Subsea market. Its strategy relies on the following priorities:

- increase its local presence in high-potential regional markets (such as Africa, Gulf of Mexico, Brazil and Asia Pacific);
- further improve project execution capabilities;
- upgrade its fleet of vessels and manufacturing capabilities for flexible pipelines and umbilicals;
- develop the technologies and know-how required to serve subsea projects in increasingly deep waters and harsh environments.

#### Subsea competition

Technip competes against subsea construction contractors and manufacturers of flexible pipes and umbilicals. Its main competitors in subsea construction include Subsea 7, Aker Solutions, Allseas, Heerema, Helix, McDermott, Saipem and Sapura-Clough. With respect to flexible pipes, Technip's main competitors include NKT-Flexibles, Prysmian and Wellstream, part of General Electric Group. With respect to umbilicals, Technip's main competitors include Aker Solutions, Nexans, Oceaneering and Prysmian.

### Onshore/Offshore

#### Onshore/Offshore market environment

The Offshore market includes various types of projects, from small fixed platforms in shallow water to large floating platforms in deep water.

The global Offshore oil and gas industry is expected to continue its growth in the coming years. The offshore fields in the Gulf of Mexico and the North Sea in Europe were traditionally the backbone for investments in the last decade. However, recent discoveries of offshore fields with impressive reserves in other regions of the world have started a shift in investments from mature regions to the offshore regions in Brazil and Asia.

Global liquefaction capacity should continue to increase as demand for gas continues to grow.

The Onshore market covers upstream and downstream plants, including gas treatment, LNG, refining, ethylene, hydrogen and petrochemicals.

This large market has concentrated in developing countries with rapidly growing energy demand (notably Asia and Latin America) and countries with abundant oil and gas reserves (Middle East in particular) which have decided to expand downstream. The Onshore market remains relatively small in developed economies (Western Europe for example).

The acquisition of Stone & Webster, closed in August 2012, expands Technip's potential market in onshore. Proprietary technologies, alliances and know-how of Stone & Webster notably in Ethylene, Refinery and Petrochemicals expertise along with Technip's portfolio, enables Technip to offer from licensing to project execution in these areas.

### Onshore/Offshore strategy

In the Offshore market, Technip is positioning itself on the most demanding "frontier" projects, including ultra-deep water floaters, large topsides, floatover solutions and floating LNG.

Its strategy is based on the following priorities:

- the consolidation of its lead in the emerging floating LNG market;
- further development of its local delivery capabilities in regions with substantial market potential;
- investment in its technologies and technical know-how;
- improvement in its project execution capabilities.

Technip is one of the world's leading Onshore contractors, with a solid track record on large-scale projects around the globe.

Technip's strategy is based on the following priorities:

- the strengthening of its internal project management, engineering, procurement and construction capabilities;
- the expansion of its local foothold in large regional markets, allowing a shift of its footprint within regions;
- the development of its customer relationships and involvement in the early project phases;
- the optimization of its risk profile and diversification of its contract portfolio (conceptual studies and FEED, EPCM, LSTK and reimbursable projects);
- investment in its technologies and technical know-how.

### Onshore/Offshore competition

In the Onshore market, Technip faces a large number of competitors, including US companies (Bechtel, CB&I, Fluor, Foster Wheeler, Jacobs and KBR), Japanese companies (Chiyoda, JGC and Toyo), European companies (Petrofac, Saipem and Tecnicas Reunidas) and Korean companies (GS, Hyundai, Samsung Engineering and SK). In addition, Technip competes against smaller and more local engineering and construction companies in certain countries.

The competition on Offshore market is relatively fragmented and includes various players with different core capabilities. There are offshore construction contractors, such as Aker Solutions, McDermott and Saipem; shipyards, such as Hyundai, Daewoo and Samsung Heavy Industry; leasing contractors, such as SBM and Modec; and local yards in Asia Pacific, the Middle East and Africa.

### 6.2.3. GEOGRAPHIC AREAS WHERE THE GROUP IS PRESENT

Technip is a global player in the oil and gas industry with significant revenues and backlog in most regions of the world, which were split as follows in 2012:

- Middle East: 14% of Technip's revenues and 11% of its backlog;
- Europe, Russia and Central Asia: 29% and 30%, respectively;
- Americas: 32% and 29%, respectively;
- Asia Pacific: 16% and 21%, respectively;
- Africa: 9% and 9%, respectively.

## 6.3. Description of Project strategy

Projects are increasingly ambitious, more complex and performed in pioneering fields.

In this environment, Technip must focus its management and financial resources on its specialty sectors, develop teams and assets adapted to these challenges and prepare for the future by strengthening its technological assets and expertise.

Within this strategic framework, Technip's operational organization has evolved and now focuses, in particular, on continuing to develop its geographical presence and optimizing Project execution capabilities.

Technip's seven Regions are responsible for marketing and sales activities, as well as for Project execution and financial results.

This decentralized structure contributes to the Group's development while also permitting the Group's management to make decisions related to major Projects that exceed certain thresholds, with decisions below these thresholds made by the Regions or the Business Units, as the case may be.

In order to manage its inherent business risk, Technip continues to manage the composition of its Project portfolio from the pre-qualification phase up until invitations to tender. The Group carries out a detailed risks analysis at every stage of its Projects. Such an analysis allows for the diversification of the backlog composition, contractual forms and geographic areas. This analysis also allows the Group to promote a balance in its Project portfolio across business segments and technologies as well as allowing the Group to develop partnership strategies that allow it to share the risks on the Projects.

## 6.3.1. A BALANCED MANAGEMENT OF THE BACKLOG

### Diversification in contractual forms

Depending on the nature of the risks highlighted during the Early Tendering ("ET") and/or Authorization To Tender ("ATT") processes, Technip will propose to its clients "cost plus fee" contracts rather than contracts on a lump sum basis and/or will propose to exclude certain services such as equipment procurement and/or construction, particularly, where design studies are not sufficiently developed at the proposal stage, or will propose contracts which may be converted progressively into lump sum turnkey contracts instead of lump sum turnkey contracts.

In its management risks approach, Technip also strives to obtain firm commitments from its suppliers prior to submitting proposals to clients.

### Geographic backlog diversification

The Group strives to diversify the countries where it performs contracts in order to avoid or mitigate the potential effects of an event or particular situation such as an excessive concentration of Projects in a region or in a specific country, which may render the execution of such Projects more difficult, longer and/or more expensive.

### Backlog balance by business segment

The Group also endeavors to balance its backlog by business segment between the Subsea segment on one hand and the Onshore/Offshore segment on the other, to lower its exposure to the cycles in each of these business segments.

### Association strategy

To mitigate its risks on a specific Project, Technip may decide to submit a bid in association with one or more companies through either a joint venture or a consortium.

The type of association is carefully reviewed at the proposal stage by taking into account all relevant parameters, including client's requirements and needs, respective expertise of each member of the association, and interfaces. In general, the members of a joint venture or a consortium are jointly and severally liable towards the client.

## 6.3.2. INTERNAL PROCESS FOR REVIEW OF POTENTIAL TRANSACTIONS

Because of the high cost associated with preparing a proposal, Technip only bids on Projects that have been scrutinized through a selection process. In particular, each Project is evaluated on its own merits with no exceptions whatsoever, market share and/or asset utilization considerations included.

To achieve an optimized "Risk/Reward" profile satisfying the Group's criteria, all transactions are reviewed at the Group, Region or Business Unit level to properly assess all risks that may arise. The decision to pursue a Project, submit an offer and/or accept a letter of intent or sign a contract is systematically subject to prior approval at the appropriate delegation threshold. The latter is defined, on the one hand, by business segment and by Region, and on the other, by Business Unit within the framework of the Group's internal procedures.

Before a decision is made to submit a proposal, Technip first reviews each specific prospect through an Early Tendering (ET) process. At the end of this process, the Management of the Group, of a Region, or of a Business Unit, as the case may be, decides whether or not Technip should submit a proposal.

Where a decision has been made to submit a proposal, Technip enters the proposal formulation process, during which all terms and conditions of the transaction are analyzed. These aspects are reviewed during an Authorization To Tender (ATT) meeting at the end of which the Management of the Group, of a Region, or of a Business Unit, as the case may be, decide the terms under which the proposal will be submitted or, in very few cases, that a proposal will not be submitted.

Once a proposal is made by Technip and accepted by the client, the analysis and risk assessment performed during the ATT process is updated during an Authorization To Commit ("ATC") meeting. Technip cannot accept any letters of intent and cannot enter into any contracts prior to receiving approval from the Management of the Group, of a Region, or of a Business Unit, as the case may be, during an ATC meeting.

## 6.3.3. DESCRIPTION OF CONTRACTUAL STRUCTURES

### "Cost plus fee" contracts

Contrary to lump sum contracts, under which Technip bears the full risk of any overrun of the initial budget, cost plus fee contracts allow Technip to avoid bearing a risk on the final cost. Under this type of contract, Technip is paid for its services on an hourly rate and it is also paid for procurement and construction activities based on actual costs, plus an added pre-determined profit margin.

### EPCM contracts

For specific types of Projects where Technip cannot take risks with respect to the supply of equipment and construction activities, particularly where design studies are not clearly defined at the time of the submission of a proposal, EPCM contracts will be preferred. Under an EPCM contract, Technip's activities are limited to providing services (*e.g.,* engineering, procurement and construction services, as well as assistance during the construction phase). All risks associated with procurement and construction activities are thus transferred to the client. Cost plus fee arrangements are also preferred for major contracts. In addition, these types of contracts often provide for a bonus/malus scheme related to the investment cost and the overall Project performance schedule.

### Progressive turnkey contracts

Given today's uncertain market conditions, Technip has introduced a new contractual scheme to reduce its risks and costs for itself and its clients. With progressive turnkey contracts, payment is made on a cost plus fee basis during the design and procurement phases until an appropriate time, after which Technip takes into account all relevant factors. Once this is completed, payment is converted to a lump sum basis. This type of contract allows Technip to mitigate risks related to the design phase and to increasing costs and allows clients to reduce their provisions for risks.

### Lump sum turnkey projects

Under lump sum turnkey contracts, Technip takes full responsibility with regards to the execution of a Project (*i.e.,* design and engineering activities, supply of equipment and materials, and construction works) with respect to:

(i) technical aspects (including on any portion subcontracted to suppliers and to construction companies);

(ii) completion deadlines; and

(iii) financial aspects. In this regard, Technip takes full responsibility with respect to any budget overruns, as initially agreed for the performance of the Project at the time the contract was entered into, with the exception of those resulting from specific events that give a contractual right to renegotiate the price and/or applicable deadlines.

Technip remains a major actor in lump sum turnkey contracts, which remains the prevailing standard in certain parts of the world such as in the Middle East, and in other regions where the Group considers the construction costs manageable.

## 6.3.4. TYPES OF ASSOCIATIONS

In order to mitigate risks associated with mega Projects or Projects presenting technological challenges or risks associated with construction, Technip may decide to submit a bid in association with one or more companies through a joint venture or a consortium.

A joint venture or a consortium is generally formed for the sole purpose of a specific Project and is dissolved when all respective obligations and liabilities of the client and the members have been duly satisfied.

### Joint ventures

A joint venture is a temporary association of companies (which may or may not be incorporated) under which its members perform their respective scope of work, generally as an integrated team, and share the risks and rewards according to a predetermined prorata rule.

### Consortium

A consortium is also a temporary association of companies, but differs from a joint venture in that each member is solely and individually responsible for the performance of its scope of work and, in general, individually bears all of the risks associated with such performance.

A consortium is preferred where the split of work between the members is clearly identified and especially when Technip decides to associate itself with a construction company or a shipyard.

# 6.4. The Group's business segments

Technip is active on the two following business segments: Subsea, and Onshore/Offshore. See Section 9.2 of this Reference Document for a breakdown of revenues by geographical area. As of 2012, in order to reflect the combined management of Onshore and Offshore resources, Technip uses two business segments to present its financial results and its operations: the Subsea segment on one hand and the Onshore/Offshore segment on the other hand.

## 6.4.1. SUBSEA

Technip provides integrated design, engineering, manufacturing and installation services for infrastructures and subsea pipe systems used in oil and gas production and transportation.

Technip is considered as the world leader in the Subsea construction sector. Thanks to its engineers and technicians, it is internationally recognized for its technological expertise. Its focus on developing technologies allows the Group to offer its own technologies both as products and for installation processes.

In 2012, Technip and Heerema Marine Contractors signed a worldwide alliance agreement pursuant to which the two companies will combine their capabilities to help their clients best address the fast growing subsea ultra-deepwater market.

The alliance supports Technip's strategic objective of broadening its portfolio of capabilities in Subsea, building on its capex program and last year's acquisition of Global Industries to cover environments from ultra-deepwater to shore and to fulfill our near-term requirements for high-tension vessel capabilities.

In 2012, the Subsea segment generated revenues of €4,047.6 million, representing 49.3% of the Group's consolidated revenues (see Section 9.4 of this Reference Document for a description of the Subsea segment's operating income).

## Services for subsea oil fields

One alternative to using platforms with surface wells for offshore hydrocarbon production is placing wellheads on the seabed and connecting them to processing and removal platforms with rigid and/or flexible pipes. Wellheads and subsea collection systems are remotely controlled through umbilicals that send data, steer the subsea wellheads and send service fluids from a platform or a production vessel. Technip's services include the turnkey delivery of these subsea systems, particularly, offshore work (pipelay and subsea construction) and the manufacture of critical equipment such as umbilicals and flexible pipes. Technip can also handle the supply of other subsea equipment and the procurement of rigid pipes that the Group acquires from third parties on an international bid. As markets move towards greater sea depths, there is a growing need of new resources and approaches. Due to its technological innovations, Technip can serve customers defining and opening new ultra-deep sea fields.

In addition to the engineering and installation of new systems, Subsea activities also include the maintenance and repair of existing subsea infrastructures and the replacement or removal of subsea equipment.

Technip has one of the world's top-performing fleets of subsea pipelay (rigid and flexible pipe installation) and construction vessels, which is essential to its Subsea activities.

## Flexible pipe supply

In this segment, Technip performs the engineering and manufacturing of the flexible pipes, relying on:

- its engineering centers in Rio de Janeiro (Brazil), Paris (France), Oslo (Norway), Aberdeen (UK), Kuala Lumpur (Malaysia), Perth (Australia) and Houston (USA); and
- its manufacturing units in Vitória (Brazil), in Le Trait (France) and its Asiaflex Products center in Johor Bahru (Malaysia).

The goods are delivered alongside the dock of the manufacturing unit and are loaded on a vessel operated by the client.

Technip has initiated the construction of a second high-end flexible plant in Brazil within the new Porto do Açu development.

In 2012, Technip was awarded a 5-year frame agreement contract from Petróleo Brasileiro S.A. (Petrobras) for the supply of around 1,400 kilometers of flexible pipes. The contract will be fulfilled by Technip with a high level of Brazilian content and is a great success for Technip's operations in Brazil where the Group has been present for more than 35 years.

## Umbilical supply

Duco, a Technip subsidiary, responds to calls for tender issued by different types of clients such as oil companies, subsea wellhead manufacturers, and turnkey projects using its engineering expertise and substantial business experience. In this respect, Duco relies upon the engineering centers in Newcastle (UK) and Houston (USA) and the thermoplastic or steel tube umbilicals manufacturing units in Newcastle (UK), Channel View (USA) and Lobito (Angola).

## Long-term charter vessels

This sector of the market is specific to Brazil where Petrobras charters vessels fitted with flexible and umbilical laying equipment. In 2012, Technip operated five vessels in long term charter for Petrobras: the *Sunrise 2000,* with the capacity to lay three lines simultaneously, the *Normand Progress,* fitted with a VLS (Vertical Laying System), the *Skandi Vitória,* the *Deep Constructor* and the *Skandi Niterói,* all three fitted with a vertical and horizontal laying system.

In addition, the joint venture formed by Technip (50%) and Odebrecht Oil & Gas (OOG, 50%) is currently building two flexible pipeline installation vessels for charter and operation awarded by Petróleo Brasileiro S.A. (Petrobras). Characterized by their high pipelay tension capacity of 550 tons, the twin vessels will be principally employed to install umbilical and flexible flowlines and risers to connect subsea wells to floating production units in waters up to over 2,500 meter deep offshore Brazil, including in the pre-salt area.

## Turnkey projects

Most of the Subsea contracts are performed under lump sum contracts, with Technip performing engineering, procurement and project management for the entire field development. Rigid pipeline installation is performed by the *Deep Blue,* the *Apache II,* the *Global 1200* and the *Global 1201.* Support is provided by the spoolbases located in Mobile (US), Dande (Angola), Evanton (UK) and Orkanger (Norway). Flexible pipes and other subsea infrastructures are installed with offshore construction vessels, diving support vessels and multisupport vessels.

Recent large-scale EPCI projects undertaken by Technip include Pazflor in Angola, West Delta Deep Marine in Egypt and Islay in the North Sea.

### Inspection, Maintenance and Repair (IMR), and Asset Integrity Management

The inspection and maintenance of subsea infrastructure is a major market segment, particularly in mature fields. Due to its long-standing presence in the North Sea, Technip has developed recognized expertise using a high performance fleet of diving vessels.

The development of deepwater fields and the ageing of these installations increase the need for IRM services using ROVs.

The asset integrity management, with the increasing focus on safety of the industry by the Group, is becoming a paramount characteristic for the market. Technip proposes several technical innovations in this field that improve flow assurance and corrosion resistance. Cybernétix's development of comprehensive solutions for remote operation, monitoring/control or by measures based on the EPICOM (Engineering, Procurement, Installation, Commissioning, Operation and Maintenance) model perfectly complements Technip's own solutions.

## 6.4.2. ONSHORE/OFFSHORE

Technip's Onshore business segment groups together all types of onshore facilities for the production, treatment and transportation of oil and gas as well as petrochemicals and other non-oil and gas activities of the Group. Technip also designs and builds infrastructures related to these activities, in particular hydrogen production units, electricity units and sulfur recovery units as well as storage units.

On August 31, 2012, Technip completed the acquisition from The Shaw Group of Stone & Webster's process technologies and the associated oil and gas engineering capabilities. This transaction, which was originally announced on May 21, 2012, enables Technip to substantially enhance its position as an Onshore technology provider, to diversify further its Onshore business with the addition of revenues based on technology supply, to strengthen its relationships with clients worldwide and to expand in promising growth areas such as the US, where downstream markets will benefit from the supply of unconventional gas.

In 2012 the Onshore/Offshore business segment generated revenues of €4,156.3 million, representing 50.7% of the Group's consolidated revenues. See Section 9.4 of this Reference Document for a description of Onshore/Offshore operating income.

### Onshore

#### Development of onshore fields

Technip designs and builds all types of facilities for the development of onshore oil and gas fields, from wellheads to processing facilities and product export systems. In addition to participating in the development of onshore fields, Technip also renovates existing facilities by modernizing production equipment and control systems, and brings them into line with applicable environmental standards.

#### Land pipelines

Technip builds pipeline systems chiefly for natural gas, crude oil and oil products, water and liquid sulfur. Through its operating center located in Düsseldorf (Germany), Technip is one of the world's most experienced pipeline builders and has completed projects in the most challenging of environments, such as the Desert, the Tundra, mountains or boggy fields. Since 1960, Technip has completed more than 160 pipeline projects in more than 40 countries, amounting to an aggregate length of 34,000 kilometers of pipelines.

#### Natural gas treatment and liquefaction

Technip offers a complete range of services to clients who wish to produce, process, fractionate and market the products of natural gas. The majority of business conducted pertains to the liquefaction of methane. Services provided by Technip to its customers range from feasibility studies to construction of entire industrial complexes under a turnkey contract. In the field of liquefied natural gas (LNG), Technip is among the most experienced engineering contractors having designed and built the first high capacity liquefaction plant in the world in Arzew, Algeria, 50 years ago. From 2007 to 2012, the Group, within the framework of partnership agreements, delivered to its customers, plants having a combined production capacity of approximately 60 Mtpa, *i.e.* 20% of the capacity installed worldwide as of the date of this document. Included among its recent achievements, the largest LNG trains in the world (7.8 Mtpa) located in Qatar, as well as medium-sized LNG trains (0.4 Mtpa) in China. Technip is the market leader in floating natural gas (FLNG) liquefaction units, including, as of June 2011, the execution by Technip in consortium with Samsung Heavy Industries, of the Prelude FLNG construction contract for Shell. Technip is also well positioned in the Gas-To-Liquids (GTL) market and, in 2006, completed the engineering and construction of Oryx, the first GTL project of significant size in Qatar. In addition, Technip has extensive experience in natural gas processing and has access to corresponding licensed technologies. Technip is specialized in extracting sulfur from natural gas and is, according to the Group's assessment of the market, the world leader in terms of number of units installed. With its Cryomax technology, Technip specializes also in the highly efficient extraction of $C_2$ and $C_3$ hydrocarbons from natural gas.

The bulk of these operations are brought together under the Onshore/Offshore segment with the exception of the FLNG, which is recorded under the Onshore/Offshore segment.

#### Refining

Technip is a world leader in oil refining. The Group manages all aspects of projects from the preparation of concept and feasibility studies to the design, construction and start-up of complex refineries or single refinery units. Since its founding in 1958, Technip has been involved in the design and construction of 30 grassroots refineries, and is one of the few contractors in the world to have built six grassroots refineries since 2000. Technip has extensive experience with any type of technologies relating to refining and has completed more than 840 individual process units, from 100 major expansion or refurbishment projects implemented in more than 75 countries. Based on decades of cooperation with the most highly renowned technology licensors and catalyst suppliers and due to its strong technological expertise, Technip ensures a completely independent selection of the best technologies to meet specific Project/Client targets.

With a strong track record in refinery optimization projects, Technip has gained experience and competence, simultaneously, in all technological fields that impact both present and future development in the oil refining sector.

### Hydrogen

Technip is a leader in the design and construction of hydrogen and synthesis gas production units as well as sulfur recovery units. Hydrogen is used to treat and/or process refinery products and petrochemicals. Synthesis gas is used to make various chemical products such as acetic acid and methanol. Technip designs and builds hydrogen and synthesis gas plants for the refining, petrochemical and chemical industries. Since 1992, Technip has participated in a worldwide alliance with Air Products notably to supply high-purity hydrogen to the refining and other industries. High-purity hydrogen is critical for converting heavy crude oil into low-sulfur fuels that meet the most stringent environmental standards. Since its founding, Technip has participated in the design and construction of close to 300 units of this type worldwide for the refining and other related industries.

### Ethylene

Technip holds unique proprietary technology and is a leader in the design, construction and commissioning of ethylene production plants. Over the last 10 years, Technip has commissioned and started up six plants in the Middle East, including the world's two largest steam cracking units and an additional two plants are currently under design. In 2012, Technip acquired the process technologies of Stone & Webster from The Shaw Group (see Section 11.4 of this reference document) which contributed to the strengthening of Technip's leadership in the ethylene sector.

### Petrochemicals and fertilizers

In 2012, fast growing economies, including the "BRICS" (Brazil, Russia, India, China, South Africa) countries, generated a number of important projects in the downstream processing industry aimed at meeting the increasing food and consumer goods demand. Thanks to solid experience and to an established cooperation with leading technology providers in the petrochemicals and in the fertilizers domains, Technip is in an excellent position to benefit from these emerging markets and to face the new challenges of a widely differentiated market in terms of geography and products. Technip has a well established position in the field of Polymerization plants through award and execution of an unprecedented number of design contracts for polyolefin projects as well as of Front-End Engineering Design (FEEDs) for new grassroots petrochemical complexes. In the fertilizer field, Technip has been awarded early stage works contracts and pre-selected contractor positions for important ammonia/urea and other fertilizers projects in Europe, in Middle East, Africa, Latin America and India.

### Biofuels and renewable energies

Technip is active in the renewable energies market through engineering studies and execution of production units in the fields of biofuels, geothermal, concentration solar power and offshore wind farms.

### Other Industries

Technip also offers its engineering and construction services to industries other than oil and gas, principally to mining and metal companies.

## Offshore

Technip designs, manufactures and installs fixed and floating platforms that support surface facilities for the drilling, production and processing of oil and gas reserves located in offshore shallow water fields as well as deep and ultra-deep water fields.

Technip is also renowned for its worldwide expertise in building complex facilities, including the world's largest FPSO (Floating Production, Storage and Offloading) units and the first ever contract for FLNG (Floating LNG), awarded by Shell.

Technip offers a range of best-in-class platforms. Fixed platforms include topsides supported by conventional jackets, GBSs (Gravity Base Structure) and the TPG 500 (a jack-up production platform). Floating platforms include topsides supported by Spars, TLPs (Tension Leg Platforms), semi-submersibles as well as new solutions such as the EDP (Extendable Draft Platform).

In addition, Technip owns advanced technologies for installing topsides using the "floatover" method for fixed and floating platforms. These technical solutions do not require heavy lift operations offshore.

In 2012, major developments included the following:

### Traditional offshore development

In the North Sea, Technip, in partnership with DSME, was awarded a strategic turnkey contract for the Hejre development project. Situated off the coast of Denmark, the platform will process high-pressure and high-temperature hydrocarbons fluids. At the end of the year, as leader of a consortium with Samsung Heavy Industries, Technip signed a large contract, with a Technip share worth more than €580 million, for the topsides of Statoil's Martin Linge fixed production platform offshore Norway.

### Artificial Island

Technip reinforced its involvement in major offshore projects and its long-standing relationship with National Petroleum Construction Company (NPCC) in the United Arab Emirates. In a consortium with NPCC, Technip were awarded a turnkey contract by ZADCO (a joint venture with ADNOC, ExxonMobil and JODCO) for the Upper Zakum 750K project, a development based on artificial islands, that is scheduled for completion in the second half of 2015.

### Floating Production Storage and Offloading FPSO unit

Technip worked on delivered some of the world's largest FPSO units. This track record was enhanced this year by the award of one important contract for the Inpex Ichthys project, situated in the Browse Basin, offshore Western Australia. Technip will execute the detailed engineering and procurement assistance for the FPSO topsides and the offshore commissioning of the FPSO and central processing facility. This project should be completed by the end of 2016. In addition, in Brazil, Technip completed the detailed engineering work on Petrobras' first two Brazilian FPSOs.

### Floating LNG installation

Technip furthered its collaboration with Shell through the Technip-Samsung Consortium, signing an agreement that reinforced its leadership in FLNG. The deal extends the collaboration between Shell, Technip and Samsung Heavy Industries on the design, engineering, procurement, construction and installation of future FLNG facilities. Technip also continued with the detailed engineering and procurement associated with Shell's Prelude FLNG unit. By the end of the year, construction of the hull had begun. After completing the FEED phase, Technip, in a consortium with DSME, won a contract for EPC, installation and commissioning of an FLNG facility for Petronas's Floating LNG 1, offshore Malaysia.

### Semi-submersible facilities

In 2012, work on Technip's novel Heave and Vortex-induced motion Suppressed (HVS) semi-submersible platform design moved forward, with the evaluation of its suitability to support dry tree completions. This motion-dampening platform reduces fatigue on risers connected to it, therefore supporting large-diameter steel catenary risers in water depths that would not be possible with conventional semi-submersibles. By year's end, the HVS was being evaluated for a potential Gulf of Mexico field development.

### Spar

In 2012, having built 14 out of the 17 Spar platforms currently in operations worldwide, Technip's position in this market was once again reinforced. In a consortium with Hyundai Heavy Industries, Technip was awarded by Statoil the EPC and transportation of a Spar hull for their Aasta Hansteen field offshore Norway. Installed in a water depth of about 1,300 meters, this Spar marks a series of firsts: the first Spar in Norwegian waters and the first to be located within the Arctic Circle. It will also be the first to combine production facilities with product storage, and the largest Spar ever built. This contract followed the successful execution of the front-end engineering and design (FEED) for this project.

Technip signed another contract with Anadarko Petroleum Corporation to begin work on a 23,000-ton Truss Spar hull for their Heidelberg field development in the US Gulf of Mexico. The design and fabrication will be carried out by Technip's Pori yard in Finland, which is currently building the Truss Spar hull for Anadarko's Lucius field.

Technip continued the FEED of the Spar hull and moorings for BP's Big Dog Phase 2 development in the Gulf of Mexico. This is the first project to be executed under the 10-year Spar platform master services framework agreement signed with BP in 2011.

### TLP (Tension Leg Platform)

Technip broadened its participation in pioneering deepwater field development projects in Malaysia and took a new step in the region's burgeoning market for deepwater floating production facilities. As part of a joint venture with Malaysia Marine and Heavy Engineering Sdn Bhd (MMHE), Technip signed its first TLP contract for Shell's Malikai Deepwater project offshore Sabah.

### Multi-local Footprint

Thanks to our multi-local footprint, Technip is present in fast-growing markets such as Asia Pacific, where Shell is one of Technip's most important customers. After securing the Prelude FLNG facility contract, Technip signed a five-year framework agreement, with an additional five-year extension option, covering engineering and project management services for Shell's offshore facilities in Asia, Australia, and New Zealand.

### Design of offshore facilities for cold climate environments

Technip is also developing new technologies that can enhance the value of existing developments and unlock potential reserves in frontier areas such as the Arctic.

In 2012, Technip signed an agreement with Cervval (a specialist software company) and Bureau Veritas to develop a program capable of modeling the flow of ice around fixed and floating structures, and calculating ice loadings on the platforms. Since several projects are imminent in the North Caspian Sea, the program will be developed initially to predict ice behavior in shallow waters, but will be equally applicable in Arctic regions. The program will help optimize platform structures and minimize ice loadings and ice debris build-up, prior to final design verification in an ice-test basin.

# 6.5. Suppliers

Projects managed by Technip as well as Technip's businesses require the use of numerous raw materials, parts and equipment. Equipment purchases are made through participation in competitive bids, and suppliers are selected based on specific economic and technical qualification criteria. Technip has stable working relationships with its main suppliers and has not had difficulties finding high-quality raw materials to meet the needs of its manufacturing processes. Technip continuously strives to consolidate its procurement sources and to maintain an adequate number of suppliers for strategic equipment and raw materials.

Technip procures its equipment and components for Onshore and Offshore project execution from a large number of international suppliers recognized as leaders in their respective sectors. In 2012, FMC, Emerson, Siemens, Atlas Copco and Mitsubishi were among the Group's main suppliers.

In 2012, with regard to suppliers and main raw materials used in the Subsea segment to manufacture flexible pipes and umbilicals, the Group turned to leading suppliers such as Serimax, Bekaert, Fugro, Arcelor Mittal and Outokumpu.

Raw materials prices were overall stable in 2012, with the price of certain materials, such as steel, decreasing. During 2012, the conditions in the market, with its impact on suppliers, did not result in any shortage of strategic raw materials and equipment for Technip.

# 6.6. Environment[1]

In 2012, global warming continued to be a significant global environmental concern, with its potential consequences of increased extreme weather patterns and natural disasters. The United Nations Climate Change Convention continued to apply pressure to address global warming with the framework of the Durban Platform process, which has as its objective the conclusion of a legally binding treaty to address global warming. The terms of the treaty are to be agreed by 2015, with entry into force in 2020.

This treaty will impose upon states even greater commitments in terms of increased energy efficiency, implementation of renewable energy sources, and a reduction of $CO_2$ emissions. This commitment will present a significant challenge in terms of the amount of investment, and genuine international cooperation between States.

In this context of regulatory requirements and local initiatives, Technip recognizes the challenge of climate change and continues to pursue strategic options to provide its clients with "green growth" solutions, energy efficiency solutions in concept designs. In addition, Technip has expanded its expertise and capability in the development, acquisition and implementation of renewable sources of energy, such as offshore wind turbines, biofuels and thermal gas plants. Technip's local operating entities continue to promote energy saving and renewable energies, such as the use of solar panels for power generation in Technip's Rome offices, and certified renewables energy consumption (RECS) that accounted for approximately 60% of internal energy use in 2012. In terms of its fleet vessels, in accordance with International Maritime Organization requirements, Technip has developed specific Ship Energy Efficiency plans. These plans are designed to provide measures for the efficient use of main and auxiliary machinery, safe and more efficient fuels and reduce the level of emissions.

## METHODOLOGY

Technip strives to reduce the impact of its operations and activities upon the environment. To help identify environmental trends and areas for improvement in environmental performance, Technip utilizes a global environmental reporting database, Synergi. The information reported and analyzed is based upon site data collected from subcontractors, facilities and various entities. While this data is as accurate as is reasonably practical, efforts are continually made to review and improve the reporting process and quality of the data, in order to provide a more transparent picture of the Group's environmental performance. In 2012, the following actions have been implemented to improve reporting methodology.

Environmental reporting scope: the environmental reporting scope covered in this report applies to existing entities of the Group. It does not cover companies acquired during the year (*i.e.,* Stone & Webster). The 2013 Report shall include environmental data of companies acquired in 2012.

Environmental data compilation: environmental data is submitted through Technip's HSE reporting system, Synergi, as Environmental Key Performance Indicators (EKPI). Each of the Group's reporting entities is required to register its environmental data performance into Synergi. This data reflects the environmental performance of entities involved in fleet, construction, plant, fabrication and office operations and activities.

Environmental reporting restrictions: Technip's dedicated efforts to increase the quality and consistency of reporting mean that Technip's reporting for 2012 has been restricted. Environmental data is only reported for sites and entities that Technip owns or where it is responsible for their management, in accordance with the Group's standard on Classification and Reporting of HSE Incidents (GOPS 11009).

(1) An Activity and Sustainable Development Report is published by the Company and is available on the Group's website (www.technip.com).

This reporting restriction reduced the number of construction sites reporting environmental data from 89% in 2011 to 55% in 2012. Indeed small sites where Technip has a consultancy or supervision role, without direct responsibilities or control, have been excluded from Technip's reporting scope. In the same time, the construction sites reporting environmental data accounted for more than 83% of 2012 construction worked manhours as compared to 80% in 2011. This reflects the greater involvement of Subcontractors in the reporting of those activities that fall within their scope of responsibility.

The total number of reporting entities has increased across Technip for Offices, Vessels and Fabrication as the reporting system matures across the Group, with an increasing number of assets, entities and people involved at Group level in the implementation of processes for the monitoring of EKPIs.

In 2012, about 52% of fabrication plants and bases directly included in the reporting scope reported environmental data. 48% of the Technip fleet reported environmental data. This is accounted for by the number of new vessels that are yet to report. Similarly, 52% of Technip's offices reported environmental data. All these percentages are based on the number of worked manhours for each type of activity.

### 6.6.1. CONSUMPTION OF WATER RESOURCES

See paragraph 3.4.1 of Annex E to this Reference Document.

### 6.6.2. CONSUMPTION OF RAW MATERIALS, ENERGY USE AND EFFICIENCY

See paragraph 3.4.2 of Annex E to this Reference Document.

### 6.6.3. GREENHOUSE GAS EMISSIONS (GGE)

See paragraph 3.5.1 of Annex E to this Reference Document.

### 6.6.4. WASTE MANAGEMENT

See paragraph 3.3.1 of Annex E to this Reference Document.

### 6.6.5. NOISE AND OLFACTORY POLLUTION

See paragraph 3.3.2 of Annex E to this Reference Document.

### 6.6.6. BIODIVERSITY PROTECTION

See paragraph 3.3.3 of Annex E to this Reference Document.

### 6.6.7. LEGAL AND REGULATORY COMPLIANCE

See paragraph 3.2 of Annex E to this Reference Document.

### 6.6.8. ENVIRONMENTAL CERTIFICATION POLICY AND PROCESS

See paragraph 3.2 of Annex E to this Reference Document.

### 6.6.9. EXPENSES RELATED TO REDUCING THE GROUP'S ENVIRONMENTAL IMPACT

See paragraph 3.2 of Annex E to this Reference Document.

### 6.6.10. HEALTH, SAFETY AND ENVIRONMENT ORGANIZATION

See paragraph 3.2 of Annex E to this Reference Document.

### 6.6.11. ENVIRONMENTAL PROVISIONS AND INDEMNITIES – COMPENSATION PAID DURING THE FINANCIAL YEAR ENDED DECEMBER 31, 2012 RESULTING FROM COURT DECISIONS ON ENVIRONMENTAL ISSUES IMPOSING SUBSEQUENT ACTION TO REMEDY DAMAGE

See paragraph 3.2 of Annex E to this Reference Document.

### 6.6.12. TARGETS ASSIGNED TO SUBSIDIARIES OUTSIDE FRANCE

See paragraph 3.2 of Annex E to this Reference Document.

# 7 Organizational structure


7.1. Simplified Group organizational structure as of December 31, 2012 .......... 57

7.2. Subsidiaries and investments .......... 57


## 7.1. Simplified Group organizational structure as of December 31, 2012

Technip SA is the Group parent company.

The Company is primarily a holding company that receives dividends and invoices management and administrative costs (in the form of management fees) as well as specific costs such as insurance and guarantee fees.

The Company's revenues are, to a large extent, fully invoiced to it its subsidiaries.

In addition, Technip Corporate Services (TCS), a legal structure dedicated to the Group's corporate activities, organizes the corporate teams and supports the Group's growth strategy. Its teams serve all Regions and provide expertise in cross-Group functions such as QHSE, Human Resources, Finance, Tax matters, Legal, Product Lines, Communication, Security and IT.

## 7.2. Subsidiaries and investments

The subsidiaries manage and execute the Group's contracts. The Group's major subsidiaries include the following:

- Technip France, a simplified joint-stock company *(société par actions simplifiée)* located at 6-8, allée de l'Arche, 92400 Courbevoie (France). It is registered with the Company and Commercial Register of Nanterre under Number 391 637 865. Technip France has been active for over 50 years in the engineering and project construction fields for the oil and gas and chemical industries. It manages contracts in both segments of the Group's activities (Subsea, Onshore/Offshore). As of December 31, 2012, the Group held 100% of this company's share capital.
- Technip Italy S.p.A., located at Viale Castello della Magliana, 68 Roma 00148 (Italy). Since 1969, Technip Italy is a leading contractor in the engineering and project construction fields, with consolidated experience in the design and implementation of large plants in all sectors of the oil and gas industry. It has a vast capacity to develop large projects in several industrial fields. As of December 31, 2012, the Group held 100% of this company's share capital.
- Technip UK Ltd (Aberdeen), located at Enterprise Drive, Westhill, Aberdeenshire AB32 6TQ (United Kingdom). The company specializes in subsea segment and provides the delivery of subsea projects (typically the fabrication, construction and installation of pipelines and other subsea structures) for oil and gas operators, and provides specialist project support, research and development activities, as well as vessels and associated personnel and equipment for Technip's global subsea business. As of December 31, 2012, the Group held 100% of this company's share capital.
- Technip Geoproduction (M) Sdn Bhd, located at 2nd Floor Wisma Technip 241 Jalan Tun Razak, 50400 Kuala Lumpur (Malaysia). Created in 1982, this company is active in both segments of the Group's activities (Subsea, Onshore/Offshore). It is the leading engineering technology solutions and turnkey contract provider in the Asia Pacific region for the design and construction of hydrocarbon field development, oil refining, gas processing, petrochemicals and selected non-hydrocarbon projects. As of December 31, 2012, the Group held 30% of this company's share capital.

- Flexibras Tubos Flexiveis Limitada, a Brazilian company, located at 35 Avenida Jurema Barroso, Parte Centro, 29010 380 Vitória (Brazil). Created in 1984, this company's operational activity consists in the manufacture and sale of high-quality flexible pipes. Its manufacturing plant is strategically located near offshore oil and gas fields. As of December 31, 2012, the Group held 100% of this company's share capital.
- Technip USA, Inc., a US company, located at 11700 Katy Freeway, Suite 150, Houston, Texas 77079 (United States). It is active in the Subsea, Onshore/Offshore segments, in particular, with the construction of Spars. As of December 31, 2012, the Group held 100% of this company's share capital.
- Technip Marine B.V. is a Dutch company, located at Boerhaavelaan 31, 2713HA Zoetermeer (The Netherlands). It is active in the Subsea segment and is used for vessel ownership. As of December 31, 2012, the Group held 100% of this company's share capital.

The table below shows key figures for Technip's major subsidiaries for the year ended December 31, 2012:

| Consolidated figures (except dividends) In millions of Euro | Technip France | Technip Italy | Technip UK Ltd | Technip Geoproduction (M) | Flexibras Tubos Flexiveis | Technip USA, Inc. | Technip Marine B.V. |
|---|---|---|---|---|---|---|---|
| Revenues | 1,588.1 | 512.9 | 1,082.6 | 210.5 | 312.4 | 846.8 | 2.0 |
| Fixed Assets (not including Goodwill) | 23.0 | 23.4 | 422.9 | 10.2 | 118.9 | 37.1 | 408.8 |
| Financial Debts (out of the Group) | - | - | - | - | 267.6 | - | - |
| Cash in Balance Sheet | 782.8 | 445.2 | 9.0 | 64.2 | 220.5 | 188.5 | 6.0 |
| Dividends Paid during the Year to Technip SA | 75.5 | 80.0 | - | - | - | - | - |
| Amount Invoiced by Technip SA during the Year | 85.0 | 18.7 | 24.7 | 6.2 | 1.7 | 22.6 | - |

The most significant acquisitions in 2012 are mentioned in the Note 2 (a) "Major Acquisitions" in Section 20.1 of this Reference Document.

On August 31, 2012, Technip completed the acquisition of Stone & Webster process technologies and associated oil and gas engineering capabilities from The Shaw Group. This transaction enables Technip to enhance substantially its position as a technology provider to the refining and petrochemicals industries, diversify further its Onshore/Offshore segment, strengthen its relationships with clients worldwide, expand in promising growth areas such as the US, where downstream markets will benefit from the supply of unconventional gas and add skilled resources, notably in North America, India and the UK.

For a List of Subsidiaries and Investments please refer to Note 7 of the Company's Statutory Accounts as of December 31, 2012, included in Section 20.2 of this Reference Document.

# 8 Property, plant and equipment

8.1. Significant existing or planned property, plant and equipment and major related expenses ..... 59
8.1.1. Facilities ..... 59
8.1.2. Fleet of vessels ..... 62
8.2. Environmental matters that may impact the Group's use of its property, plant and equipment ..... 63

## 8.1. Significant existing or planned property, plant and equipment and major related expenses

### 8.1.1. FACILITIES

Technip's main facilities, with the exception of its vessels, comprise offices, operational centers, assembly plants and factories. As of December 31, 2012, Technip owned offices, including sites in Rome and New Delhi, as well as various factories such as the Le Trait plant in Normandy. Technip mostly leases its office space such as its headquarter in Paris and a single site building in La Défense (France). It owns or leases construction sites and production sites for the Subsea Division's operations and for the production of flexible pipes and other subsea products. Technip believes that its installations are suited to its needs. An increase in the Group's real estate in the United States, the United Kingdom and India has been recorded during the financial year 2012 due to the acquisition of Stone & Webster process technologies. In the Group's consolidated Financial Statements for the financial year ended December 31, 2012, Technip's land, buildings, machines and equipment were recorded at a net amount of €742.6 million, including €170.2 million of land and buildings.

As of December 31, 2012, the Group had access to the following main properties, either owned or leased:

| Location | Purpose | |
|---|---|---|
| **(EUROPE)** | | |
| Paris, France | Head Offices/Offices | Lease |
| Courbevoie (Paris – La Défense), France | Offices | Lease |
| Le Trait, France | Plant (flexible hoses), Offices and Land | Owned |
| Lyon, France | Offices | Lease |
| Mont-Saint-Aignan, France | Offices | Lease |
| Venette, France | Offices | Lease |
| Nîmes, France | Offices | Lease |
| Marseille, France | Offices | Owned |
| Rousset, France | Offices | Lease |
| Mont-Bonnot, France | Offices | Lease |
| Toulouse, France | Offices | Lease |
| Bagnolet, France | Offices | Lease |
| Rueil-Malmaison, France | Offices | Lease |
| Rome, Italy | Offices | Owned/Lease |
| Zoetermeer, The Netherlands | Offices | Lease |
| Capelle a/d. IJssel, The Netherlands | Offices | Lease |
| ‘s-Hertogenbosch, The Netherlands | Offices | Lease |
| Bergen op Zoom, The Netherlands | Offices | Lease |
| Düsseldorf, Germany | Offices | Lease |
| Bremerhaven, Germany | Offices | Lease |
| Newcastle, United Kingdom | Plant (umbilicals) and Offices | Owned/Lease |
| Aberdeen (Scotland), United Kingdom | Offices and Warehouses | Owned/Lease |
| London, United Kingdom | Offices | Lease |
| Milton Keynes, United Kingdom | Offices | Lease |
| Edinburgh (Scotland), United Kingdom | Warehouses | Owned/Lease |
| Evanton (Scotland), United Kingdom | Plant (spoolbase) and Land | Owned/Lease |
| Gateshead, United Kingdom | Offices | Lease |
| Sunderland, United Kingdom | Land | Lease |
| Pori (Mäntyluoto), Finland | Plant *(ship construction yard)* and Land | Owned |
| Antwerp, Belgium | Offices | Lease |
| Barcelona, Spain | Offices | Lease |
| Madrid, Spain | Offices | Lease |
| Tarragona, Spain | Offices | Lease |
| La Coruña, Spain | Offices | Lease |
| Oslo & Stavanger, Norway | Offices | Lease |
| Orkanger, Norway | Offices and Land | Owned/Lease |
| Athens, Greece | Offices | Lease |
| Warsaw, Poland | Offices | Lease |
| **(EASTERN EUROPE)** | | |
| Saint Petersburg, Russia | Offices | Lease |
| Moscow, Russia | Offices | Lease |
| Baku, Azerbaijan | Offices | Lease |
| **(ASIA)** | | |
| New Delhi, India | Offices/Workshop | Owned |
| Chennai, India | Offices | Lease |
| Mumbai, India | Offices | Lease |
| Kuala Lumpur, Malaysia | Offices | Lease |
| Tanjung Langsat, Malaysia | Plant (flexible hoses and umbilicals) and Land | Lease |
| Shanghai, China | Offices | Lease |
| Beijing, China | Offices | Lease |
| Jakarta, Indonesia | Offices | Lease |
| Balikpapan, Indonesia | Offices | Lease |
| Batam Island, Indonesia | Shore base | Lease |
| Bangkok, Thailand | Offices | Lease |
| Rayong, Thailand | Offices | Lease |
| Singapore, Singapore | Offices | Lease |

| Location | Purpose | |
|---|---|---|
| Hanoi, Vietnam | Offices | Lease |
| Ho Chi Minh, Vietnam | Offices | Lease |
| Seoul, South Korea | Offices | Lease |
| (OCEANIA) | | |
| New Plymouth, New Zealand | Offices | Lease |
| Brisbane, Australia | Offices | Lease |
| Perth, Australia | Offices | Lease |
| (NORTH AMERICA) | | |
| Channelview (Texas), United States | Plant (umbilicals) and Land | Owned |
| Claremont (California), United States | Offices | Lease |
| Mobile (Alabama), United States | Plant (spoolbase) and Land | Owned/Lease |
| Houston (Texas), United States | Offices | Lease |
| Carlyss (LA), United States | Shore base | Owned |
| New Iberia (LA), United States | Research and Development Center | Lease |
| Boston (Massachusetts) , United States | Offices | Lease |
| Stoughton (Massachusetts) , United States | Offices | Lease |
| Weyworth (Massachusetts) , United States | Laboratory | Lease |
| St. John's, Canada | Offices | Lease |
| Calgary, Canada | Offices | Lease |
| Monterrey, Mexico | Offices | Lease |
| Mexico City, Mexico | Offices | Lease |
| Ciudad Del Carmen, Mexico | Offices, Workshop and Port Facilities | Owned/Lease |
| (SOUTH AMERICA) | | |
| Vitória, Brazil | Plant (flexible hoses) and Land | Owned/Lease |
| Rio de Janeiro, Brazil | Offices | Owned/Lease |
| Macaé, Brazil | Logistics base and Offices | Owned |
| Angra dos Reis, Brazil | Harbor facilities and Offices | Lease |
| Açu, Brazil | Plant under construction/Land | Lease |
| Caracas, Venezuela | Offices | Owned |
| Bogota, Colombia | Offices | Owned/Lease |
| (AFRICA) | | |
| Lagos, Nigeria | Offices | Lease |
| Port Harcourt, Nigeria | Plant (naval construction site), Offices and Land | Owned/Lease |
| Lobito, Angola | Plant (umbilicals) and Land | Lease |
| Dande, Angola | Plant *(spoolbase)* and Land | Lease |
| Luanda, Angola | Offices | Lease |
| Johannesburg, South Africa | Offices | Lease |
| Algiers, Algeria | Offices | Lease |
| Accra, Ghana | Offices | Lease |
| Cairo, Egypt | Offices | Lease |
| (MIDDLE EAST) | | |
| Dubai, UAE | Offices | Lease |
| Abu Dhabi, UAE | Offices | Lease |
| Doha, Qatar | Offices | Lease |
| Al Khobar, Saudi Arabia | Offices | Lease |
| Sana'a, Yemen | Offices | Lease |
| Baghdad, Iraq | Offices | Lease |

None of the leased properties belong to any of the Group's executives.

## 8.1.2. FLEET OF VESSELS

The utilization rate of Technip's fleet amounted to 73% for financial year 2012.

As of December 31, 2012, the Group holds a stake in or operates the following vessels:

| Vessel Name | Vessel Type | Special Equipment | Diving Systems | ROV Systems |
|---|---|---|---|---|
| *Deep Blue* | PLSV | Reeled pipelay/Flexible pipelay/umbilical systems | 0 | 2 |
| *Apache II* | PLSV | Reeled pipelay/umbilical systems | 0 | 0 |
| *Sunrise 2000* | PLSV | Flexible pipelay/umbilical systems | 0 | 2 |
| *Skandi Vitória* | PLSV | Flexible pipelay/umbilical systems | 0 | 2 |
| *Skandi Niterói* | PLSV | Flexible pipelay/umbilical systems | 0 | 2 |
| *Deep Energy*(1) | PLSV | Reeled pipelay/umbilical systems | 0 | 2 |
| *Coral do Atlantico*(1) | PLSV | Reeled pipelay/umbilical systems | 0 | 2 |
| *Estrela do Mar*(1) | PLSV | Reeled pipelay/umbilical systems | 0 | 2 |
| *Chickasaw* | PLSV | Reeled pipelay | 0 | 0 |
| *Global 1200* | PLSV/HCV | Conventional pipelay/Heavy Lift | 0 | 2(4) |
| *Global 1201* | PLSV/HCV | Conventional pipelay/Heavy Lift | 0 | 1(4) |
| *Hercules* | PLSV/HCV | Conventional pipelay/Heavy Lift | 0 | 0 |
| *Iroquois* | PLSV/HCV | Conventional pipelay/Heavy Lift | 0 | 0 |
| *Comanche* | PLSV/HCV | Conventional pipelay/Heavy Lift | 0 | 0 |
| *Deep Pioneer* | HCV | Construction/installation systems | 0 | 2 |
| *Deep Constructor* | HCV | Construction/installation systems | 0 | 2 |
| *Deep Orient*(1) | HCV | Construction/installation systems | 0 | 2 |
| *North Sea Atlantic*(1) | HCV | Construction/installation systems | 0 | 2 |
| *North Sea Giant*(2) | HCV | Construction/installation systems | 0 | 2 |
| *Normand Pioneer*(2) | LCV | Construction/installation systems | 0 | 2 |
| *Skandi Achiever*(3) | DSV/LCV | Diver support systems | 1 | 2 |
| *Seamec Alliance* | DSV/LCV | Diver support systems | 1 | 1 |
| *Orelia* | DSV/LCV | Diver support systems | 2 | 1 |
| *Seamec Princess* | DSV/LCV | Diver support systems | 1 | 0 |
| *Seamec 1* | DSV/LCV | Construction support systems | 0 | 0 |
| *Seamec 2* | DSV/LCV | Diver support systems | 1 | 0 |
| *Seamec 3* | DSV/LCV | Diver support systems | 1 | 0 |
| *Skandi Arctic*(3) | DSV/HCV | Diver support systems | 2 | 3 |
| *Wellservicer* | DSV/HCV | Diver support systems | 2 | 2 |
| *Orion* | MSV/LCV | Diver support system and ROV operations | 1 | 1(4) |
| *Normand Commander*(3) | MSV/LCV | Diver support system and ROV operations | 1 | 1(4) |
| *Olympic Challenger*(3) | MSV | Construction/installation systems | 0 | 2(4) |
| *Pioneer* | MSV | Diver support system | 1 | 2(4) |

PLSV: Pipelay Support Vessel.
HCV: Heavy Duty Construction Vessel.
LCV: Light Construction Vessel.
DSV: Diving Support Vessel.
TSV: Trenching Support Vessel.
OSV: Offshore Supply Vessel.
MSV: Multi Service Vessel.
(1) Vessels under construction.
(2) Vessel under charter.
(3) Vessels under long term charter.
(4) Third party ROV under rental contract.

This specialized fleet allows the Group to provide the full range of diving and diverless services to oil and gas industry clients worldwide. Technip's state-of-the-art fleet is able to conduct operations to install subsea pipelines, umbilicals and other infrastructure in water depths of up to 3,000 meters.

### Changes in the Group's fleet over financial years 2012 and 2013

In 2012, Technip continued the strategic program that it started in 2006, which included the following changes in the fleet:

- In Q1 2012, the *G1201,* sister-ship to the *G1200,* joined the Technip fleet and started very successfully her first assignment to the Liwan Project in China. The *G1201* is a state-of-the-art S-Lay and Heavy Lift vessel. For Technip, the arrival of the *G1201* is the latest strategic move in line with the Group's regional positioning in Asia-Pacific and Middle East and ongoing fleet reinforcement policy.
- The construction of the new pipelay vessel *Deep Energy* is progressing well with, among other things, the installation of the pipelay equipment on the vessel in Q4 2012. The start-up operations are expected to begin in the first half of 2013. The *Deep Energy* will be a dynamically positioned Class III vessel measuring 194 meters in length, with a pipe capacity of 5,600 tons on two reels. It is expected that this high transit speed vessel will operate worldwide, with a capability to install rigid pipes with diameters of up to 22 inches, flexible pipes up to 24 inches and umbilicals in a range of water depths of up to 3,000 meters.
- The *Deep Orient* has been delivered in Q1 2013 at Vigo (Spain). The ship measures 135 meters and is equipped with a 250 tons capacity crane and two Triton XLX 150 work class ROVs. Although it is to be dedicated to the Asia-Pacific region, the initial projects for the ship shall be in Norway in the second quarter of 2013 before transiting to Singapore.
- The construction of the Coral do Atlantico was launched in October at Okpo in Korea. Built in partnership with the Brazilian company Odebrecht Oil and Gas, this vessel will be dedicated to the laying of large diameter flexible lines in very deep water. This vessel measures 146 meters in length with a flexible line storage capacity of 4,000 tons, and it will be fitted with a vertical laying tower supporting up to 600 tons tension and a 250 tons deep water crane. This vessel is expected to arrive Brazil in October 2014 to start a long-term contract with the Brazilian oil company Petrobras. The construction of a sister ship the Estrela do mar, should start in February 2013, and it will be fully identical to the Coral do Atlantico. This vessel is expected to arrive in Brazil in April 2015 and will also start a long-term contract with Petrobras.
- Technip has entered a long-term charter agreement for a new build offshore construction vessel with North Sea Shipping, the North Sea Altantic (ST261). The vessel will be built at Bergen Group BMV AS in Bergen, Norway. Its construction started January 2013 and delivery is expected for Q3 2014. This advanced subsea construction vessel has a length of 142 meters in length and 27 meters in width, and is equipped with 550-ton active heave compensation crane working up to a depth of 3,000 meters, and will be fitted as well with a 2,000-ton carousel for storage of flexible pipe below deck. The new vessel's design specification meets the highest requirements for subsea work and although it will work predominantly in the North Sea, it is also suitable for deepwater operations worldwide.

## 8.2. Environmental matters that may impact the Group's use of its property, plant and equipment

See Sections 4.3 and 4.4 of this Reference Document.

# 9 Operating and financial review

Preliminary 65

9.1. Presentation of the consolidated financial statements included in the Reference Document 65
Main changes in the scope of consolidation 65
Reporting by business segment and by geographical area 66

9.2. Changes in backlog, order intake and revenues 67
Changes in backlog 67
Changes in order intake 68
Changes in revenues 68

9.3. Presentation of operating costs and income 70
Cost of sales 70
Research and development costs 71
Selling and administrative costs 71
Payroll expenses 71
Other operating income/expenses 71

9.4. Comments on the operating results for the financial year ended December 31, 2012, compared to the financial year ended December 31, 2011 71
Operating Income/(Loss) From Recurring Activities (OIFRA) 71
Result from sale of activities 73
Result from non-current activities 73
Operating income 73
Financial result 74
Income tax 74
Net income from discontinued activities 74
Net income attributable to minority interests 74
Share of income of equity affiliate 74
Net income 74
Earnings per share 74

9.5. Changes in the statement of financial position between the year ended December 31, 2012 and the restated year ended December 31, 2011 75
Non-current assets 75
Current assets 75
Provisions 76
Financial debts 76

# Preliminary

The following section presents Technip's consolidated financial results for the two financial years ended December 31, 2012 and December 31, 2011, which have been prepared in accordance with the IFRS (International Financial Reporting Standards) issued by the IASB (International Accounting Standards Board) and adopted by the European Union as of the date of the Board of Directors' meeting held on February 19, 2013.

The presentation below is to be read with the entire Reference Document, including the Consolidated Financial Statements and the Notes appended to them, as presented in Section 20.1 of this Reference Document.

# 9.1. Presentation of the consolidated financial statements included in the Reference Document

## MAIN CHANGES IN THE SCOPE OF CONSOLIDATION

*(See Note 2 to the Consolidated Financial Statements for the financial year ended December 31, 2012.)*

### Main Acquisitions

#### Year Ended December 31, 2012

On August 31, 2012, Technip acquired Stone & Webster process technologies and associated oil and gas engineering capabilities from The Shaw Group.

This acquisition will enable Technip to enhance substantially its position as a technology provider to the refining and petrochemicals industries, to diversify further its Onshore/Offshore segment, to strengthen its relationships with clients worldwide, to expand in promising growth areas such as the US, where downstream markets will benefit from the supply of unconventional gas, and to add skilled resources, notably in research in the US, India and the UK.

The total purchase price was USD295.3 million in cash. The temporary goodwill recognized for the financial year ended December 31, 2012 amounts to USD250.4 million. The valuation of the fair value assets and liabilities will occur in 2013 and be essentially led on the assessment of technologies and other intangible assets.

Total consolidated revenues of Stone & Webster process technologies were €53.8 million in 2012.

#### Year Ended December 31, 2011

On December 1, 2011, Technip acquired 100% of the shares of Global Industries, Ltd.

Global Industries brings its complementary subsea know-how, assets and experience to Technip, notably including two newly-built leading edge S-Lay vessels, the Global 1200 and the Global 1201, as well as strong positions in the Gulf of Mexico (US and Mexican waters), Asia Pacific and the Middle East.

Strong revenue synergies are expected as the acquisition will substantially increase Technip's current capabilities and expand its addressable market in Deep-to-Shore subsea infrastructure. Technip foresees additional opportunities in the Offshore activity, with Global Industries talent, know-how and leading edge units, particularly in the Heavy Lift business.

The total purchase price paid for the acquisition was USD1,262.9 million. During the financial year ended December 31, 2012, Technip achieved the purchase price allocation. This valuation was mainly led on the fair value of fixed assets and the determination of identifiable assets and liabilities.

Following the completion of the purchase price allocation of Global Industries, Ltd, the consolidated statement of financial position as of December 31, 2011, including the Notes appended to the Consolidated Financial Statements presented in Section 20.1 of the Reference Document, were restated as per revised IFRS 3 "Business Combinations".

## Other acquisitions

### Year Ended December 31, 2012

On September 11, 2012, Technip acquired 100% of the shares of Suporte Consultoria e Projetos Ltda (Suporte) for a total amount of BRL8 million (approximately €3.3 million). Suporte is a Brazilian pipeline and structural engineering company based in Rio de Janeiro. This acquisition will significantly enhance the position of Genesis in this country. Revenues for a total amount of €0.9 million and a loss of €0.4 million were recognized by Technip since its acquisition. As of December 31, 2012, the total of the consolidated statement of financial position of the company amounted to €4.2 million.

Pursuant to the cash tender offer initiated by the Company on Cybernétix, Technip filed with the AMF a request for the implementation of a squeeze-out of the remaining Cybernétix shares. This squeeze-out aimed at 22,697 shares, which represented 1.40% of the share capital and 1.43% of the voting rights of Cybernétix, for a price corresponding to the offer price, *i.e.* €19 per Cybernétix share. Following the completion of the squeeze-out implemented on February 2, 2012, the shares of Cybernétix were delisted from the NYSE Euronext Paris regulated market. The Group owns 100% of the share capital and the voting rights of Cybernétix.

### Year Ended December 31, 2011

In 2011, the Group made the following acquisitions:

- On January 24, 2011, Technip acquired Front End Re, a reinsurance company based in Luxembourg.
- On January 26, 2011, Technip acquired all assets of Subocean group, a company based in the United Kingdom and specialized in marine renewable energies.
- On February 28, 2011, Technip acquired Energy Projects Development, a specialist process and technology company for the oil and gas industry that specializes in fluid separation and treatment, water treatment and water management, and Enhanced Oil Recovery (EOR) using water and chemical methods.
- On July 28, 2011, Technip acquired AETech, developing non-destructive acoustic emission testing solutions.
- On November 14, 2011, Technip acquired 45.70% of Cybernétix S.A., world leader in robotics of complex systems in hostile environment, for a total amount of €14.1 million. In accordance with the General Regulations of the French *Autorité des marchés financiers* (AMF), Technip has a cash tender offer to purchase the remaining shares. As of December 31, 2011, Technip was owning 64.05% of the group Cybernétix, fully consolidated in Technip financial statements. Neither revenue nor result related to the company was recognized by Technip since its acquisition. Consolidated revenues of Cybernétix group were €36.2 million in 2011. As of December 31, 2011, the total of the consolidated statement of financial position of the company amounted to €30.6 million.

  Following the cash tender offer, which started on December 16, 2011 and ended on January 20, 2012, Technip was owning 98.60% of the share capital and 98.57% of the voting rights of Cybernétix.

## REPORTING BY BUSINESS SEGMENT AND BY GEOGRAPHICAL AREA

Effective as from January 1, 2012, the Group modified the reporting of its operating performances, by consolidating the former Onshore and Offshore segments.

Both activities have been pooled in 2011 under the authority of one of the two Executive Vice Presidents & Chief Operating Officers. They involve shared resources in terms of engineering, and have similar characteristics in terms of economic performances, as well as range of products, processes and markets.

The three business segments as reported to the main operating decision-maker, the Group Executive Committee, are therefore organized as following:

- the Subsea segment includes the design, manufacture, procurement and installation of subsea equipment;
- the Onshore/Offshore segment includes the entire engineering and construction business for petrochemical and refining plants as well as facilities for developing onshore oil and gas fields (including gas treatment units, liquefied natural gas (LNG) units and onshore pipelines). It also includes the renewable energies and the engineering and construction of non-petroleum facilities; as well as the design and construction of fixed or floating facilities and surface installations; and
- the Corporate segment includes holding company activities and central services rendered to Group subsidiaries, including IT services and reinsurance activity.

From a geographical standpoint, Technip's reporting of its operating activities and performance is based on the following five geographical areas:

- Europe, Russia and Central Asia;
- Africa;
- Middle-East;
- Asia Pacific; and
- Americas (including Brazil).

# 9.2. Changes in backlog, order intake and revenues

## CHANGES IN BACKLOG

Backlog is an indicator showing the remaining revenues of all ongoing contracts.

As of December 31, 2012, it amounted to €14,250.6 million compared to €10,416.1 million as of December 31, 2011 (+37%). This increase of approximately €3.8 billion was driven in equal parts by the Subsea and by the Onshore/Offshore segments, as shown in the table below:

### Backlog by segment

| | As of December 31, | | |
|---|---|---|---|
| In millions of Euro | 2012 | 2011 | Variation |
| Subsea | 6,049.8 | 4,380.2 | 38% |
| Onshore/Offshore | 8,200.8 | 6,035.9 | 36% |
| **TOTAL BACKLOG** | **14,250.6** | **10,416.1** | **37%** |

### Backlog by geographical area

| | Europe, Russia, Central Asia | | | Africa | | | Middle-East | | | Asia Pacific | | | Americas | | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| In millions of Euro | | % | Var. | | % | Var. | | % | Var. | | % | Var. | | % | Var. | | Var. |
| Backlog as of December 31, 2012 | 4,339.4 | 30% | 127% | 1,207.4 | 8% | -4% | 1,577.9 | 11% | -9% | 3,029.5 | 21% | 78% | 4,096.4 | 29% | 7% | 14,250.6 | 37% |
| Backlog as of December 31, 2011 | 1,912.2 | 18% | 14% | 1,261.1 | 12% | -24% | 1,725.0 | 17% | -42% | 1,704.0 | 16% | 150% | 3,813.8 | 37% | 69% | 10,416.1 | 13% |

The increase in backlog for 2012 was distributed across the geographical areas. Following 2011 trend, the growth in terms of value as well as in terms of relative weight in the Group was sharp for the Asia Pacific area, with Subsea contracts such as Wheatstone (EPCI for Chevron), Prelude or Panyu and Onshore/Offshore projects (Malikai Deepwater Tension Leg Platform EPC, Petronas FLNG Engineering Services for EPC). The Europe, Russia and Central Asia area became the largest contributor to Technip backlog thanks to the dynamism of North Sea (including amongst others, Quad 204, Aasta Hansteen Spar, Bøyla, Hejre, Martin Linge, Greater Stella) and two large contracts in Eastern Europe (Burgas refinery extension, Ludwigshafen chlorine plant). Besides, the Africa and the Middle-East areas slightly slowed down. The Americas area remained an important contributor with the Ethylene XXI project for Braskem Idesa in Mexico and several developments in the Gulf of Mexico.

The main contributors to Group backlog as of December 31, 2012 are presented by geographical area and by segment in the table below:

| Main contributors to backlog as of December 31, 2012 | Europe, Russia, Central Asia | Africa | Middle-East | Asia Pacific | Americas |
|---|---|---|---|---|---|
| Subsea | ■ Quad 204 for BP (North Sea)(*)<br>■ Bøyla for Marathon (North Sea)(*)<br>■ Åsgard Subsea Compression for Statoil (North Sea)(*) | ■ GirRI phase 2 for Total (Angola)(*) | | ■ Wheatstone for Chevron (Australia)(*) | ■ Long term charter of flexible pipe laying vessels for Petrobras (Brazil)<br>■ Mariscal Sucre Accelerated Production System (APS) for PDVSA (Gulf of Mexico) |
| Onshore/Offshore | ■ Martin Linge for Total (North Sea)(*)<br>■ Burgas refinery for Lukoil (Bulgaria)<br>■ Hejre for Dong Energy (North Sea)(*)<br>■ Aasta Hansteen Spar for Statoil (North Sea)(*) | ■ Algiers refinery extension for Sonatrach (Algeria) | ■ Construction of the Jubail Refinery (Saudi Arabia)<br>■ Halobutyl unit for Kemya (Saudi Arabia)<br>■ Upper Zakum 750 EPC1 (United Arab Emirates)(*) | ■ Prelude FLNG (*Floating Liquefied Natural Gas*) for Shell (Australia)<br>■ Malikai Deepwater TLP EPC (Malaysia)(*)<br>■ Petronas FLNG Engineering Services (Malaysia)(*) | ■ Petrochemical complex Ethylene XXI for Braskem Idesa (Mexico)(*) |

(*) New contract.

## CHANGES IN ORDER INTAKE

Order intake for each segment in 2012, compared to 2011, is presented in the table below:

| | As of December 31, | | |
|---|---|---|---|
| In millions of Euro | 2012 | 2011 | Variation |
| Subsea | 5,334.5 | 4,097.1 | 30% |
| Onshore/Offshore | 6,314.1 | 3,877.7 | 63% |
| **TOTAL ORDER INTAKE** | **11,648.6** | **7,974.8** | **46%** |

The significant increase in order intake between 2011 and 2012 resulted from the general dynamism of Technip activities. In Onshore/Offshore, 2012 was impacted by the award of the petrochemical complex construction contract for Braskem Idesa in Mexico, of the hydrocracking complex of the Burgas refinery construction contract in Bulgaria, as well as numerous contracts in the North Sea (Martin Linge and Hejre platforms, and Aasta Hansteen Spar) and in Asia Pacific (Malikai Deepwater TLP EPC and Petronas FLNG Engineering Services for EPC). As a result, the segment became the main contributor to the Group's order intake.

The main contributors to 2012 order intake are presented by geographical area and by segment as "new contracts" in the above backlog table.

## CHANGES IN REVENUES

Revenues on contracts at completion include:

- the initial selling price;
- every additional clause, variation order and modification (together "changes") to the initial contract if it is probable that these changes could be reliably measured and that they are accepted by the client; and
- financial result on contracts when a contract generates a significant net cash position.

Revenues on ongoing contracts are measured on the basis of costs incurred and of margin recognized at the percentage of completion. Margin is recognized only when the visibility of the riskiest stages of the contract is deemed sufficient and when estimates of costs and revenues are considered to be reliable.

The table below shows consolidated revenues by business segment for the years ended December 31, 2012 and December 31, 2011:

| | Subsea | | | Onshore/Offshore | | | Total | |
|---|---|---|---|---|---|---|---|---|
| In millions of Euro | | % | Var. | | % | Var. | | Var. |
| 2012 Revenues | 4,047.6 | 49% | 36% | 4,156.3 | 51% | 8% | 8,203.9 | 20% |
| 2011 Revenues | 2,972.0 | 44% | 9% | 3,841.0 | 56% | 15% | 6,813.0 | 12% |

The increase in revenues in 2012 by €1,390.9 million compared to 2011 was mainly driven by the Subsea segment. As a result, the relative weight of each segment is evenly balanced this year.

Moreover, the impact of foreign exchange rates on revenues was positive in 2012 (for €234.6 million), mainly driven by the appreciation of the US Dollar (+8%), the British Pound (+7%) and the Australian Dollar (+8%) against the Euro, partially offset by the depreciation of the Brazilian Real (-8%), whereas it was negative (for €(49.3) million) in 2011.

## Revenues by segment

The main contributors by segment are listed in a synthesis table below.

### Subsea

In 2012, the increase in revenues compared to 2011 resulted from a sharply growing activity in the North Sea and the progressive recovery of the Gulf of Mexico activity after the Macondo disaster. In most areas where Technip operates, Global Industries assets contributed to this growth.

### Onshore/Offshore

In 2012, the increase in revenues of the Onshore/Offshore segment was driven by the execution of the Prelude FLNG project. The Jubail and Asab 3 projects contribution decreased compared to 2011 but have been compensated by the ramp-up of the hydrocracking complex of the Burgas refinery construction contract as well as fast track execution of the Lucius Spar construction contract. In 2012, the contributions of PMP (for Qatargas 1), the offshore installations of Al Khafji field and the petrochemical complex of Rusvinyl remained significant.

## Revenues by geographical area

The following table shows consolidated revenues by geographical area for the years ended December 31, 2012 and December 31, 2011:

| | Europe, Russia, Central Asia | | | Africa | | | Middle-East | | | Asia Pacific | | | Americas | | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| In millions of Euro | | % | Var. | | % | Var. | | % | Var. | | % | Var. | | % | Var. | | Var. |
| 2012 Revenues | 2,414.1 | 29% | 38% | 729.0 | 9% | -31% | 1,147.6 | 14% | -24% | 1,331.0 | 16% | 43% | 2,582.2 | 31% | 65% | 8,203.9 | 20% |
| 2011 Revenues | 1,749.4 | 25% | 9% | 1,060.5 | 16% | -8% | 1,509.6 | 22% | 17% | 931.8 | 14% | 28% | 1,561.7 | 23% | 21% | 6,813.0 | 12% |

The principal contributors by geographical area are listed in the table below.

### Europe, Russia and Central Asia

This zone represented an important part of Group's revenues in terms of value and has, as a consequence, grown in terms of relative weight compared to other zones of the Group. This year was particularly impacted by significant projects in Russia and Bulgaria, as well as good contribution of Subsea projects in the North Sea.

### Africa

Significant ongoing projects in West Africa (Total – CoGa and Tullow Oil – Jubilee phase 1A) continued to impact the activity and the revenues of the Group.

### Middle-East

The Jubail refinery construction in Saudi Arabia as well as other Onshore/Offshore projects in the area, such as Al Khafji Offshore facilities, still drove a significant level of activity.

### Asia Pacific

The strong growth of the area particularly resulted from the ramp-up of the Prelude FLNG project for Shell in Australia, as well as other Onshore/Offshore projects. Consequently, the contribution of this zone remained stable compared to last year but showed a distinct increase in terms of value.

### Americas

The strong growth of this area's activity was mainly driven by the Subsea segment with the substantial contribution of the Mariscal Sucre Dragon APS project for PDVSA in Venezuela, as well as flexible supply in Brazil and the fast track execution of the Lucius Spar contract. This zone thus became the most significant contributor to Group's revenues in 2012.

### Major contributors to 2012 Group revenues split by segment and geographical area

| Pricipal contributors to 2012 revenues | Europe, Russia, Central Asia | Africa | Middle-East | Asia Pacific | Americas |
|---|---|---|---|---|---|
| Subsea | ■ Goliat (North Sea)<br>■ Garp (North Sea)<br>■ Rochelle (North Sea) | ■ CoGa for Total (Congo/Gabon)<br>■ Jubilee phase 1A for Tullow Oil (Ghana) | | | ■ Accelerated production system of Mariscal Sucre Dragon for PDVSA (Venezuela)<br>■ Flexible supply for the Baleia Azul field (Brazil) |
| Onshore/Offshore | ■ Petrochemical plant construction for Rusvinyl (Russia)<br>■ Hydrocracking complex of the Burgas refinery construction for Lukoil (Bulgaria) | ■ Algiers refinery extension for Sonatrach (Algeria) | ■ Jubail refinery construction (Saudi Arabia)<br>■ PMP project in Ras Laffan for Qatargas 1 (Qatar)<br>■ Offshore installations of Al Khafji field (Saudi Arabia/Kuwait) | ■ Prelude FLNG for Shell (Australia)<br>■ Wheatstone detailed engineering for DSME (Australia)<br>■ Koniambo nickel mining installation for Xtrata (New Caledonia)<br>■ Engineering of the Greater Gorgon project for Chevron (Australia) | ■ Lucius Spar for Anadarko (Gulf of Mexico)<br>■ Cubatao refinery for Petrobras (Brazil)<br>■ Coker extension project for CNRL (Canada) |

# 9.3. Presentation of operating costs and income

## COST OF SALES

In 2012, cost of sales amounted to €6,652.3 million, an increase from €5,526.4 million in 2011 (+20%). In comparison, revenues increased by 20% between 2011 and 2012.

Gross margin rate remained stable at 18.9% in 2012 and 2011.

The main components of cost of sales were as follows:

- other purchases and external charges: €4,464.1 million, representing 67% of cost of sales. This line item includes equipment purchases and construction subcontracting;
- payroll expenses: €1,821.1 million, representing 37% of cost of sales;
- amortization and depreciation of fixed assets: €187.3 million, representing 3% of cost of sales; and
- long-term rental costs: €179.8 million, representing 3% of cost of sales.

The 2012 cost of sales by segment were as follows:

| In millions of Euro | Subsea | Onshore/Offshore | Total |
|---|---|---|---|
| 2012 Cost of Sales | (3,140.5) | (3,511.8) | (6,652.3) |
| 2012 % Gross Margin | 22.4% | 15.5% | 18.9% |

The Subsea segment represented 47% of 2012 aggregate cost of sales, an increase by 41% compared to 2011. The Onshore/Offshore segments represented 53% of 2012 aggregate cost of sales, compared to 59% in 2011.

The nature of the cost of sales varies from one segment to another. The Subsea segment is involved in manufacturing flexible pipes and construction, and therefore requires industrial assets (plants, pipelay vessels and assembly yards) and a labor force for production, whereas the Onshore/Offshore segment is involved in engineering, which, other than the construction yard of Pori, requires few industrial assets under Technip's ownership. Onshore/Offshore external costs include equipment purchases and subcontracted construction work, while the Subsea segment builds some of its own equipment, then transports it and installs it with its pipelay vessels.

### RESEARCH AND DEVELOPMENT COSTS

Research and development costs amounted to €68.7 million in 2012, compared to €65.3 million in 2011, *i.e.* an increase of €3.4 million (+5.2%). This growth was mainly driven by the Subsea segment with large efforts made to improve the flexible structures.

### SELLING AND ADMINISTRATIVE COSTS

Selling and administrative costs amounted to €680.5 million (stable at 8% of Group revenues) in 2012, compared to €515.7 million in 2011. This increase was driven in particular by the integration of Global Industries and to a lesser extent, the recent acquisition of Stone & Webster. The revision of the performance conditions related to share subscription options and performance share grants, as well as the efforts made by Technip on bids also contributed to the increase of this item.

### PAYROLL EXPENSES

The income statement discloses expenses by destination. Consequently, payroll expenses are included in the cost line items mentioned above. Payroll expenses represented €2,222.4 million in 2012, compared to €1,535.0 million in 2011 (+45%).

### OTHER OPERATING INCOME/EXPENSES

Other operating income amounted to €30.7 million in 2012, an increase from €26.4 million in 2011 and other operating expenses amounted to €11.4 million, a decrease from €22.5 million in 2011. The result was a net income of €19.3 million in 2012, compared to a net income of €3.9 million in 2011.

Other operating income comprised mainly of net proceeds from disposal of property, plant and equipment for €5.0 million, insurance premiums, re-insurance premiums and reversals of provisions for charges recognized by Technip's captive re-insurers, which amounted to €12.0 million in 2012 (compared to €20.5 million in 2011) as well as an insurance indemnity of €9.4 million. Claim charges and provisions for claims booked by Technip's captive re-insurers amounted to €5.8 million in 2012, compared to €13.1 million in 2011.

## 9.4. Comments on the operating results for the financial year ended December 31, 2012, compared to the financial year ended December 31, 2011

### OPERATING INCOME/(LOSS) FROM RECURRING ACTIVITIES (OIFRA)

OIFRA was €821.7 million in 2012 compared to €709.5 million in 2011 (+16%). The OIFRA margin was 10.0% of revenues, compared to 10.4% in 2011.

The impact of foreign exchange rates on OIFRA was positive in 2012 (€17.2 million), driven by the appreciation of the US Dollar (+8%) and the British Pound (+7%) compared to euro, offset by the depreciation of the Brazilian Real (-8%). In 2011, the impact was slightly negative for €0.3 million.

## OIFRA by segment

| In millions of Euro | Subsea | Var. | Onshore/ Offshore | Var. | Corporate | Var. | Non Allocable | Total | Var. |
|---|---|---|---|---|---|---|---|---|---|
| 2012 OIFRA | 603.1 | 21% | 290.4 | 6% | (71.8) | 16% | – | 821.7 | 16% |
| **% OIFRA in 2012** | **14.9%** | | **7.0%** | | | | | **10.0%** | |
| 2012 Operating Income | 603.1 | 21% | 290.4 | 6% | (71.8) | 16% | (9.5) | 812.2 | 17% |
| **% Operating Income in 2012** | **14.9%** | | **7.0%** | | | | | **9.9%** | |
| 2011 OIFRA | 497.9 | 9% | 273.7 | 32% | (62.1) | 45% | - | 709.5 | 14% |
| **% OIFRA in 2011** | **16.8%** | | **7.1%** | | | | | **10.4%** | |
| 2011 Operating Income | 497.9 | 9% | 273.7 | 31% | (62.1) | 45% | (15.7) | 693.8 | 13% |
| **% Operating Income in 2011** | **16.8%** | | **7.1%** | | | | | **10.2%** | |

The Subsea segment confirmed its leadership as largest contributor to Group OIFRA. This performance reflects a good utilization of Group assets (vessels, flexible plants) and very satisfactory project executions worldwide.

The Onshore/Offshore is a very large market, with projects that can reach very high prices. Yet, it is now an extremely competitive market with a significant number of players, many of them coming from Asia. As a result, pressure on contract prices is still high. The operating margin rate of the segment remained however stable at 7%, due in particular to the good contribution of engineering projects and satisfactory completion of some projects

The Corporate segment recorded an operating loss of €71.8 million in 2012, compared to a loss of €62.1 million in 2011. It included in particular costs related to share purchase options and share subscription options, and to grants of performance shares.

## OIFRA by geographical area

| In millions of Euro | Europe, Russia, Central Asia | Var. | Africa | Var. | Middle-East | Var. | Asia Pacific | Var. | Americas | Var. | Non Allocable | Total | Var. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2012 OIFRA | 364.1 | 434% | 51.3 | -85% | 136.1 | -4% | 88.4 | -20% | 253.6 | 141% | (71.8) | 821.7 | 16% |
| **% OIFRA in 2012** | **15.1%** | | **7.0%** | | **11.9%** | | **6.6%** | | **9.8%** | | | **10.0%** | |
| 2012 Operating Income | 364.1 | 434% | 51.3 | -85% | 136.1 | -4% | 88.4 | -20% | 253.6 | 141% | (81.3) | 812.2 | 17% |
| **% Operating Income in 2012** | **15.1%** | | **7.0%** | | **11.9%** | | **6.6%** | | **9.8%** | | | **9.9%** | |
| 2011 OIFRA | 68.2 | -45% | 345.1 | 84% | 142.4 | 64% | 110.6 | 3% | 105.3 | -33% | (62.1) | 709.5 | 14% |
| **% OIFRA in 2011** | **3.9%** | | **32.5%** | | **9.4%** | | **11.9%** | | **6.7%** | | | **10.4%** | |
| 2011 Operating Income | 68.2 | -45% | 345.1 | 84% | 142.4 | 64% | 110.6 | – | 105.3 | -33% | (77.8) | 693.8 | 13% |
| **% Operating Income in 2011** | **3.9%** | | **32.5%** | | **9.4%** | | **11.9%** | | **6.7%** | | | **10.2%** | |

The main contributors split by geographical area are summarized below.

### Europe, Russia and Central Asia

The significant increase in this sector, which suffered from bad weather conditions in 2011, came from good project execution of Subsea projects in the North Sea, as well as completion of offshore campaigns on significant projects. Good execution of Onshore/Offshore projects in Eastern Europe was also behind the improved results for the area.

### Africa

The slow-down of this zone in 2012 was mainly due to non-replacement of the significant Subsea contracts completed in 2011.

### Middle-East

There is no significant change in operating margin from recurring activities of this zone compared to last year. This area's profitability remained driven by the execution of important projects of the Onshore/Offshore segment in 2012.

### Asia Pacific

The strong growth of order intake in 2012 negatively impacted the operating margin rate of the sector as margin is not yet recognized for an important part of revenues (margin recognition is neutralized at beginning of contracts, when visibility on the riskiest phases is not considered sufficient enough).

### Americas

The growth of the operating margin from recurring activities in Americas was in line with the increase of the Group's activities in the zone.

## Main contributors to 2012 Group OIFRA split by segment and geographical area

| Main contributors to 2012 OIFRA | Europe, Russia, Central Asia | Africa | Middle-East | Asia Pacific | Americas |
|---|---|---|---|---|---|
| Subsea | ■ Hyme (North Sea)<br>■ Vigdis (North Sea)<br>■ Foinaven (North Sea)<br>■ Garp (North Sea)<br>■ Causeway (North Sea)<br>■ Montanazo (Spain) | ■ Jubilee phase 1A for Tullow Oil (Ghana)<br>■ GirRI phase 1 for Total (Angola)<br>■ Umbilicals production for Clov project for Subsea 7 (Angola) | | ■ Gumusut (Malaysia) | ■ Mariscal Sucre Dragon APS for PDVSA (Venezuela)<br>■ Flexible supply for the Baleia Azul field (Brazil)<br>■ Marine Well Containment for Exxon (Gulf of Mexico) |
| Onshore/Offshore | ■ Petrochemical plant construction for Rusvinyl (Russia)<br>■ Block 1 installations for Petronas (Turkmenistan) | | ■ Jubail refinery construction (Saudi Arabia)<br>■ Offshore installations of Al Khafji field (Saudi Arabia/Kuwait)<br>■ Replacement of a steam generator for Bapco (Bahrain)<br>■ Powerplant for the Kharir project for Total (Yemen) | ■ Engineering for the Wheatstone project (Australia)<br>■ Koniambo nickel mining installation for Xtrata (New Caledonia) | ■ Lucius Spar for Anadarko (Gulf of Mexico)<br>■ P-56 Platform for Petrobras (Brazil)<br>■ Coker extension project for CNRL (Canada) |

## RESULT FROM SALE OF ACTIVITIES

In 2012 as in 2011, the Group did not sell any activities.

## RESULT FROM NON-CURRENT ACTIVITIES

For the financial year ended December 31, 2012, a total of €9.5 million of non-current expenses principally related to acquisition costs of Stone & Webster process technologies has been recognized.

In 2011, non-current expenses related to the acquisitions of Global Industries and Cybernétix were recognized for an aggregate amount of €15.7 million over the period.

## OPERATING INCOME

Operating income amounted to €812.2 million in 2012 (9.9% of revenues), compared to €693.8 million in 2011 (10.2% of revenues), *i.e.*, a €118.4 million increase (+17.1%). The split by segment can be detailed as follows:

- Subsea: €603.1 million (compared to €497.9 million in 2011), *i.e.*, an operating margin of 14.9% in 2012 (compared to 16.8% in 2011);
- Onshore/Offshore: €290.4 million (compared to €273.7 million in 2011), *i.e.*, an operating margin of 7.0% in 2012 (compared to 7.1% in 2011);
- Corporate and non-attributable: a negative contribution of €81.3 million in 2012, compared to a negative contribution of €77.8 million in 2011 (see Note 3 to the Consolidated Financial Statements for the financial year ended December 31, 2012).

## FINANCIAL RESULT

Net financial result in 2012 was a loss of €65.3 million in 2012, compared to an income of €17.4 million in 2011. This variation was mainly driven by:

- the decrease in net foreign exchange result: the net foreign exchange loss amounted to €22.8 million in 2012, compared to a gain of €32.8 million in 2011;
- the impact of the convertible bond issuance in December 2011, for which a €15.5 million interest expense was recorded in 2012, compared to €0.7 million in 2011;
- the interests recognized in 2012 for the private placement notes issued in June 2012 for a total amount of €6.9 million;
- the consequences of the redemption of the bonds guaranteed by the US Government under Title XI of the Federal Ship Financing Program, recorded for €8.6 million in 2012.

Financial expenses amounted to €367.5 million and included mainly the foreign exchange loss for €242.0 million, interests on bond loans for €48.6 million, financial charges relating to other borrowings and bank overdrafts for €45.6 million and financial expenses related to long-term employee benefit plans for €14.9 million.

Financial income amounted to €302.2 million and included the foreign exchange gain for €219.2 million, interests from treasury management for €54.2 million (primarily proceeds from the disposal of marketable securities and interest on term deposits) and financial income related to long-term employee benefit plans for €9.2 million.

The yield on funds provided under turnkey contracts does not appear under this heading but is included in revenues. Financial income on contracts represented a contribution to revenues of €11.6 million in 2012, compared to €16.5 million in 2011.

## INCOME TAX

Income tax expense amounted to €204.8 million in 2012, compared to €208.7 million in 2011, for pre-tax earnings of €747.9 million. Technip's effective tax rate in 2012 was 27.4%, while applicable French tax rate was 36.1% in 2012.

## NET INCOME FROM DISCONTINUED ACTIVITIES

In 2012 and 2011, no activity was closed, sold or in the process of being sold.

## NET INCOME ATTRIBUTABLE TO MINORITY INTERESTS

Net income attributable to minority interests was a €3.4 million gain in 2012, compared to a €4.8 million loss in 2011.

## SHARE OF INCOME OF EQUITY AFFILIATE

Subsequent to the acquisition of Stone & Webster process technologies in August 2012, the Group has consolidated under the equity method the 50% owned company Badger Licensing LLC – JV. The net income of this affiliate was a €1.0 million profit in 2012.

No company was consolidated under equity method in 2011.

## NET INCOME

Net income attributable to shareholders of the parent company amounted to €539.7 million in 2012, compared to €507.3 million in 2011, *i.e.,* an increase of €32.4 million (+6.4%). It represented 6.6% of Group revenues, compared to 7.4% in 2011.

## EARNINGS PER SHARE

Earnings per share calculated on a diluted basis amounted to €4.50 in 2012, compared to €4.41 in 2011. The average number of shares calculated on a diluted basis increased by 5.9%, from 117,498,889 shares taken into account in the 2011 calculation to 124,419,663 shares in the 2012 calculation. This increase was primarily driven by the impact of the convertible bonds issued in November 2010 and December 2011, and by the increase in the average share price over the period which amplified dilution impact of share subscription option plans and performance share grants.

Basic earnings per share were €4.91 in 2012, compared to €4.69 in 2011.

To the best of Technip's knowledge, no significant change in Technip's financial or business position has occurred since the financial year ended December 31, 2012.

# 9.5. Changes in the statement of financial position between the year ended December 31, 2012 and the restated year ended December 31, 2011

## NON-CURRENT ASSETS

### Fixed assets

Net intangible assets amounted to €3,367.6 million as of December 31, 2012, compared to €3,173.8 million as of December 31, 2011. They primarily consisted of €3,292.3 million in net goodwill. As of December 31, 2012, impairment tests performed on the net book value of goodwill did not result in the accounting of an impairment loss. The increase in consolidated goodwill recognized as of December 31, 2012 is mainly driven by the recognition of a temporary goodwill on account of the acquisition of Stone & Webster process technologies, for a total amount of USD250.4 million allocated to the Onshore/Offshore segment. In 2011, the goodwill primarily increased due to the acquisition of Global Industries, Ltd, (goodwill of €686.6 million) and the acquisition of Cybernétix (goodwill of €18.6 million). Other net intangible assets amounted to €75.3 million as of December 31, 2012, compared to €61.4 million as of December 31, 2011. They consisted of software, patents and brand names, as well as development costs for internally-developed software (see Note 10 to the Consolidated Financial Statements for the financial year ended December 31, 2012).

Net tangible assets amounted to €2,413.2 million as of December 31, 2012, compared to €2,193.5 million as of December 31, 2011 (+10.0%). They principally included the vessels used in Subsea operations, with a carrying value of €926.7 million, as well as the assets under construction for €573.6 million, and machinery and equipment for €572.4 million. The increase in net value of €219.7 million in 2012 was mainly driven by and new investments made in the financial year for €485.2 million, reduced primarily by yearly amortization and depreciation expenses of €183.8 million (see Note 9 to the Consolidated Financial Statements for the financial year ended December 31, 2012).

Capital expenditures amounted to €518.9 million in 2012, compared to €357.2 million in 2011 (+45.3%).

These investments were primarily related to machinery and equipment (€105.4 million), vessels (€64.7 million), plus assets under construction (€243.1 million, mainly vessels under construction).

The Group has maintained its policy of high levels of investment, in particular in order to expand its vessel fleet. As of December 31, 2012, the principal vessels recorded as "Assets under Construction" for a total amount of €573.6 million were as follows:

- the *Deep Energy*, a pipelay vessel dedicated to deepwater;
- the *Deep Orient*, a flexlay construction vessel dedicated to Asia Pacific market; and
- two flexible pipeline installation vessels in joint venture with Odebrecht Oil & Gas, dedicated to Brazilian market.

In addition, the Group pursued its investments in flexible and umbilical plants in Brazil, Angola and the United Kingdom, which are recognized as "Assets under Construction" as of December 31, 2012.

The increase in vessels mainly related to the delivery of the Global 1201, a S-lay and Heavy Lift construction vessel.

Pledged fixed assets amounted to €184.7 million as of December 31, 2012 and principally consisted of mortgages related to *Skandi Vitória, Skandi Arctic* and *Skandi Niterói* vessels. No assets are subject to a capital lease.

### Other non-current assets

As of December 31, 2012, other non-current assets included mainly deferred tax assets for €300.5 million, compared to €319.2 million as of December 31, 2011, *i.e.* a €18.7 million decrease and investments in Malaysia Marine and Heavy Engineering Holdings Berhad (MHB), recognized as "Available-for-Sale Financial Assets" for an amount of €148.3 million.

## CURRENT ASSETS

The "Construction contracts" items include accumulated costs incurred on contracts, as well as the margin recognized on the basis of the contract's percentage of completion, less payments received from clients, with the net balance appearing as an asset or a liability depending on whether the balance is a debit or a credit.

The line item "Construction Contracts – Amounts in Assets" shown on the asset side amounted to €454.3 million as of December 31, 2012, compared to €588.0 million as of December 31, 2011.

The line item "Construction Contracts – Amounts in Liabilities" amounted to €873.0 million as of December 31, 2012, compared to €724.3 million as of December 31, 2011.

These changes are related to the progress made on various contracts (see Note 15 to the Consolidated Financial Statements for the financial year ended December 31, 2012).

Inventories, trade receivables and other receivables amounted to €2,504.8 million in 2012, compared to €2,392.6 million in 2011 (+4.7%).

The cash and cash equivalent position decreased from €2,808.7 million in 2011 to €2,289.3 million in 2012 (-18.5%). Technip also had sufficient available resources to finance, if necessary, operating and investing activities (see "Financing Structure" in Section 10.2 of this Reference Document). Cash generated from operating activities amounted to €444.7 million in 2012, compared to €651.6 million in 2011.

## PROVISIONS

As of December 31, 2012, provisions amounted to €513.5 million, compared to €487.2 million in 2011 (+5.4%). As of December 31, 2012, these amounts consisted of provisions for contract risks (€175.7 million compared to €132.3 million in 2011), provisions for pensions and other long-term employee benefits (€134.2 million compared to €109.8 million in 2011), provisions for taxes (€68.4 million compared to €54.6 million in 2011) and provisions for claims recorded by Technip's captive reinsurers (stable at €9.7 million) (see Note 23 to the Consolidated Financial Statements for the financial year ended December 31, 2012).

## FINANCIAL DEBTS

As of December 31, 2012, Technip's consolidated financial debts amounted to €2,106.1 million, of which €400.4 million were current financial debts (see Note 21 to the Consolidated Financial Statements for the financial year ended December 31, 2012). Consolidated debt in 2012 remained stable year-on-year (€2,151.6 million as of December 31, 2011).

As of December 31, 2012, the non-current financial debt amounted to €1,705.7 million, principally comprising the two convertible bonds for €945.2 million (respectively €508.2 million for the 2010 OCEANE and €435.2 million for the 2011 OCEANE), the private placements for €517.2 million including €325.0 million concluded in 2012 and bank borrowings for €243.3 million essentially to Brazilian and Norwegian subsidiaries for the purpose of pre-financing exports, re-financing investments and financing new vessels (see Note 21 to the Consolidated Financial Statements for the financial year ended December 31, 2012).

As of December 31, 2012, the current financial debt amounted to €400.4 million, mainly comprising commercial papers for €150.0 million and short term credit lines and bank overdrafts for €231.8 million.

# 10 Capital resources


10.1. Changes in net cash position and in cash flows for the financial year ended December 31, 2012 and the restated financial year ended December 31, 2011 ....... 77
Net cash generated from operating activities ....... 78
Net cash used in investing activities ....... 78
Net cash generated from financing activities ....... 78

10.2. Changes in shareholders' equity and financing between the financial year ended December 31, 2012 and the restated financial year ended December 31, 2011 ....... 79
Shareholders' equity ....... 79
Financing structure ....... 79


## 10.1. Changes in net cash position and in cash flows for the financial year ended December 31, 2012 and the restated financial year ended December 31, 2011

*(See Note 18 to the Consolidated Financial Statements for the financial year ended December 31, 2012.)*

Technip's net cash position as of December 31, 2012 and as of December 31, 2011 was as follows:

| In millions of Euro | 2012 | 2011 restated(*) |
|---|---|---|
| Cash | 1,323.6 | 918.6 |
| Cash Equivalents | 965.7 | 1,890.1 |
| Total Cash and Cash Equivalents | 2,289.3 | 2,808.7 |
| Bond Loans | - | 49.2 |
| Convertible Bonds | 945.2 | 1,167.5 |
| Private Placement | 517.2 | 197.4 |
| Commercial Papers | 150.0 | 170.0 |
| Other Financial Debts | 493.7 | 567.5 |
| Total Financial Debts | 2,106.1 | 2,151.6 |
| **NET TREASURY** | **183.2** | **657.1** |

(*) The restatement of the 2011 consolidated financial statements is described in Note 2 – Scope of consolidation to the Consolidated Financial Statements for the financial year ended December 31, 2012.

Technip's net cash position amounted to €183.2 million as of December 31, 2012, compared to €657.1 million as of December 31, 2011, *i.e.* a €473.9 million decrease, which principally resulted from investments and acquisitions made during the year.

There is no significant restriction on cash transfers between the Company and its subsidiaries.

## NET CASH GENERATED FROM OPERATING ACTIVITIES

Net cash generated from operating activities amounted to €444.7 million in 2012, compared to €651.6 million in 2011. This decrease resulted mainly from the change in working capital needs.

Free cash flow amounted to €883.6 million in 2012, compared to €782.5 million. This increase of 13% is a result of the following items:

- 2012 net income (including non-controlling interests) rose sharply year-on-year (+€40.6 million);
- amortization and depreciation of property, plant and equipment, and intangible assets increased by €20.9 million, from €174.0 million in 2011 to €194.9 million in 2012. This change was mainly driven by Group acquisitions and the delivery of one new vessel in 2012.

The change in working capital needs amounted to €(438.9) million in 2012, compared to €(130.9) million in 2011.

## NET CASH USED IN INVESTING ACTIVITIES

Net cash used in investing activities decreased by €234.3 million from €(957.7) million in 2011 to €(723.4) million in 2012:

- in 2012, capital expenditures relating to property, plant and equipment and intangible assets amounted to €518.9 million, compared to €357.2 million in 2011. The high level of investment reflected Technip's ongoing policy of increasing its capacity in terms of both its fleet of vessels and its flexible pipe production;
- investment expenses related to financial assets amounted to €3.3 million resulting from the acquisition of additional 0.15% interest in Malaysia Marine and Heavy Engineering Holdings Berhad (MHB);
- in 2012, proceeds from sales of assets amounted to €43.8 million, compared to €3.8 million in 2011. In 2012, proceeds from disposals of tangible assets for a total amount of €26.3 million principally stemmed from the disposal of the Asiaflex Installer vessel (€14.0 million) and several sales of Remotely Operated Vehicles (€8.7 million). The €16.8 million proceeds from disposals of financial assets are related to marketable securities.
- the decrease in net cash position from acquisition costs of consolidated companies represents the aggregate purchase price or disposal price of the acquired or sold company, less the cash position of the latter, measured on the purchase or disposal date, *i.e.* a decrease of €245.0 million in 2012, compared to a decrease of €591.0 million in 2011. It mainly resulted in 2012 from the acquisition of Stone & Webster process technologies for a total net amount of €232.0 million, as well as, to a lesser extent, Cybernétix S.A. and Suporte Consultoria e Projetos Ltda. In 2011, it primarily came from the acquisition of the American group Global Industries, Ltd for a net amount of €590 million, the acquisition of the reinsurance company Front End Re and the takeover of Cybernétix S.A.

## NET CASH GENERATED FROM FINANCING ACTIVITIES

In 2012, net cash generated from financing activities amounted to €(204.5) million, compared to €11.6 million in 2011.

The increase in financial debts by €433.7 million in 2012 is primarily driven by the three private placements notes issued for a total amount of €325.0 million, the five new credit facilities on behalf of BNDES entered into by one of the Group's Brazilian subsidiaries totaling BRL200.0 million and a credit facility used up to USD70.8 million for a 50% owned Dutch subsidiary of Technip.

Financial debt decreased by €473.5 million in 2012, resulting primarily from the early redemption of the USD322.6 million convertible bond of Global Industries, Ltd, the reimbursement of BRL300.0 million by Flexibras Tubos Flexiveis at maturity date and the early redemption of the bonds guaranteed by the US Government under Title XI of the Federal Ship Financing Program for USD71.3 million.

Dividend paid in 2012 amounted to €172.6 million, compared to €156.1 million in 2011. Capital increases in 2012 amounted to €115.8 million, mainly as a result of the exercise of share subscription options and of the capital increase reserved for employees. The amount cashed out for purchasing treasury shares for employees amounted to €107.9 million.

# 10.2. Changes in shareholders' equity and financing between the financial year ended December 31, 2012 and the restated financial year ended December 31, 2011

## SHAREHOLDERS' EQUITY

(See Note 20 to the Consolidated Financial Statements for the financial year ended December 31, 2012)

Equity attributable to the Group amounted to €4,001.2 million as of December 31, 2012, compared to €3,651.6 million as of December 31, 2011. This increase primarily resulted from the net income realized over the period (€539.7 million) and the capital increase (€115.8 million), partly offset by the dividend paid in 2012 (€172.6 million, *i.e.* €1.58 per share), the treasury shares purchased (€108.3 million) and the decrease in foreign currency translation reserve (€67.3 million).

As of the date of this Reference Document, there are no restrictions on the use of capital that had any impact over the 2012 financial year or may significantly affect Technip's business.

## FINANCING STRUCTURE

*(See Note 21 to the Consolidated Financial Statements for the financial year ended December 31, 2012.)*

As of December 31, 2012, the Group had various unutilized sources of financing for a total amount of €1,461.7 million that allow it to meet its general financing needs. These facilities are not secured by any of the Group's assets. They contain covenant and default provisions that are standard for such financing from Technip and some of its affiliates, and do not include any financial ratio. These credit agreements do not include early payment provisions in case of deterioration of the borrower's credit rating.

As of December 31, 2012, the debt is essentially issued at fixed rate. The fixed rate debt mainly comprises the two convertible bonds, the private placement notes, drawings on subsidized export finance loans granted to one of the Brazilian subsidiaries for the purpose of pre-financing exports and re-financing investments, as well as drawings on loans granted to a Norwegian subsidiary for financing a new vessel, drawings on a loan granted to a Brazilian affiliate aimed at financing two new vessels and finally the commercial paper issue by Technip.

Over the financial year 2012, the average rate of the fixed rate debt was 3.92% compared to 4.62% in 2011. Over the same period, the average rate of the Group's overall debt (fixed and floating rate) was 3.93% compared to 4.58% per year in 2011. The average rate of debt is calculated by dividing the amount of financial expenses for the financial year (excluding bank fees not expressly related to the debt) and the average outstanding debt for the financial year.

# 11 Research and Development, patents and licenses


| | | |
|---|---|---|
| 11.1. | Research and Development | 80 |
| | Subsea | 80 |
| | Onshore/Offshore | 81 |
| 11.2. | Patents and licenses | 82 |
| 11.3. | Technological partnerships | 82 |
| 11.4. | Acquisitions | 83 |


## 11.1. Research and Development

Research and Development ("R&D") conducted by Technip is essential to the Group's success for all its operations since it enables Technip to anticipate the future needs of its clients as well as to improve its competitiveness.

Technip is working on development and engineering programs in a number of advanced technical fields related to deepwater oil and gas (including large platforms, FPSOs and low-temperature, deepwater liquid natural gas and crude oil transport systems) and carbon dioxide capture and storage processes.

Technip has a three-phase strategy for acquiring new technologies related to its operations: (i) development through in-house R&D conducted by its teams; (ii) external growth through the acquisition of specialized companies; and (iii) mixed organic and external growth through research partnerships in the research field.

Technip has R&D sites in the Group's main centers: Le Trait, Aberdeen, Paris, Rome, Houston, Claremont, Kuala Lumpur and Rio de Janeiro. As of December 31, 2012, these teams comprised approximately 300 employees. They helped Technip file 39 patents in 2012, 36 patents in 2011 and 35 patents in 2010.

Technip also contracts with external R&D teams to develop strategic technological partnerships that are intended to facilitate its commercial development in certain identified sectors.

In financial years 2012 and 2011, Technip's R&D expenditures amounted to €68.7 million and €65.3 million, respectively. However, most of its R&D activities and engineering operations are focused on specific projects lead by Technip, which are not taken into account in these figures.

### SUBSEA

During the course of 2012, the traditional R&D activities of the Subsea segment have continued to define the core of Technip Subsea R&D activities. This includes the ongoing development of technologies related to flexible pipes, "reeled" rigid pipes and umbilical products to maintain a leadership position in the market. To this extent, the following are examples of activities which continue to play a key role in the Group's R&D program:

- the consolidation and the optimization of products and installation equipment for use at water depths of 3,000 meters and beyond;
- the development of products to meet the challenges presented by deepwater reservoirs such as corrosive fluids, increased pressure and temperature. This includes the development of an anti-H2S sheath flexible pipe as well as ongoing optimization, management and understanding of the annulus environment in such a flexible pipe;
- the extension of the Mechanically Lined Pipe technology qualification to cover dynamic Steel Catenary Risers ("SCR") service;
- the continuing promotion of Carbon Fibre Armour flexible pipes and their integration with the Technology Qualification programs of clients;
- the extension of the range of application for Electrically Heated Pipe In Pipe, to enable longer tieback distances; and
- the development of "smart" riser systems, which allow for the monitoring of their operational integrity and production parameters.

However, 2012 also saw two significant trends:

- In 2012, a considerable level of activity was generated as a result of the transverse, multidiscipline Subsea Innovation team established in 2011 to identify possible synergies between the various product R&D programs, promote open innovation and engage with clients early in field development programs. While the initial focus was on the applications of Electrically Heated Pipe In Pipe as a development enabler for some marginal fields, this team has allowed to establish solid relationships between clients and regional Technip operating centers. These relationships have facilitated the dialogue with operators and the consideration of alternative field development scenarios, which has enabled Technip to identify technology gaps in the portfolios of operators that may be addressed through an adjustment or redirection of a number of R&D projects. In addition, this new team is active in the establishment of an open innovation policy to identify sources of innovation from other industries.
- Following the 2011 acquisitions of Global Industries, AETech and Cybernétix, Technip has concentrated on structuring the R&D programs and product portfolios of these entities to provide Technip optimum leverage and competitiveness. To this extent, the establishment of an Asset Integrity Management (“AIM”) business within Technip has provided the framework to ensure that there is a global business approach to the R&D activities of AETech, Cybernétix and the pre-existing Riser Integrity Management (“RIM”) department within Technip which provides monitoring and inspection solutions for flexible risers. The acquisition of Global Industries, on the other hand, has allowed Technip to benchmark some of the potential high added value R&D programs initiated by Global Industries such as automated welding and non-destructive testing (“NDT”) and laser beam welding. In 2012, the focus has been to define a roadmap for these activities to optimize the time to market of the relatively mature elements of the program and to structure the remainder of the development program.

## ONSHORE/OFFSHORE

Onshore R&D programs are undertaken on the basis of three main principles: (i) the improvement of energy efficiency and reduction of the environmental impact of industrial complexes built by Technip, (ii) the development of new technologies to enlarge Technip’s technical offering, and (iii) the deployment of design solutions to maintain performance and safety at lower cost.

This is reflected:

- for ethylene, by the development of new and more selective cracking coils that increase production yields and improve energy efficiency in the separation sections; these initiatives reduce the energy consumption as well as the environmental impact in terms of NOx and $CO_2$ emissions. In addition, Technip has created an alternative process to increase propylene production;
- for hydrogen, by developing new steam reforming catalytic reactor arrangements and a more cost-effective two-compartment process heater in order to minimize the NOx emissions;
- for LNG and gas monetization, emphasis has been placed on designing plants with an increased scale of production, using high efficiency heat exchangers, improving the design of sulfur recovery units, as well as improved efficiency in NGL recovery;
- for petrochemicals, by enlarging the portfolio of technological alliances and partnerships with special attention to current industry trends such as the integration of refining & petrochemicals complexes, as well as “green chemistry”;
- for fertilizers, by rejuvenating the proprietary phosphoric acid technology and the adjustment of its design to satisfy the market’s demand for larger capacities, as well as developing partnerships in fields such as nitric acid and ammonium nitrate;
- for refining, by developing synergies in terms of feedstocks, energy efficiency and cost effective design between refining and petrochemicals, and by acquiring new refining technologies that are key for expansion projects and large size integrated refining & petrochemicals complexes;
- for renewable energies and wind offshore more specifically, by developing superior solutions, in terms of speed and safety for the installation of underwater cables, and developing with a breakthrough technology for floating wind turbines with EDF Énergies Nouvelles and Nenuphar.

Technip remains committed to pursuing excellence in innovation and aims to be a driving force in offshore technological advancement going beyond the traditional frontiers in terms of complexity and execution requirements.

In 2012, the major achievements and highlights of the Offshore R&D activities can be summarized as follows:

- the further development of Technip’s HVS (Heave & VIM Suppressed) semi-submersible platform design so it can support dry tree completions and permit DVA (Direct Vertical Access) to wells;
- the development of a detailed execution plan for a deep water Tension Leg Platform (“TLP”) for deployment within a South East Asian field development;
- the continued investment by Technip, to make future Arctic projects possible, in the development of new technologies and tools to analyze the ice canopy. For future ice-bound North Caspian projects, Technip has developed a new shallow water platform design which is being discussed with potential clients;
- the significant progress made by Technip in 2012, towards the qualification of its cryogenic flexible floating line. This product will unload LNG from a FLNG facility to a LNG tanker in tandem configuration. Unlike the system in “edge to edge”, a tandem system allows a LNG terminal to be placed, rather than adjacent to the FLNG, approximately 100 meters behind it. This configuration is already in use for FPSO oil transfer operations in harsh environments; and
- Technip continued to evaluate ways to optimize FLNG vessel topsides design and further enhance platform safety in relation to LNG spills.

In seeking innovation and external knowledge, research partners are critical to success. For “bridging” ideas from different offshore domains, Technip increasingly enters into R&D alliances to combine complementary competencies in the pursuit of new innovative technologies.

In 2012, major offshore R&D alliances included:

- working jointly with Cervval and Bureau Veritas ("BV") to develop an ice-modelling simulation program. Its purpose is to predict the flow of ice around fixed and floating structures and calculate the ice-loadings on the platforms. The program will allow platform structures to be optimized to minimize ice loadings and the build-up of ice debris, prior to final design verification in a test ice basin. Cervval (a specialized software company located in France) will develop the software with input from BV in relation to its expertise; and
- working with Bassoe (a specialized marine and offshore engineering company located in Gothenburg, Sweden) to develop the design of semi-submersible platforms, including Technip's HVS (Heave & VIM Suppressed) semi-submersible platform, for future projects.

The Group's R&D activities are coordinated on a global basis to ensure a broad benefit from their results. In 2013, Technip expects that its talented and dedicated teams, located in Technip centers around the world, will continue to create innovative solutions for the offshore industry, to improve respect for the environment, develop world-class standards and deliver fit-for-purpose solutions; all designed to overcome the challenges of ultra-deep water and harsh environments such as the Arctic.

## 11.2. Patents and licenses

To carry out its operations, Technip holds a large number of patents, registered trademarks and other intellectual property rights, including industrial and intellectual property rights acquired from third parties. As of February 28, 2013, Technip held approximately 643 patent families (*i.e.,* approximately 4,733 patents in force in more than 90 countries), mainly in Offshore and Subsea (subsea pipes, umbilicals, flexible systems, platforms and equipment), but also in Onshore (cryogenics, refining, cement, hydrometallurgy, ethylene and hydrogen production). Technip jointly holds a limited number of patents with IFP Énergies nouvelles and other industrial partners.

Petrochemical and refining operations depend on the implementation of licenses belonging to third parties (such as UOP, Air Products and BASF). They are implemented on a project-by-project basis and the royalties are charged to clients.

## 11.3. Technological partnerships

In 2012, Technip completed the acquisition of Stone and Webster process technologies and the associated oil and gas engineering capabilities from The Shaw Group (see Section 11.4 of this Reference Document). Through this acquisition, Technip has enhanced substantially its partnerships with world leading providers of Onshore technology in multiple sectors.

For this activity, Technip participates in technological partnerships, either by securing the provision of Technip's proprietary technologies to major producers (respectively with Air Products for hydrogen units and with Dow Chemicals for ethylene furnaces), or by establishing exclusive or privileged relationships with key technology providers in their respective fields such as: Axens, for resid fluid catalytic cracking (RFCC); Sinopec, for deep catalytic cracking (DCC); Sabic, for acrylonitrile butadiene styrene (ABS); Exxon Mobil (Badger JV, for alkylation technologies (cumene, bisphenol A, ethylbenzene and styrene monomer); Total Petrochemical, for polystyrene; BP Chemicals, for purified terephthalic acid (PTA); Ineos, for linear low-density polyethylene (LLDPE), high-density polyethylene (HDPE), polystyrene and polypropylene; Sabtec, for low-density polyethylene (LDPE); Haldor Topsöe, for ammonia; Saipem, for urea; UFT, for urea granulation technology; MECS, for sulfuric acid; Asahi Kasei, for chlorine and caustic soda membrane electrolysis; and Wieland for enhanced heat transfer tubes for LNG and ethylene applications. In addition, Technip works in partnership with Nenuphar for floating wind turbines, with Kalex for geothermal applications and with CIMV in the "green chemistry" field.

In the Offshore activity, Technip has signed an agreement with Cervval (a specialized software company located in France) and Bureau Veritas (BV) to develop an ice-modelling simulation program. Its purpose is to predict the flow of ice around fixed and floating structures and calculate the ice-loadings on the platforms. Initially, the program will be developed to predict ice behaviour in shallow waters since there are several imminent projects in the North Caspian, but will be equally applicable in Arctic regions. Cervval will develop the software with input from BV in relation to its ice expertise. The program will allow platform structures to be optimized to minimize ice loadings and the build-up of ice debris, prior to final design verification in a test ice basin.

Again in the Offshore activity, Technip has signed a Master Services Agreement with Bassoe Technology AB (a specialized marine and offshore engineering company located in Gothenburg, Sweden) to provide Engineering and Drafting Services. The purpose of the agreement is for Bassoe to provide Technip with design input for potential projects involving semi-submersible platforms including Technip's HVS (Heave & VIM Supressed) semi-submersible platform.

Technip has an ongoing R&D partnership with the French Petroleum Institute (IFP Énergies nouvelles) for many years, principally focussed on flexible pipe development but expanded a number of years ago to include umbilicals and rigid pipeline R&D. In 2012, the management of this partnership was restructured to optimise the return to Technip and to consider a focus on more innovative directions.

In addition, the establishment of a strategic partnership agreement in 2011 with the French atomic energy commission ("CEA") has provided Technip with a broad view of the technologies of other industries and how they might contribute to the overall vision of Technip R&D program. Some development programs initiated with the CEA are already showing some early signs of potential, particularly in the areas of sensor technologies and robotics applied to processes and non-destructive examination of products during manufacturing and in-service phases.

In 2012, Technip initiated a review of the various universities and technology institutes that are widely used to assist in technology development throughout the various R&D activities. It is Intended to structure, consolidate and expand this network in the coming years to provide greater added value in terms of open innovation and access to high level R&D facilities and personnel.

## 11.4. Acquisitions

On August 31, 2012, Technip completed the acquisition from The Shaw Group of Stone and Webster's process technologies and the associated oil and gas engineering capabilities. This transaction, which was originally announced on May 21, 2012, enables Technip to substantially enhance its position as an Onshore technology provider, to diversify further its Onshore business with the addition of revenues based on technology supply, to strengthen its relationships with clients worldwide and to expand in promising growth areas such as the US, where downstream markets will benefit from the supply of unconventional gas.

Through this acquisition, Technip acquired a 50% equity share in Badger, a joint venture company with Exxon Mobil, which develops and licenses petrochemical technologies in partnerships with leading companies such as Exxon Mobil and Total Petrochemical. Badger operates from Cambridge, MA, with a R&D facility in Weymouth, MA.

# 12 Information on trends

12.1. Prospects ..... 84

12.2. Financial communications agenda ..... 85

## 12.1. Prospects

Technip starts 2013 with a substantial, profitable backlog of business to execute. The Group believes its markets, whilst competitive and never immune to general economic conditions, remain robust and growing. Clients continue to focus on replacing and raising production from increasingly challenging areas and reservoirs. They seek long-term relationships with contractors that are capable of developing and deploying the right technologies and who can embrace national content and local execution. Upstream investments should grow at a double digit rate and several very large oil and gas offshore developments should be sanctioned in the next couple of years. Downstream will be particularly active in petrochemicals, notably in North America.

Technip will continue to be selective about the projects it takes on so as to ensure reliable execution and delivery to both clients and shareholders. The Group will pursue its capex program, with a focus on delivering its current commitments.

In 2013, on the basis of the above, Technip expects to grow its revenue and profit again in both Subsea and Onshore/Offshore segments. In 2013, the Group expects full-year operating margins of approximately 15% in Subsea. This target reflects a robust, growing Subsea backlog, but also the dilutive effect of the revenue contribution from recently-won multiyear projects and the substantial start-up costs for both new vessels and manufacturing plants. In 2013, Technip targets operating margins in Onshore/Offshore of 6 to 7%, in line with the margins delivered in the past two years, due, in particular, to a diversified backlog.

- Group revenue growing 11% to 16% to between €9.1 and €9.5 billion;
- Subsea revenue growing to between €4.3 and €4.6 billion, with operating margin around 15%;
- Onshore/Offshore revenue growing to between €4.7 and €5.1 billion, with operating margin between 6% and 7%.

# 12.2. Financial communications agenda

The financial communications agenda for 2013 is as follows:

| | |
|---|---|
| April 25, 2013 | 2013 First Quarter Results |
| April 25, 2013 | Annual Shareholders' Meeting |
| July 25, 2013 | 2013 Second Quarter and First Six Months' Results |
| October 31, 2013 | 2013 Third Quarter Results |

# 13 Profit estimates and forecasts

None.

# 14 Administrative, management, supervisory bodies and senior management


Compliance with Code ........ 87

14.1. Board of Directors ........ 88
- 14.1.1. Composition of the Board of Directors ........ 88
- 14.1.2. Biographies of the directors ........ 90
- 14.1.3. Family relationship ........ 91

14.2. The Company's management ........ 91
- Statements on the administrative, management, supervisory and corporate management bodies ........ 92

14.3. Committees of the Board of Directors ........ 92
- 14.3.1. The Audit Committee ........ 92
- 14.3.2. The Nominations and Remunerations Committee ........ 92
- 14.3.3. The Strategic Committee ........ 93
- 14.3.4. The Ethics and Governance Committee ........ 93

14.4. Conflicts of interest at the level of administrative, management and supervisory bodies and the senior management ........ 93
- 14.4.1. Absence of conflicts of interests ........ 93
- 14.4.2. Loans and warranties granted to directors ........ 93

14.5. Shareholders' agreements ........ 93


## Compliance with Code

In accordance with Article L. 225-37 of the French Commercial Code, the Company states that it refers to and voluntarily applies the entire AFEP-MEDEF corporate governance code for listed companies that results from the consolidation of the AFEP-MEDEF report of October 2003 and the AFEP-MEDEF recommendations of January 2007 and October 2008 concerning the compensation of executive directors of listed companies along with the recommendation of April 2010 on the reinforcement of the number of women sitting on boards (the "AFEP-MEDEF Code"). The AFEP-MEDEF Code is available on the MEDEF's website (www.medef.fr).

At the request of the Company, Labrador Conseil, an independent corporate governance consultant firm, reviewed Sections 14, 15, 16 and Annex C of this Reference Document and has confirmed that the Company complies with the AFEP-MEDEF Code.

# 14.1. Board of Directors

## 14.1.1. COMPOSITION OF THE BOARD OF DIRECTORS

As of February 28, 2013, the Board of Directors was comprised of 11 members. It does not include any directors representing employees or employee shareholders. Five of the directors are not of French nationality. The Shareholders' Meeting on April 25, 2013 will be convened to approve, in particular, the ratification of the appointment of Alexandra Bech Gjørv, co-opted as a director at the Board Meeting held on October 23, 2012, replacing Daniel Lebègue, who resigned on October 21, 2012.

The average age of directors is 57.

The term of office of Board members is set at four years, which is consistent with the recommendations made by the AFEP-MEDEF Code (Article 12).

In accordance with the recommendations of the AFEP-MEDEF Code and based on an amendment of the Articles of Association adopted by the Company's Combined Shareholders' Meeting of April 27, 2007, in order to permit smooth transitions in Board renewal and to prevent "renewal en masse" (Article 12), the Board of Directors, at its meeting of April 27, 2007, introduced a rolling renewal system, pursuant to which one-half of its members' terms of office will be renewed every two years. Under this system, the terms of office of Marie-Ange Debon, Gérard Hauser, Marwan Lahoud, Alexandra Bech Gjørv and Joseph Rinaldi will expire at the end of the Shareholders' Meeting held to approve the financial statements for the financial year ended December 31, 2012, which will be held on April 25, 2013.

A proposal will be made to this Shareholders' Meeting to renew the terms of office of Marie-Ange Debon, Gérard Hauser, Alexandra Bech Gjørv and Joseph Rinaldi as directors for a four-year term expiring at the end of the Shareholders' Meeting held to approve the financial statements for the financial year ended December 31, 2016.

Furthermore, a proposal will be made to this Shareholders' Meeting to appoint Manisha Girotra and Pierre-Jean Sivignon as directors for a four-year term expiring at the end of the Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2016. For their respective biographies, see the resolutions attached in Annex G of this Reference Document.

Pursuant to the Law dated January 27, 2011 on the fair representation of women and men within Board of Directors' meetings, a minimum threshold of 20% of women sitting at the board must be reached at the latest on the date of the Shareholders Meetings called to approve the 2013 financial statements. This law sets the conditions for a more balanced representation of men and women within the governing bodies of large companies. Technip already complies with such threshold since Shareholders' Meeting of April 28, 2011. Following the Combined Shareholders' Meeting of April 25, 2013, and subject to the shareholders' approval, Technip shall meet the second threshold of 40% to be achieved by 2016.

In accordance with the AFEP-MEDEF Code recommendations, the qualification of "independent director" is discussed and reviewed every year by the Board of Directors upon the recommendation of the Nominations and Remunerations Committee (Article 8.3 of the AFEP-MEDEF Code).

At its meeting of February 18, 2013, the Nominations and Remunerations Committee reviewed the qualification of the Company's Board members as "independent director" in light of the definition and criteria used in the AFEP-MEDEF Code, which state that: "A director is independent when he or she has no relationship of any kind whatsoever with the corporation, its group or the management of either that is such as to color his or her judgment.

Accordingly, an independent director is to be understood not only as a non-executive director, *i.e.,* one not performing management duties in the corporation of its group, but also as one devoid of any particular bonds of interest (significant shareholders, employee, other) with them (Article 8.1 of the AFEP-MEDEF Code).

Furthermore, an independent director must not (Article 8.4 of the AFEP-MEDEF Code):

- be an employee or executive director of the corporation, or an employee or director of its parent or a company that it consolidates, and not having been in such a position for the previous five years;
- be an executive director of a company in which the corporation holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive director of the corporation (currently in office or having held such office going back five years) is a director;
- be a customer, supplier, investment banker or commercial banker that is material for the corporation or its group, or for a significant part of whose business the corporation or its group accounts;
- be related by close family ties to an executive director;
- have been an auditor of the corporation within the previous five years;
- have been a director of the corporation for more than 12 years. As a practical guideline, the loss of the status of independent director on the basis of this criterion should only occur upon expiry of the term of office during which the 12-year limit is reached.

The Nominations and Remunerations Committee presented its conclusions to the Board of Directors, which approved them at its meeting of February 19, 2013.

As of February 28, 2013, the Board was comprised of eight independent members out of 11 members. It therefore exceeds the recommendations made in the AFEP-MEDEF Code, which stipulates that half of the Board members should be independent in widely-held companies that have no controlling shareholders (Article 8.2 of the AFEP-MEDEF Code). Following the Combined Shareholders' Meeting of April 25, 2013, and subject to the shareholders voting in favor, the Board of Directors shall be composed of nine independent directors out of a total of twelve.

As of February 28, 2013, the Board of Directors was comprised of the following members:

| Name<br>Main position<br>Professional address<br>Age – Nationality | Position within the Board of Directors | Term |
|---|---|---|
| **Thierry Pilenko**<br>Technip's Chairman and Chief Executive Officer<br>89, avenue de la Grande Armée – 75116 Paris<br>55 – French | Technip's Chairman and Chief Executive Officer | Date of first appointment: April 27, 2007.<br>Date of last appointment: April 28, 2011.<br>Expiry of the current term of office:<br>Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2014. |
| **Olivier Appert**<br>Chairman of IFP Énergies nouvelles<br>Institut Français du Pétrole<br>1 et 4, avenue de Bois-Préau – 92852 Rueil-Malmaison Cedex<br>63 – French | Director | Date of first appointment: May 21, 2003.<br>Date of last appointment: April 28, 2011.<br>Expiry of the current term of office:<br>Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2014. |
| **Pascal Colombani**<br>Chairman of the Board of Directors of Valeo<br>44, rue de Lisbonne – 75008 Paris<br>67 – French | Independent director | Date of first appointment: April 27, 2007.<br>Date of last appointment: April 28, 2011.<br>Expiry of the current term of office:<br>Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2014. |
| **Leticia Costa**<br>Partner in Prada Assessoria<br>Av. Brigadeiro Faria Lima, 1744, 1 andar<br>01451-021 – São Paulo – SP – Brazil<br>52 – Brazilian | Independent director | Date of first appointment: April 28, 2011.<br>Expiry of the current term of office:<br>Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2014. |
| **Marie-Ange Debon**<br>Corporate Secretary of Suez Environnement<br>Tour CB21 – 16, place de l'Iris – 92040 Paris La Défense Cedex<br>47 – French | Director | Date of first appointment: July 20, 2010.<br>Expiry of the current term of office:<br>Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2012 to be held on April 25, 2013. |
| **C. Maury Devine**<br>1219 35th Street NW Washington – DC 20007 – USA<br>62 – American | Independent director | Date of first appointment: April 28, 2011.<br>Expiry of the current term of office:<br>Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2014. |
| **Alexandra Bech Gjørv**<br>Partner in Advokatfirmaet Hjort<br>Akersgaten 51 – N-0150 – Oslo – Norway<br>47 – Norwegian | Independent director | Date of first appointment: October 23, 2012.<br>Expiry of the current term of office:<br>Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2012 to be held on April 25, 2013. |
| **Gérard Hauser**<br>89, avenue de la Grande Armée – 75116 Paris<br>71 – French | Senior Independent Director<br>Independent director | Date of first appointment: April 30, 2009.<br>Expiry of the current term of office:<br>Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2012 to be held on April 25, 2013. |
| **Marwan Lahoud**<br>Chief Strategy & Marketing Officer of EADS<br>37, bd de Montmorency – 75781 Paris Cedex 16<br>46 – French | Independent director | Date of first appointment: April 30, 2009.<br>Expiry of the current term of office:<br>Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2012 to be held on April 25, 2013. |
| **John O'Leary**<br>Chairman and Chief Executive Officer of Strand Energy<br>Strand Energy – PO Box 28717 – Dubai Industrial Park – Dubai<br>United Arab Emirates<br>57 – Irish | Independent director | Date of first appointment: April 27, 2007.<br>Date of last appointment: April 28, 2011.<br>Expiry of the current term of office:<br>Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2014. |
| **Joseph Rinaldi**<br>Partner in Davis Polk & Wardwell<br>Davis Polk & Wardwell – 450 Lexington Avenue – New York<br>NY 10017 – USA<br>55 – Australian and Italian | Independent director | Date of first appointment: April 30, 2009.<br>Expiry of the current term of office:<br>Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2012 to be held on April 25, 2013. |

The other offices held by the members of the Board of Directors are listed in Annex A of this Reference Document.

## 14.1.2. BIOGRAPHIES OF THE DIRECTORS

**Thierry Pilenko** is Chairman and Chief Executive Officer of Technip. Before joining Technip in 2007, he was Chairman and Chief Executive Officer of Veritas DGC, a seismic services company based in Houston. While at Veritas DGC he successfully managed its merger with the Compagnie Générale de Géophysique.

Prior to this appointment, Thierry Pilenko held various management and executive positions with Schlumberger where he started in 1984 as a geologist. He held several international positions in Europe, Africa, the Middle East and Asia before becoming President of Schlumberger GeoQuest in Houston and subsequently Managing Director of SchlumbergerSema in Paris until 2004.

Thierry Pilenko holds degrees from France's Nancy School of Geology (1981) and the IFP School (1982). He serves on the Board of Directors of Hercules Offshore. Since 2012, Thierry Pilenko has been a member of the Supervisory Board of PSA Peugeot Citroën.

**Olivier Appert** has been Chairman of IFP Énergies nouvelles since April 2003. Previously, he was Director of Long Term Cooperation and Energy Policy Analysis at the International Energy Agency (1999-2003). From 1994 to 1999, he held technical and financial responsibilities within IFP and its subsidiary ISIS. Previously, he held several posts in the French Ministry for Industry and at the Prime Minister's Cabinet. He has been responsible for the strategy in TRT, a subsidiary of the Philips Group (1987-1989). He began his career in 1974 in the Administration in various positions where he was responsible for energy and industrial development.

Former student of the French *École Polytechnique,* Olivier Appert is a Civil Engineer.

**Pascal Colombani** is Chairman of the Board of Directors of Valeo and Associate Director and Senior Advisor for innovation, high technology and energy at the A.T. Kearney strategic consultancy firm; he is a member of the French Academy of Technology, a director of Alstom and Energy Solutions. In 2000, he was appointed Chairman and CEO of the French Atomic Energy Commission (*Commissariat à l'Énergie Atomique* – CEA), a post that he held until December 2002. After the restructuring the industrial holdings of the CEA into Areva, he chaired the Supervisory Board of Areva from its creation until 2003. Between 1997 and 1999, he was the Director of Technology at the Ministry for Research.

Pascal Colombani spent close to 20 years (1978-1997) at Schlumberger in various posts, in the US and in Europe, before becoming Chairman and CEO of its Japanese subsidiary in Tokyo. He began his career at CNRS.

Pascal Colombani is a graduate of the French *École Normale Supérieure* in Saint-Cloud (1969) and Doctor of sciences (1974).

**Leticia Costa** has been a partner in Prada Assessoria and coordinator of the Center of Strategy Research at Insper since 2010. In May 2011, she also became the Dean for Graduate Programs at Insper. She currently serves as Board member of Localiza, the largest car rental company in Brazil and Marcopolo, the leading bus manufacturer in Brazil. In 1986, she joined Booz & Company (formerly Booz Allen Hamilton) and in 1994, became a Vice President and in 2001 was appointed President of the operations in Brazil. She also served the firm's Board of Directors. At Booz & Company, Leticia Costa completed a wide range of assignments in Europe and Latin America, and also conducted studies in North America and Asia. Prior to joining Booz & Company, she worked from 1982 to 1984 as a systems analyst for Indústrias Villares S.A.

Leticia Costa is a graduate of Cornell University and of *Escola Politécnica* of the University of São Paulo.

**Marie-Ange Debon** is General Secretary of the Suez Environnement Group and is a member of the *Collège de l'Autorité des Marchés Financiers* (the French Financial Market Authority). Prior to joining Suez Environnement in 2008, Marie-Ange Debon served in various positions in both the public and private sectors. In November 1998, Marie-Ange Debon joined Thomson as Deputy Chief Financial Officer and later served as General Secretary responsible for Legal, Insurance, Real Estate and Corporate Communications from 2003-2008.

Marie-Ange Debon is a graduate of HEC, ENA and has a Master's Degree in Law.

**C. Maury Devine** is a member of the Board of Directors of FMC Technologies (NYSE: FTI) and John Bean Technologies (NYSE: JBT). She serves on the Audit Committee and Nominating and Governance Committee of both companies.

She is a member of the Council on Foreign Relations and is a member of the independent Nominating and Governance Committee of Petroleum Geo Services.

She served as Vice-Chairman of the Board of Det Norske Veritas (DNV) from 2000 to 2010, and was a fellow at Harvard University's Belfer Center for Science and International Affairs between 2000 and 2003.

C. Maury Devine also held various positions in ExxonMobil Corporation between 1987 and 2000, notably President and Managing Director of ExxonMobil's Norwegian affiliate from 1996 to 2000 and Secretary of Mobil Corporation from 1994 to 1996.

From 1972 to 1987, she held various assignments in the US government notably in the US Department of Justice, the White House and the Drug Enforcement Administration.

C. Maury Devine is a graduate of Middlebury College, the University of Maryland and Harvard University (Masters of Public Administration).

**Alexandra Bech Gjørv** is a partner in the law firm Hjort (Norway) and also chaired the public July 22, 2011 Commission on the terrorist attacks in Norway.

She began her career in law firms before joining Norsk Hydro ASA from 1993 to 2007 where she held a number of positions, including Executive Vice President HR and HSE and Senior Vice-President, New Energy. She then moved to Statoil ASA as Senior Vice-President, New Energy from 2007 until 2010 before joining Hjort in 2010.

Alexandra Bech Gjørv graduated from the University of Oslo (Norway). She also holds a diploma in legal studies from Oxford University (UK) and has studied at Suffolk Law School in Boston (USA), after which she passed the New York State bar exam in 1993.

**Gérard Hauser** was Chairman and Chief Executive Officer of Nexans from June 2000 to June 2009. He joined Alcatel in 1996 and became President of its Cable and Component Sector in 1997 and Member of the Executive Committee. From 1975 till 1996, he worked for the Pechiney Group, as Chairman and Chief Executive Officer of Pechiney World Trade first and of Pechiney Rhénalu later; he was later appointed Senior Executive Vice President of American National Can and member of the Group Executive Board. From 1965 till 1975, Gérard Hauser covered several senior positions in the Philips Group.

**Marwan Lahoud** has been Chief Strategy and Marketing Officer of EADS since June 2007 and President of EADS France since May 2012. He previously ran MBDA as Chief Executive Officer from January 2003. When EADS was founded in July 2000, he was appointed Senior Vice President Mergers & Acquisitions. In May 1998, he joined Aerospatiale as Vice President Development. In June 1999, he was appointed Senior Vice President Strategy and Planning for Aerospatiale Matra. At the end of 1995, he moved to a new position within the French Ministry of Defense, serving as Advisor for Industrial Affairs, Research and Weapons.

Since 2010, he is also member of the Board and chairman of the audit committee of BPCE.

He began his career at the French Defense procurement agency DGA *(Délégation générale pour l'armement)* in 1989 at the Landes test range, where he served first as head of the computation centre.

Chief Weapons Engineer of the French Army and alumnus of prestigious French engineering school *École Polytechnique,* Marwan Lahoud is an engineering graduate of French aeronautics and space institute (*École Nationale Supérieure de l'Aéronautique et de l'Espace).*

**John O'Leary** has, since January 2007, held the post of Chairman and Chief Executive Officer of Strand Energy (Dubai), a company involved in seeking out investment and development opportunities in the oil and gas sector and also sits on the Supervisory Boards of Huisman Itrec and Jumbo Shipping. From 2004 to 2006, he was a partner in Pareto Offshore ASA, a Norwegian company specialized in advising customers in the exploration/production sector. In 1985, he joined the Forasol-Foramer group where he successively held the posts of Development and Partnerships Manager (1985-1989) and Vice Chairman for Marketing (1990-1997). After the takeover in 1997 of Forasol-Foramer by Pride International, a company specialized in onshore and offshore drilling, he became the Chief Executive Officer of the new group until 2004. He began his career as a trader in the Irish National Petroleum Corporation (1979-1980) before joining Total as a drilling engineer (1980-1985).

John O'Leary is a graduate of Trinity College in Dublin, the University College in Cork as well as the Institut Français du Pétrole.

**Joseph Rinaldi** is a partner in the international law firm of Davis Polk & Wardwell. He advises on mergers and acquisitions transactions, corporate governance and securities and corporate law. Joseph Rinaldi is a frequent speaker and author on merger and acquisition and corporate governance issues. From 2002 to 2007 he was the senior partner in the Paris office of Davis Polk after joining it in 1984 and becoming a partner in 1990.

Joseph Rinaldi graduated from the University of Sydney, Australia, with first class honors in 1979, and in 1981 received his LL.B, with first class honors, from the University of Sydney, where he was a member of the editorial committee of the *Sydney Law Review*. He received an LL.M from the University of Virginia School of Law in 1984. He is admitted to practice law in New York.

**Patrick Picard** is Secretary of the Board of Directors.

### 14.1.3. FAMILY RELATIONSHIP

To the Company's knowledge, no close family relationship exists between the members of the Company's Board of Directors.

## 14.2. The Company's management

On January 15, 2007, the Board of Directors, upon the recommendation of the Nominations and Remunerations Committee, appointed Thierry Pilenko as the Company's Executive Vice President *(Directeur Général Délégué).*

The Combined Shareholders' Meeting of April 27, 2007 appointed Thierry Pilenko to the Board of Directors for a four-year term expiring after the Shareholders' Meeting approving the financial statements for the year ended December 31, 2010, which was held on April 28, 2011. The latter renewed Thierry Pilenko's term of office as a director for a four-year term expiring at the end of the Shareholders' Meeting approving the financial statements of the year ending December 31, 2014.

At its meeting of April 27, 2007, the Board of Directors appointed Thierry Pilenko as Chairman of the Board of Directors. At its meeting on the same day and in accordance with Article 18 of the Company's Articles of Association, the Board opted to combine the offices of Chairman and Chief Executive Officer of the Company, after having resolved that this management form is best suited for the Company, and consequently appointed Thierry Pilenko as Chairman and Chief Executive Officer for the duration of his term of office as a director.

At its meeting of April 28, 2011, the Board of Directors reiterated the option to combine the offices of Chairman of the Board of Directors and Chief Executive Officer of the Company and, at the same meeting, renewed Thierry Pilenko in his office of Chairman and Chief Executive Officer for the duration of his term of office as a director.

At its meeting on February 18, 2013, the Ethics and Governance Committee recommended to the Board to confirm its approval to combine the offices of Chairman and Chief Executive Officer, considering that this remained the management method most adapted to the Company. This was duly approved by the Board of Directors.

At the date of this Reference Document, the Board of Directors had not appointed any Executive Vice President.

In July 2010, the Board of Directors decided to create a position of Senior Independent Director whose missions are detailed in Section 16.1.1 of this Reference Document. On October 26, 2010, the Board of Directors entrusted this position to Pascal Colombani and the Board of Directors of October 25, 2011, renewed his appointment to this position for a further 12-month period.

On October 23, 2012, the Board of Directors entrusted this position to Gérard Hauser for a period of two years, subject to the renewal of his term as director at the 2013 Shareholders' Meeting and extended in exceptional circumstances until the date of the Shareholders' Meeting approving the financial statements for the year ended December 31, 2014.

### STATEMENTS ON THE ADMINISTRATIVE, MANAGEMENT, SUPERVISORY AND CORPORATE MANAGEMENT BODIES

To the Company's knowledge over the past five years:

- no judgment for fraud has been rendered against a member of the Board of Directors or the Chairman and Chief Executive Officer;
- none of the members of the Board of Directors or the Chairman and Chief Executive Officer has been, the subject of a bankruptcy, sequestration or liquidation procedure as a member of an administrative, management or supervisory body or as a Chief Executive Officer;
- no incrimination and/or official public sanction has been made against any of the members of the Board of Directors of the Company or the Chairman and Chief Executive Officer by any regulatory authority (including professional organizations); and
- none of the members of the Board of Directors or the Chairman and Chief Executive Officer has been prevented by any tribunal from acting as a member of an executive board or a supervisory board of an issuer or to participate in the management or conduct of the business of an issuer.

## 14.3. Committees of the Board of Directors

In order to assist in the performance of its duties, the Board of Directors has established four special Committees: an Audit Committee, a Nominations and Remunerations Committee and a Strategic Committee, all three of which were formed in 2003, and an Ethics and Governance Committee which was formed in 2008.

The formation of the Audit Committee and the Nominations and Remunerations Committee satisfies the recommendations of the AFEP-MEDEF Code pursuant to which the examination by the Board of Directors of the annual accounts, the monitoring of any internal audit and the compensation policy should each be subject to the preparatory work by a special Board committee (Article 13). The Board established two other special committees: the Strategic Committee and the Ethics and Governance Committee to address specific matters as permitted by the AFEP-MEDEF Code (Article 13).

The function and the organization of these Committees are described in Section 16.3 of this Reference Document.

### 14.3.1. THE AUDIT COMMITTEE

As of February 28, 2013, the Audit Committee's members were as follows:

| Member | Title | Date of first appointment |
|---|---|---|
| Pascal Colombani | Chairman | October 23, 2012 |
| Marie-Ange Debon | Member | October 26, 2010 |
| C. Maury Devine | Member | April 28, 2011 |
| Alexandra Bech Gjørv | Member | October 23, 2012 |
| Gérard Hauser | Member | April 30, 2009 |
| John O'Leary | Member | April 27, 2007 |

The Committee's internal charter provides that the Audit Committee must comprise at least three directors appointed by the Board of Directors. In considering the appointment of directors to the Audit Committee, the Board of Directors carefully reviews their independence and ensures that at least one member has specific qualifications in financial and accounting matters, as required by Article L. 823-19 of the French Commercial Code.

As of February 28, 2013, due to their education and professional experience, qualifications in financial and accounting matters, all of the Audit Committee members satisfied the requirements of Article L. 823-19 of the French Commercial Code which provides that at least one member of the Audit Committee shall have such skills. Five out of six members of the Audit Committee were independent directors, *i.e.*, a proportion greater than that required pursuant to the recommendations of the AFEP-MEDEF Code, pursuant to which the proportion of independent directors should be at least two-thirds (Article 14.1) and by Article L. 823-19 of the French Commercial Code according to which at least a member of the Audit Committee must be independent. In accordance with the AFEP-MEDEF Code, the Audit Committee does not include as a member the Chairman and Chief Executive Officer who is the sole executive director (Article 14.1).

As provided for by the AFEP-MEDEF Code, from the date of their appointment, members of the Audit Committee are entitled to receive information relating to Company's specific accounting, financial and operational features (Article 14.3.1).

The Committee appoints its Chairman and its Secretary.

### 14.3.2. THE NOMINATIONS AND REMUNERATIONS COMMITTEE

In compliance with the AFEP-MEDEF Code, the remunerations policy and the nominations of directors and officers *(mandataires sociaux)* is reviewed by a unique committee, the Nominations and Remunerations Committee (Article 15).

As of February 28, 2013, the Nominations and Remunerations Committee's members were as follows:

| Member | Title | Date of first appointment |
|---|---|---|
| Gérard Hauser | Chairman | June 23, 2010 |
| Pascal Colombani | Member | April 27, 2007 |
| C. Maury Devine | Member | April 28, 2011 |

The Committee's internal charter provides that the Committee must be comprised of at least three directors appointed by the Board of Directors, the majority of whom must be independent.

The Chairman and Chief Executive Officer, who is the only executive director, is not a member of the Committee.

As of February 28, 2013, all members of the Nominations and Remunerations Committee were independent directors, which surpasses the recommendations of the AFEP-MEDEF Code, according to which the majority of the Committee's members must be independent directors none of whom can be an executive director (Articles 15.1 and 16.1).

The Committee appoints its Chairman and its Secretary.

### 14.3.3. THE STRATEGIC COMMITTEE

As of February 28, 2013, the Strategic Committee's members were as follows:

| Member | Title | Date of first appointment |
|---|---|---|
| Pascal Colombani | Chairman | April 27, 2007 |
| Joseph Rinaldi | Vice Chairman | June 23, 2010 |
| Olivier Appert | Member | May 21, 2003 |
| Leticia Costa | Member | April 28, 2011 |
| Gérard Hauser | Member | April 30, 2009 |
| Marwan Lahoud | Member | April 30, 2009 |

The Committee's internal charter provides that the Committee must be comprised of at least three directors appointed by the Board of Directors.

As of February 28, 2013, more than 80% of the Strategic Committee's members were independent directors.

The Committee appoints its Chairman and its Secretary.

### 14.3.4. THE ETHICS AND GOVERNANCE COMMITTEE

As of February 28, 2013, the Ethics and Governance Committee's members were as follows:

| Member | Title | Date of first appointment |
|---|---|---|
| Joseph Rinaldi | Chairman | April 30, 2009 |
| Olivier Appert | Member | December 9, 2008 |
| Pascal Colombani | Member | December 9, 2008 |
| Leticia Costa | Member | April 28, 2011 |

The Committee's internal charter provides that the latter must be comprised of at least three directors appointed by the Board of Directors.

As of February 28, 2013, 75% of the Ethics and Governance Committee's members were independent directors.

The Committee appoints its Chairman and its Secretary.

## 14.4. Conflicts of interest at the level of administrative, management and supervisory bodies and the senior management

### 14.4.1. ABSENCE OF CONFLICTS OF INTERESTS

To the Company's knowledge no potential or recognized conflicts of interest exist between Technip and its directors in respect of the duties they owe to the Company and their private interests.

### 14.4.2. LOANS AND WARRANTIES GRANTED TO DIRECTORS

The Company has not granted any loan or warranty to a member of the Board of Directors, including the Chairman and Chief Executive Officer.

## 14.5. Shareholders' agreements

To the Company's knowledge, no shareholders' agreements, whether declared or undeclared, have been entered into in relation to its shares.

# 15 Compensation and benefits

15.1. Compensation and other benefits granted to directors ..... 94
15.1.1. Tables regarding compensation of executive directors ..... 94
15.1.2. Directors' fees ..... 100
15.1.3. Compensation of the Chairman and Chief Executive Officer ..... 101
15.2. Compensation and retirement commitments of the Group's principal executives ..... 102
15.2.1. Compensation of the Group's principal executives ..... 102
15.2.2. Retirement commitments ..... 102

## 15.1. Compensation and other benefits granted to directors

### 15.1.1. TABLES REGARDING COMPENSATION OF EXECUTIVE DIRECTORS

The tables below provide details in a uniform manner for the compensation of the Chairman and Chief Executive Officer, as executive director, the other directors and the first ten employees in the Group (other than directors and officers *(mandataires sociaux))*, in accordance with the AMF Recommendation dated December 22, 2008, on information to be disclosed on the compensation of executive directors of listed companies issued following the AFEP-MEDEF recommendations of October 2008 on the compensation of executive directors of listed companies that are included in the AFEP-MEDEF corporate governance code (the "AFEP-MEDEF Code").

**The total amount of compensation, stock options and performance shares granted to the Chairman and Chief Executive Officer as executive director, for the financial years 2011 and 2012 is as follows:**

#### 1. Summary table of the compensation, stock options and shares accruing to Thierry Pilenko, Chairman and Chief Executive Officer, as executive director

| In Euro | 2011 financial year | 2012 financial year |
|---|---|---|
| Thierry Pilenko, Chairman and Chief Executive Officer [(a)]: | | |
| Compensation due in respect of the financial year | 2,034,520 | 2,579,715 |
| Valuation of the stock options awarded during the financial year [(b)] | 719,734 | 758,050 |
| Valuation of the performance shares awarded during the financial year [(c)] | 1,011,139 | 1,454,516 |
| **TOTAL** | **3,765,393** | **4,792,281** |

(a) Thierry Pilenko is Chairman of the Board of Directors of Technip Italy S.p.A. Thierry Pilenko does not receive any compensation for this office.

(b) The valuation assumptions regarding these options are described in Note 20 (h) of the Group Consolidated Financial Statements (see Section 20.1 of this Reference Document).

(c) The valuation assumptions regarding these shares are described in Note 20 (i) of the Group Consolidated Financial Statements (see Section 20.1 of this Reference Document).

## The total amount of compensation that fell due and was paid, as well as all other benefits granted to the Chairman and Chief Executive Officer, as executive director, over financial years 2011 and 2012 is as follows:

### 2. Summary table of the compensation of Thierry Pilenko, Chairman and Chief Executive Officer

| Thierry Pilenko, Chairman and Chief Executive Officer | 2011 financial year | | 2012 financial year | |
|---|---|---|---|---|
| In Euro | Due | Paid | Due | Paid |
| Fixed compensation[(a)] | 876,000 | 876,000 | 900,000 | 900,000 |
| Variable compensation[(b)] | 1,151,509 | 1,151,509 | 1,672,704 | 1,672,704 |
| Extraordinary compensation | - | - | - | - |
| Directors' fees[(c)] | - | - | - | - |
| Fringe benefits (car)[(d)] | 7,011 | 7,011 | 7,011 | 7,011 |
| **TOTAL** | **2,034,520** | **2,034,520** | **2,579,715** | **2,579,715** |

(a) Until April 30, 2011, the fixed compensation was composed of the annual base compensation (before tax) paid for 12 months and a fixed amount for travelling equal to 20% of the annual base compensation. As of May 1, 2011, no fixed amount for travelling is paid in addition to the base compensation.

(b) The amount due is based on a variable reference compensation; on a year N basis, it can vary from 0% to 200% of the N-1 basis of the annual compensation. For more details on the variable compensation, see Section 15.1.3 of this Reference Document.

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

(d) Company car.

## The individual amounts of directors' fees for financial year 2011, which were paid in January 2012, and for financial year 2012, which were paid in January 2013 to each Board member were as follows:

### 3. Directors' fees table

| Board members | Directors' fees paid for the 2011 fiscal year (in Euro) | Directors' fees paid for the 2012 fiscal year (in Euro) |
|---|---|---|
| Olivier Appert | 41,500 | 43,000 |
| Pascal Colombani | 70,500 | 81,500 |
| Leticia Costa | 35,332[(1)] | 48,500[(2)] |
| Marie-Ange Debon | 48,000 | 45,500 |
| C. Maury Devine | 41,332[(1)] | 69,000[(2)] |
| Alexandra Bech Gjørv | NA | 8,832[(2)(3)] |
| Gérard Hauser | 66,000 | 67,500 |
| Marwan Lahoud | 35,500 | 31,000 |
| Daniel Lebègue | 64,000 | 51,334 |
| John O'Leary | 60,500[(1)] | 62,000[(2)] |
| Joseph Rinaldi | 64,000[(1)] | 62,500[(2)] |
| Bruno Weymuller | 21,333 | NA |
| Thierry Pilenko | 0 | 0 |
| **TOTAL** | **547,997** | **570,666** |

(1) Before the 25% withholding applicable to directors' fees paid to Board members residing outside of France.

(2) Before the 30% withholding applicable to directors' fees paid to Board members residing outside of France.

(3) On October 23, 2012, the Board appointed Alexandra Bech Gjørv to replace Daniel Lebègue, who resigned.

Directors (other than the Chairman and Chief Executive Officer) do not receive any other compensation from the Company or other companies of the Group.

## The total amount of share purchase options or share subscription options granted during financial year 2012 to the Chairman and Chief Executive Officer, as executive director, by the Company or by any Group company is as follows:

### 4. Share purchase options or share subscription options granted by the Company during the financial year 2012 to the executive director

| Name of the executive director | Number and date of the plan | Nature of the options (purchase or subscription) | Valuation of the options according to the method used for the consolidated financial statements [(b)] | Number of options awarded during the financial year | Exercise price | Exercise period |
|---|---|---|---|---|---|---|
| Thierry Pilenko | Plan 2012 – Tranche 1 06/15/2012 | subscription | €758,050 | 55,000 [(a)] | €74.54 | 06/15/2016 until 06/15/2019 |

(a) The number of share subscription options granted by the Board of Directors on June 15, 2012, is subject to the satisfactory performance by Technip of a Reference Performance to be measured on the periods 2012, 2013 and 2014 in terms of Total Shareholder *Return* (TSR), Operating Income from Recurring Activities (OIFRA) and Return on Capital Employed (ROCE).

(b) The valuation assumptions regarding these options are described in Note 20 (h) of the Group's Consolidated Financial Statements (see Section 20.1 of this Reference Document).

## The share purchase options or share subscription options exercised during financial year 2012 by the Chairman and Chief Executive Officer, as executive director are as follows:

### 5. Share subscription or purchase options exercised during financial year 2011 by the executive director

| Options exercised by the executive director | N° and date of the plan | Number of options exercised during the financial year | Exercise price | Award year |
|---|---|---|---|---|
| 151,500 | Plan 2005 – Tranche 3 March 12, 2007 | 151,500 | €49.1705 | 2007 |

Thierry Pilenko, the Company's only executive director, does not engage in any risk hedging transactions with respect to the share purchase options or share subscription options that were granted to him.

## The total amount of performance shares granted by the Company to the Chairman and Chief Executive Officer, as executive director, during financial year 2012 is as follows:

### 6. Performance shares granted during the 2012 financial year to the executive director

| Name of the executive officer | Number and date of the plan | Number of performance shares granted | Valuation of shares according to the method used for the consolidated financial statements [(a)] | Acquisition date | Availability date | Performance conditions |
|---|---|---|---|---|---|---|
| Thierry Pilenko | Plan 2012 – Tranche 1 06/15/2012 | 25,000 | €1,454,516 | 06/15/2015 | 06/15/2017 | see [(b)] hereafter |

(a) The valuation assumptions regarding these shares are described in Note 20 (i) of the Group's Consolidated Financial Statements (see Section 20.1 of this Reference Document).

(b) The number of performance shares granted by the Board of Directors on June 15, 2012, is subject to the satisfactory performance by Technip of a Reference Performance to be measured on the periods 2012, 2013 and 2014 in terms of Health/Safety/Environment (HSE), Operating Income from Recurring Activities *(OIFRA) and Net Cash Generated From Operational Activities.*

## The total amount of performance shares acquired by the Chairman and Chief Executive Officer, as executive director, during financial year 2012 is as follows:

### 7. Performance shares acquired by each executive director

| Performance shares acquired to each director and officer | Number of performance shares | Price | Grant date | Acquisition date, subject to compliance with the conditions set by the Board of Directors | Plan number |
|---|---|---|---|---|---|
| Performance shares acquired during the year by each director and officer | | | | | |
| Thierry Pilenko | 32,000* | €75.79 | June 15, 2009 | June 15, 2012 (1) | Plan 2009 Tranche 1 |

* The number of performance shares acquired under the 2009 Plan was determined by the progression in the Company's Group Consolidated Operating Income compared with the average of that of a representative sample of the Group's competitors. The performance calculation over the period 2008-2011 amounted to 108%. In accordance with the plan's regulations, 100% of the shares have been acquired.

(1) These shares are unavailable for a period of two years i.e. until June 15, 2014 (for a complete description of the performance share plans: see table 17.2.4 of this Reference Document).

Thierry Pilenko, the Company's sole executive director, does not engage in any risk hedging transactions with respect to the performance shares that were granted to him.

## 8. History of share subscription options and share purchase options and information on share subscription and share purchase options

| | 2005 Plan Tranche 3 | 1st additional grant to Tranches 1, 2 and 3 of the 2005 Plan | 2nd additional grant to Tranches 1, 2 and 3 of the 2005 Plan | 2008 Plan | 2009 Plan |
|---|---|---|---|---|---|
| | Subscription options | Subscription options | Subscription options | Purchase options | Subscription options |
| Date of Shareholders' Meeting | April 29, 2005 | April 29, 2005 | April 29, 2005 | May 6, 2008 | April 30, 2009 |
| Date of Board of Directors' meeting | March 12, 2007 | December 12, 2007 | June 12, 2008 | July 1, 2008 | June 15, 2009 |
| Number of options granted | 965,214(1) | 85,000(1) | 106,858(1) | 953,100(2) | 1,093,175(3) |
| Subscription/purchase price per option | €49.1705 | €55.6727 | €59.96 | €58.15 | €34.70 |
| Option exercise start date | March 12, 2011 | December 12, 2011 | June 12, 2012 | July 1, 2012 | June 15, 2013 |
| Expiry date* | March 12, 2013 | December 12, 2013 | June 12, 2014 | July 1, 2014 | June 15, 2015 |
| Total number of options available for subscription/ purchase of as December 31, 2012 | 202,505 | 7,028 | 33,000 | 524,005 | 1,029,200 |
| Number of options that may be subscribed/purchased as of December 31, 2012 by: the Chairman and Chief Executive Officer, corporate officer** | 105,107 | 0 | 0 | 80,000 | 109,000 |
| Number of options subscribed/purchased as of December 31, 2012 | 703,762 | 71,274 | 64,858 | 362,705 | 525 |
| Number of options cancelled as of December 31, 2012 | 84,591 | 7,027 | 9,000 | 66,390 | 63,450 |

* All the plans are subject to certain restrictions limiting the exercise of options in the event the employee or the manager ceases to work for the Company.

** The other mandataires sociaux of the Company are not beneficiaries of Plans.

(1) With respect to options granted under Tranches 2 and 3 of the 2005 Plan and the two additional grants to the tranches of this Plan, the exercise of options is subject to the achievement by Technip of a satisfactory performance for its shareholders. This performance will be measured by the change in the Company's fully diluted net profits per share compared with the average of that of a representative sample of the Group's competitors. Thus, the number of options that may be exercised is subject to the level of achievement of the aforementioned performance recorded at the option exercise start date.

With respect to the Tranche 3 of 2005 Plan, the performance calculation over the period 2007-2010 amounted to 140%. Consequently, as provided for by the stock options plan rules, 100% of the granted options can be subscribed.

With respect to the 1st additional grant to Tranches 1, 2 and 3 of 2005 Plan, the performance calculation over the period 2007-2010 amounted to 140%. Consequently, as provided for by the stock options plan rules, 100% of the granted options can be subscribed.

With respect to the 2nd additional grant to Tranches 1, 2 and 3 of 2005 Plan, the performance calculation over the period 2008-2011 amounted to 271%. Consequently, as provided for by the stock options plan rules, 100% of the granted options can be subscribed.

(2) The number of purchase options granted by the Board of Directors on July 1, 2008 is subject to a satisfactory performance for its shareholders over the period 2008-2011. This performance will be measured by the progression of the Group's Consolidated Income in relation to a representative sample of the Group's competitors. As the level of performance is equal or higher compared to the reference index. Consequently, as provided for by the stock options plan rules, 100% of the granted options can be subscribed.

(3) The number of subscription options granted by the Board of Directors on June 15, 2009 is subject to a satisfactory performance for its shareholders over the period 2009-2012. This performance will be measured by the progression of the Group's Consolidated Income in relation to a representative sample of the Group's competitors. 50% of the granted shares are subject to the level of achievement of the aforementioned performance recorded at the option exercise start date. No options can be exercised by the Chairman and Chief Executive Officer if the progression of the Group's Operating Income is less than that of each of the companies included in the sample.

| | 2010 Plan Tranche 1 | 2010 Plan Tranche 2 | 2010 Plan Tranche 3 | 2011 Plan Tranche 1 | 2011 Plan Tranche 2 | 2011 Plan Tranche 3 | 2012 Plan Tranche 1 | 2012 Plan Tranche 2 |
|---|---|---|---|---|---|---|---|---|
| | Subscription options | Subscription options | Subscription options | Subscription options | Subscription options | Subscription options | Subscription options | Subscription options |
| Date of Shareholders' Meeting | April 29, 2010 | April 29, 2010 | April 29, 2010 | April 28, 2011 | April 28, 2011 | April 28, 2011 | April 26, 2012 | April 26, 2012 |
| Date of Board of Directors' meeting | June 23, 2010 | December 15, 2010 | March 4, 2011 | June 17, 2011 | December 14, 2011 | March 2, 2012 | June 15, 2012 | December 12, 2012 |
| Number of options granted | 1,102,300(4) | 19,400(4) | 81,300(5) | 339,400(6) | 53,900(6) | 49,007(7) | 284,700(8) | 35,350(8) |
| Subscription/purchase price per option | €51.45 | €63.23 | €72.19 | €72.69 | €66.94 | €78.39 | €74.54 | €87.13 |
| Option exercise start date | June 23, 2014 | December 15, 2014 | March 4, 2015 | June 17, 2015 | December 14, 2015 | March 2, 2016 | June 15, 2016 | December 12, 2016 |
| Expiry date* | June 23, 2016 | December 15, 2016 | March 4, 2017 | June 17, 2018 | December 14, 2018 | March 2, 2019 | June 15, 2019 | December 12, 2019 |
| Total number of options available for subscription/ purchase of as December 31, 2012 | 1,055,900 | 17,400 | 76,900 | 338,400 | 49,000 | 48,707 | 284,100 | 35,350 |
| Number of options that may be subscribed/ purchased as of December 31, 2012 by: the Chairman and Chief Executive Officer, corporate officer** | 109,000 | 0 | 0 | 70,000 | 0 | 0 | 55,000 | 0 |
| Number of options subscribed/ purchased as of December 31, 2012 | 300 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of options cancelled as of December 31, 2012 | 46,100 | 2,000 | 4,400 | 1,000 | 4,900 | 300 | 600 | 0 |

* All the plans are subject to certain restrictions limiting the exercise of options in the event the employee or the manager ceases to work for the Company.

** The other mandataires sociaux of the Company are not beneficiaries of Plans.

(4) The number of subscription options granted by the Boards of Directors on June 23, 2010 and December 15, 2010 is subject to a satisfactory performance over for its shareholders the period 2010-2013. This performance will be measured by the progression of the Group's Consolidated Income in relation to a representative sample of the Group's competitors. 50% of the granted shares are subject to the level of achievement of the aforementioned performance recorded at the option exercise start date. No options can be exercised by the Chairman and Chief Executive Officer if the progression of the Group's Operating Income is less than that of each of the companies included in the sample.

(5) The number of subscription options granted by the Board of Directors on March 4, 2011 is subject to a satisfactory performance for its shareholders over the period 2011-2014. This performance will be measured by the progression of the Group's Consolidated Income in relation to a representative sample of the Group's competitors.

(6) The number of subscription options granted by the Boards of Directors on June 17, 2011 and December 14, 2011 is subject to a Reference Performance to be measured for the years 2011, 2012 and 2013. This performance will be measured by the outcome reached by the Group in terms of the Total Shareholder Return (TSR), Operating Income From Recurring Activities (OIFRA) and Return on Capital Employed (ROCE). No options can be exercised by the Chairman and Chief Executive Officer if the Reference Performance, as defined in the Plan rules, is lower than 25%.

(7) The number of subscription options granted by the Board of Directors on March 2, 2012 is subject to a Reference Performance to be measured for the years 2011, 2012 and 2013. This performance will be measured by the outcome reached by the Group in terms of the Total Shareholder Return (TSR), Operating Income From Recurring Activities (OIFRA) and Return on Capital Employed (ROCE).

(8) The number of subscription options granted by the Boards of Directors on June 15, 2012 and December 12, 2012 is subject to a Reference Performance to be measured for the years 2012, 2013 and 2014. This performance will be measured by the outcome reached by the Group in terms of the Total Shareholder Return (TSR), Operating Income From Recurring Activities (OIFRA) and Return on Capital Employed (ROCE). No options can be exercised by the Chairman and Chief Executive Officer if the Reference Performance, as defined in the Plan rules, is lower than 25%.

## The share purchase or share subscription options granted to and exercised by the 10 employees (other than directors and officers *(mandataires sociaux)*) with the largest number of options during financial year 2012 are as follows:

### 9. Share purchase or share subscription options granted to and exercised by the 10 employees (other than directors and officers) with the largest number of options

| Share purchase or share subscription options granted to and exercised by the 10 employees (other than directors and officers) with largest number of options | Total number of granted shares/of shares subscribed or bought* | Weighted average price* | Plan number |
|---|---|---|---|
| Options granted during the year by the issuer or by any company included in the grant perimeter to the 10 employees of the issuer or any company included in the grant perimeter, in receipt of the largest number of options (aggregate information) | 107,250 | €75.799 | 06/15/2012[a] 12/12/2012[a] |
| Options held on the issuer and the aforementioned companies exercised during the year by the 10 employees of the issuer or another Group company having bought or subscribed to the highest number of options (aggregate information) | 94,621 | €55.738 | 03/12/2007 12/12/2007 06/12/2008 07/1/2008 |

(a) The number of shares resulting from the exercise of share purchase or share subscription options granted by the Boards of Directors on June 15, 2012 and of December 12, 2012 is subject to the satisfactory performance by Technip of a Reference Performance to be measured on the periods 2012, 2013 and 2014 in terms of *Total Shareholder Return* (TSR), Operating Income From Recurring Activities (OIFRA) and Return On Capital Employed (ROCE).

* The Combined Shareholders' Meeting of May 6, 2008 decided to distribute a dividend for 2007 taken in part from the Company's available reserves. The Board of Directors' meeting of May 14, 2008 made adjustments in accordance with applicable regulations. Consequently, the exercise prices and the number of options were adjusted so as to maintain a constant total exercise price for beneficiaries. These adjustments were made in accordance with methods provided for by regulations and resulted in a decrease in the exercise price and an increase in the number of options.

## Other information regarding the Chairman and Chief Executive Officer, executive director is detailed in the following table:

### 10. Other information regarding the Executive Director

| | Employment contract | Supplementary retirement plan | Compensations or benefits due or potentially due in case of suspension or change in the functions | Compensations relating to a non-compete agreement |
|---|---|---|---|---|
| Thierry Pilenko | No | Yes[a] | No | Yes[b] |

(a) See Section 15.1.3 of the present reference document.
(b) See Section 15.1.3 of the present reference document.

### 15.1.2. DIRECTORS' FEES

The Shareholders' Meeting of April 29, 2010, set the amount of directors' fees allocated to members of the Board of Directors for each of the financial years 2010, 2011 and 2012 at €600,000. The amount actually paid in 2012 was €570,666. In accordance with the recommendations of the AFEP-MEDEF Code, directors' fees include a variable portion to be paid depending on the attendance rate at meetings of the Board and its Committees (Article 18.1 of the AFEP-MEDEF Code).

The amount of directors' fees for financial years 2011 and 2012, which were paid to each of the Board members are detailed in table 3 of Section 15.1.1 of this Reference Document.

The Board of Directors meeting of December 12, 2012, approved the following distribution of directors' fees for 2012:

- a fixed amount of €275,000 divided equally among Board members (with the exception of the Chairman and Chief Executive Officer who does not receive directors' fees from the Company or its subsidiaries), *i.e.,* €25,000 per director, adjusted, if needed, on a prorata basis;
- an additional amount of €50,000 divided equally among the five directors residing outside of France, *i.e.,* €10,000 for each of these five directors, adjusted, if needed, on a prorata basis;
- an additional amount for 2012 divided among directors (other than the Chairman and Chief Executive Officer), depending on the attendance rate of the Board members as from January 1, 2012, as follows:
  - €1,500 per Board meeting,
  - €1,500 per meeting of the Strategic Committee, the Nominations and Remunerations Committee and the Ethics and Governance Committee with a supplementary amount of €8,000 for each of the Chairmen of these Committees, adjusted, if needed, on a prorata basis,
  - €2,000 per meeting of the Audit Committee with a supplementary amount of €12,000 for its Chairman, and
  - €10,000 for the Senior Independent Director, adjusted, if needed, on a prorata basis.

It is proposed to the Shareholders' General Meeting of April 25, 2013 to raise the total amount of directors' fees to €800,000 for the financial years 2013, 2014 and 2015 (the proposed twelfth resolution is included in Annex G Section 3 of this Reference Document).

## 15.1.3. COMPENSATION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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 4th 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 60th 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 55th 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.

# 15.2. Compensation and retirement commitments of the Group's principal executives

## 15.2.1. COMPENSATION OF THE GROUP'S PRINCIPAL EXECUTIVES

In 2012, the total amount of all direct and indirect compensation paid by the Group's French and foreign companies to all of the Group's principal executives on payroll partly or totally during the year 2012 (*i.e.,* the six members of the Excom of the Group) amounted to €4,167,999. The variable portion represented 42.5% of the overall amount.

The charges relating to share purchase and share subscription options, as well as performance shares, granted to the Company's executive officers, and accounted for in 2012, amounted to €5.8 million.

## 15.2.2. RETIREMENT COMMITMENTS

In 2012, payment made by Group companies under supplementary retirement plans applicable to the principal executives discussed above amounted to €0.2 million. The recorded expense related to the retirement income guarantee plan for Executive Committee members amounted to €0.9 million in 2012.

As of December 31, 2012, the amount for retirement commitments for Executive Committee members amounted to €4.4 million.

# 16 Board and management practices

16.1. Policies and practices of the Board of Directors 103
**16.1.1.** Policies and practices 103
**16.1.2.** The Board of Directors' work in 2012 105

16.2. Company's management 106
**16.2.1.** The Chairman and Chief Executive Officer 106
**16.2.2.** The Executive Committee (Excom) 106

16.3. Policies and practices of the Board of Directors' Committees 106
**16.3.1.** The Audit Committee 106
**16.3.2.** The Nominations and Remunerations Committee 108
**16.3.3.** The Strategic Committee 109
**16.3.4.** The Ethics and Governance Committee 110

16.4. Corporate governance: evaluation of the Board of Directors and its Committees 111

16.5. Contracts between the Board members and the Company or one of the Group's company 111

## 16.1. Policies and practices of the Board of Directors

### 16.1.1. POLICIES AND PRACTICES

The Board of Directors' practices are governed by internal rules, as approved by the Board of Directors on May 21, 2003. These rules are periodically updated (they were last updated on December 12, 2012). Each of the four special Committees has its own rules that define its specific duties, responsibilities and practices.

A directors' Charter, approved on May 21, 2003 (as amended on February 19, 2013) outlines the rights and responsibilities of the Company's directors and is distributed to each director at the start of his or her term of office, together with the Board's internal rules. Each director undertakes to exercise his or her independent analysis, judgment and action, and to actively participate in the work of the Board of Directors. Each director must inform the Board of any potential conflicts of interest and must clearly express, where applicable, his or her opposition to any matter under consideration by the Board of Directors.

In addition, the Charter provides that the directors are subject to the Group's Rules of Good Conduct in relation to the communication and use of privileged information (they were last updated on July 24, 2012) and that they are required to refrain from trading in any of the Company's securities whenever the directors are in possession of material, non public information, as well as during the 30 calendar days prior to the public announcement of the consolidated annual and half-year results and during the 15 calendar days prior to the public announcement of the consolidated results for the first and third quarters and ending at the close of the third trading day on Euronext Paris following such public announcement, or later in the event the Company communicates at a later date.

Each director is required to notify the Company and the AMF of any transactions with respect to the Company's securities, which are carried out either directly or indirectly, on his or her behalf or on behalf of a third party.

In accordance with the recommendations of the AFEP-MEDEF Code, the directors' Charter provides that each director will be provided with training sessions on the Company's specificities, its operations and its business sectors, to the extent he or she considers it necessary (Article 11).

**Excerpt from the Board of Directors' internal rules, as updated by the Board of Directors on December 12, 2012:**

The Board determines the direction of the Company's operations and oversees their implementation. Subject to the powers expressly assigned to the shareholders' meetings, and within the scope of the corporate purpose, it shall take up any and all issues affecting the Company's proper operation and shall decide in its meetings any issues concerning it.

The non-exhaustive list of the Board of Directors' duties is as follows:

- to appoint the Chairman, the Chief Executive Officer and the Executive Vice Presidents *(Directeurs Généraux Délégués)*;
- to appoint a Senior Independent Director who is to be selected from amongst the list of independent directors recommended by the Ethics and Governance Committee for a renewable two-year term, with the following duties:
  - to assist the Chairman in the organization and the functioning of the Board and its Committees,
  - to request at any time the Chairman and Chief Executive Officer to hold a meeting of the Board of Directors on a pre-determined agenda,
  - to fully participate at every meeting of the several specialized Board's Committees,
  - to bring to the attention of the Chairman and of the Board of Directors any potential conflict of interests that he/she has identified,
  - to chair the debates of the Board of Directors' meeting organized at least once a year to assess the performance, to set the objectives and the remuneration of the Chairman and Chief Executive Officer outside of his presence. This meeting of the Board of Directors takes place once the Senior Independent Director has carried out the annual performance appraisal of the Chairman and Chief Executive Director, and
  - to have access to documents and information deemed necessary for the accomplishment of his/her duties;
- to define Technip's strategy with the assistance of the Strategic Committee;
- to discuss, with the assistance of the Strategic Committee, major transactions considered by the Group, to determine the conditions subject to which such transactions will be undertaken and to provide its prior approval to significant transactions that depart from the strategy announced by the Company;
- to remain informed of all important events concerning Technip's business, in particular, investments and divestitures in an amount exceeding 3% of the value of shareholders' equity;
- to remain regularly informed as to the Company's financial position, its treasury position and its commitments;
- to proceed with checks and verifications that it deems appropriate and to ensure, in particular:
  - with the assistance of the Audit Committee, that entities subject to internal control function properly and that the Statutory Auditors perform their work in a satisfactory manner, and
  - that the specialized Committees that it has created function properly;
- to monitor the quality of disclosure provided to shareholders and to the financial markets through the financial statements that it reviews and the annual report, or in the case of major transactions;
- to convene and set the agenda for Shareholders' Meetings;
- to establish, on an annual basis, upon Nominations and Remunerations Committee's proposal the list of directors considered "independent" pursuant to the corporate governance standards and recommendations applicable in France, as well as, where applicable, in the markets where the Company's securities are traded; and
- to authorize regulated agreements and security interests, guarantees and warranties given by the Company.

The Board of Directors meets at least four times per year, or more frequently as may be required by circumstances.

Directors may attend the Board of Directors' meetings physically, or be represented by proxy or, in all cases where it is legally authorized, participate by videoconference or other means of telecommunication that meet the technical qualifications provided for by applicable regulations.

Directors may speak French or English at meetings of the Board of Directors and its Committees.

The Board of Directors may establish specialized Committees and determine their composition and responsibilities. Committees that are established will exercise their activities under the direction of the Board of Directors.

The Board of Directors determines the terms of payment of directors' fees *(jetons de présence)* and may allocate additional directors' fees to directors who are members of Board Committees, subject to the total amount approved by the Shareholders' Meeting.

The Board of Directors formally evaluates, at no more than three–year intervals, its operating policies. In addition, it holds an annual discussion on its operations.

### 16.1.2. THE BOARD OF DIRECTORS' WORK IN 2012

During financial year 2012, the Board of Directors met nine times. The attendance rate for all directors was 90%. The average duration of the Board of Directors' meetings was approximately four hours.

| Members of the Board of Directors | Attendance rate to the meetings of the Board of Directors in 2012* |
|---|---|
| Thierry Pilenko | 100% |
| Olivier Appert | 89% |
| Pascal Colombani | 100% |
| Leticia Costa | 78% |
| Marie-Ange Debon | 67% |
| C. Maury Devine | 100% |
| Alexandra Bech Gjørv** | 100% |
| Gérard Hauser | 100% |
| Marwan Lahoud | 44% |
| Daniel Lebègue*** | 100% |
| John O'Leary | 100% |
| Joseph Rinaldi | 100% |

* The attendance rate is calculated on a prorata basis taking into account the meetings when the directors were in office.

** In office since October 23, 2012.

*** In office until October 21, 2012.

In accordance with the recommendations of the AFEP-MEDEF Code, the internal rules of the Board of Directors provide that directors who are external to the Company (neither executive directors nor employees) have the possibility to meet periodically, to the extent they consider it necessary, outside the presence of the one "in-house" director of the Company, *i.e.,* Thierry Pilenko (Article 9.3). External directors thus meet at least once a year, in particular, in order to assess the performance of the Chairman and Chief Executive Officer.

Directors receive all of the information that may be useful to the exercise of their duties, pursuant to the given agenda, prior to each Board meeting. Documents for these purposes, which are to be reviewed in a Board meeting are made available to Board members the week before the meeting in compliance with the rule that the Company establish. Since the end of 2011 the directors receive, in a secure manner, all the documents relating to a Board meeting on a tablet computer provided by the Company.

Each Board meeting is minuted in French, and such draft minutes are included amongst the documents sent to directors in advance of the subsequent Board meeting, and they are submitted for the Board's approval at the beginning of the meeting.

In 2012, after reviewing the reports of the Audit Committee, the Strategic Committee, the Nominations and Remunerations Committee and the Ethics and Governance Committee regarding matters that fall within the scope of their functions, the Board of Directors worked, among other things, on the following matters:

- Financial and accounting matters:
  - review of the annual accounts and Consolidated Financial Statements for the financial year 2011, the half-year Consolidated Financial Statements and quarterly information for financial year 2012, upon the Audit Committee's recommendation and the Statutory Auditors' observations,
  - review of draft press releases announcing the financial results under the period reviewed,
  - review of the half-year financial report and 2012 interim financial information,
  - review of the 2013 budget and the investment plan,
  - review of the treasury forecasts, and
  - assessment of the provisional management accounts;
- Preparation of the Annual Shareholders' Meeting:
  - the notice of the meeting, determination of the agenda and draft resolutions, and
  - review of the Reference Document including the Board of Directors Report and the Financial Report and the Chairman's Report on internal control;
- Decisions, in particular regarding:
  - the determination of the Chairman and Chief Executive Officer's compensation and of its objectives for 2012,
  - the list of the members of the special Committees of the Board of Directors,
  - the list of qualified "independent directors",
  - the distribution of directors' fees,
  - the nomination of Gérard Hauser as Senior Independent Director,
  - the update of the Board of Directors' internal rules and the Rules of Good Conduct on the distribution and use of privileged information,
  - the implementation of a share capital increase in favor of employees,
  - bond issuances, through private placements,
  - the submission of bids for several acquisition projects, the final approval for the acquisition of the Energy & Chemicals division of The Shaw Group, Inc. and associated financings,
  - the approval of a share subscription option plan and the grant of three tranches of options, the approval of a performance share plan and the grant of three tranches of performance shares, the recording of the share capital increase resulting from the exercise of the share subscription options, and
  - the authorization to issue parent company guarantees; and
- Review, in particular, of:
  - the Human Resources Handbook, and
  - information on the Group's operations.

The Board of Directors convenes at the end of each meeting in executive session (in the sole presence of the directors) and once without the presence of the Chairman and Chief Executive Officer himself.

# 16.2. Company's management

### 16.2.1. THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Board of Directors granted to the Chairman and Chief Executive Officer the most extensive powers to act in all circumstances in the Company's name, with the possibility of delegating these powers in specific areas. The Chairman and Chief Executive Officer exercises his powers subject to the corporate purpose, the provisions of the internal rules of the Board of Directors and the powers expressly reserved by law to the shareholders' meetings and the Board of Directors.

He represents the Company in its interactions with third parties.

### 16.2.2. THE EXECUTIVE COMMITTEE (EXCOM)

The Executive Committee assists the Chairman and Chief Executive Officer in his management duties.

As of February 28, 2013, the members of the Executive Committee were as follows:

| Member | Title | Date of appointment to the Excom |
|---|---|---|
| Thierry Pilenko | Chairman and CEO | 01/15/2007 |
| Philippe Barril | Executive Vice President & Chief Operating Officer Onshore/Offshore | 07/01/2010 |
| Frédéric Delormel | Executive Vice President & Chief Operating Officer Subsea | 02/09/2011 |
| John Harrison | General Counsel | 12/03/2007 |
| Thierry Parmentier | Group Human Resources Director | 06/22/2009 |
| Nello Uccelletti | Senior Vice President, Onshore | 01/01/2008 |
| Julian Waldron | Chief Financial Officer | 10/28/2008 |

The Executive Committee prepares decisions for submission to Technip's Board of Directors, concerning, in particular, the approval of the financial statements, the elaboration of objectives and budgets, strategic orientations and the acquisitions or divestitures of assets and companies. It reviews the progress of major contracts and important investment decisions and also reviews plans and recommendations relating to internal auditing, IT and telecommunications, human resources and asset management issues.

It met 11 times in 2012.

# 16.3. Policies and practices of the Board of Directors' Committees

### 16.3.1. THE AUDIT COMMITTEE

On December 17, 2003, the Board of Directors adopted the internal rules of the Audit Committee and updated them on February 18, 2009.

#### Function of the Audit Committee

In accordance with law (Article L. 823-19 of the French Commercial Code) and Article 14 of the AFEP-MEDEF Code, the primary function of the Audit Committee is to enable the Board of Directors to ensure the quality of internal control and the integrity of the disclosure made to the Company's shareholders and to the financial markets.

The Audit Committee monitors issues relating to the preparation and control of accounting and financial information. In particular, it is mainly responsible for:

- monitoring the process for the preparation of financial information;
- monitoring the effectiveness of internal control and risk management systems, in particular:
  - evaluating internal control procedures as well as any measures adopted to fix any significant problems encountered,
  - reviewing the scope of work for internal and external auditors, and
  - assessing the relevance of risk analysis procedures;
- monitoring the legal verification by Statutory Auditors' of the annual accounts and the Consolidated Financial Statements, especially:
  - analyzing the assumptions used in closing the accounts and reviewing the Company's financial statements and the consolidated annual and interim financial statements or information prior to the Board of Directors' review by remaining informed of the Company's financial situation, liquidity and commitments,
  - evaluating the relevance of the adopted accounting principles and methods in collaboration with the Statutory Auditors, and
  - at some time between the end of the financial year and the date on which the Audit Committee reviews a draft of the financial statements, discussing the relevance of the adopted accounting principles and methods, the effectiveness of accounting control procedures and any other relevant matters with Technip's Chairman and Chief Executive Officer and Chief Financial Officer;

- issuing a recommendation to the Shareholders' Meeting in relation to the appointment and compensation the Statutory Auditors;
- ensuring the independence of the Statutory Auditors, in particular, by:
  - recommending procedures to be followed when engaging the Statutory Auditors for purposes other than the auditing of the financial statements to guarantee the independence of the auditing provided by the Statutory Auditors, in accordance with rules, regulations and recommendations applicable to Technip, and ensuring that such procedures are appropriately followed, and
  - authorizing all engagements of the Statutory Auditors for purposes other than in connection with the auditing of the financial statements;
- reviewing the conditions applicable to the use of derivative products;
- remaining informed of major legal proceedings on a periodic basis;
- examining the procedures required to be implemented regarding the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, as well as documents sent anonymously and confidentially by employees raising concerns regarding questionable accounting or auditing matters;
- generally, advising and preparing all appropriate recommendations on the above matters.

## Operating procedures

The Audit Committee may interview the Company's Chairman and Chief Executive Officer and any operational or functional business heads or visit any sites in order to perform its duties. In particular, the Committee may interview persons involved in the preparation or control of the accounts (Chief Financial Officer and main managers of the Financial Division, the Audit Director, and General Counsel).

The Audit Committee also interviews the Statutory Auditors, and may do so outside the presence of Company representatives.

Directors who are not members of the Committee can freely attend the Committee's meetings however this participation does not entitle them to receive directors' fees in this respect.

## Audit Committee work report

The Chairman of the Audit Committee presents to the Board of Directors a written report so that the Board is fully informed regarding the Committee's work.

If, over the course of exercising its duties, the Committee detects a material risk that appears as though it has not been adequately addressed, the Committee's Chairman must immediately report it to the Chairman and Chief Executive Officer.

The Committee prepares for the Board of Directors each year an assessment of its operating policies, in accordance with the requirements of its internal rules, and proposes improvements to its operating practices.

The Committee's internal rules require it to meet at least four times per year, in particular, to review the annual Consolidated Financial Statements and quarterly financial information.

During financial year 2012, the Committee met six times with an attendance rate of 97%.

**In 2012, the Audit Committee's work included the review of the following main matters:**

- the 2012 audit budget;
- the Statutory Auditors' fees;
- the results of the Internal Control works in 2011;
- the results of the Internal Audit works in 2011;
- the 2012 Internal Audit Plan;
- the Group risk assessment matrix and associated Internal Audit ranking/reporting system
- the results of the Internal Audit works performed during the 1st half of 2012;
- the annual financial statements for 2011 and the financial information for the 4th quarter of 2011;
- financial information for the 1st quarter of 2012;
- financial information for the 2nd quarter of 2012 and of the Consolidated Financial Statements for the 1st half of 2012;
- financial information for the 3rd quarter of 2012;
- the review of the presentation of accounting standards evolution;
- the conditions of the acquisition of the US companies Global Industries and Stone & Webster;
- the monitoring of tax risks;
- the status of specific contracts to be monitored;
- the review of the Petty Cash process to be implemented within the Group starting from 2013;
- the review of treasury matters and forex exposure management;
- the status of risk management activities developed in 2012;
- the Information Technology policy of the Group, and the ERP projects.

## Compensation

With the exception of reimbursement for expenses, Audit Committee members may not receive any compensation from the Company or its subsidiaries, other than (i) directors' fees *(jetons de présence)* for their services as a director and as a member of the Audit Committee and, where applicable, (ii) compensation and pension income for work previously performed for the Company, but not dependent on future services.

Directors' fees paid in 2012 and 2011 are discussed in Sections 15.1.1 (Table 3) and 15.1.2 of this Reference Document.

## 16.3.2. THE NOMINATIONS AND REMUNERATIONS COMMITTEE

On May 21, 2003, the Board of Directors adopted the internal rules of the Nominations and Remunerations Committee and updated them on February 18, 2009.

### Function of the Nominations and Remunerations Committee

In accordance with the AFEP-MEDEF Code, the Nominations and Remunerations Committee carries out preparatory work regarding the appointment of new Board members and corporate officers, the compensation policy and the policy for granting share subscription or share purchase options and performance shares to executive directors, directors, and Senior Officers (Articles 15 and 16).

The Committee is mainly responsible for the following:

- making recommendations to the Board of Directors for the appointment of directors, the Chairman, the Chief Executive Officer and Executive Vice Presidents *(Directeurs Généraux Délégués)*, where applicable; and
- examining executive compensation policies implemented within the Group and the compensation of senior management, proposing the compensation of the Chairman, the Chief Executive Officer and Executive Vice Presidents and, where applicable, and preparing any reports that the Company is required to establish on the foregoing.

Its main duties include the following:

a) With respect to appointments:

1. presenting recommendations to the Board of Directors regarding the composition of the Board of Directors and its Committees;
2. proposing to the Board of Directors, on an annual basis, a list of directors of the Company qualified as "independent directors" pursuant to applicable recommendations in France and of the regulated markets on which the Company's securities are traded;
3. designing a plan for the replacement of, and assisting the Board of Directors in the choice and evaluation of, the Chairman, the Chief Executive Officer and Executive Vice Presidents, where applicable;
4. setting forth a list of persons it may recommend for appointment as directors;
5. setting forth a list of directors it may recommend for appointment as a member of a Committee of the Board of Directors; and
6. preparing and presenting the annual report to the Board of Directors on the Nominations and Remunerations Committee's work.

b) With respect to compensation:

1. to consider the principal objectives proposed by the general management in relation to the remuneration of the supervisors who are not corporate officers of the Company or the Group, including performance shares and share subscription or share purchase options and other plans based upon the value of their contribution ("equity-based plans");
2. to suggest to the Board of Directors proposals for:
   - the compensation, retirement and health plans, benefits in kind and other financial rights, including the form of severance of the Company's Chairman, Chief Executive Officer and Executive Vice Presidents, where applicable,
   - the Committee will propose amounts, compensation structures and, in particular, rules for determining the variable portion of compensation, after taking into account the Company's strategy, objectives and financial results as well as market practices, and
   - the grant of performance shares and share purchase and share subscription options and, in particular, those granted to the Chairman, the Chief Executive Officer and Executive Vice Presidents, where applicable;
3. reviewing the compensation of the members of the Executive Management, including in the form of performance share plans, share purchase and share subscription option plans, equity-based plans, retirement and health plans and benefits-in-kind;
4. reviewing and proposing to the Shareholders' Meeting the total amount of directors' fees, to fix their distribution among Board of Directors and Special Committees' members, as well as the terms and conditions for the reimbursement of expenses incurred by directors;
5. preparing and presenting the reports provided for by the internal rules of the Board of Directors; and
6. preparing any other recommendations regarding compensation, which may be requested at any time by the Board of Directors or the Executive Management.

Generally, the Committee advises and provides all appropriate recommendations on the above issues.

The Committee's proposals are presented to the Board of Directors.

### Operating procedures

The Nominations and Remunerations Committee may seek proposals from the Company's Chairman and Chief Executive Officer.

The Company's Chairman and Chief Executive Officer may attend the Committee's meetings without the right to cast a vote, except for those meetings during which matters relating to him are discussed.

Directors who are not members of the Committee can freely attend the Committee's meetings however this participation does not entitle them to receive directors' fees in this respect.

Subject to confidentiality requirements in respect of its discussions, the Committee may request that the Chairman and Chief Executive Officer benefit from the assistance of any Company executives whose expertise may be facilitate a decision with respect to an item on the Committee's agenda.

### Nominations and Remunerations Committee work report

The Chairman of the Nominations and Remunerations Committee presents to the Board of Directors a written report so that the Board is fully informed regarding the Committee's work.

The Committee reviews a draft Company's report on executive compensation as well as any reports on all matters within the scope of its duties as required by applicable regulations.

The Committee presents to the Board of Directors an assessment each year of its operating policies, in accordance with its internal rules, and suggests improvements to its operating practices.

The Committee's internal rules require it to meet at least twice per year.

During financial year 2012, the Committee met four times with an attendance rate of 100%.

In 2012, the Nominations and Remunerations Committee's work mainly focused on his proposals to the Board of Directors on the following matters:

- General: appraisal of the Committee's operation and works in 2012:
  - the preparation of the "HR Policy Handbook", and
  - the update of the Rules of Conduct concerning Insider Information;
- With respect to appointments:
  - list of directors qualified as independent directors,
  - proposing the appointment of a fourth woman director to replace a resigning director, and
  - consequential amendments to the composition of Board Committees;
- With respect to compensation:
  - compensation for the Chairman and Chief Executive Officer,
  - 2012 objectives of the Chairman and Chief Executive Officer,
  - compensation for the members of the Executive Committee,
  - draft text for inclusion in the Reference Document with respect to the compensation of executives,
  - award of the remaining share subscription options and performance shares, Technip Incentive & Reward Plan (TIRP 2011),
  - review of the incentive plan: TIRP 2012,
  - results of the performance conditions for incentive plans effective in 2012,
  - review of the planned capital increase with shares to be aside for employees in 2012 (additional resolution at the 2012 AGM), and
  - distribution of directors' fees for 2012.

### Compensation

Members of the Nominations and Remunerations Committee may not receive from the Company or its subsidiaries, with the exception of reimbursement for expenses, any compensation other than (i) directors' fees *(jetons de présence)* for their services as director and member of the Committee, and, where applicable, (ii) retirement and pension income for work previously performed for the Company, but not dependent on future services.

The directors' fees paid in 2012 and 2011 are mentioned in Sections 15.1.1 (Table 3) and 15.1.2 of this Reference Document.

## 16.3.3. THE STRATEGIC COMMITTEE

On May 21, 2003, the Board of Directors adopted the internal rules of the Strategic Committee and updated them on February 18, 2009.

### Function of the Strategic Committee

The Strategic Committee assists the Board of Directors in examining and making decisions regarding important transactions involving the Group's main strategic orientations.

In order to assist the Company's Board of Directors, the Strategic Committee's main duties include the review of the following matters:

- the Group's global strategy, as proposed by the Company's Chairman and Chief Executive Officer;
- the Group's annual investment budget;
- any major asset acquisitions (as well as any associated financing) or asset divestments; and
- any transactions proposed by the Company's Chairman and Chief Executive Officer that may present a significant business risk.

The Committee's proposals are presented to the Board of Directors.

### Operating procedures

The Strategic Committee may seek proposals from the Company's Chairman and Chief Executive Officer. The Company's Chairman and Chief Executive Officer attends every meeting.

Directors who are not members of the Committee can freely attend the Committee's meetings however this participation does not entitle them to receive directors' fees in this respect.

The Committee may request that the Chairman and Chief Executive Officer benefit from the assistance of any Company executives whose expertise may facilitate a decision with respect to an item on the Committee's agenda.

### Strategic Committee work report

The Chairman of the Strategic Committee presents a written report to the Board of Directors so that the Board is fully informed regarding the Committee's work.

The Committee presents an annual assessment of its operating policies, in accordance with the requirements of its internal rules, and proposes improvements to its operating practices.

The Committee's internal rules require it to meet at least twice per year.

During financial year 2012, the Committee met two times with an attendance rate of 81%. It is stated that at the meeting of the Strategic Committee on December 11, 2012, all members of the Board of Directors were present.

In 2012, the Strategic Committee's work mainly focused on the following matters:

- the Group's external growth policy, notably the review of the acquisition of a part of the Energy & Chemicals division of The Shaw Group;
- the implementation of key initiatives from the three-year outlook; and
- the 2013 budget as well as the 2013-2015 three-year plan.

### Compensation

With the exception of reimbursement for expenses, Strategic Committee members may not receive any compensation from the Company or its subsidiaries, other than (i) directors' fees *(jetons de présence)* for their services as director and as member of the Strategic Committee, where applicable, (ii) compensation and pension income for work previously performed for the Company, but not dependent on future services.

Directors' fees paid in 2012 and 2011 are discussed in Sections 15.1.1 (Table 3) and 15.1.2 of this Reference Document.

## 16.3.4. THE ETHICS AND GOVERNANCE COMMITTEE

On December 9, 2008, the Ethics and Governance Committee's internal rules were approved by the Board of Directors and updated them on December 14, 2011.

### Function of the Ethics and Governance Committee

The Committee assists the Board of Directors in promoting best practices of governance and ethics within the Group.

The Committee's main duties include:

- developing and recommending to the Board of Directors French and international best practices regarding corporate governance applicable to the Company and to monitor their implementation;
- monitoring compliance with principles of ethical conduct and discussing all matters that the Board of Directors (or its Chairman) may refer to it for examination;
- proposing methods for the evaluation of Board practices and monitoring their implementation based on the following:
  - the Board of Directors must, once per year, dedicate an item in its agenda to discussion on its operating procedures, and
  - a formal assessment must be performed at least once every three years; and
- proposing to the Board of Directors the name of a director selected amongst independent directors for the role of Senior Independent Director.

### Operating procedures

Directors who are not members of the Committee can freely attend the Committee's meetings however this participation does not entitle them to receive directors' fees in this respect.

The Committee may request that the Chairman and Chief Executive Officer benefit from the assistance of any Company executives whose expertise may facilitate the decision with respect to an item on the Committee's agenda.

### Ethics and Governance Committee work report

The Ethics and Governance Committee presents to the Board of Directors a written report so that the Board is fully informed regarding the Committee's work.

The Committee presents an annual assessment of its operating policies, in accordance with the requirements of its internal rules, and proposes improvements to its operating practices.

The Committee's internal rules require it to meet at least twice per year.

During financial year 2012, the Committee met two times with an attendance rate of 88%.

In 2012, the Ethics and Governance Committee's work mainly focused on his proposals to the Board of Directors on the following matters:

- With respect to Ethics:
  - recommendations of the Monitor (made in 2011): follow-up actions for implementation;
  - reports of the Group Compliance Officer on the progress of "compliance reviews" and the validation of training programmes;
  - 2011 annual report on compliance; and
  - Monitor's work plan for 2012.
- With respect to Governance:
  - appraisal of the Committee's operation in 2011;
  - proposing the appointment of the Senior Independent Director;
  - review of the AMF's recommendations relating to Shareholders' Meetings.

### Compensation

With the exception of reimbursement for expenses, Ethics and Governance Committee members may not receive any compensation from the Company or its subsidiaries, other than (i) directors' fees *(jetons de présence)* for their services as director and as member of the Ethics and Governance Committee, where applicable, (ii) compensation and pension income for work previously performed for the Company, but not dependent on future services.

Directors' fees paid in 2012 and 2011 are discussed in Sections 15.1.1 (Table 3) and 15.1.2 of this Reference Document.

## 16.4. Corporate governance: evaluation of the Board of Directors and its Committees

In accordance with the recommendation of the AFEP-MEDEF Code, on February 14, 2012, the Board of Directors conducted a global review of its own operation policies as well as those of its Committees and concluded that they were all operating properly.

In addition, the Board of Directors has followed, during the financial year 2012, the implementation of the recommendations for the improvement of its operations contained in the conclusions of the in-depth evaluation report prepared by an external consultant at the end of 2011.

The main effective measures, as such, have included:

- the implementation of diversity objectives in relation to the composition of the Board (appointment of Ms. Alexandra Bech Gjørv); and
- electronic tool for the dispatch of Committees' and Boards' packs to the directors (*via* a secure website).

## 16.5. Contracts between the Board members and the Company or one of the Group's company

None of the members of the Board of Directors, or the Chairman and Chief Executive Officer have in place any service agreement with the Company or one of its subsidiaries, which provide for the grant of benefits pursuant to such an agreement.

# 17 Employees


17.1. Workforce ..... 112

17.1.1. Changes and organization ..... 112

17.1.2. Employees development ..... 114

17.1.3. Compensation and benefits ..... 115

17.1.4. Other social information ..... 115

17.2. Participating interests and share subscription options or share purchase options held by members of the Board of Directors and other corporate officers *(mandataires sociaux)* ..... 116

17.2.1. Summary statement of the transactions listed under Article L. 621-18-2 of the French Monetary and Financial Code during financial year 2012 ..... 116

17.2.2. Company's shares held by directors ..... 117

17.2.3. Company share subscription options or share purchase options ..... 119

17.2.4. Awards of performance shares pursuant to Articles L. 225-197-1 *et seq.* of the French Commercial Code ..... 120

17.3. Employee incentive and profit-sharing schemes ..... 122


## 17.1. Workforce (1)

### 17.1.1. CHANGES AND ORGANIZATION

Social data of companies integrated in 2012 (Stone & Webster process technologies and Suporte Consultoria e Projetos Ltda) are consolidated in all chapters except for the chapters "Absenteeism" and "Training" in the current section.

#### 17.1.1.1. Changes and breakdown

| | December, 31 | |
|---|---|---|
| Breakdown of total workforce by category | **2012 (1)** | 2011 (1) |
| Employees on payroll | 30,241 | 25,717 |
| Permanent employees | 26,279 | 22,390 |
| Temporary employees (fixed-term) | 3,962 | 3,327 |
| **Contracted workforce** | **6,267** | **5,375** |
| Contracted workers in fleet, plants and yard | 2,749 | 2,502 |
| Other contracted workforce | 3,518 | 2,873 |
| **TOTAL WORKFORCE** | **36,508** | **31,092** |

(1) Coverage rate: 100% of employees on payroll and contracted workforce

(1) A Society and Environment Report prepared by the Company is included in Annex E to this report and is available on the Group's website (www.technip.com).

At year-end 2012, the total workforce increased significantly compared to year-end 2011 (+17%) due to:

- a greater number of new hires (on payroll) compared to 2011 (+31%); and
- the acquisition of several companies during 2012 (1,062 persons on payroll): in particular, Stone & Webster process technologies mainly in the United Kingdom and in North America, and Suporte Consultoria e Projetos acquired by Genesis in Brazil.

The total workforce includes employees on the payroll as well as externally contracted workers (agency personnel, consultants and sub-contractors).

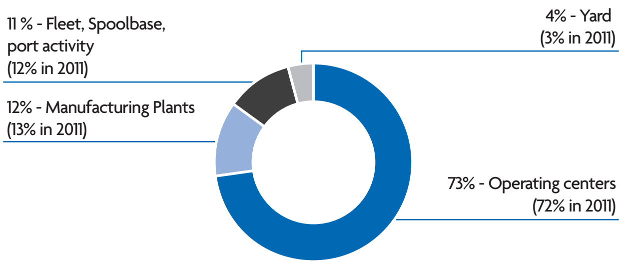
The number of contracted workers may vary significantly depending on the Group's needs and the projects undertaken. In 2012, those who are working on the Group's industrial sites (fleet, plants and yard) increased by 10%, compared to 2011. The numbers for the "other" category of the contracted workforce are the most variable with an increase of 22% in 2012 compared to 2011. The variation indicated between 2011 and 2012 is a snap shot as of December 31, 2012 but the figures may change from one month to the other. The average number of contracted workforce during 2012 is 5,848 people.

In 2012, there was a significant increase in the number of employees on the payroll (+18%), comprising 83% of the total workforce in the Group as of December 31, 2012. The highest increase of employees on the payroll was in North America (due to the acquisition of Stone & Webster process technologies) and Asia-Pacific (primarily due to organic growth).

During 2012, the number of employees with permanent contracts increased by 17%, *i.e.* 3,889 additional employees compared to 2011. During 2012, employees with fixed-term contracts accounted for 11% of the aggregate workforce, which remained stable. This trend is particularly evident in France where fixed-term contracts only account for 1.2% of the payroll in 2012 (compared to 1.6% in 2011).

## Headcount Structure (as of December 31, 2012)

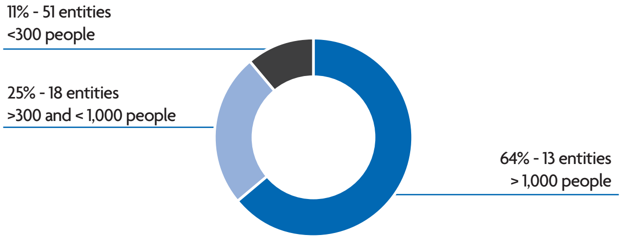
### Activities (100% of employees on payroll and contracted workforce)




The chart above illustrates the diversity of activities and of its workforce Group-wide. The fleet comprises marine employees; the manufacturing plants are essentially composed of blue collar employees; and the Group's only ship-yard at Pori (Finland) employs skilled personnel specialized in offshore construction.

### Size of entities

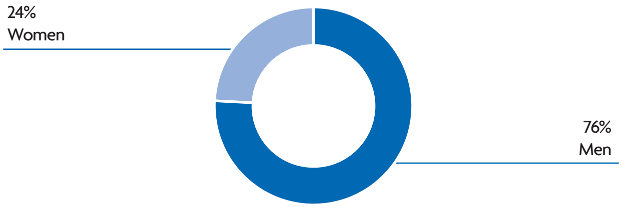
(100% of employees on payroll and contracted workforce)



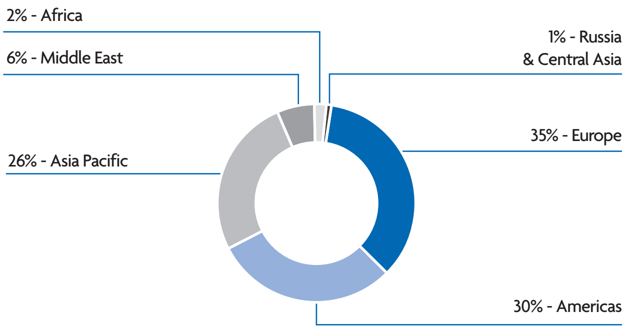

The breakdown of Technip entities demonstrates that two-thirds of employees are grouped within only 13 centers, which means that HR processes or tools can be rapidly put in place in the Group's principal centers to cover a majority of employees. Conversely, as two-thirds of the Group's entities (51 of 82) contain less than 300 employees, it takes time for the employees based in the remaining third to be covered.

## Breakdown of employees on the payroll per gender, geographic zone and age (100% of employees on payroll)

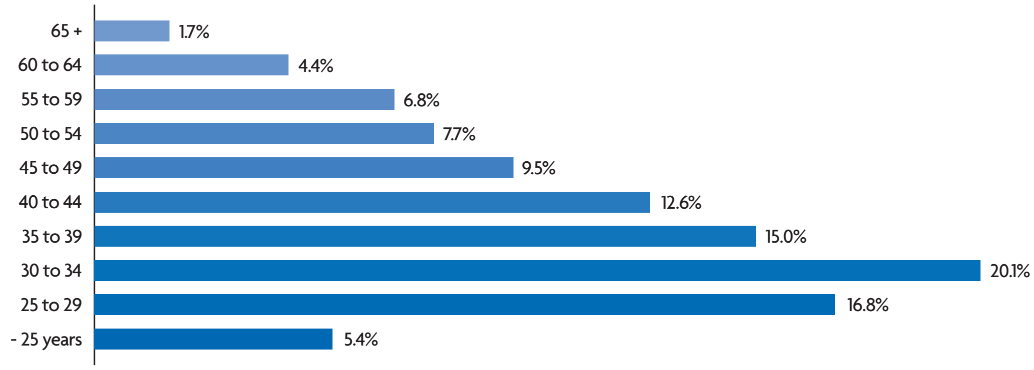
### Employees per gender




### Employees per geographical zone



Age pyramid 2012 (by range in %)




Since 2009, Technip continues to invest in the recruitment and development of new graduates, covering all the Group functions, with a strong focus on Project management competencies. The strategy contributes to a greater diversity of abilities, and fosters enhanced career management and change. The results of this recruitment effort are demonstrated by the following statistics:

- between 2009 and 2012, recruitment of employees below the age of 35 has tripled; and
- in 2012, people below the age of 35 accounted for 42% of the total number of employees on the payroll.

The Group's strategy is to continuously diversify the genders and contribute to a larger panel of experiences and know-how:

- in 2012, women below the age of 35 accounted for 27% of people hired in this age range, whereas the number of women on the payroll only accounted for 24%;
- in addition, 73% of women, compared to 54% of men, were below the age of 35 at the time of their recruitment.

#### 17.1.1.2. Arrivals and Departures

See paragraph 2.2.1.3 of the Society and Environment Report included in Annex E of this Reference Document.

#### 17.1.1.3. Mobility

See paragraph 2.4.2.4 of the Society and Environment Report included in Annex E of this Reference Document.

#### 17.1.1.4. Diversity

See paragraphs 2.5.1, 2.5.2 and 2.5.3 of the Society and Environment Report included in Annex E of this Reference Document.

#### 17.1.1.5. Organization of working hours

See paragraph 2.2.1.4 of the Society and Environment Report included in Annex E of this Reference Document.

#### 17.1.1.6. Absenteeism (excluding acquisitions)

See paragraph 2.2.1.5 of the Society and Environment Report included in Annex E of this Reference Document.

## 17.1.2. EMPLOYEES DEVELOPMENT

### 17.1.2.1. Training hours

| Training of employees on payroll | 2012 (1) | 2011 |
|---|---|---|
| **Training hours** | **863,714** | **901,379** |
| Technical training | 226,864 | 360,043 |
| Non-technical training (including management, cross disciplines training, IT and certification) | 294,770 | 295,084 |
| Health, Safety, Security (including “Pulse” training) | 204,092 | 142,876 |
| Languages | 101,223 | 68,794 |
| Human rights, ethics and Technip values awareness training | 36,765 | 34,582 |
| **Number of employees on payroll who benefited from at least one training during the year** | **23,402** | **19,495** |
| Women | 5,635 | 4,514 |
| Men | 17,767 | 14,981 |

(1) Coverage rate: 96.5% of employees on payroll

In 2011, the number of training hours was exceptionally high due to a significant investment of technical training (150,000 hours), especially for the employees working in the new flexibles construction plant in Malaysia. In 2012, the trend returned to average.

The number of training sessions administered on safety (the Pulse Program) has greatly increased (+126%) due to autonomy given to the Regions in organizing training sessions, as well as due to the nearly systematic organization of a training session at the beginning of each project.

In 2012, an average of 80% of the employees attended training sessions (compared to 81% in 2011).

In 2012, Technip University delivered close to 13,000 hours of training to more than 2,000 employees.

From the learning platform at Corporate headquarters, Technip delivered more than 30,000 hours of e-learning on various topics such as ethics and compliance.

#### 17.1.2.2. Annual performance reviews

In 2012, the global performance appraisal process has been running for the fourth consecutive year.

The annual performance reviews are performed through a global information system that can be accessed by all Technip employees having access to the Group intranet. For those who cannot access the Group intranet (*i.e.*, workers in plants, the shipyard or spoolbases), an offline system is available.

The performance appraisal process is open from November to February of the following year to eligible employees corresponding to defined rules of length of services (more than 6 months of presence within the Group) and employee status (active status).

In 2012, 92% of eligible employees had completed their annual appraisal. In 2013, 23,792 eligible employees are being assessed, the process should conclude at the end of February.

A new e-learning course called “Living the values” combines values with performance appraisal: it explains how to integrate the four values – Doing the right thing, Trusting the team, Encouraging a fair return for all and Building the future – into the Group’s everyday life and actions at work. It aims to help all personnel to understand why and how the employees of the Group are assessed on the values.

The four values have been integrated for the first time in the performance appraisal process with three concrete behaviors defined per value. These behaviors are used as a reference point during discussions and make the appraisal process even further focused and fact-oriented. It is essential to discuss the Group’s work performance through objectives, however the way Technip does things is equally important, which is why the values are assessed through actions, behaviors and the way Technip’s culture is embodied by its employees.

### 17.1.3. COMPENSATION AND BENEFITS

See paragraph 2.3.1 and 2.3.2.1 of the Society and Environment Report included in Annex E of this Reference Document.

### 17.1.4. OTHER SOCIAL INFORMATION

#### 17.1.4.1. Strengthening social dialogue

See paragraph 2.6 of the Society and Environment Report included in Annex E of this Reference Document.

#### 17.1.4.2. Civic responsibility

See paragraph 4.1 of the Society and Environment Report included in Annex E of this Reference Document.

#### 17.1.4.3. Social works

In addition to the subsidies paid to the Works Councils (or equivalent), more than 50% of Technip entities provide its personnel with various benefits, such as company concierge services, and help with transport and/or food, school or health expenses.

#### 17.1.4.4. Subcontractors

See paragraph 4.2.2 of Society and Environment Report included in Annex E of this Reference Document.

#### 17.1.4.5. Health, Safety and Environmental conditions

See paragraphs 2.2.1.6 and 2.7.1 of the Society and Environment Report included in Annex E of this Reference Document.

#### 17.1.4.6. Security Conditions and Crisis Management

See paragraph 2.7.3 of the Society and Environment Report included in Annex E of this Reference Document.

# 17.2. Participating interests and share subscription options or share purchase options held by members of the Board of Directors and other corporate officers *(mandataires sociaux)*

## 17.2.1. SUMMARY STATEMENT OF THE TRANSACTIONS LISTED UNDER ARTICLE L. 621-18-2 OF THE FRENCH MONETARY AND FINANCIAL CODE DURING FINANCIAL YEAR 2012

The table below is a summary statement (Article 223-26 of the AMF General Regulation) of the transactions made by members of the Board of Directors and other corporate officers *(mandataires sociaux)* as referenced under Article L. 621-18-2 of the French Monetary and Financial Code during financial year 2012:

| Name and Surname | Position | Financial Instrument | Date and place of transaction | Type of transaction | Quantity | Unit price | Amount of the transaction |
|---|---|---|---|---|---|---|---|
| Thierry Pilenko | Chairman and Chief Executive Officer | Share | 01/04/2012 Paris | Subscription | 10,000 | €49.1705 | €491,705 |
| Thierry Pilenko | Chairman and Chief Executive Officer | Share | 01/05/2012 Paris | Subscription | 140,000 | €49.1705 | €6,883,870 |
| Thierry Pilenko | Chairman and Chief Executive Officer | Share | 01/05/2012 Paris | Disposal | 140,000 | €73.3358 | €10,267,012 |
| Thierry Pilenko | Chairman and Chief Executive Officer | Share | 01/09/2012 Paris | Subscription | 1,500 | €49.1705 | €73,755.75 |
| Olivier Appert | Director | Share | 01/13/2012 New York | Purchase | 71 | €70 | €4,970 |
| Julian Waldron | Chief Financial Officer | Company mutual fund share within capital increase dedicated to Technip Group employees | 07/10/2012 Paris | Subscription | 100 | €59.70 | €5,970 |

## 17.2.2. COMPANY'S SHARES HELD BY DIRECTORS

Pursuant to Article 14 of the Company's Articles of Association, effective as of the date of this Reference Document, each director is required to hold at least 400 Company shares in registered form, in accordance with the recommendations of the AFEP-MEDEF Code (Article 17), which provide that a director should hold a significant number of shares.

As of February 28, 2013, to the Company's knowledge, each of the Board members held the following number of shares in registered form:

| Members of the Board of Directors | Number of Technip shares held as of 02/28/2013 |
|---|---|
| Thierry Pilenko | 113,500 |
| Olivier Appert | 904 |
| Pascal Colombani | 400 |
| Leticia Costa | 400 |
| Marie-Ange Debon | 400 |
| C. Maury Devine | 400 |
| Alexandra Bech Gjørv | 400 |
| Gérard Hauser | 1,700 |
| Marwan Lahoud | 400 |
| John O'Leary | 800 |
| Joseph Rinaldi | 400 |
| **TOTAL** | **119,704** |

### 17.2.3. COMPANY SHARE SUBSCRIPTION OPTIONS OR SHARE PURCHASE OPTIONS

The tables below present an overview of the information related to share subscription options and share purchase options granted by the Company and outstanding as of December 31, 2012.

#### History of share subscription and share purchase options granted and related information

| | 2005 Plan Tranche 2 Subscription options | 2005 Plan Tranche 3 Subscription options | 1st additional grant to Tranches 1, 2 and 3 of the 2005 Plan Subscription options | 2nd additional grant to Tranches 1, 2 and 3 of the 2005 Plan Subscription options | 2008 Plan Purchase options |
|---|---|---|---|---|---|
| Date of Shareholders' Meeting | April 29, 2005 | April 29, 2005 | April 29, 2005 | April 29, 2005 | May 6, 2008 |
| Date of Board of Directors' meeting | July 26, 2006 | March 12, 2007 | Dec. 12, 2007 | June 12, 2008 | July 1, 2008 |
| Number of options granted | 965,213 (1) | 965,214 (1) | 85,000 (1) | 106,858 (1) | 953,100 (2) |
| Subscription/purchase price per option | €41.3862 | €49.1705 | €55.6727 | €59.96 | €58.15 |
| Option exercise start date | July 26, 2010 | March 12, 2011 | Dec. 12, 2011 | June 12, 2012 | July 1, 2012 |
| Expiry date** | July 26, 2012 | March 12, 2013 | Dec. 12, 2013 | June 12, 2014 | July 1, 2014 |
| Total number of options available for subscription/ purchase of as Dec. 31, 2012 | 0 | 202,505 | 7,028 | 33,000 | 524,005 |
| Number of options that may be subscribed/ purchased as of Dec. 31, 2012 by: | | | | | |
| the Chairman and Chief Executive Officer, corporate officer* | N/A | 105,107 | 0 | 0 | 80,000 |
| the 10 employees having the largest number of options granted | 0 | 94,440 | 53,203 | 69,000 | 78,000 |
| Number of options subscribed/purchased as of Dec. 31, 2012 | 413,440 | 703,762 | 71,274 | 64,858 | 362,705 |
| Options cancelled as of Dec. 31, 2012 | 577,288 | 84,591 | 7,027 | 9,000 | 66,390 |
| Number of beneficiaries | 323 | 252 | 24 | 21 | 542 |
| Number of directors and senior management | 0 | 2 | 1 | 1 | 9 |

* The other *mandataires sociaux* are not beneficiaries of Plans.

** All the plans are subject to certain restrictions limiting the exercise of options in the event the employee or the manager ceases to work for the Company.

(1) With respect to options granted under Tranches 2 and 3 of the 2005 Plan and the two additional grants to the tranches of this Plan, the exercise of options is subject to the achievement by Technip of a satisfactory performance for its shareholders. This performance will be measured by the change in the Company's fully diluted net profits per share compared with the average of that of a representative sample of the Group's competitors. Thus, the number of options that may be exercised is subject to the level of achievement of the aforementioned performance recorded at the option exercise start date.

With respect to the Tranche 2 of 2005 Plan, the performance calculation over the period 2006-2009 amounted to 67%. Consequently, as provided for by the stock options plan rules, 50% of the granted options can be subscribed.

With respect to the Tranche 3 of 2005 Plan, the performance calculation over the period 2007-2010 amounted to 140%. Consequently, as provided for by the stock options plan rules, 100% of the granted options can be subscribed.

With respect to the 1st additional grant to Tranches 1, 2 and 3 of 2005 Plan, the performance calculation over the period 2007-2010 amounted to 140%. Consequently, as provided for by the stock options plan rules, 100% of the granted options can be subscribed.

With respect to the 2nd additional grant to Tranches 1, 2 and 3 of 2005 Plan, the performance calculation over the period 2008-2011 amounted to 271%. Consequently, as provided for by the stock options plan rules, 100% of the granted options can be subscribed.

(2) The number of purchase options granted by the Board of Directors on July 1, 2008 is subject to a satisfactory performance for its shareholders over the period 2008-2011. This performance will be measured by the progression of the Group's Consolidated Income in relation to a representative sample of the Group's competitors. The performance calculation over the period 2008-2011 amounted to 221%. Consequently, as provided for by the stock options plan rules, 100% of the granted options can be subscribed.

(3) The number of subscription options granted by the Board of Directors on June 15, 2009 is subject to a satisfactory performance for its shareholders over the period 2009-2012. This performance will be measured by the progression of the Group's Consolidated Income in relation to a representative sample of the Group's competitors. 50% of the granted shares are subject to the level of achievement of the aforementioned performance recorded at the option exercise start date. No options can be exercised by the Chairman and Chief Executive Officer if the progression of the Group's Operating Income is less than that of each of the companies included in the sample.

#### Potential dilution

As of December 31, 2012, the total number of shares that may be issued pursuant to the exercise of outstanding share subscription options described in the tables above is 3,177,490 shares having a par value of €0.7625 per share, representing approximately 2.81% of the Company's share capital as of that date and assuming the performance criteria have been satisfied in full.

As of February 28, 2013, the potential dilutive effect of the outstanding share subscription options amounts to 2.71% of the Company's share capital.

The share purchase options or share subscription options granted to, or exercised by, each director and officer during financial year 2012 are detailed in Tables 4 and 5 in Section 15.1.1 of this Reference Document.

The share purchase options or share subscription options granted to and exercised by the 10 employees of the Company (other than directors and officers *(mandataires sociaux))* with the largest number of options during financial year 2012 are detailed in Table 9 in Section 15.1.1 of this Reference Document.

| | 2009 Plan Subscription options | 2010 Plan Tranche 1 Subscription options | 2010 Plan Tranche 2 Subscription options | 2010 Plan Tranche 3 Subscription options | 2011 Plan Tranche 1 Subscription options | 2011 Plan Tranche 2 Subscription options | 2011 Plan Tranche 3 Subscription options | **2012 Plan Tranche 1 Subscription options** | **2012 Plan Tranche 2 Subscription options** |
|---|---|---|---|---|---|---|---|---|---|
| | April 30, 2009 | April 29, 2010 | April 29, 2010 | April 29, 2010 | April 28, 2011 | April 28, 2011 | April 28, 2011 | April 26, 2012 | April 26, 2012 |
| | June 15, 2009 | June 23, 2010 | Dec. 15, 2010 | March 4, 2011 | June 17, 2011 | Dec. 14, 2011 | March 2, 2012 | June 15, 2012 | Dec. 12, 2012 |
| | 1,093,175 [3] | 1,102,300 [4] | 19,400 [4] | 81,300 [5] | 339,400 [6] | 53,900 [6] | 49,007 [7] | 284,700 [8] | 35,350 [8] |
| | €34.70 | €51.45 | €63.23 | €72.19 | €72.69 | €66.94 | €78.39 | €74.54 | €87.13 |
| | June 15, 2013 | June 23, 2014 | Dec. 15, 2014 | March 4, 2015 | June 17, 2015 | Dec. 14, 2015 | March 2, 2016 | June 15, 2016 | Dec. 12, 2016 |
| | June 15, 2015 | June 23, 2016 | Dec. 15, 2016 | March 4, 2017 | June 17, 2018 | Dec. 14, 2018 | March 2, 2019 | June 15, 2019 | Dec. 12, 2019 |
| | 1,029,200 | 1,055,900 | 17,400 | 76,900 | 338,400 | 49,000 | 48,707 | 284,100 | 284,100 |
| | | | | | | | | | |
| | 109,000 | 109,000 | 0 | 0 | 70,000 | 0 | 0 | 55,000 | 0 |
| | 114,000 | 162,000 | 17,400 | 9,000 | 140,000 | 31,500 | 11,407 [7] | 107,000 | 20,050 |
| | 525 | 300 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 63,450 | 46,100 | 2,000 | 4,400 | 1,000 | 4,900 | 300 | 600 | 0 |
| | 1,569 | 2,174 | 11 | 313 | 126 | 36 | 92 | 1,295 | 592 |
| | 12 | 12 | 1 | 0 | 13 | 1 | 0 | 7 | 0 |

(4) The number of subscription options granted by the Boards of Directors on June 23, 2010 and Dec. 15, 2010 is subject to a satisfactory performance over for its shareholders the period 2010-2013. This performance will be measured by the progression of the Group's Consolidated Income in relation to a representative sample of the Group's competitors. 50% of the granted shares are subject to the level of achievement of the aforementioned performance recorded at the option exercise start date. No options can be exercised by the Chairman and Chief Executive Officer if the progression of the Group's Operating Income is less than that of each of the companies included in the sample.

(5) The number of subscription options granted by the Board of Directors on March 4, 2011 is subject to a satisfactory performance for its shareholders over the period 2011-2014. This performance will be measured by the progression of the Group's Consolidated Income in relation to a representative sample of the Group's competitors.

(6) The number of subscription options granted by the Boards of Directors on June 17, 2011 and Dec. 14, 2011 is subject to a Reference Performance to be measured for the years 2011, 2012 and 2013. This performance will be measured by the outcome reached by the Group in terms of the Total Shareholder Return (TSR), Operating Income From Recurring Activities (OIFRA) and Return on Capital Employed (ROCE). No options can be exercised by the Chairman and Chief Executive Officer if the Reference Performance, as defined in the Plan rules, is lower than 25%.

(7) The number of subscription options granted by the Board of Directors on March 2, 2012 is subject to a Reference Performance to be measured for the years 2011, 2012 and 2013. This performance will be measured by the outcome reached by the Group in terms of the Total Shareholder Return (TSR), Operating Income From Recurring Activities (OIFRA) and Return on Capital Employed (ROCE).

(8) The number of subscription options granted by the Boards of Directors on June 15, 2012 and Dec. 12, 2012 is subject to a Reference Performance to be measured for the years 2012, 2013 and 2014. This performance will be measured by the outcome reached by the Group in terms of the Total Shareholder Return (TSR), Operating Income From Recurring Activities (OIFRA) and Return on Capital Employed (ROCE). No options can be exercised by the Chairman and Chief Executive Officer if the Reference Performance, as defined in the Plan rules, is lower than 25%.

### 17.2.4. AWARDS OF PERFORMANCE SHARES PURSUANT TO ARTICLES L. 225-197-1 *ET SEQ.* OF THE FRENCH COMMERCIAL CODE

The following tables set forth information relating to performance share grants outstanding as of December 31, 2012:

| Performance share grant | 2007 Plan 2nd additional grant to List 2 | 2008 Plan List 2 Tranche 1 | 2008 Plan Tranche 3 | 2009 Plan Tranche 1 | 2009 Plan Tranche 2 | 2009 Plan Tranche 3 |
|---|---|---|---|---|---|---|
| Date of Shareholders' Meeting | April 28, 2006 | May 6, 2008 | May 6, 2008 | April 30, 2009 | April 30, 2009 | April 30, 2009 |
| Date of Board of Directors' Meeting | July 1, 2008 | July 1, 2008 | Feb. 18, 2009 | June 15, 2009 | Oct. 25, 2009 | Feb. 16, 2010 |
| Number of shares granted | 11,500 (1) | 487,600 (2) | 191,542 (3) | 981,175 (4) | 12,000 (4) | 100,000 (5) |
| Share acquisition date for the tax residents | July 1, 2012 | N/A | Feb. 18, 2012 | June 15, 2012 | Oct. 25, 2012 | Feb. 16, 2013 |
| Share acquisition date for the tax non-residents | N/A | July 1, 2012 | Feb. 18, 2013 | June 15, 2013 | N/A | Feb. 16, 2014 |
| Expiry date of the conversion period (conversion of shares) for the tax residents | July 1, 2012 | N/A | Feb. 18, 2014 | June 15, 2014 | Oct. 25, 2014 | Feb. 16, 2015 |
| Expiry date of the conversion period (conversion of shares) for the tax non-residents | N/A | July 1, 2012 | Feb. 18, 2013 | June 15, 2013 | N/A | Feb. 16, 2014 |
| Shares remaining available for acquisition as of December 31, 2012 | 0 | 0 | 118,650 | 584,900 | 0 | 94,550 |
| Number of shares that may be acquired as of December 31, 2012 by: | | | | | | |
| the Chairman and Chief Executive Officer | N/A | N/A | 0 | 32,000 | 0 | 0 |
| the top 10 employees | N/A | N/A | N/A | 64,700 | N/A | 19,200 |
| Number of shares acquired as of December 31, 2012 | 10,600 | 423,150 | 58,358 | 338,000 | 12,000 | 1,000 |
| Grants cancelled as of 31 December 31, 2012 or as of the acquisition date if it takes place before December 31, 2012 and during the 2012 financial year | 900 | 64,450 | 14,034 | 58,675 | 0 | 4,450 |
| Number of beneficiaries | 51 | 1,084 | 589 | 1,569 | 3 | 306 |
| Number of directors and senior management concerned | N/A | 8 | 11 | 12 | 2 | 0 |

(1) The number of performance shares granted by the Board of Directors of July 1, 2008 is subject to a satisfactory performance for its shareholders over the period 2007/2010. This performance was measured by the change in the Company's net earnings per share compared with the average of that of a representative same of Group's competitors. 50% of the shares granted are subject to the level of achievement of the aforementioned performance recorded at the share acquisition start date.

With respect to Lists 1 and 2 of 2007 Plan, the performance calculation over the period 2007/2010 amounted to 119.6%. Consequently, as provided for by the rules of the performance shares plans, 100% of the shares were acquired.

(2) The number of performance shares granted by the Boards of Directors of July 1, 2008 and December 9, 2008 is subject to a satisfactory performance for its shareholders over the period 2007/2010. This performance will be measured by the progression of the Group's Consolidated Operating Income in relation to a representative same of Group's competitors. 50% of the shares granted are subject to the level of achievement of the aforementioned performance recorded at the share acquisition start date.

With respect to the 2nd additional grant of 2007 Plan, the performance calculation over the period 2007/2010 amounted to 247%. Consequently, as provided for by the rules of the performance shares plans, 100% of the shares were acquired.

(3) The number of performance shares granted by the Board of Directors of February 18, 2009 is subject to a satisfactory performance for its shareholders over the period 2008/2011. This performance will be measured by the progression of the Group's Consolidated Operating Income in relation to a representative same of Group's competitors. 50% of the shares granted are subject to the level of achievement of the aforementioned performance recorded at the share acquisition start date.

With respect to Tranche 3 to List 1 of 2008 Plan, the performance calculation over the period 2008/2011 amounted to 108%. Consequently, as provided for by the rules of the performance shares plans, 100% of the shares were acquired.

(4) The number of performance shares granted by the Board of Directors of June 15, 2009 and October 25, 2009 is subject to a satisfactory performance for its shareholders over the period 2008/2011. This performance will be measured by the progression of the Group's Consolidated Operating Income in relation to a representative same of Group's competitors. 50% of the shares granted are subject to the level of achievement of the aforementioned performance recorded at the share acquisition start date except in the case of the Chairman and Chief Executive Officer to whom no shares will be granted if the progression of the Group's Operating Income is less than that of each of the companies included in the sample.

With respect to Tranche 1 and Tranche 2 of 2009 Plan, the performance calculation over the period 2008/2011 amounted to 108%. Consequently, as provided for by the rules of the performance shares plans, 100% of the shares were acquired.

| | 2010 Plan | 2010 Plan | 2010 Plan | 2011 Plan | 2011 Plan | 2011 Plan | 2012 Plan | 2012 Plan |
|---|---|---|---|---|---|---|---|---|
| | Tranche 1 | Tranche 2 | Tranche 3 | Tranche 1 | Tranche 2 | Tranche 3 | Tranche 1 | Tranche 2 |
| | April 29, 2010 | April 29, 2010 | April 29, 2010 | April 28, 2011 | April 28, 2011 | April 28, 2011 | April 26, 2012 | April 26, 2012 |
| | June 23, 2010 | Dec. 15, 2010 | March 4, 2011 | June 17, 2011 | Dec. 14, 2011 | March 2, 2012 | June 15, 2012 | Dec. 12, 2012 |
| | 883,900 (6) | 13,800 (6) | 86,300 (7) | 355,900 (8) | 37,050 (8) | 49,357 (9) | 430,150 (10) | 126,892 (10) |
| | June 23, 2013 | Dec. 15, 2013 | March 4, 2014 | June 17, 2014 | Dec. 14, 2014 | March 2, 2015 | June 15, 2015 | Dec. 12, 2015 |
| | June 23, 2014 | Dec. 15, 2014 | March 4, 2015 | June 17, 2015 | Dec. 14, 2015 | March 2, 2016 | June 15, 2016 | Dec. 12, 2016 |
| | June 23, 2015 | Dec. 15, 2015 | March 4, 2016 | June 17, 2016 | Dec. 14, 2016 | March 2, 2017 | June 15, 2017 | Dec. 12, 2017 |
| | June 23, 2014 | Dec. 15, 2014 | March 4, 2015 | June 17, 2015 | Dec. 14, 2015 | March 2, 2016 | June 15, 2016 | Dec. 12, 2016 |
| | 834,300 | 12,300 | 81,900 | 348,350 | 33,750 | 47,807 | 426,800 | 126,892 |
| | | | | | | | | |
| | 30,000 | 0 | 0 | 20,000 | 0 | 0 | 25,000 | 0 |
| | 82,900 | 12,300 | 15,500 | 72,000 | 20,000 | 10,350 | 88,900 | 26,000 |
| | 900 | 0 | 0 | 100 | 0 | 0 | 0 | 0 |
| | 48,700 | 1,500 | 4,400 | 7,350 | 3,300 | 1,550 | 3,350 | 0 |
| | 2,174 | 11 | 317 | 1,196 | 57 | 221 | 1,295 | 592 |
| | 12 | 1 | 0 | 13 | 1 | 0 | 7 | 0 |

(5) The number of performance shares granted by the Board of Directors of February 16, 2010 is subject to a satisfactory performance for its shareholders over the period 2009/2012. This performance will be measured by the progression of the Group's Consolidated Operating Income in relation to a representative same of Group's competitors. 50% of the shares granted are subject to the level of achievement of the aforementioned performance recorded at the share acquisition start date.

(6) The number of performance shares granted by the Boards of Directors of June 23, 2010 and December 15, 2010 is subject to a satisfactory performance for its shareholders over the period 2009/2012. This performance will be measured by the progression of the Group's Consolidated Operating Income in relation to a representative same of Group's competitors. 50% of the shares granted are subject to the level of achievement of the aforementioned performance recorded at the share acquisition start date except in the case of the Chairman and Chief Executive Officer to whom no shares will be granted if the progression of the Group's Operating Income is less than that of each of the companies included in the sample.

(7) The number of performance shares granted by the Board of Directors of March 4, 2011 is subject to a satisfactory performance for its shareholders over the period 2010/2013. This performance will be measured by the progression of the Group's Consolidated Operating Income in relation to a representative same of Group's competitors. 50% of the shares granted are subject to the level of achievement of the aforementioned performance recorded at the share acquisition start date.

(8) The number of performance shares granted by the Boards of Directors in their meetings on June 17, 2011 and December 14, 2011 is subject to the satisfactory performance by Technip of a Reference Performance to be measured on the periods 2011, 2012 and 2013. The Reference Performance will take into consideration the results obtained by the Group in terms of Health/Safety/Environment (HSE), Operating Income from Recurring Activities (OIFRA) and Net Cash Generated from Operational Activities. 50% of the shares granted are subject to the level of achievement of the Reference Performance of various thresholds recorded at the share acquisition start date. However, in the case of the Chairman and Chief Executive Officer and Comex members shares are only granted depending on the achievement of Reference Performance thresholds.

(9) The number of performance shares granted by the Board of Directors of March 2, 2012 is subject to the satisfactory performance by Technip of a Reference Performance to be measured on the periods 2011, 2012 and 2013. The Reference Performance will take into consideration the results obtained by the Group in terms of Health/Safety/Environment (HSE), Operating Income from Recurring Activities (OIFRA) and Net Cash Generated from Operational Activities.

(10) The number of performance shares granted by the Boards of Directors of June 15, 2012 and December 12, 2012 is subject to the satisfactory performance by Technip of a Reference Performance to be measured on the periods 2012, 2013 and 2014. The Reference Performance will take into consideration the results obtained by the Group in terms of Health/Safety/Environment (HSE), Operating Income from Recurring Activities (OIFRA) and Net Cash Generated from Operational Activities. 50% of the shares granted are subject to the level of achievement of the Reference Performance of various thresholds recorded at the share acquisition start date. However, in the case of the Chairman and Chief Executive Officer and Comex members shares are only granted depending on the achievement of Reference Performance thresholds.

Technip performance shares granted to, and acquired by, the Company's directors and officers *(mandataires sociaux)* during financial year 2012 are detailed in Tables 6 and 7 in Section 15.1.1 of this Reference Document.

The following table shows the number of Technip performance shares granted to the 10 employees of the Group (other than directors and officers (mandataires sociaux)) who were granted the largest number of performance shares during the year 2012 as well as the number of performance shares acquired by these persons during the same year:

| Performance shares granted to first 10 non-director and non-officer employees | Total number of performance shares | Average Weighted price | Grant date | Acquisition date, subject to compliance with the conditions set by the Board of Directors | Plan number |
|---|---|---|---|---|---|
| Performance shares granted during the financial year by the issuer or by any company included in the grant perimeter, to the 10 employees of the issuer and of any company included within the grant perimeter who were granted the largest number of performance shares. (aggregate information) | 66,500* | €79.625 | June 15, 2012<br>December 12, 2012 | June 15, 2015<br>June 15, 2016<br>December 12, 2016 | Plan 2012 Tranche 1<br>Plan 2012 Tranche 2 |
| Performance shares of the issuer or of the aforementioned companies that were acquired during the year by the 10 employees of the issuer or of these companies who have the largest number of performance shares. (aggregate information) | 76,500 | €79.63 | July 1, 2008<br>June 15, 2009<br>October 25, 2009 | July 1, 2012<br>June 15, 2012<br>October 25, 2012 | Plan 2008 Tranche 1<br>Plan 2009 Tranche 1<br>Plan 2009 Tranche 2 |

* The number of performance shares granted by the Boards of Directors of June 15, 2012 and December 12, 2012 is subject to the satisfactory performance by Technip of a Reference Performance to be measured on the periods 2012, 2013 and 2014. The Reference Performance will take into consideration the results obtained by the Group in terms of Health/Safety/Environment (HSE), Operating Income from Recurring Activities (OIFRA) and Net Cash Generated from Operational Activities.

## 17.3. Employee incentive and profit-sharing schemes

See paragraph 2.3.2.2 of the Society and Environment Report included in Annex E of this Reference Document.

# 18 Major shareholders

18.1. The Company's major shareholders .......... 123
18.1.1. Changes in the major shareholders of the Company over the last three years .......... 123
18.1.2. Shareholders' notices and crossing of thresholds .......... 125
18.2. Shareholder voting rights .......... 126
18.3. Controlling interest .......... 126
18.4. Arrangements that may result in a change of control .......... 126

## 18.1. The Company's major shareholders

### 18.1.1. CHANGES IN THE MAJOR SHAREHOLDERS OF THE COMPANY OVER THE LAST THREE YEARS

#### Major shareholders as of December 31, 2012

As of December 31, 2012, to the Company's knowledge and based on notices received by It, the following shareholders held 1% or more of the Company's share capital and voting rights:

| Shareholders | Number of shares | Percentage of share capital | Number of voting rights (1) | Percentage of voting rights |
|---|---|---|---|---|
| CAISSE DES DÉPÔTS ET CONSIGNATIONS (indirectly via the Fonds Stratégique d'Investissement) | 5,929,398 | 5.25% | 11,858,796 | 9.70% |
| THE CAPITAL GROUP COMPANIES INC. | 5,628,250 | 5.00% | 5,628,250 | 4.60% |
| BLACKROCK INC. | 5,575,086 | 4.90% | 5,575,086 | 4.60% |
| AMUNDI ASSET MANAGEMENT | 3,695,224 | 3.30% | 3,695,224 | 3.00% |
| NORGES BANK INVESTMENT MANAGEMENT | 3,397,847 | 3.00% | 3,397,847 | 2.80% |
| OPPENHEIMER FUNDS INC. | 3,219,635 | 2.85% | 3,219,635 | 2.65% |
| IFP ÉNERGIES NOUVELLES | 2,830,917 | 2.50% | 5,661,834 | 4.60% |
| BNP PARIBAS ASSET MANAGEMENT | 2,543,357 | 2.25% | 2,548,357 | 2.10% |
| CAUSEWAY CAPITAL MANAGEMENT | 2,350,626 | 2.10% | 2,350,626 | 1.90% |
| NATIXIS ASSET MANAGEMENT | 1,688,544 | 1.50% | 1,688,544 | 1.40% |
| AXA INVESTMENT MANAGERS | 1,618,547 | 1.45% | 1,618,547 | 1.30% |
| ALLIANCE BERNSTEIN | 1,478,367 | 1.30% | 1,478,367 | 1.20% |
| Treasury shares (2) | 2,357,211 | 2.10% | 0 | 0.00% |
| Group employees (3) | 2,976,529 (4) | 2.65% | 4,858,832 | 4.00% |
| Public | 67,750,975 | 59.85% | 68,346,668 | 56.15% |
| **TOTAL** | **113,040,513** | **100%** | **121,926,613** | **100%** |

(1) Including double voting rights (Article 12 of the Company's Articles of Association). As of December 31, 2012, 11,243,311 shares carried double voting rights. As of December 31, 2012, the total number of voting rights calculated on the basis of all of the shares to which voting rights are attached, including shares stripped of their voting rights (in accordance with Article 223-11 of the AMF's General Regulations), amounted to 124,383,824.

(2) As of December 31, 2012, the Company did not own any of its shares either directly or indirectly other than treasury shares.

(3) Employees according to Article L. 225-102 of the French Commercial Code.

(4) Including 2,728,558 shares held through Company mutual funds.

## Changes in the breakdown of the share capital and voting rights of the Company over the last three years

Over the last three financial years, to the Company's knowledge and based on notices received by It, the following shareholders held 1% or more of the Company's share capital and voting rights:

| | December 31 | | | | | |
|---|---|---|---|---|---|---|
| | 2010 | | 2011 | | 2012 | |
| | Share capital | Voting rights[(1)] | Share capital | Voting rights[(1)] | Share capital | Voting rights[(1)] |
| CAISSE DES DÉPÔTS ET CONSIGNATIONS (indirectly via the Fonds Stratégique d'Investissement) | 5.40% | 5.25% | 5.35% | 5.20% | 5.25% | 9.70% |
| THE CAPITAL GROUP COMPANIES INC. | - | - | 5.25% | 5.10% | 5.00% | 4.60% |
| BLACKROCK INC. | 6.25% | 6.10% | 6.20% | 6.00% | 4.90% | 4.60% |
| AMUNDI ASSET MANAGEMENT | 2.90% | 2.80% | 3.20% | 3.10% | 3.30% | 3.00% |
| NORGES BANK INVESTMENT MANAGEMENT | - | - | 2.50% | 2.40% | 3.00% | 2.80% |
| OPPENHEIMER FUNDS INC. | 3.50% | 3.45% | 2.90% | 2.80% | 2.85% | 2.65% |
| IFP ÉNERGIES NOUVELLES | 2.70% | 5.20% | 2.55% | 4.95% | 2.50% | 4.60% |
| BNP PARIBAS ASSET MANAGEMENT | 2.15% | 2.10% | 2.35% | 2.30% | 2.25% | 2.10% |
| CAUSEWAY CAPITAL MANAGEMENT | 4.30% | 4.20% | 1.45% | 1.40% | 2.10% | 1.90% |
| NATIXIS ASSET MANAGEMENT | 4.20% | 4.10% | 3.00% | 2.95% | 1.50% | 1.40% |
| AXA INVESTMENT MANAGERS | 1.30% | 1.25% | 1.50% | 1.45% | 1.45% | 1.30% |
| ALLIANCE BERNSTEIN | 1.15% | 1.15% | 1.10% | 1.05% | 1.30% | 1.20% |
| Treasury shares[(2)] | 2.65% | 0.00% | 2.00% | 0.00% | 2.10% | 0.00% |
| Group employees[(3)] | 2.20% | 4.25% | 2.00% | 3.90% | 2.65% | 4.00% |
| Public | 59.20% | 58.10% | 55.25% | 54.15% | 59.85% | 56.15% |
| **TOTAL** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |

(1) Including double voting rights.
The total number of Company shares at the end of financial years 2010, 2011 and 2012 amounted to, respectively, 110,249,352 shares, 110,987,758 and 113,040,513 shares.
(2) Includes the Liquidity Contract.
(3) Employees according to Article L. 225-102 of the French Commercial Code.

## 18.1.2. SHAREHOLDERS' NOTICES AND CROSSING OF THRESHOLDS

Between January 1, 2012 and December 31, 2012, the Company received the following notices from its shareholders, relating to the crossing of thresholds as provided by law and by its Articles of Association:

| Shareholder | Notification Date | Effective Date | Number of shares held | Percentage of stated share capital | Number of voting rights held | Percentage of stated voting rights | Direction of threshold crossing[1] |
|---|---|---|---|---|---|---|---|
| AMUNDI ASSET MANAGEMENT | 01/11/2012 | 01/10/2012 | 3,476,336 | 2.98% | | | (d) |
| CNP ASSURANCES | 01/11/2012 | 01/11/2012 | 1,160,502 | 1.05% | 1,160,502 | 0.99% | (d) |
| AMUNDI ASSET MANAGEMENT | 01/16/2012 | 01/13/2012 | 3,260,535 | 2.93% | | | (d) |
| CRÉDIT SUISSE | 01/19/2012 | 01/19/2012 | 1,014,521 | 0.916% | | | (d) |
| MFS INVESTMENT MANAGEMENT | 01/23/2012 | 01/19/2012 | 1,119,858 | 1.01% | | | (u) |
| CRÉDIT AGRICOLE | 01/30/2012 | 01/24/2012 | 1,115,099 | 1% | 1,115,099 | 0.96% | (u) |
| CRÉDIT AGRICOLE | 01/30/2012 | 01/25/2012 | 1,173,297 | 1.06% | 1,173,297 | 1.01% | (u) |
| AMUNDI ASSET MANAGEMENT | 02/08/2012 | 02/07/2012 | 4,176,295 | 3.75% | | | (u) |
| CAPITAL WORLD INVESTORS | 02/08/2012 | 12/31/2011 | 8,783,250 | 8% | 6,548,250 | | (u) |
| BLACKROCK INC. | 02/14/2012 | 02/08/2012 | 5,496,065 | 4.94% | 5,496,065 | 4.80% | (d) |
| CNP ASSURANCES | 02/14/2012 | 02/14/2012 | 1,094,732 | 0.99% | 1,094,732 | 0.94% | (d) |
| BLACKROCK INC. | 02/21/2012 | 02/14/2012 | 5,575,086 | 5.01% | 5,575,086 | | (u) |
| MFS INVESTMENT MANAGEMENT | 02/23/2012 | 02/21/2012 | 1,106,779 | 0.995% | 879,537 | 0.75% | (d) |
| AXA INVESTMENT MANAGERS | 02/24/2012 | 02/23/2012 | 3,899,352 | | | | (u) |
| BNP PARIBAS ASSET MANAGEMENT | 03/15/2012 | 03/14/2012 | 2,461,339 | 0.2114% | 2,033,352 | 1.7408% | (d) |
| CRÉDIT SUISSE | 03/21/2012 | 03/21/2012 | 1,660,177 | 1.493% | | | (u) |
| BNP PARIBAS ASSET MANAGEMENT | 03/23/2012 | 03/22/2012 | 2,512,221 | 2.2572% | 2,080,619 | 1.7812% | (d) |
| CRÉDIT SUISSE | 03/26/2012 | 03/26/2012 | 1,038,185 | 0.93% | | | (d) |
| BNP PARIBAS ASSET MANAGEMENT | 03/29/2012 | 03/27/2012 | 2,465,580 | 2.2152% | 2,076,998 | 1.7781% | (d) |
| BNP PARIBAS ASSET MANAGEMENT | 03/30/2012 | 03/29/2012 | 2,469,573 | 2.2188% | 2,081,601 | 1.7821% | (u) |
| MFS INVESTMENT MANAGEMENT | 03/30/2012 | 03/29/2012 | 1,123,165 | 1.009% | 912,004 | 0.781% | (u) |
| AMUNDI ASSET MANAGEMENT | 04/10/2012 | 04/09/2012 | 4,518,497 | 4.05% | | | (u) |
| Caisse des Dépôts et Consignations (indirectly *via* the *Fonds Stratégique d'Investissement*) | 04/23/2012 | 04/23/2012 | 5,929,398 | 2.34% | 11,658,795 | 9.67% | (u) |
| AMUNDI ASSET MANAGEMENT | 04/24/2012 | 04/23/2012 | 4,705,139 | 4.02% | 4,705,139 | 4% | (u) |
| AMUNDI ASSET MANAGEMENT | 04/26/2012 | 04/25/2012 | 4,672,859 | 3.99% | 4,672,859 | 4% | (d) |
| MFS INVESTMENT MANAGEMENT | 05/01/2012 | 04/27/2012 | 1,016,051 | 0.91% | 838,170 | 0.72% | (u) |
| AMUNDI ASSET MANAGEMENT | 05/02/2012 | 04/30/2012 | 5,700,014 | 5.11% | 5,700,014 | 4.87% | (u) |
| NATIXIS ASSET MANAGEMENT | 05/04/2012 | 05/03/2012 | 2,380,832 | 2.145% | | | (u) |
| AMUNDI ASSET MANAGEMENT | 05/07/2012 | 05/04/2012 | 5,905,959 | 5.04% | | | (u) |
| AMUNDI ASSET MANAGEMENT | 05/10/2012 | 05/09/2012 | 5,138,965 | 4.61% | 5,138,965 | 4.39% | (d) |
| AMUNDI ASSET MANAGEMENT | 05/11/2012 | 05/10/2012 | 3,999,526 | 3.58% | 3,999,526 | 3.26% | (d) |
| NORGES BANK INVESTMENT MANAGEMENT | 05/15/2012 | 05/15/2012 | 3,397,847 | 3.06% | 3,397,847 | 2.77% | (u) |
| AMUNDI ASSET MANAGEMENT | 05/15/2012 | 05/15/2012 | 4,146,278 | 3.72% | 4,146,278 | 3.38% | (u) |
| BNP PARIBAS ASSET MANAGEMENT | 05/22/2012 | 05/22/2012 | 2,543,498 | 2.2830% | 2,150,489 | 1.7550% | (u) |
| BNP PARIBAS ASSET MANAGEMENT | 05/23/2012 | 05/23/2012 | 2,535,715 | 2.2761% | 2,142,706 | 1.7486% | (d) |
| CRÉDIT SUISSE | 05/24/2012 | 05/24/2012 | 988,422 | 0.89% | | | (d) |
| BNP PARIBAS ASSET MANAGEMENT | 05/24/2012 | 05/24/2012 | 2,578,082 | 2.3141% | 2,186,060 | 1.7840% | (d) |
| NATIXIS ASSET MANAGEMENT | 06/01/2012 | 05/29/2012 | 1,887,723 | 1.701% | | | (d) |
| AXA INVESTMENT MANAGERS (for Alliance Bernstein) | 06/07/2012 | 06/01/2012 | 1,204,143 | 1.08% | 1,204,143 | 0.98% | (d) |
| BNP PARIBAS ASSET MANAGEMENT | 06/07/2012 | 06/06/2012 | 2,631,931 | 2.3624% | 2,237,021 | 1.8256% | (u) |
| CITIGROUP GLOBAL MARKET LTD | 07/31/2012 | 07/27/2012 | 571,510 | 0.5149% | | | (u) |
| AXA INVESTMENT MANAGERS (FOR ALLIANCE BERNSTEIN) | 09/13/2012 | 09/10/2012 | 1,253,543 | 1.11% | 1,253,543 | 1.01% | (d) |
| BNP PARIBAS ASSET MANAGEMENT | 09/21/2012 | 09/14/2012 | 2,605,117 | 2.3059% | 2,273,829 | 1.8303% | (d) |
| THE CAPITAL GROUP COMPANIES INC. (Capital Research and Management Company) | 10/08/2012 | 10/04/2012 | 6,164,250 | 5.96% | 6,164,250 | 4.96% | (d) |
| THE CAPITAL GROUP COMPANIES INC. | 10/11/2012 | 10/08/2012 | 5,628,250 | 4.98% | 5,628,250 | 4.53% | (d) |
| CRÉDIT AGRICOLE | 11/23/2012 | 11/19/2012 | 937,483 | 0.83% | 937,483 | 0.75% | (d) |
| AMUNDI ASSET MANAGEMENT | 12/21/2012 | 12/20/2012 | 3,706,091 | 2.98% | | | (d) |

(1) d = crossing of threshold downwards; u = crossing of threshold upwards.
This table only includes information provided in the notices and declarations received by the Company.

At Technip's request, Euroclear France carried out a survey of identifiable shares held in the bearer form *(titres au porteur identifiable)* dated November 30, 2012 (TPI survey), on the basis of the following thresholds: a minimum of 100,000 shares held by custodians and a minimum of 200 shares held by shareholders. The TPI survey identified 97.5% of Technip's share capital and listed 5,895 shareholders that hold shares in the bearer form.

An analysis of the TPI survey also showed that 81.3% of the shares are held by institutional investors. These investors are geographically distributed as follows: 21.6% in France, 30.0% in North America, 11.7% in the United Kingdom and Ireland, 11.4% in Continental Europe and 6.6% throughout the rest of the world.

As of the date of this survey, individual shareholders (retail) held 5.1% of Technip's capital.

As of December 31, 2012, 4,590 shareholders held their shares in registered form in their name *(inscrit au nominatif pur)* and 181 in administered registered form *(nominatif administré)*. Furthermore, 10 shareholders held their shares in both the registered form and the administered registered form.

Between January 1, 2013 and February 18, 2013, the Company received the following notices from its shareholders, relating to the crossing of thresholds as provided by law and by its Articles of Association:

| Shareholder | Notification Date | Effective Date | Number of shares held | Percentage of stated share capital | Number of voting rights held | Percentage of stated voting rights | Direction of threshold crossing[1] |
|---|---|---|---|---|---|---|---|
| AMUNDI ASSET MANAGEMENT | 01/08/2013 | 01/07/2013 | 3,739,842 | 3.01% | | | (u) |
| AMUNDI ASSET MANAGEMENT | 01/09/2013 | 01/08/2013 | 3,717,395 | 2.99% | | | (d) |
| AMUNDI ASSET MANAGEMENT | 01/24/2013 | 01/23/2013 | 3,247,316 | 2.87% | | | (d) |
| THE CAPITAL GROUP COMPANIES INC. | 02/06/2013 | 02/01/2013 | 8,386,250 | 7.42% | 8,383,250 | 6.75% | (u) |
| ALLIANCE BERSTEIN | 02/14/2013 | 02/08/2013 | 1,240,849 | 1.098% | 1,240,849 | 0.998% | (d) |
| ALLIANCE BERSTEIN | 02/18/2013 | 02/15/2013 | 1,013,895 | 0.90% | 1,013,895 | 0.82% | (d) |

(1) d = crossing of threshold downwards; u = crossing of threshold upwards.
This table only includes information provided in the notices received by the Company.

## 18.2. Shareholder voting rights

Among the Company's major shareholders as indicated in Section 18.1 of this Reference Document, IFP Énergies nouvelles and Caisse des Dépôts et Consignations (indirectly through the Fonds Stratégique d'Investissement) as well as the Company mutual funds (*Fonds Communs de Placement d'Entreprise*, or FCPEs) representing the Group's employees hold double voting rights.

## 18.3. Controlling interest

As of the date of this Reference Document and to the Company's knowledge, none of the shareholders held more de 7.40% (The Capital Group Companies Inc.) of the Company's share capital, as indicated in the table included in Section 18.1.2 of this Reference Document. Accordingly, no shareholders held a controlling interest in the Company, either directly or indirectly.

## 18.4. Arrangements that may result in a change of control

To the Company's knowledge, there are no arrangements between its major shareholders, the implementation of which could at a subsequent date result in a change of control of the Company.

# 19 Related party transactions

19.1. Main Related Party Transactions ........ 127

19.2. Statutory Auditors' report on related party agreements and commitments for the year ended December 31, 2012 ........ 127

## 19.1. Main Related Party Transactions

The Company's related party transactions mainly consist of re-invoicing Group management and organization costs through a management fee, as well as costs related to insurance policies, and fees on guarantees given by the Company (see Note 6.14 to the Statutory Accounts as of December 31, 2012, included in Section 20.2 of this Reference Document).

For a description of the Company's regulated agreements *(conventions réglementées)*, please refer to the Statutory Auditors' Report included in Section 19.2 of this Reference Document.

## 19.2. Statutory Auditors' report on related party agreements and commitments for the year ended December 31, 2012

*This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking users.*

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

**PricewaterhouseCoopers Audit**

63, rue de Villiers
92208 Neuilly-sur-Seine Cedex
France

**Ernst & Young et Autres**

1/2, place des Saisons
92400 Courbevoie – Paris-La Défense 1
France

### STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

#### General Meeting of Shareholders to approve the financial statements for the year ended December 31, 2012

Technip – 89, avenue de la Grande Armée – 75116 Paris

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code *(Code de commerce)*, to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code *(Code de commerce)* concerning the implementation, during the year, of the agreements and commitments already approved by the General Meeting of Shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body *(Compagnie nationale des Commissaires aux Comptes)* relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

## Agreements and commitments submitted for approval by the General Meeting of Shareholders

We hereby inform you that we have not been advised of any agreement or commitment authorized in the course of the year to be submitted for approval to the General Meeting of Shareholders for approval in accordance with Article L. 225-38 of the French commercial code *(Code de commerce)*.

## Agreements and commitments already approved by the General Meeting of Shareholders

We have been advised that the following agreements and commitments which were approved by the General Meeting of Shareholders in prior years were not implemented during the year.

### Commitments entered into with Thierry Pilenko in connection with the renewal of his term of office as Chairman and Chief Executive Officer, previously authorized by your Board of Directors held on April 28, 2011

*Non-compete agreement*

A worldwide non-compete agreement for a two-year period has been set up between Technip and Thierry Pilenko.

In case of departure and whatever the reason thereof, Technip is committed to pay Thierry Pilenko an indemnity capped to two years gross compensation based on the highest overall annual compensation (fixed + variable) received over the last three years.

*Supplementary retirement plan*

Thierry Pilenko benefits from the supplementary retirement plan for group executives with fixed contributions of 8% of the annual gross compensation paid up to income bracket 3, capped to eight times the annual French social security *(Sécurité sociale)* limit (approximately €296,000 as of now) as well as from your company's existing supplementary retirement plan for Executive Committee Members: a retirement income guarantee of 1.8% per year of service, up to a limit of fifteen years, on income bracket 4 of the annual gross compensation paid, *i.e.,* exceeding eight times the French social security limit.

The amount of gross compensation to which this retirement income guarantee applies to the average of the gross base compensation received over the five complete financial years prior to 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$^{th}$ birthday; a departure from the Company as a result of a 2$^{nd}$ or 3$^{rd}$ category disability; a departure from the Company after his 55$^{th}$ birthday provided that such departure is not the result of gross misconduct or negligence on his part and that no salaried activity is resumed between leaving the Company and receiving a pension under the general French social security scheme.

In 2012, the contribution paid by your company for the supplementary pension plan of Thierry Pilenko amounted to €23,278.

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

The Statutory Auditors

French original signed by

| | |
|---|---|
| PricewaterhouseCoopers Audit<br>Édouard Sattler | Ernst & Young et Autres<br>Nour-Eddine Zanouda |

# 20 Financial Information on the Company's Assets, Financial Situation and Results


20.1. Group consolidated financial statements as of December 31, 2012 ....... 130
- 20.1.1. Statutory Auditors' report on the consolidated financial statements ....... 132
- 20.1.2. Group consolidated financial statements ....... 134
  1. Consolidated statement of income ....... 134
  2. Consolidated statement of comprehensive income ....... 134
  3. Consolidated statement of financial position ....... 135
  4. Consolidated statement of cash flows ....... 136
  5. Consolidated statement of changes in shareholders' equity ....... 137
  6. Notes to the consolidated financial statements ....... 138

20.2. Statutory Financial Statements as of December 31, 2012 ....... 197
- 20.2.1. Statutory Auditors' report on the financial statements ....... 198
- 20.2.2. Statutory financial statements ....... 200
  1. Balance sheet ....... 200
  2. Statement of income ....... 201
  3. Statement of cash flows ....... 202
  4. Notes on accounting principles ....... 202
  5. Main events of the year ....... 204
  6. Notes to the financial statements ....... 205
  7. Subsidiaries and investments ....... 217
  8. Subsequent events ....... 217

20.3. Dividend distribution policy ....... 218

20.4. Legal and arbitration procedures ....... 218

20.5. Significant changes in the financial or commercial position ....... 218

# 20.1. Group consolidated financial statements as of December 31, 2012

**20.1.1.** Statutory Auditors' report on the consolidated financial statements ... 132
**20.1.2.** Group consolidated financial statements ... 134
**1.** Consolidated statement of income ... 134
**2.** Consolidated statement of comprehensive income ... 134
**3.** Consolidated statement of financial position ... 135
**4.** Consolidated statement of cash flows ... 136
**5.** Consolidated statement of changes in shareholders' equity ... 137
**6.** Notes to the consolidated financial statements ... 138
**Note 1 –** Accounting principles ... 138
**A.** Accounting framework ... 138
**B.** Consolidation principles ... 138
**C.** Accounting rules and estimates ... 139
**(a)** Use of estimates ... 139
**(b)** Long-term contracts ... 139
**(c)** Foreign currency transactions and financial Instruments ... 140
**(d)** Business combinations ... 141
**(e)** Segment information ... 141
**(f)** Operating income from recurring activities and operating income ... 142
**(g)** Financial result on contracts ... 142
**(h)** Income/(loss) from discontinued operations ... 142
**(i)** Earnings per share ... 142
**(j)** Property, plant and equipment (tangible assets) ... 142
**(k)** Intangible assets ... 143
**(l)** Other financial assets ... 143
**(m)** Available-for-sale financial assets ... 143
**(n)** Inventories ... 143
**(o)** Advances paid to suppliers ... 143
**(p)** Trade receivables ... 143
**(q)** Cash and cash equivalents ... 143
**(r)** Treasury shares ... 143
**(s)** Grants of share subscription options, share purchase options and performance shares ... 143
**(t)** Capital increase reserved for employees ... 144
**(u)** Provisions (current and non-current) ... 144
**(v)** Deferred income tax ... 144
**(w)** Financial debts (current and non-current) ... 145
**(x)** Assets and liabilities held for sale ... 145
**Note 2 –** Scope of consolidation ... 145
**(a)** Main acquisitions ... 145
**(b)** Other acquisitions ... 147
**(c)** Scope of consolidation as of December 31, 2012 ... 148
**Note 3 –** Segment information ... 152
**(a)** Information by business segment ... 152
**(b)** Information by geographical area ... 154
**Note 4 –** Operating income/(loss) ... 154
**(a)** Revenues ... 154
**(b)** Cost of sales by nature ... 155
**(c)** Research and development costs ... 155
**(d)** Administrative costs by nature ... 155
**(e)** Other operating income ... 155
**(f)** Other operating expenses ... 155
**(g)** Result from sale of activities ... 155
**(h)** Other non-current income and expenses ... 155
**(i)** Employee expenses ... 156
**Note 5 –** Financial income and expenses ... 156
**(a)** Financial income ... 156
**(b)** Financial expenses ... 156
**Note 6 –** Income tax ... 157
**(a)** Income tax expense ... 157
**(b)** Income tax reconciliation ... 157
**(c)** Deferred income tax ... 157
**(d)** Tax loss carry-forwards and tax credits ... 158
**Note 7 –** Income/(loss) from discontinued operations ... 158
**Note 8 –** Earnings per share ... 158
**Note 9 –** Property, plant and equipment (tangible assets) ... 159

**Note 10** – Intangible assets ... 160
- **(a)** Changes in net intangible assets ... 160
- **(b)** Goodwill ... 160

**Note 11** – Investments in equity affiliates ... 161
**Note 12** – Other financial assets ... 162
**Note 13** – Available-for-sale financial assets ... 162
**Note 14** – Inventories ... 162
**Note 15** – Construction contracts ... 163
**Note 16** – Trade receivables ... 163
**Note 17** – Other current receivables ... 163
**Note 18** – Cash and cash equivalents ... 164
**Note 19** – Assets and liabilities held for sale ... 164
**Note 20** – Shareholders' equity ... 165
- **(a)** Changes in the parent company's share capital ... 165
- **(b)** Technip's shareholders as of December 31 ... 165
- **(c)** Treasury shares ... 165
- **(d)** Fair value reserves ... 166
- **(e)** Distributable retained earnings ... 166
- **(f)** Statutory legal reserve ... 166
- **(g)** Dividends paid and proposed ... 166
- **(h)** Share subscription option plans and share purchase option plans ... 167
- **(i)** Performance share plans ... 171
- **(j)** Capital management ... 172
- **(k)** Capital Increase Reserved for Employees ... 173

**Note 21** – Financial debts (current and non-current) ... 175
- **(a)** Financial debts, breakdown by nature ... 175
- **(b)** Convertible bonds ... 175
- **(c)** Comparison of carrying amount and fair value of current and non-current financial debts ... 176
- **(d)** Analysis by type of interest rate ... 176
- **(e)** Analysis by currency ... 177
- **(f)** Schedule of financial debts ... 177
- **(g)** Secured financial debts ... 177

**Note 22** – Pensions and other long-term employee benefit plans ... 177
- **(a)** Description of the Group's current benefit plans ... 178
- **(b)** Net benefit expense recognized in the statement of income ... 178
- **(c)** Benefit asset/(liability) recognized in the statement of financial position ... 179
- **(d)** Actuarial assumptions ... 180

**Note 23** – Provisions (current and non-current) ... 181
- **(a)** Changes in provisions ... 181
- **(b)** Schedule of provisions ... 181

**Note 24** – Trade payables ... 182
**Note 25** – Other liabilities (current and non-current) ... 182
**Note 26** – Financial instruments ... 183
- **(a)** Financial assets and liabilities by category ... 183
- **(b)** Gains and losses by category of financial instruments ... 184
- **(c)** Derivative financial instruments ... 185

**Note 27** – Payroll staff ... 185
**Note 28** – Related party disclosures ... 185
- **(a)** Transactions with related parties ... 185
- **(b)** Assets and liabilities, income and expenses with respect to associates in joint ventures ... 185
- **(c)** Compensation of the Chairman and Chief Executive Officer ... 186
- **(d)** Compensation and retirement commitments of the Group's principal executives ... 186

**Note 29** – Board of Directors compensation ... 187
**Note 30** – Joint ventures ... 187
**Note 31** – Off-balance sheet commitments ... 188
- **(a)** Off-balance sheet commitments related to Group operating activities ... 188
- **(b)** Off-balance sheet commitments related to Group financing ... 189
- **(c)** Off-balance sheet commitments related to Group scope of consolidation ... 189

**Note 32** – Litigation and contingent liabilities ... 189
- **(a)** Litigation ... 189
- **(b)** Contingent liabilities ... 190

**Note 33** – Market related exposure ... 190
- **(a)** Liquidity risk ... 190
- **(b)** Currency risk ... 194
- **(c)** Interest rate risk ... 195
- **(d)** Credit risk ... 195

**Note 34** – Auditors' fees and services ... 196
**Note 35** – Subsequent events ... 196

## 20.1.1. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

*This is a free translation into English of the Statutory Auditors' report on the consolidated 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 consolidated 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 consolidated 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 Group's Management Report.*

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

**PricewaterhouseCoopers Audit**

63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

**Ernst & Young et Autres**

1/2, place des Saisons
92400 Courbevoie-Paris-La Défense 1

# Statutory Auditors' report on the consolidated financial statements

### For the year ended December 31, 2012

Technip – 89, avenue de la Grande Armée – 75116 Paris

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 consolidated financial statements of Technip;
- the justification of our assessments;
- the specific verification required by law.

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

### I. Opinion on the consolidated 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 consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated 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 consolidated 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 consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2012 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

## 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 1-C (a) "Use of estimates" to the consolidated financial statements, your Company uses significant accounting estimates:

- As indicated in note 1-C (b) "Long-term contracts" to the consolidated financial statements, your Company uses significant accounting estimates, in particular to determine the margin at completion for each long term contract which is based on analyses of total costs and revenues at completion, that are reviewed periodically and regularly throughout the life of contract. We reviewed the processes set up by your Company in this respect, assessed the data and assumptions used as a basis for these estimates, compared the accounting estimates of the previous periods with the corresponding actual figures and ensured that note 1-C (b) provided adequate information in this regard.
- As indicated in note 1-C (d) "Business combinations" to the consolidated financial statements, your Company annually carries impairment tests on goodwills on the basis of the estimates of cash flows generated by the activities on which these goodwills are allocated. The assumptions used are based on the business plans that have been performed by your Company and approved by the Board of Directors. We examined the implementation of this impairment test, the assumptions made, and the calculations performed by your Company, and we ensured that note 1-C (d) and note 10 "Intangible assets" provided adequate information in this regard.
- Your Company accounts for business combinations under accounting principles and methods described in note 1-C (d) "Business combinations" to the consolidated financial statements. We examined the processes applied to identify acquired assets and liabilities as well as the methodology, the data and the assumptions used to compute their fair value. We ensured that note 1-C (d) and note 2 "Scope of consolidation" provided adequate information in this regard.
- Note 1-C (v) "Deferred income tax" to the consolidated financial statements indicates that the recoverability of deferred income tax assets recognized as at December 31, 2012, and more specifically those arisen from unused tax losses carried-forward, have been evaluated by your Company on the basis of the forecasts of future taxable results. We reviewed the recoverability analyses on those tax assets performed by your Company and ensured that note 1-C (v) provided adequate information in this regard.
- As regards to litigations, we ensured that the existing procedures enabled the collection, the valuation and the recording in the financial statements of any litigation in satisfactory conditions. We specifically ensured that significant litigations identified by your Company while performing these procedures were accurately described within the notes to the consolidated financial statements and particularly within note 32 "Litigation and contingent liabilities" to the consolidated financial statements.

We carried out an assessment of the reasonableness of these estimates. As described in note 1-C (a) "Use of estimates" to the consolidated financial statements, these estimates may be revised if the circumstances and assumptions on which they are based change, if new information become available, or as a result of greater experience. Consequently, the actual result from these operations may differ from these estimates.

These assessments were made as part of our audit of the consolidated 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 verification

As required by law, we have also verified, in accordance with professional standards applicable in France, the information presented in the Group's Management Report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

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 |

## 20.1.2. GROUP CONSOLIDATED FINANCIAL STATEMENTS

### 1. CONSOLIDATED STATEMENT OF INCOME

| | | 12 months | |
|---|---|---|---|
| In millions of Euro | Notes | 2012 | 2011 |
| **Revenues** | 4 (a) | **8,203.9** | **6,813.0** |
| Cost of Sales | 4 (b) | (6,652.3) | (5,526.4) |
| **Gross Margin** | | **1,551.6** | **1,286.6** |
| Research and Development Costs | 4 (c) | (68.7) | (65.3) |
| Selling Costs | | (230.8) | (184.6) |
| Administrative Costs | 4 (d) | (449.7) | (331.1) |
| Other Operating Income | 4 (e) | 30.7 | 26.4 |
| Other Operating Expenses | 4 (f) | (11.4) | (22.5) |
| **Operating Income/(Loss) from Recurring Activities** | | **821.7** | **709.5** |
| Income from Sale of Activities | 4 (g) | - | - |
| Charges from Non-Current Activities | 4 (h) | (9.5) | (15.7) |
| **Operating Income/(Loss)** | | **812.2** | **693.8** |
| Financial Income | 5 (a) | 302.2 | 349.8 |
| Financial Expenses | 5 (b) | (367.5) | (332.4) |
| Share of Income/(Loss) of Equity Affiliates | 11 | 1.0 | - |
| **Income/(Loss) before Tax** | | **747.9** | **711.2** |
| Income Tax Expense | 6 | (204.8) | (208.7) |
| **Income/(Loss) from Continuing Operations** | | **543.1** | **502.5** |
| Income/(Loss) from Discontinued Operations | 7 | - | - |
| **NET INCOME/(LOSS) FOR THE YEAR** | | **543.1** | **502.5** |
| Attributable to: | | | |
| Shareholders of the Parent Company | | 539.7 | 507.3 |
| Non-Controlling Interests | | 3.4 | (4.8) |
| Earnings per Share (in Euro) | 8 | 4.91 | 4.69 |
| Diluted Earnings per Share (in Euro) | 8 | 4.50 | 4.41 |

### 2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | | 12 months | |
|---|---|---|---|
| In millions of Euro | Notes | 2012 | 2011 |
| **Net Income/(Loss) for the Year** | | **543.1** | **502.5** |
| Exchange Differences on Translating Entities Operating in Foreign Currency | | (68.2) | (10.6) |
| Fair Value Adjustment on Available-For-Sale Financial Assets | 20 (d) | (42.4) | (6.4) |
| Cash Flow Hedging | 20 (d) | 76.9 | (18.9) |
| Other | | - | (0.2) |
| Taxes (*) | 20 (d) | (21.1) | 4.4 |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR (**)** | | **488.3** | **470.8** |
| Attributable to: | | | |
| Shareholders of the Parent Company | | 485.8 | 479.5 |
| Non-Controlling Interests | | 2.5 | (8.7) |

(*) Includes + €1.5 million of tax effects related to fair value adjustments on available-for-sale financial assets (compared to €(0.5) million in 2011) and €(22.6) million of tax effects linked to cash flow hedging (compared to +€4.9 million in 2011).

(**) Pursuant to the anticipated application of amended IAS 1 related to the presentation of total comprehensive income, it should be noted that all items hereby included in 2012 and 2011 total comprehensive income would be reclassified (or recycled) to profit or loss at a future point in time (for example, upon derecognition or settlement).

## 3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### Assets

| In millions of Euro | Notes | As of December 31, 2012 | 2011 restated(*) |
|---|---|---|---|
| Property, Plant and Equipment, Net | 9 | 2,413.2 | 2,193.5 |
| Intangible Assets, Net | 10 | 3,367.6 | 3,173.8 |
| Investments in Equity Affiliates | 11 | 5.9 | - |
| Other Financial Assets | 12 | 72.8 | 92.8 |
| Deferred Tax Assets | 6 (c) | 300.5 | 319.2 |
| Available-For-Sale Financial Assets | 13 | 162.7 | 201.9 |
| **Total Non-Current Assets** | | **6,322.7** | **5,981.2** |
| Inventories | 14 | 296.8 | 254.6 |
| Construction Contracts – Amounts in Assets | 15 | 454.3 | 588.0 |
| Advances Paid to Suppliers | | 208.2 | 204.2 |
| Derivative Financial Instruments | 26 | 54.3 | 35.6 |
| Trade Receivables | 16 | 1,273.5 | 1,263.8 |
| Current Income Tax Receivables | | 158.5 | 149.6 |
| Other Current Receivables | 17 | 513.5 | 484.8 |
| Cash and Cash Equivalents | 18 | 2,289.3 | 2,808.7 |
| **Total Current Assets** | | **5,248.4** | **5,789.3** |
| Assets Classified as Held for Sale | 19 | 9.9 | - |
| **TOTAL ASSETS** | | **11,581.0** | **11,770.5** |

(*) The restatement of the 2011 consolidated financial statements is described in Note 2 – Scope of consolidation.

### Equity and liabilities

| In millions of Euro | Notes | As of December 31, 2012 | 2011 restated(*) |
|---|---|---|---|
| Share Capital | 20 (a) | 86.2 | 84.6 |
| Share Premium | | 1,898.2 | 1,784.0 |
| Retained Earnings | | 1,666.6 | 1,371.6 |
| Treasury Shares | 20 (c) | (148.8) | (109.3) |
| Foreign Currency Translation Reserves | | (73.6) | (6.3) |
| Fair Value Reserves | 20 (d) | 32.9 | 19.7 |
| Net Income | | 539.7 | 507.3 |
| **Total Equity Attributable to Shareholders of the Parent Company** | | **4,001.2** | **3,651.6** |
| Non-Controlling Interests | | 13.2 | 21.7 |
| **Total Equity** | | **4,014.4** | **3,673.3** |
| Non-Current Financial Debts | 21 | 1,705.7 | 1,553.4 |
| Non-Current Provisions | 23 | 162.3 | 140.3 |
| Deferred Tax Liabilities | 6 (c) | 189.0 | 138.2 |
| Other Non-Current Liabilities | 25 | 76.2 | 93.2 |
| **Total Non-Current Liabilities** | | **2,133.2** | **1,925.1** |
| Current Financial Debts | 21 | 400.4 | 598.2 |
| Trade Payables | 24 | 2,095.0 | 2,244.3 |
| Construction Contracts – Amounts in Liabilities | 15 | 873.0 | 724.3 |
| Derivative Financial Instruments | 26 | 38.5 | 104.0 |
| Current Provisions | 23 | 351.2 | 346.9 |
| Current Income Tax Payables | | 140.5 | 164.9 |
| Other Current Liabilities | 25 | 1,534.8 | 1,989.5 |
| **Total Current Liabilities** | | **5,433.4** | **6,172.1** |
| **Total Liabilities** | | **7,566.6** | **8,097.2** |
| Liabilities Directly Associated with the Assets Classified as Held for Sale | 19 | - | - |
| **TOTAL EQUITY AND LIABILITIES** | | **11,581.0** | **11,770.5** |

(*) The restatement of the 2011 consolidated financial statements is described in Note 2 – Scope of consolidation.

## 4. CONSOLIDATED STATEMENT OF CASH FLOWS

| | | 12 months | |
|---|---|---|---|
| In millions of Euro | Notes | 2012 | 2011 |
| Net Income for the Year (including Non-Controlling Interests) | | 543.1 | 502.5 |
| Adjustments for: | | | |
| Amortization and Depreciation of Property, Plant and Equipment | 9 | 183.8 | 162.1 |
| Amortization and Depreciation of Intangible Assets | 10 | 11.1 | 11.9 |
| Non-Cash Convertible Bond Expense | | 27.4 | 13.3 |
| Charge related to Share-based Payment and Employee Savings Plan ("*Plan d'Epargne Entreprise*") | 4 (i) | 48.6 | 46.0 |
| Non-Current Provisions (including Pensions and other Long-Term Employee Benefit Plans) | | 22.2 | 18.4 |
| Share of Income/(Loss) of Equity Affiliates | | 0.1 | - |
| Net (Gains)/Losses on Disposal of Assets and Investments | | (5.6) | 0.8 |
| Deferred Income Tax (Credit)/Expense | 6 (a) | 52.9 | 27.5 |
| | | **883.6** | **782.5** |
| (Increase)/Decrease in Working Capital Requirement | | (438.9) | (130.9) |
| **Net Cash Generated from Operating Activities** | | **444.7** | **651.6** |
| Purchases of Property, Plant and Equipment | 9 | (503.2) | (339.2) |
| Proceeds from Disposal of Property, Plant and Equipment | 4 (e) | 26.3 | 2.9 |
| Purchases of Intangible Assets | 10 | (15.7) | (18.0) |
| Proceeds from Disposal of Intangible Assets | | 0.7 | 0.2 |
| Acquisitions of Financial Assets | | (3.3) | (13.3) |
| Proceeds from Disposal of Financial Assets | 5 (b) | 16.8 | 0.7 |
| Acquisition Costs of Consolidated Companies, net of Cash Acquired | | (245.0) | (591.0) |
| **Net Cash Used in Investing Activities** | | **(723.4)** | **(957.7)** |
| Increase in Borrowings(*) | | 433.7 | 888.1 |
| Decrease in Borrowings | | (473.5) | (755.2) |
| Capital Increase | | 115.8 | 34.4 |
| Share Buy-Back | 20 (c) | (107.9) | 0.4 |
| Dividends Paid | 20 (g) | (172.6) | (156.1) |
| **Net Cash Generated from Financing Activities** | | **(204.5)** | **11.6** |
| Net Effects of Foreign Exchange Rate Changes | | (36.4) | (2.5) |
| **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS** | | **(519.6)** | **(297.0)** |
| Cash and Cash Equivalents as of January 1 | 18 | 2,808.7 | 3,105.7 |
| Bank Overdrafts as of January 1 | | (0.1) | (0.1) |
| Cash and Cash Equivalents as of December 31 | 18 | 2,289.3 | 2,808.7 |
| Bank Overdrafts as of December 31 | | (0.3) | (0.1) |
| **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS** | | **(519.6)** | **(297.0)** |

(*) Includes the equity component of convertible bonds corresponding to conversion options of €73.1 million in 2011 (see Note 21 – Financial debts).

Interest paid in 2012 amounted to €73.5 million compared to €54.5 million in 2011.

Interest received in 2012 amounted to €43.3 million compared to €64.1 million in 2011.

Income taxes paid in 2012 amounted to €156.5 million compared to €195.7 million in 2011.

## 5. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| In millions of Euro | Share Capital | Share Premium | Retained Earnings | Treasury Shares | Foreign Currency Translation Reserves | Fair Value Reserves | Net Income – Parent Company | Shareholders' Equity – Parent Company | Shareholders' Equity – Non-Controlling Interests | Total Shareholders' Equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **As of January 1, 2011** | **84.1** | **1,750.1** | **1,013.6** | **(137.9)** | **11.5** | **40.8** | **417.6** | **3,179.8** | **22.3** | **3,202.1** |
| Net Income 2011 | - | - | - | - | - | - | 507.3 | 507.3 | (4.8) | 502.5 |
| Other Comprehensive Income | - | - | - | - | (6.7) | (21.1) | - | (27.8) | (3.9) | (31.7) |
| **Total Comprehensive Income 2011** | **-** | **-** | **-** | **-** | **(6.7)** | **(21.1)** | **507.3** | **479.5** | **(8.7)** | **470.8** |
| Capital Increase | 0.5 | 33.9 | - | - | - | - | - | 34.4 | - | 34.4 |
| Appropriation of Net Income 2010 | - | - | 417.6 | - | - | - | (417.6) | - | - | - |
| Dividends | - | - | (156.1) | - | - | - | - | (156.1) | - | (156.1) |
| Treasury Shares | - | - | - | 28.6 | - | - | - | 28.6 | - | 28.6 |
| Convertible Bond OCEANE | - | - | 46.5 | - | - | - | - | 46.5 | - | 46.5 |
| Valuation of Share-based Payment and Employee Savings Plan ("*Plan d'Epargne Entreprise*") | - | - | 36.9 | - | - | - | - | 36.9 | - | 36.9 |
| Other (*) | - | - | 13.1 | - | (11.1) | - | - | 2.0 | 8.1 | 10.1 |
| **As of December 31, 2011** | **84.6** | **1,784.0** | **1,371.6** | **(109.3)** | **(6.3)** | **19.7** | **507.3** | **3,651.6** | **21.7** | **3,673.3** |
| Net Income 2012 | - | - | - | - | - | - | 539.7 | 539.7 | 3.4 | 543.1 |
| Other Comprehensive Income | - | - | - | - | (67.3) | 13.4 | - | (53.9) | (0.9) | (54.8) |
| **Total Comprehensive Income 2012** | **-** | **-** | **-** | **-** | **(67.3)** | **13.4** | **539.7** | **485.8** | **2.5** | **488.3** |
| Capital Increase | 1.6 | 114.2 | - | - | - | - | - | 115.8 | - | 115.8 |
| Appropriation of Net Income 2011 | - | - | 507.3 | - | - | - | (507.3) | - | - | - |
| Dividends | - | - | (172.6) | - | - | - | - | (172.6) | - | (172.6) |
| Treasury Shares | - | - | (76.7) | (39.5) | - | - | - | (116.2) | - | (116.2) |
| Valuation of Share-based Payment and Employee Savings Plan ("*Plan d'Epargne Entreprise*") | - | - | 44.3 | - | - | - | - | 44.3 | - | 44.3 |
| Other (**) | - | - | (7.3) | - | - | (0.2) | - | (7.5) | (11.0) | (18.5) |
| **AS OF DECEMBER 31, 2012** | **86.2** | **1,898.2** | **1,666.6** | **(148.8)** | **(73.6)** | **32.9** | **539.7** | **4,001.2** | **13.2** | **4,014.4** |

(*) Includes effects of purchases of non-controlling interests and reclassifications due to changes in the consolidation scope.
(**) Includes effects of changes in the consolidation scope.

## 6. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Technip's principal businesses are as follows:

- lump sum or cost-to-cost engineering service contracts performed over a short period;
- engineering, manufacturing, installation and commissioning service contracts lasting approximately 12 months; and
- turnkey projects related to complex industrial facilities with engineering, procurement, construction and start-up in accordance with industry standards and a contractual schedule. The average duration of these contracts is three years, but can vary depending on the contract.

The consolidated financial statements of the Group are presented in millions of Euros, and all values are rounded to the nearest thousand, except when otherwise indicated. The consolidated financial statements of the Group for the financial year ended December 31, 2012 were approved by the Board of Directors on February 19, 2013.

## Note 1 – Accounting principles

### A. Accounting framework

In accordance with the European Union's regulation No. 1606/2002 of July 19, 2002, the consolidated financial statements of Technip ("the Group") for financial year 2012 were prepared as of December 31, 2012 in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) and endorsed by the European Union as of February 19, 2013, the date of the meeting of the Board of Directors that approved the consolidated financial statements. These standards are available on the website of the European Union (http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm).

#### Effective standards, that apply to the Group

The adoption of new standards, amendments and interpretations that had mandatory application for periods starting after January 1, 2012 had no significant impact on the financial situation and performance of the Group.

- **IAS 12 (amended)** "Deferred Taxes: Recovery of Underlying Assets":

  The amendment integrates SIC 21 and applies to investment property measured using the fair value model.
- **IFRS 7 (amended)** "Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities":

  The amendment requires additional disclosure about financial assets that have been transferred but not derecognized.

#### Standards effective after December 31, 2012, that apply to the Group

Technip's financial statements as of December 31, 2012 do not include the possible impact of standards published as of December 31, 2012, but which application is mandatory as per European Union as from financial years subsequent to the current year.

- **IAS 19 (amended)** "Employee Benefits":

  The amendment brings numerous changes to the standard, especially recognition of all actuarial gains and losses in other comprehensive income and the suppression of the corridor method, as well as the immediate recognition of past service costs.

  This amendment is applicable January 1, 2013. The financial impacts are presented in Note 22 "Pensions and other long-term employee benefit plans".
- **IFRS 13** "Fair Value":

  Guidance on fair value measurement and disclosures to financial statements. This new standard, applicable as of January 1, 2013, has no impact on Technip's financial Statements.
- **IFRS 7 (amended)** "Financial Instruments: Disclosures – Transfers of Financial Assets":

  This amendment will apply retrospectively as of January 1, 2013 and enhance disclosures related to financial assets and liabilities offsets.
- **IFRS 10 and IFRS 12** "Consolidated Financial Statements – Disclosure of Interests in other Entities":

  These standards modify IAS 27 "Separate Financial Statements" and cancels SIC 12 "Consolidation – Special Purpose Entities". IFRS 10 presents a unique model of consolidation, identifying the concept of control as the determining factor in whether an entity should be consolidated.
- **IFRS 11** "Joint Arrangements":

  This standard supersedes IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities". The standard distinguishes two types of joint arrangements, joint ventures and joint operations, by assessing its rights and obligations in the joint arrangement.

  The last three above-mentioned standards will be applicable as of January 1, 2014 in the European Union. The Group is currently assessing the financial Impacts on its financial statements.

### B. Consolidation principles

All the companies which are controlled exclusively by the Group are consolidated using the global integration method. All entities are concerned, included special purpose entities, for which the Group has the power to govern the financial and operating policies. The Group usually owns more than half of the voting rights of these entities.

Proportionate consolidation is used for jointly controlled entities. Activities in joint ventures are consolidated using proportionate consolidation.

The equity method is used for investments over which the Group exercises a significant influence on operational and financial policies. Unless otherwise indicated, such influence is deemed to exist for investments in companies in which the Group's ownership is between 20% and 50%.

Companies in which the Group's ownership is less than 20% or that do not represent significant investments (such as dormant companies) are recorded under the "Other Financial Assets (Non-Current)" or "Available-For-Sale Financial Asset" line items and only impact net income through dividends received or in case of impairment loss. Where no active market exists and where no other valuation method can be used, these financial assets are maintained at historical cost, net of depreciation.

The list of the Group's consolidated companies and their respective method of consolidation is provided in Note 2 (c) Scope of consolidation as of December 31, 2012.

The main affiliates of the Group close their accounts as of December 31 and all consolidated companies apply the Group accounting standards.

All intercompany balances and transactions, as well as internal income and expenses, are fully eliminated.

Subsidiaries are consolidated as of the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date control ceases.

## C. Accounting rules and estimates

The consolidated financial statements were prepared in accordance with the IFRS.

The distinction between current assets and liabilities, and non-current assets and liabilities is based on the operating cycle of contracts. If related to contracts, assets and liabilities are classified as "current"; if not related to contracts, assets and liabilities are classified as "current" if their maturity is less than 12 months or "non-current" if their maturity exceeds 12 months.

All assets are valued under the historical cost convention, except for financial assets and derivative financial instruments, which are measured at fair value.

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are material, are disclosed in the paragraphs below.

### (a) Use of estimates

Preparation of the consolidated financial statements requires the use of estimates and assumptions to be made that may affect the assessment and disclosure of assets and liabilities at the date of the financial statements, as well as the income and the reported expenses regarding this financial year. Estimates may be revised if the circumstances and the assumptions on which they were based change, if new information becomes available, or as a result of greater experience. Consequently, the actual result from these operations may differ from these estimates.

The main assessments and accounting assumptions made in the financial statements of the Group relate to construction contracts, the valuation of Group exposure to litigation with third parties, the valuation of goodwill and the assessment of recoverable goodwill, as well as the valuation of income tax assets resulting from tax losses carried forward (the latter is measured in compliance with accounting principles shown in Note 1-C (v) – Deferred income tax). Regarding construction contracts, the Group policy is described in Note 1-C (b) – Long-term contracts. In terms of legal proceedings and claims, the Group regularly establishes lists and performs analyses of significant ongoing litigation, so as to record the adequate provisions when necessary. Possible uncertainties related to ongoing litigation are described in Note 32 – Litigation and contingent liabilities.

Goodwill, valued pursuant to principles described in Note 1-C (d) – Business Combinations, is tested for impairment at least annually and whenever a trigger event is identified. This impairment test determines whether or not the carrying amount exceeds the recoverable amount. Goodwill is allocated to cash-generating units (CGU) for the purpose of impairment testing. These CGUs correspond to the Subsea/Onshore/Offshore activities, which represent the smallest identifiable group of assets that generates independent cash flows. The recoverable amount is the higher of either the selling price or values in use of the CGUs. The latter corresponds to the discounted future cash flows forecasted for these CGUs.

Technip also performs sensitivity analyses on key assumptions used for impairment tests, in order to make sure that no reasonable change of an assumption on which the Group has based its CGUs' recoverable value jeopardizes the conclusions of these impairment tests.

### (b) Long-term contracts

Long-term contracts are recorded in accordance with IAS 11 ("Construction Contracts") where they include construction and delivery of a complex physical asset, or in accordance with IAS 18 ("Revenue") in all other cases.

Costs incurred on contracts include the following:

- the purchase of material, the subcontracting cost of engineering, the cost of markets, and all other costs directly linked to the contract;
- labor costs, related social charges and operating expenses that are directly connected. Selling costs of contracts, research and development costs and the potential charge of "overabsorption" are excluded from those evaluations; and
- other costs, if any, which could be reinvoiced to the client when specified in the contract clauses.

Costs on construction contracts do not include financial expenses.

Revenues on contracts at completion include:

- the initial selling price;
- every additional clause, variation order and modification (together "changes") to the initial contract if it is probable that these changes could be reliably measured and that they are accepted by the client; and
- financial result on contracts when a contract generates a significant net cash position.

Revenues on ongoing contracts are measured on the basis of costs incurred and of margin recognized at the percentage of completion. Margin is recognized only when the visibility of the riskiest stages of the contract is deemed sufficient and when estimates of costs and revenues are considered to be reliable.

The percentage of completion is calculated according to the nature and the specific risk of each contract in order to reflect the effective completion of the project. This percentage of completion can be based on technical milestones defined for the main deliverables under the contracts or based on the ratio between costs incurred to date and estimated total costs at completion.

As soon as the estimate of the final outcome of a contract indicates a loss, a provision is recorded for the entire loss.

The gross margin of a long-term contract at completion is based on an analysis of total costs and income at completion, which are reviewed periodically and regularly throughout the life of the contract.

In accordance with IAS 11, construction contracts are presented in the statement of financial position as follows: for each construction contract, the accumulated costs incurred, as well as the gross margin recognized at the contract's percentage of completion (plus accruals for foreseeable losses if needed), after deduction of the payments received from the clients, are shown on the asset side under the "Construction Contracts – Amounts in Assets" line item if the balance of those combined components is a debit; if the balance is a credit, these are shown on the liability side under the "Construction Contracts – Amounts in Liabilities" line item.

A construction contract is considered completed when the last technical milestone is achieved, which occurs upon contractual transfer of ownership of the asset or temporary delivery, even if conditional. Upon completion of the contract:

- The balance of "Construction Contracts – Amounts in Assets", which at that time amounts to the total sale price of the contract, less accumulated payments received under this contract at the delivery date, is invoiced to the customer and recorded as current receivables on contracts (see Note 16 – Trade receivables).
- If necessary, a liability may be accrued and recorded in "Other Current Payables" in the statement of financial position in order to cover pending expenses to get the acceptance certificate from the client.

As per IAS 18, other long-term contracts are recorded as follows in the statement of financial position: invoicing in advance of revenue to be recognized is recorded as advances received in "Other Current Liabilities" (see Note 25 – Other current and non-current liabilities); invoicing that trails revenues to be recognized is recorded in "Trade Receivables" (see Note 16 – Trade receivables).

Costs incurred before contract signing ("bid costs"), when they can be directly linked to a future construction contract where the signature is almost certain, are recorded in "Construction Contracts – Amounts in Assets" (see Note 15 – Construction contracts), and then included in costs of ongoing contracts when the contract is obtained. From a practical point of view, costs effectively capitalized correspond to the bid costs incurred during the quarter of the contract's award. Bid costs are directly recorded into consolidated income statement on the line "Selling Costs" when a contract is not secured.

### (c) Foreign currency transactions and financial Instruments

#### FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are translated into the functional currency at the exchange rate applicable on the transaction date.

At the closing date, monetary assets and liabilities stated in foreign currencies are translated into the functional currency at the exchange rate prevailing on that date. Resulting exchange gains or losses are directly recorded in the income statement, except exchange gains or losses on cash accounts eligible for future cash flow hedging and for hedging on net foreign currency investments.

#### TRANSLATION OF FINANCIAL STATEMENTS OF SUBSIDIARIES IN FOREIGN CURRENCY

The income statements of foreign subsidiaries are translated into Euro at the average exchange rate prevailing during the year. Statements of financial position are translated at the exchange rate at the closing date. Differences arising in the translation of financial statements of foreign subsidiaries are recorded in other comprehensive income as foreign currency translation reserve. The functional currency of the foreign subsidiaries is most commonly the local currency.

#### DERIVATIVES AND HEDGING PROCESSING

Every derivative financial instrument held by the Group is aimed at hedging future inflows or outflows against exchange rate fluctuations during the period of contract performance. Derivative instruments and in particular forward exchange transactions are aimed at hedging future inflows or outflows against exchange rate fluctuations in relation with awarded commercial contracts.

Foreign currency treasury accounts designated for a contract and used to finance its future expenses in foreign currencies may qualify as a foreign currency cash flow hedge.

An economic hedging may occasionally be obtained by offsetting cash inflows and outflows on a single contract ("natural hedging").

When implementing hedging transactions, each Group's subsidiary enters into forward exchange contracts with banks or with Technip Eurocash SNC, the company that performs centralized treasury management for the Group. However, only instruments that involve a third party outside of the Group are designated as hedging instruments.

A derivative instrument qualifies for hedge accounting (fair value hedge or cash flow hedge) when there is a formal designation and documentation of the hedging relationship, and of the effectiveness of the hedge throughout the life of the contract. A fair value hedge aims at reducing risks incurred by changes in the market value of some assets, liabilities or firm commitments. A cash flow hedge aims at reducing risks incurred by variations in the value of future cash flows that may impact net income.

In order for a currency derivative to be eligible for hedge accounting treatment, the following conditions have to be met:

- its hedging role must be clearly defined and documented at the date of inception; and
- its efficiency should be proved at the date of inception and/or as long as it remains efficient. If the efficiency test results in a score between 80 and 125%, changes in fair value of the covered element must be almost entirely offset by the changes in fair value of the derivative instrument.

All derivative instruments are recorded and disclosed in the statement of financial position at fair value:

- derivative instruments considered as hedging are classified as current assets and liabilities, as they follow the operating cycle; and
- derivative instruments not considered as hedging are also classified as current assets and liabilities.

Changes in fair value are recognized as follows:

- regarding cash flow hedges, the portion of the gain or loss corresponding to the effectiveness of the hedging instrument is recorded directly in other comprehensive income, and the ineffective portion of the gain or loss on the hedging instrument is recorded in the income statement. The exchange gain or loss on derivative cash flow hedging instruments, which is deferred in equity, is reclassified in the net income of the period(s) in which the specified hedged transaction affects the income statement;

- the changes in fair value of derivative financial instruments that qualify as hedging are recorded as financial income or expenses. The ineffective portion of the gain or loss is immediately recorded in the income statement. The carrying amount of a hedged item is adjusted by the gain or loss on this hedged item which may be allocated to the hedged risk and is recorded in the income statement; and
- the changes in fair value of derivative financial instruments that do not qualify as hedging in accounting standards are directly recorded in the income statement.

The fair value of derivative financial instruments is estimated on the basis of valuations provided by bank counterparties or financial models commonly used in financial markets, using market data as of the statement of financial position date.

#### BID CONTRACTS IN FOREIGN CURRENCY

To hedge its exposure to exchange rate fluctuations during the bid-period of construction contracts, Technip occasionally enters into insurance contracts under which foreign currencies are exchanged at a specified rate and at a specified future date only if the new contract is awarded. The premium the Group pays to enter into such an insurance contract is charged to the income statement when paid. If the commercial bid is not successful, the insurance contract is automatically terminated without any additional cash settlements or penalties.

In some cases, Technip may enter into foreign currency options for some proposals during the bid-period. These options cannot be eligible for hedging.

### (d) Business combinations

Assets, liabilities and contingent liabilities acquired within business combinations are recorded and valued at their fair value using the purchase method. Identifiable assets are depreciated over their estimated useful lives.

The goodwill, of which measurement results in difference between the acquisition price and the estimation of identifiable assets, liabilities and contingent liabilities at their fair value, is posted on the "Goodwill" line item when significant, under the "Intangible Assets" category. Goodwill is no longer amortized as per IFRS 3.

Adjustments recorded for a business combination on the provisional values of assets, liabilities and contingent liabilities are recognized as a retrospective change in goodwill when occurring within a 12-month period after the acquisition date. After this measurement period ends, any change in valuation of assets, liabilities and contingent liabilities should be accounted for in profit and loss statement, with no impact on goodwill.

The net value of intangible assets is subject to impairment tests performed on a regular basis, using the discounted cash flow method on the basis of the estimates of cash flows generated by the activities on which these goodwills are allocated, these estimates correspond to the most likely assumptions adopted by the Board of Directors. Impairment tests are based on estimates in terms of growth rates, operating margin rates, discount rates and corporate tax rates. The assumptions used are based on the three-year business plans for each activity that have been approved by the Board of Directors.

The goodwill and corresponding assets and liabilities are allocated to the appropriate activities (Onshore/Offshore/Subsea, corresponding to the Group CGUs).

Goodwill impairment analysis is performed during the fourth quarter of each financial year or whenever there is an indication that an asset may be impaired.

Actual figures may differ from projections. If calculations show that an asset shall be impaired, an impairment expense is recognized.

### (e) Segment information

#### INFORMATION BY BUSINESS SEGMENT

As per IFRS 8, an operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are regularly reviewed by the entity's chief operating decision maker; and
- for which distinct financial information is available.

Effective as from January 1, 2012, the Group modified the reporting of its operating performances, by consolidating the former Onshore and Offshore segments.

Both activities have been pooled in 2011 under the authority of one of the two Executive Vice Presidents & Chief Operating Officers. They involve shared resources in terms of engineering, and have similar characteristics in terms of economic performances, as well as range of products, processes and markets.

The three business segments as reported to the main operating decision-maker, the Group Executive Committee, are therefore organized as following:

- the Subsea segment includes the design, manufacture, procurement and installation of subsea equipment;
- the Onshore/Offshore segment includes the entire engineering and construction business for petrochemical and refining plants as well as facilities for developing onshore oil and gas fields (including gas treatment units, liquefied natural gas (LNG) units and onshore pipelines). It also includes the renewable energies and the engineering and construction of non-petroleum facilities; as well as the design and construction of fixed or floating facilities and surface installations; and
- the Corporate segment includes holding company activities and central services rendered to Group subsidiaries, including IT services and reinsurance activity.

Segment information relating to the statement of financial position and the statement of income are prepared in accordance with IFRS.

The items related to segment result disclosed by Technip in its business segment information are the "Operating Income/(Loss) from Recurring Activities" and the "Operating Income/(Loss)". As a result, the segment result does not include financial income and expenses (except financial result on contracts), income tax expense (because of shared treasury and tax management), or the share of income/(loss) of equity affiliates. Segment assets do not include asset items related to the latter, such as income tax assets. Similarly, segment liabilities do not include liability items that are not connected to segment result, such as current and deferred income tax liabilities.

**INFORMATION BY GEOGRAPHICAL AREA**

From a geographical standpoint, operating activities and performances of Technip are reported on the basis of five areas, as follows:

- Europe, Russia and Central Asia;
- Africa;
- Middle East;
- Asia Pacific; and
- Americas.

The items related to segment result disclosed by Technip in its geographical segment information are the "Operating Income/(Loss) from Recurring Activities" and the "Operating Income/(Loss)".

Consequently, the segment result does not include financial income and expenses (except for the financial result on contracts), income tax expense or the share of income/(loss) of equity affiliates. Segment assets do not include asset items related to the latter, such as deferred and current tax assets.

Geographical areas are defined according to the following criteria: specific risks associated with activities performed in a given area, similarity of economic and political framework, regulation of exchange control, and underlying monetary risks.

The breakdown by geographical area is based on the contract delivery within the specific country.

## (f) Operating income from recurring activities and operating income

As per IAS 1, gains and losses from sale of activities are included in operating income. They are disclosed on a separate line ("Income/(Loss) from Sale of Activities"), between Operating Income/(Loss) from Recurring Activities and Operating Income/(Loss). The same applies to other non-current income and expenses.

## (g) Financial result on contracts

The financial result of treasury management related to construction contracts is recorded together with the revenues. Only the financial result on treasury not related to long-term contracts is separately disclosed in the consolidated statement of income under the "Financial Income" and "Financial Expenses" line items.

## (h) Income/(loss) from discontinued operations

In compliance with IFRS 5, the result incurred by discontinued operations through sales or disposals is recorded under this line item. Discontinued operations consist of a whole line of business or geographical area.

## (i) Earnings per share

As per IAS 33 "Earnings per Share", Earnings Per Share (EPS) are based on the average number of outstanding shares over the period, after deducting treasury shares.

Diluted earnings per share amounts are calculated by dividing the net profit of the period, restated if need be for the after-tax financial cost of dilutive financial instruments, by the sum of the weighted average number of outstanding shares, the weighted average number of share subscription options not yet exercised, the weighted average number of performance shares granted calculated using the share purchase method, and the weighted average number of shares of the convertible bonds and, if applicable, the effects of any other dilutive instrument.

In accordance with the share purchase method, only dilutive instruments are used in calculating EPS. Dilutive instruments are those for which the option exercise price plus the future IFRS 2 expense not yet recognized is lower than the average share price during the EPS calculation period.

## (j) Property, plant and equipment (tangible assets)

In compliance with IAS 16 "Property, Plant and Equipment", an asset is recognized only if the cost can be measured reliably and if future economic benefits are expected from its use.

Property, plant and equipment are carried at their historical cost or at their fair value in case of business combinations.

As per IAS 16, Technip uses different depreciation periods for each of the significant components of a single property, plant and equipment asset where the useful life of the component differs from that of the main asset. Following are the useful lives most commonly applied by the Group:

| | |
|---|---|
| Buildings | 10 to 50 years |
| Vessels | 10 to 25 years |
| Machinery and Equipment | 6 to 10 years |
| Office Fixtures and Furniture | 5 to 10 years |
| Vehicles | 3 to 7 years |
| IT Equipment | 3 to 5 years |

If the residual value of an asset is material and can be measured, it is taken into account in calculating its depreciable amount.

On a regular basis, the Group reviews the useful lives of its assets. That review is based on the effective use of the assets.

As per IAS 17, assets at the Group's disposal through lease contracts are capitalized where almost all risks and benefits related to the asset property have been transferred to the Group. This standard was not applicable to the Technip Group's Consolidated Financial Statements.

As per IAS 16, dry-dock expenses are capitalized as a separate component of the principal asset. They are amortized over a period of three to five years.

Amortization costs are recorded in the income statement as a function of the fixed assets' use, split between the following line items: cost of sales, research and development costs, selling costs or general administrative costs.

In accordance with IAS 36, the carrying value of property, plant and equipment is reviewed for impairment whenever internal or external events indicate that there may be impairment, in which case, an impairment loss is recognized.

In application of IAS 23, borrowing costs related to assets under construction are capitalized as part of the value of the asset.

## (k) Intangible assets

### RESEARCH AND DEVELOPMENT COSTS GENERATED INTERNALLY

Research costs are expensed when incurred. In compliance with IAS 38, development costs are capitalized if all of the following criteria are met:

- the projects are clearly identified;
- the Group is able to reliably measure expenditures incurred by each project during its development;
- the Group is able to demonstrate the technical feasibility of the project;
- the Group has the financial and technical resources available to achieve the project;
- the Group can demonstrate its intention to complete, to use or to commercialize products resulting from the project; and
- the Group is able to demonstrate the existence of a market for the output of the intangible asset, or, if it is used internally, the usefulness of the intangible asset.

Since not all of these conditions were met for the disclosed period on ongoing development projects, no development expenses were capitalized, except some expenses related to IT projects developed internally.

### OTHER INTANGIBLE ASSETS

Patents are amortized over their useful life, generally on a straight line basis over ten years. Costs related to software rights are capitalized, as are those related to creating proprietary IT tools, such as the E-procurement platform, or Group management applications which are amortized over their useful life, generally five years.

In accordance with IAS 36, the carrying value of intangible assets is reviewed for impairment whenever internal or external events indicate that there may be impairment, in which case, an impairment loss is recognized.

## (l) Other financial assets

Other financial assets are recorded at fair value or at historical cost, as of the transaction date, if they cannot be measured reliably. In the latter case, impairment is recorded if the recoverable value is lower than the historical cost. The estimated recoverable value is computed by type of financial asset based on the future profitability or the market value of the company considered, as well as its net equity if needed.

### NON-CONSOLIDATED INVESTMENTS

On initial recognition, non-consolidated investments are recognized at their acquisition cost including directly attributable transaction costs.

At the closing date, these investments are measured at their fair value. As investments under this category relate to unlisted securities, fair value is determined on the basis of discounted cash flows or failing that, based on the Group's share in the Company's equity.

### RECEIVABLES RELATED TO INVESTMENTS

This item comprises loans and advances through current accounts granted to non-consolidated or equity affiliates.

### SECURITY DEPOSITS AND OTHERS

This item essentially includes guarantee security deposits and escrow accounts related to litigation or arbitration.

## (m) Available-for-sale financial assets

Investments in listed companies which are not consolidated are recorded in this line item. They are initially and subsequently measured at fair value.

Variations in fair value are booked directly in other comprehensive income and unrealized gains or losses are recycled in the income statement upon disposal of the investment. An impairment loss is recorded through the income statement when the loss is sustained (over more than two quarters) or significant (more than 30%).

## (n) Inventories

Inventories are recognized at the lower of cost and market value with cost being principally determined on a weighted-average cost basis.

Provisions for depreciation are recorded when the net realizable value of inventories is lower than their net book value.

## (o) Advances paid to suppliers

Advance payments made to suppliers under long-term contracts are shown under the "Advances to Suppliers" line item, on the asset side of the statement of financial position.

## (p) Trade receivables

Trade receivables are measured at fair value. A provision for doubtful accounts is recorded when the Group assesses the recoverable value is lower than the fair value.

Trade receivables only relate to contracts accounted for as per IAS 18 (see Note 1-C (b) – Long-term contracts) and delivered contracts.

## (q) Cash and cash equivalents

Cash and cash equivalents consist of cash in bank and in hand, as well as marketable securities fulfilling the following criteria: a maturity of usually less than three months, highly liquid, a fixed exchange value and an insignificant risk of loss of value. Marketable securities are measured at their market value at period-end. Any change in fair value is recorded in the income statement.

## (r) Treasury shares

Treasury shares are recorded as a deduction to equity at their acquisition cost. Any gain or loss related to the sale of treasury shares is recognized directly in equity without affecting the income statement.

## (s) Grants of share subscription options, share purchase options and performance shares

In accordance with IFRS 2, share subscription options, share purchase options and performance share grants constitute a benefit to the beneficiaries and represent additional compensation paid by the Group. This supplementary benefit is recognized as follows: the fair value of the granted options and shares which correspond to the services rendered by the employees against the options and shares received is determined at the grant date and recorded as an expense against the equity line item over the vesting period.

The fair value of the share subscription options, the share purchase options or the performance share grants is determined using the Cox Ross Rubinstein binomial model. The model takes into account the features of the option plan (exercise price, vesting period, exercise period) and the market data at the grant date (risk-free rate, volatility, dividends, share price).

All share subscription option, share purchase option and performance share plans are exclusively settled in shares.

IFRS 2 applies to share-based payment plans granted after November 7, 2002 and not vested before January 1, 2005.

## (t) Capital increase reserved for employees

In compliance with IFRS 2, instruments awarded under employee share purchase plans are measured at fair value, estimated at the grant date based on the discount awarded to employees and the non-transferability period applicable to the shares subscribed.

The cost of employee share purchase plans is recognized in full in the statement of income and offset against consolidated equity, without any impact on total equity.

## (u) Provisions (current and non-current)

Accrued liabilities are recognized if and only if the following criteria are simultaneously met:

- the Group has an ongoing obligation (legal or constructive) as a result of a past event;
- the settlement of the obligation will likely require an outflow of resources embodying economic benefits; and
- the amount of the obligation can be reliably estimated; provisions are measured according to the risk assessment or the exposed charge, based upon best-known elements.

### CURRENT PROVISIONS

Contingencies related to contracts: these provisions relate to litigation on contracts.

Restructuring: once a restructuring plan has been decided and the interested parties have been informed, the plan is scheduled and valued. Restructuring provisions are recognized in compliance with IAS 37.

### NON-CURRENT PROVISIONS

Pensions and other long-term employee benefit plans: the Group is committed to various long-term employee benefit plans. Those obligations are settled either at the date of employee departures or at a subsequent date. The main defined benefit plans can be, depending on the affiliates:

- end-of-career benefits, to be paid at the retirement date;
- deferred wage benefits, to be paid when an employee leaves the Company; or
- retirement benefits, to be paid in the form of a pension.

In accordance with IAS 19, the obligations of providing benefits under defined benefit plans are determined by independent actuaries using the projected unit credit actuarial valuation method. The actuarial assumptions used to determine the obligations may vary depending on the country. The actuarial estimation is based on usual parameters such as future wage and salary increases, life expectancy, staff turnover rate, inflation rate and rate of return on investment.

The defined benefit liability is calculated as the difference between the present value of the defined benefit obligation, past service costs and actuarial gains and losses not yet recognized, and the fair value of plan assets out of which the obligations are to be settled. Present value of the defined benefit obligation is determined using present value of future cash disbursements based on interest rates of convertible bonds, in the currency used for benefit payment, and whose life is equal to the average expected life of the defined benefit plan. Applying the corridor method, actuarial gains and losses are recognized as income or expenses when the net cumulative unrecognized actuarial gains and losses for each individual plan at the end of the previous reporting period exceed 10% of the higher of the defined benefit obligation and the fair value of plan assets at that date. These gains and losses are amortized over the remaining working lives.

The amended IAS 19 gives the option of recording actuarial gains and losses directly in other comprehensive income from January 1, 2006. The Group has decided not to use this option.

## (v) Deferred income tax

Deferred income taxes are recognized in accordance with IAS 12, using the liability method (use of the last forecast tax rate passed or almost passed into law at the closing date), on all temporary differences at the closing date, between the tax bases of assets and liabilities and their carrying amounts for each Group's company.

Deferred income taxes are reviewed at each closing date to take into account the effect of any changes in tax law and in the prospects of recovery.

Deferred income tax assets are recognized for all deductible temporary differences, unused tax credits carry-forwards and unused tax losses carry-forwards, to the extent that it is probable that taxable profit will be available.

To properly estimate the ability of a subsidiary to recover the deferred tax assets, the following items are taken into account:

- existence of temporary differences which will cause taxation in the future;
- forecasts of taxable results;
- analysis of the past taxable results; and
- existence of significant and non-recurring income and expenses, included in the past tax results, which should not repeat in the future.

Deferred income tax liabilities are recognized for all taxable temporary differences, except restrictively enumerated circumstances, in accordance with the provisions of IAS 12.

When a tax consolidation mechanism is in place for companies in a given country, the deferred tax calculation takes into account the individual tax situation of each subsidiary located in that country as well as the overall situation of all subsidiaries included in the scope of consolidation.

Assets and liabilities are not discounted except those whose tax base is discounted by nature (for instance, pensions).

### (w) Financial debts (current and non-current)

Current and non-current financial debts include bond loans and other borrowings. Issuance fees and redemption premium on convertible bonds are included in the cost of debt on the liability side of the statement of financial position, as an adjustment to the nominal amount of the debt. The difference between the initial debt and redemption at maturity is amortized at the effective interest rate.

The OCEANE convertible bonds are recognized in two distinct components:

- a debt component is recognized at amortized cost, which was determined using the market interest rate for a non-convertible bond with similar features. The carrying amount is recognized net of its proportionate share of the debt issuance costs; and
- a conversion option component is recognized in equity for an amount equal to the difference between the issuing price of the OCEANE convertible bond and the value of the debt component. The carrying amount is recognized net of its proportionate share of the debt issuance costs and corresponding deferred taxes. This value is not remeasured but will be adjusted for all conversion of bonds.

### (x) Assets and liabilities held for sale

The Group considers every non-current asset as an asset held for sale if it is very likely that its book value will be recovered principally by a sale transaction rather than by its continued use. Assets classified as held for sale are measured at the lower of either the carrying amount or the fair value less selling costs.

## Note 2 – Scope of consolidation

### (a) Main acquisitions

#### Year ended December 31, 2012

On August 31, 2012, Technip acquired Stone & Webster process technologies and associated oil and gas engineering capabilities from The Shaw Group.

This transaction will enable Technip to enhance substantially its position as a technology provider to the refining and petrochemicals industries, to diversify further its Onshore/Offshore segment, to strengthen its relationships with clients worldwide, to expand in promising growth areas such as the US, where downstream markets will benefit from the supply of unconventional gas, and to add skilled resources, notably in research in the US, India and the UK.

The total purchase price was USD295.3 million in cash. The temporary goodwill recognized for the financial year ended December 31, 2012 amounts to USD250.4 million. The valuation of the fair value assets and liabilities will occur in 2013 and be essentially led on the assessment of technologies and other intangible assets.

Total consolidated revenues of Stone & Webster process technologies were €53.8 million in 2012.

#### Year ended December 31, 2011

On December 1, 2011, Technip acquired 100% of the shares of Global Industries, Ltd.

Global Industries brings its complementary subsea know-how, assets and experience to Technip, notably including two newly-built leading edge S-Lay vessels, the Global 1200 and the Global 1201, as well as strong positions in the Gulf of Mexico (US and Mexican waters), Asia Pacific and the Middle East.

Strong revenue synergies are expected as the acquisition will substantially increase Technip's current capabilities and expand its addressable market in Deep-to-Shore subsea infrastructure. Technip foresees additional opportunities in the Offshore activity, with Global Industries talent, know-how and leading edge units, particularly in the Heavy Lift business.

The total purchase price paid for the acquisition was USD1,262.9 million, including the payment of available shares at the price of USD8 per share for a total amount of USD936.4 million and the reimbursement of the convertible bond for a principal amount of USD322.6 million and paid accrued interest of approximately USD3.9 million to the bondholders. During the financial year ended December 31, 2012, Technip achieved the purchase price allocation. This valuation was mainly led on the fair value of fixed assets and the determination of identifiable assets and liabilities.

| In millions of US Dollar | Fair Value |
|---|---|
| Intangible Assets | 0.8 |
| Tangible Assets | 693.1 |
| Other Fixed Assets | 21.6 |
| Construction Contracts, Net | (94.1) |
| Cash and Cash Equivalents | 141.8 |
| Provisions | (15.9) |
| Financial Debts | (394.3) |
| Other Assets and Liabilities, Net | (304.7) |
| **Net Asset** | **48.3** |
| **GOODWILL** | **888.1** |

## Restatement of 2011 consolidated accounts

Following the completion of the purchase price allocation of Global Industries, Ltd, the consolidated statement of financial position as of December 31, 2011, including the Notes appended to the Consolidated Financial Statements presented in Section 20.1 of the Reference Document, were restated as per revised IFRS 3 "Business Combinations".

### ASSETS

| | | As of December 31, | | |
|---|---|---|---|---|
| In millions of Euro | Notes | 2011 reported | Purchase Price Allocation of Global Industries, Ltd | 2011 restated |
| Property, Plant and Equipment, Net | 9 | 2,308.3 | (114.8) | 2,193.5 |
| Intangible Assets, Net | 10 | 2,714.2 | 459.6 | 3,173.8 |
| Investments in Equity Affiliates | 11 | - | - | - |
| Other Financial Assets | 12 | 92.8 | - | 92.8 |
| Deferred Tax Assets | 6 (c) | 306.3 | 12.9 | 319.2 |
| Available-For-Sale Financial Assets | 13 | 201.9 | - | 201.9 |
| **Total Non-Current Assets** | | **5,623.5** | **357.7** | **5,981.2** |
| Inventories | 14 | 254.6 | - | 254.6 |
| Construction Contracts – Amounts in Assets | 15 | 588.0 | - | 588.0 |
| Advances Paid to Suppliers | | 204.2 | - | 204.2 |
| Derivative Financial Instruments | 26 | 35.6 | - | 35.6 |
| Trade Receivables | 16 | 1,279.9 | (16.1) | 1,263.8 |
| Current Income Tax Receivables | | 149.6 | - | 149.6 |
| Other Current Receivables | 17 | 487.9 | (3.1) | 484.8 |
| Cash and Cash Equivalents | 18 | 2,808.7 | - | 2,808.7 |
| **Total Current Assets** | | **5,808.5** | **(19.2)** | **5,789.3** |
| Assets Classified as Held for Sale | 19 | - | - | - |
| **TOTAL ASSETS** | | **11,432.0** | **338.5** | **11,770.5** |

### EQUITY AND LIABILITIES

| | | As of December 31, | | |
|---|---|---|---|---|
| In millions of Euro | Notes | 2011 reported | Purchase Price Allocation of Global Industries, Ltd | 2011 restated |
| Share Capital | 20 (a) | 84.6 | - | 84.6 |
| Share Premium | | 1,784.0 | - | 1,784.0 |
| Retained Earnings | | 1,371.6 | - | 1,371.6 |
| Treasury Shares | 20 (c) | (109.3) | - | (109.3) |
| Foreign Currency Translation Reserves | | (6.3) | - | (6.3) |
| Fair Value Reserves | 20 (d) | 19.7 | - | 19.7 |
| Net Income | | 507.3 | - | 507.3 |
| **Total Equity Attributable to Shareholders of the Parent Company** | | **3,651.6** | **-** | **3,651.6** |
| Non-Controlling Interests | | 21.7 | - | 21.7 |
| **Total Equity** | | **3,673.3** | **-** | **3,673.3** |
| Non-Current Financial Debts | 21 | 1,543.5 | 9.9 | 1,553.4 |
| Non-Current Provisions | 23 | 139.2 | 1.1 | 140.3 |
| Deferred Tax Liabilities | 6 (c) | 172.0 | (33.8) | 138.2 |
| Other Non-Current Liabilities | 25 | 93.0 | 0.2 | 93.2 |
| **Total Non-Current Liabilities** | | **1,947.7** | **(22.6)** | **1,925.1** |
| Current Financial Debts | 21 | 544.4 | 53.8 | 598.2 |
| Trade Payables | 24 | 2,135.0 | 109.3 | 2,244.3 |
| Construction Contracts – Amounts in Liabilities | 15 | 644.5 | 79.8 | 724.3 |
| Derivative Financial Instruments | 26 | 104.0 | - | 104.0 |
| Current Provisions | 23 | 344.6 | 2.3 | 346.9 |
| Current Income Tax Payables | | 173.1 | (8.2) | 164.9 |
| Other Current Liabilities | 25 | 1,865.4 | 124.1 | 1,989.5 |
| **Total Current Liabilities** | | **5,811.0** | **361.1** | **6,172.1** |
| Total Liabilities | | 7,758.7 | 338.5 | 8,097.2 |
| Liabilities Directly Associated with the Assets Classified as Held for Sale | 19 | - | - | - |
| **TOTAL EQUITY AND LIABILITIES** | | **11,432,0** | **338,5** | **11,770,5** |

## (b) Other acquisitions

### Year ended December 31, 2012

On September 11, 2012, Technip acquired 100% of the shares of Suporte Consultoria e Projetos Ltda (Suporte) for a total amount of BRL8 million (approximately €3.3 million). Suporte is a Brazilian pipeline and structural engineering company based in Rio de Janeiro. This acquisition will significantly enhance the position of Genesis in this country. Revenues for a total amount of €0.9 million and a loss of €0.4 million were recognized by Technip since its acquisition. As of December 31, 2012, the total of the consolidated statement of financial position of the company amounted to €4.2 million.

Pursuant to the cash tender offer initiated by the Company on Cybernétix, Technip filed with the AMF a request for the implementation of a squeeze-out of the remaining Cybernétix shares. This squeeze-out aimed at 22,697 shares, which represented 1.40% of the share capital and 1.43% of the voting rights of Cybernétix, for a price corresponding to the offer price, *i.e.* €19 per Cybernétix share. Following the completion of the squeeze-out implemented on February 2, 2012, the shares of Cybernétix were delisted from the NYSE Euronext Paris regulated market. The Group owns 100% of the share capital and the voting rights of Cybernétix.

### Year ended December 31, 2011

In 2011, the Group made the following acquisitions:

- On January 24, 2011, Technip acquired Front End Re, a reinsurance company based in Luxembourg.
- On January 26, 2011, Technip acquired all assets of Subocean group, a company based in the United Kingdom and specialized in marine renewable energies.
- On February 28, 2011, Technip acquired Energy Projects Development, a specialist process and technology company for the oil and gas industry that specializes in fluid separation and treatment, water treatment and water management, and Enhanced Oil Recovery (EOR) using water and chemical methods.
- On July 28, 2011, Technip acquired AETech, developing non-destructive acoustic emission testing solutions.
- On November 14, 2011, Technip acquired 45.70% of Cybernétix S.A., world leader in robotics of complex systems in hostile environment, for a total amount of €14.1 million. In accordance with the General Regulations of the French *Autorité des marchés financiers* (AMF), Technip has a cash tender offer to purchase the remaining shares. As of December 31, 2011, Technip was owning 64.05% of the group Cybernétix, fully consolidated in Technip financial statements. Neither revenue nor result related to the company was recognized by Technip since its acquisition. Consolidated revenues of Cybernétix group were €36.2 million in 2011. As of December 31, 2011, the total of the consolidated statement of financial position of the company amounted to €30.6 million.

  Following the cash tender offer, which started on December 16, 2011 and ended on January 20, 2012, Technip was owning 98.60% of the share capital and 98.57% of the voting rights of Cybernétix.

## (c) Scope of consolidation as of December 31, 2012

| Fully consolidated companies | Country | December 31, 2012 % control |
|---|---|---|
| Technip | France | Consolidating Company |
| Technip France | France | 100% |
| AETech | France | 100% |
| Angoflex | France | 100% |
| Arctic Technip Services | France | 100% |
| Clecel | France | 100% |
| Cofri | France | 100% |
| Cybernétix | France | 100% |
| CyXplus | France | 100% |
| Flexi France | France | 100% |
| Middle East Projects International (Technip Mepi) | France | 100% |
| Safrel | France | 100% |
| SCI Les Bessons | France | 100% |
| Seal Engineering | France | 100% |
| SNPE Ingénierie Défense | France | 100% |
| Technip Corporate Services | France | 100% |
| Technip Eurocash SNC | France | 100% |
| Technip Marine | France | 100% |
| Technip Normandie | France | 100% |
| Technip Nouvelle-Calédonie | France | 100% |
| Technip N-Power | France | 100% |
| Technip Offshore International | France | 100% |
| Technip Offshore Wind France | France | 100% |
| Technip TPS | France | 100% |
| Technipnet | France | 100% |
| Angoflex Lda. | Angola | 70% |
| Technip Angola | Angola | 60% |
| Genesis Oil & Gas Consultants (Pty) Ltd | Australia | 100% |
| Global Industries Australia Holdings Pty Limited | Australia | 100% |
| Global Offshore Pty Ltd | Australia | 100% |
| Technip CSO Australia (Pty) Ltd | Australia | 100% |
| Technip Oceania (Pty) Ltd | Australia | 100% |
| AMC Angola Offshore | Bahamas | 100% |
| Technip Maritime Overseas | Bahamas | 100% |
| Technip Benelux NV | Belgium | 100% |
| Cybernétix Produtos e Servicos do Brasil Ltda | Brazil | 100% |
| Flexibras Tubos Flexiveis | Brazil | 100% |
| Genesis Brasil Oil & Gas Engenharia Ltda | Brazil | 100% |
| Global Brasil Oleodutos E Servicos LTDA. | Brazil | 100% |
| Suporte Consultoria e Projetos Ltda | Brazil | 100% |
| Technip Brasil Engenharia | Brazil | 100% |
| Technip Operadora Portuaria S/A | Brazil | 100% |
| TPAR – Terminal Portuario de Angra dos Reis S/A | Brazil | 100% |
| Brasflex Overseas | British Virgin Islands | 100% |
| Global Industries (B) Sdn Bhd | Brunei | 100% |
| Genesis Oil & Gas Consultants (Canada) Ltd | Canada | 100% |
| Technip Canada | Canada | 100% |
| Global International Vessels, Ltd | Cayman Islands, British West-Indies | 100% |
| Global Offshore International, Ltd | Cayman Islands, British West-Indies | 100% |
| Sea Oil Marine Services | Cayman Islands, British West-Indies | 100% |
| Technip Marine BV | Cayman Islands, British West-Indies | 100% |
| CSO Oil & Gas Technology (West Africa) | Channel Islands | 100% |
| Shanghai Technip Trading Co, Ltd | China | 100% |
| Technip Engineering Consultant (Shanghai) | China | 100% |
| Technip Tianchen Chemical Engineering | China | 100% |
| Subtec Marine Services Limited | Cyprus | 100% |
| Subtec Offshore Support Limited | Cyprus | 100% |

| Fully consolidated companies | Country | December 31, 2012 % control |
|---|---|---|
| Technip Offshore Finland OY | Finland | 100% |
| ProTek Germany | Germany | 100% |
| Technip Germany | Germany | 100% |
| Technip Seiffert | Germany | 100% |
| Technipetrol Hellas SA | Greece | 99% |
| GIL Services Private Limited | India | 100% |
| SEAMEC | India | 75% |
| Technip E&C India Ltd | India | 100% |
| Technip India | India | 100% |
| Technip KT India | India | 100% |
| PT Divcon | Indonesia | 100% |
| PT Global Industries Asia Pacific | Indonesia | 100% |
| PT Technip Indonesia | Indonesia | 49% |
| Consorzio Technip Italy Procurement Services | Italy | 100% |
| Technip Italy | Italy | 100% |
| Technip Italy Direzione Lavori | Italy | 100% |
| TPL | Italy | 100% |
| Technip Japan K.K. | Japan | 100% |
| Stena Offshore (Jersey) | Jersey | 100% |
| Front End Re | Luxembourg | 100% |
| Asiaflex Products | Malaysia | 100% |
| FlexiAsia Sdn Bhd | Malaysia | 100% |
| Genesis Oil & Gas Consultants Malaysia Sdn Bhd | Malaysia | 100% |
| Global Asia Pacific Industries Sdn. Bhd. | Malaysia | 100% |
| Global Industries Offshore Labuan Ltd | Malaysia | 100% |
| Technip Far East | Malaysia | 100% |
| Technip Geoproduction (M) | Malaysia | 100% |
| Technip Marine (M) Sdn Bhd | Malaysia | 60% |
| Coflexip Stena Offshore (Mauritius) | Mauritius | 100% |
| GIL Mauritius Holdings, Ltd | Mauritius | 100% |
| Global Construction Mauritius Services, Ltd | Mauritius | 100% |
| Global Vessels Mauritius, Ltd | Mauritius | 100% |
| Global Industries Mexico Holdings S. de R.L. de C.V. | Mexico | 100% |
| Global Industries Offshore Services S. de R.L. de C.V. | Mexico | 100% |
| Global Industries Services S. de R.L. de C.V. | Mexico | 100% |
| Global Offshore Mexico S. de R.L. de C.V. | Mexico | 100% |
| Global Vessels Mexico S. de R.L. de C.V. | Mexico | 100% |
| Technip Servicios de Mexico S.C. | Mexico | 100% |
| Technip de Mexico S. de R. L. de C.V. | Mexico | 100% |
| Global Industries Offshore Netherlands BV | Netherlands | 100% |
| Halon Capital BV | Netherlands | 100% |
| Technip Benelux BV | Netherlands | 100% |
| Technip E.P.G. BV | Netherlands | 100% |
| Technip Holding Benelux BV | Netherlands | 100% |
| Technip Offshore Contracting BV | Netherlands | 100% |
| Technip Offshore NV | Netherlands | 100% |
| Technip Oil & Gas BV | Netherlands | 100% |
| Technip Ships (Netherlands) BV | Netherlands | 100% |
| TSLP BV | Netherlands | 100% |
| Flexservice N.V. | Netherlands Antilles | 100% |
| Crestech Engineering | Nigeria | 39% |
| Global Pipelines Plus Nigeria Limited | Nigeria | 100% |
| Neptune Maritime Nigeria+ | Nigeria | 66.91% |
| Technip Offshore (Nigeria) | Nigeria | 100% |
| Genesis Oil & Gas Consultants Norway AS | Norway | 100% |
| North Ocean III KS | Norway | 100% |
| Technip Coflexip Norge AS | Norway | 100% |
| Technip Norge AS | Norway | 100% |
| Technip Ships Norge AS | Norway | 100% |
| Technip Overseas | Panama | 100% |

| Fully consolidated companies | Country | December 31, 2012 % control |
|---|---|---|
| Technip Polska | Poland | 100% |
| Lusotechnip Engenharia | Portugal | 100% |
| Technip RUS | Russia | 99% |
| Global Al Rushaid Offshore Company Ltd | Saudi Arabia | 100% |
| Technip Saudi Arabia | Saudi Arabia | 76% |
| TPL Arabia | Saudi Arabia | 90% |
| Coflexip Singapore Pte Ltd | Singapore | 100% |
| Global Industries Asia Pacific Pte Ltd | Singapore | 100% |
| Technip Singapore | Singapore | 100% |
| TP-NPV Singapore | Singapore | 100% |
| Global Industries Offshore Spain, S.L. | Spain | 100% |
| Technip Iberia | Spain | 100% |
| Engineering Re | Switzerland | 100% |
| Technip International AG | Switzerland | 100% |
| Global Industries Offshore (Thailand) Ltd | Thailand | 100% |
| Technip Engineering (Thailand) | Thailand | 74% |
| Global Offshore International Abu Dhabi L.L.C. | United Arab Emirates | 100% |
| Seamec International FZE | United Arab Emirates | 75% |
| Technip Middle East | United Arab Emirates | 100% |
| Coflexip UK Ltd | United Kingdom | 100% |
| DUCO Ltd | United Kingdom | 100% |
| Energy Projects Development Ltd | United Kingdom | 100% |
| Genesis Oil & Gas Consultants Ltd | United Kingdom | 100% |
| Genesis Oil & Gas Ltd | United Kingdom | 100% |
| Spoolbase UK Ltd | United Kingdom | 100% |
| Subsea Integrity Group Ltd | United Kingdom | 100% |
| Subtec Asia Limited | United Kingdom | 100% |
| Technip E&C Ltd | United Kingdom | 100% |
| Technip Maritime UK Ltd | United Kingdom | 100% |
| Technip Offshore Holdings Ltd | United Kingdom | 100% |
| Technip Offshore Manning Services Ltd | United Kingdom | 100% |
| Technip Offshore Wind Ltd | United Kingdom | 100% |
| Technip PMC Services Ltd | United Kingdom | 100% |
| Technip Ships One Ltd | United Kingdom | 100% |
| Technip UK Ltd | United Kingdom | 100% |
| Technip-Coflexip UK Holdings Ltd | United Kingdom | 100% |
| Badger Technologies, L.L.C. | United States of America | 100% |
| Badger Technology Holdings, L.L.C. | United States of America | 100% |
| Cybernétix of America | United States of America | 100% |
| Deepwater Technologies Inc. | United States of America | 75% |
| DUCO Inc. | United States of America | 100% |
| Genesis Oil & Gas Consultants Inc. | United States of America | 100% |
| GIL Holdings, L.L.C. | United States of America | 100% |
| Global Divers & Contractors, L.L.C. | United States of America | 100% |
| Global Holdings, L.L.C. | United States of America | 100% |
| Global Industries International, L.L.C. | United States of America | 100% |
| Global Industries Offshore, L.L.C. | United States of America | 100% |
| Global Industries, Ltd | United States of America | 100% |
| Global Pipelines Plus, L.L.C. | United States of America | 100% |
| Subtec Middle East Limited | United States of America | 100% |
| Technip E&C, Inc | United States of America | 100% |
| Technip Energy & Chemicals International, Inc | United States of America | 100% |
| Technip Process Technology, Inc | United States of America | 100% |
| Technip S&W International, Inc | United States of America | 100% |
| Technip Stone & Webster Process Technology, Inc | United States of America | 100% |
| Technip USA Holdings Inc. | United States of America | 100% |
| Technip USA Inc. | United States of America | 100% |
| The Red Adair Company, L.L.C. | United States of America | 100% |
| Technip Bolivar | Venezuela | 100% |
| Technip Vietnam Co., Ltd | Vietnam | 100% |

| Consolidated companies under proportionate method | Country | December 31, 2012 % control |
|---|---|---|
| Acte for Zanaga | France | 49% |
| Consorcio Intep SNC | France | 90% |
| Dalia Floater Angola SNC | France | 55% |
| Eletech | France | 30% |
| Saibos Akogep SNC | France | 30% |
| SPF-TKP Omifpro SNC | France | 50% |
| TSU Projects | France | 60% |
| Uranium Mining Services | France | 60% |
| Consorcio Contrina SNC | France/Venezuela | 34.40% |
| Technip Subsea 7 Asia Pacific (Pty) Ltd | Australia | 55% |
| Petrolinvest | Bosnia | 33% |
| Dofcon Navegacao Ltda | Brazil | 50% |
| FSTP Brasil Ltda. | Brazil | 25% |
| Tipiel | Colombia | 44.10% |
| Consorzio Overseas Bechtel/Technip Italy | Italy | 50% |
| Technip MHB Hull Engineering Sdn Bhd | Malaysia | 54% |
| Desarrolladora de Etileno, S. de R.L. de C.V. | Mexico | 40% |
| Ethylene XXI Contractors S.A.P.I. de C.V. | Mexico | 40% |
| Etileno XXI Holding BV | Netherlands | 50% |
| Etileno XXI Services BV | Netherlands | 40% |
| Technip Odebrecht PLSV BV | Netherlands | 50% |
| Technip Odebrecht PLSV CV | Netherlands | 50% |
| Technip Subsea 7 Asia Pacific BV | Netherlands | 55% |
| TSU Niger SARL | Niger | 60% |
| Dofcon Brasil AS | Norway | 50% |
| Doftech DA | Norway | 50% |
| Techdof DA | Norway | 50% |
| TSKJ Servicos de Engenharia Lda./TSKJ II/LNG Servicos e Gestao de projectos Lda./ Bonny Project Management Co./TSKJ Nigeria | Portugal/United Kingdom/ United States of America/Italy/Nigeria | 25% |
| FSTP Pte Ltd | Singapore | 25% |
| Technip Subsea 7 Asia Pacific Singapore Pte Ltd | Singapore | 55% |
| Technip South Africa Pty Ltd | South Africa | 51% |
| Technip Thailand Ltd | Thailand | 49% |
| CTEP FZCO | United Arab Emirates | 40% |
| Yemgas FZCO | United Arab Emirates | 33.33% |
| Technip Subsea 7 Asia Pacific UK Ltd | United Kingdom | 55% |
| Deep Oil Technology | United States of America | 50% |
| Spars International | United States of America | 50% |
| Technip Zachry-Saipem LNG LP. | United States of America | 43% |

| Consolidated Companies under Equity Method | Country | December 31, 2012 % control |
|---|---|---|
| Badger Licensing LLC – JV | United States of America | 50% |

Following the acquisition of Stone & Webster process technologies in August 2012, the Group has henceforth consolidated under the equity method the 50% owned company Badger Licensing LLC – JV.

All consolidated companies close their accounts as of December 31 except Technip KT India, SEAMEC, Technip India and Technip E&C India Ltd which close their statutory accounts as of March 31, and Technip South Africa which closes its statutory accounts as of June 30. However they perform an interim account closing as of December 31.

# Note 3 – Segment information

The table below shows information on Technip's reportable business and geographical segments in accordance with IFRS 8 (see Note 1-C (e) – Segment information).

## (a) Information by business segment

| | 2012 | | | | | | |
|---|---|---|---|---|---|---|---|
| In millions of Euro | Subsea | Onshore/ Offshore | Corporate | Non Allocable and Eliminations | Total Continuing Operations | Discontinued Operations | Total |
| Revenues | 4,047.6 | 4,156.3 | - | - | 8,203.9 | - | 8,203.9 |
| Gross Margin | 907.1 | 644.5 | - | - | 1,551.6 | - | 1,551.6 |
| Operating Income/(Loss) from Recurring Activities | 603.1 | 290.4 | (71.8) | - | 821.7 | - | 821.7 |
| Result from Sale of Activities | - | - | - | - | - | - | - |
| Result from Non-Current Activities | - | - | - | (9.5) | (9.5) | - | (9.5) |
| Operating Income/(Loss) | 603.1 | 290.4 | (71.8) | (9.5) | 812.2 | - | 812.2 |
| Financial Income/(Expenses) | - | - | - | (65.3) | (65.3) | - | (65.3) |
| Share of Income/(Loss) of Equity Affiliates | - | 1.0 | - | - | 1.0 | - | 1.0 |
| Income Tax Expense | - | - | - | (204.8) | (204.8) | - | (204.8) |
| Discontinued Operations | - | - | - | - | - | - | - |
| **NET INCOME/(LOSS) FOR THE YEAR** | **NA** | **NA** | **NA** | **NA** | **543.1** | **-** | **543.1** |
| Segment Assets | 6,959.6 | 2,848.0 | 1,314.4 | - | 11,122.0 | - | 11,122.0 |
| Investments in Equity Affiliates | - | - | - | - | - | - | - |
| Unallocated Assets | - | - | - | 459.0 | 459.0 | - | 459.0 |
| **TOTAL ASSETS** | **6,959.6** | **2,848.0** | **1,314.4** | **459.0** | **11,581.0** | **-** | **11,581.0** |
| Segment Liabilities (1) | 2,463.7 | 3,002.9 | 1,770.5 | - | 7,237.1 | - | 7,237.1 |
| Unallocated Liabilities (2) | - | - | - | 4,343.9 | 4,343.9 | - | 4,343.9 |
| **TOTAL LIABILITIES** | **2,463.7** | **3,002.9** | **1,770.5** | **4,343.9** | **11,581.0** | **-** | **11,581.0** |
| Other Segment Information | | | | | | | |
| Backlog (3) | 6,049.8 | 8,200.8 | - | - | 14,250.6 | - | 14,250.6 |
| Order Intake (4) | 5,334.5 | 6,314.1 | - | - | 11,648.6 | - | 11,648.6 |
| Capital Expenditures: | | | | | | | |
| Property, Plant and Equipment | 455.8 | 47.4 | - | - | 503.2 | - | 503.2 |
| Intangible Assets | 7.1 | 8.6 | - | - | 15.7 | - | 15.7 |
| Amortization: | | | | | | | |
| Property, Plant and Equipment | (159.2) | (24.6) | - | - | (183.8) | - | (183.8) |
| Intangible Assets | (5.0) | (6.1) | - | - | (11.1) | - | (11.1) |
| Impairment of Assets | - | - | - | - | | - | |

(1) Segment liabilities allocated to the Corporate segment include financial debts such as bond issues and other borrowings.
(2) Non allocable liabilities essentially include shareholders' equity.
(3) Corresponds to ongoing contracts to be delivered. The backlog is defined as the difference at a specified date between the aggregate contractual sale price of all contracts in force and the cumulative revenues recognized from these contracts as of that date.
(4) Corresponds to signed contracts which have come into force.

| In millions of Euro | Subsea | Onshore/ Offshore | Corporate | Non Allocable and Eliminations | Total Continuing Operations | Discontinued Operations | Total |
|---|---|---|---|---|---|---|---|
| | 2011 | | | | | | |
| Revenues | 2,972.0 | 3,841.0 | - | - | 6,813.0 | - | 6,813.0 |
| Gross Margin | 724.9 | 561.7 | - | - | 1,286.6 | - | 1,286.6 |
| Operating Income/(Loss) from Recurring Activities | 497.9 | 273.7 | (62.1) | - | 709.5 | - | 709.5 |
| Result from Sale of Activities | - | - | - | - | - | - | - |
| Result from Non-Current Activities | - | - | - | (15.7) | (15.7) | - | (15.7) |
| Operating Income/(Loss) | 497.9 | 273.7 | (62.1) | (15.7) | 693.8 | - | 693.8 |
| Financial Income/(Expenses) | - | - | - | 17.4 | 17.4 | - | 17.4 |
| Share of Income/(Loss) of Equity Affiliates | - | - | - | - | - | - | - |
| Income Tax Expense | - | - | - | (208.7) | (208.7) | - | (208.7) |
| Discontinued Operations | - | - | - | - | - | - | - |
| **NET INCOME/(LOSS) FOR THE YEAR** | **NA** | **NA** | **NA** | **NA** | **502.5** | **-** | **502.5** |
| Segment Assets | 7,933.1 | 3,741.6 | (334.6) | - | 11,340.1 | - | 11,340.1 |
| Investments in Equity Affiliates | - | - | - | - | - | - | - |
| Unallocated Assets | - | - | - | 430.4 | 430.4 | - | 430.4 |
| **TOTAL ASSETS** | **7,933.1** | **3,741.6** | **(334.6)** | **430.4** | **11,770.5** | **-** | **11,770.5** |
| Segment Liabilities (1) | 3,256.6 | 3,064.6 | 1,442.0 | 23.9 | 7,787.1 | - | 7,787.1 |
| Unallocated Liabilities (2) | - | - | - | 3,983.4 | 3,983.4 | - | 3,983.4 |
| **TOTAL LIABILITIES** | **3,256.6** | **3,064.6** | **1,442.0** | **4,007.3** | **11,770.5** | **-** | **11,770.5** |
| Other Segment Information | | | | | | | |
| Backlog (3) | 4,380.2 | 6,035.9 | - | - | 10,416.1 | - | 10,416.1 |
| Order Intake (4) | 4,097.1 | 3,877.7 | - | - | 7,974.8 | - | 7,974.8 |
| Capital Expenditures: | | | | | | | |
| Property, Plant and Equipment | 306.4 | 32.8 | - | - | 339.2 | - | 339.2 |
| Intangible Assets | 8.1 | 9.9 | - | - | 18.0 | - | 18.0 |
| Amortization: | | | | | | | |
| Property, Plant and Equipment | (113.4) | (22.4) | - | - | (135.8) | - | (135.8) |
| Intangible Assets | (7.5) | (4.4) | | - | (11.9) | - | (11.9) |
| Impairment of Assets | (26.3) | - | - | - | (26.3) | - | (26.3) |

(1) Segment liabilities allocated to the Corporate segment include financial debts such as bond issues and other borrowings.
(2) Non allocable liabilities essentially include shareholders' equity.
(3) Corresponds to ongoing contracts to be delivered. The backlog is defined as the difference at a specified date between the aggregate contractual sale price of all contracts in force and the cumulative revenues recognized from these contracts as of that date.
(4) Corresponds to signed contracts which have come into force.

### (b) Information by geographical area

| | 2012 | | | | | | |
|---|---|---|---|---|---|---|---|
| In millions of Euro | Europe, Russia, Central Asia | Africa | Middle East | Asia Pacific | Americas | Non Allocable | Total |
| Revenues [1] | 2,414.1 | 729.0 | 1,147.6 | 1,331.0 | 2,582.2 | - | 8,203.9 |
| Operating Income/(Loss) from Recurring Activities | 364.1 | 51.3 | 136.1 | 88.4 | 253.6 | (71.8) | 821.7 |
| **OPERATING INCOME/(LOSS)** | **364.1** | **51.3** | **136.1** | **88.4** | **253.6** | **(81.3)** | **812.2** |
| Intangible Assets (excluding Goodwill) [2] | 53.0 | 0.6 | - | 1.2 | 20.5 | - | 75.3 |
| Property, Plant and Equipment [3] | 582.0 | 54.5 | 1.2 | 160.2 | 287.4 | 1,327.9 | 2,413.2 |
| Financial Assets [4] | 202.0 | - | - | 6.0 | 27.5 | - | 235.5 |

(1) Includes revenues earned in France (€155.8 million).
(2) Includes intangible assets in France (€51.7 million) and in Brazil (€9.3 million).
(3) Includes tangible assets in France of €137.9 million. The fleet of vessels (including vessels under construction) that operate in different geographical areas and therefore cannot be allocated to a specific area is reported under "Non allocable".
(4) Includes financial assets in France (€172.2 million) and in United States of America (€14.8 million).

| | 2011 | | | | | | |
|---|---|---|---|---|---|---|---|
| In millions of Euro | Europe, Russia, Central Asia | Africa | Middle East | Asia Pacific | Americas | Non Allocable | Total |
| Revenues [1] | 1,749.4 | 1,060.5 | 1,509.6 | 931.8 | 1,561.7 | - | 6,813.0 |
| Operating Income/(Loss) from Recurring Activities | 68.2 | 345.1 | 142.4 | 110.6 | 105.3 | (62.1) | 709.5 |
| **OPERATING INCOME/(LOSS)** | **68.2** | **345.1** | **142.4** | **110.6** | **105.3** | **(77.8)** | **693.8** |
| Intangible Assets (excluding Goodwill) [2] | 47.1 | 0.9 | - | 0.7 | 13.1 | - | 61.8 |
| Property, Plant and Equipment [3] | 370.3 | 48.5 | 2.0 | 110.3 | 316.8 | 1,460.4 | 2,308.3 |
| Financial Assets [4] | 238.5 | - | - | 5.1 | 51.1 | - | 294.7 |

(1) Includes revenues earned in France (€121.1 million).
(2) Includes intangible assets in France (€46.3 million) and in Brazil (€11.3 million).
(3) Includes tangible assets in France of €128.7 million. The fleet of vessels (including vessels under construction) that operate in different geographical areas and therefore cannot be allocated to a specific area is reported under "Non allocable".
(4) Includes financial assets in France (€205.3 million) and in United States of America (€35.5 million).

## Note 4 – Operating income/(loss)

The breakdown of the different items of Operating Income/(Loss) by nature is as follows:

### (a) Revenues

Revenues breakdown as follows:

| In millions of Euro | 2012 | 2011 |
|---|---|---|
| Rendering of Services | 8,070.8 | 6,752.7 |
| Sales of Goods | 121.5 | 43.8 |
| Financial Result on Contracts [1] | 11.6 | 16.5 |
| **TOTAL REVENUES** | **8,203.9** | **6,813.0** |

(1) Financial income and expenses arising from the cash position of ongoing contracts are included in revenues for €11.6 million in 2012 compared to €16.5 million in 2011.

In 2012, one single customer of the Group represented more than 10% of Group consolidated revenues (11.3% in 2012 and 9.8% in 2011).

## (b) Cost of sales by nature

Cost of sales comprises the following items:

| In millions of Euro | 2012 | 2011 |
|---|---|---|
| Employee Expenses | (1,821.1) | (1,230.6) |
| Operating Leases | (179.8) | (119.7) |
| Amortization and Depreciation of Property, Plant and Equipment | (179.1) | (157.7) |
| Amortization of Intangible Assets | (8.2) | (11.8) |
| Purchases, External Charges and Other Expenses | (4,464.1) | (4,006.6) |
| **TOTAL COST OF SALES** | **(6,652.3)** | **(5,526.4)** |

## (c) Research and development costs

Research and development costs amounted to €68.7 million in 2012 compared to €65.3 million in 2011. No development costs were capitalized during the periods as no project met the requirements for capitalization (see Note 1-C (k) – Intangible assets).

## (d) Administrative costs by nature

Administrative costs by nature break down as follows:

| In millions of Euro | 2012 | 2011 |
|---|---|---|
| Employee Expenses[(1)] | (268.0) | (202.0) |
| Operating Leases | (35.2) | (41.4) |
| Amortization and Depreciation of Property, Plant and Equipment | (4.5) | (4.4) |
| Amortization of Intangible Assets | (2.9) | (0.1) |
| Purchases, External Charges and Other Expenses | (139.1) | (83.2) |
| **TOTAL ADMINISTRATIVE COSTS** | **(449.7)** | **(331.1)** |

(1) Includes charges for share subscription and share purchase options and performance share grants: €43.1 million in 2012 compared to €46.0 million in 2011, as well as €10.6 million expenses related to 2012 capital increase reserved for employees.

## (e) Other operating income

Other operating income breaks down as follows:

| In millions of Euro | 2012 | 2011 |
|---|---|---|
| Net Proceeds from Disposal of Property, Plant and Equipment | 5.0 | 2.9 |
| Reinsurance Income | 12.0 | 20.5 |
| Other | 13.7 | 3.0 |
| **TOTAL OTHER OPERATING INCOME** | **30.7** | **26.4** |

## (f) Other operating expenses

Other operating expenses break down as follows:

| In millions of Euro | 2012 | 2011 |
|---|---|---|
| Reinsurance Costs | (5.8) | (13.1) |
| Other | (5.6) | (9.4) |
| **TOTAL OTHER OPERATING EXPENSES** | **(11.4)** | **(22.5)** |

## (g) Result from sale of activities

In 2012 as in 2011, the Group did not sell any activities.

## (h) Other non-current income and expenses

For the financial year ended December 31, 2012, a total of €9.5 million of non-current expenses principally related to acquisition costs of Stone & Webster process technologies has been recognized.

In 2011, non-current expenses related to the acquisitions of Global Industries and Cybernétix were recognized for an aggregate amount of €15.7 million.

### (i) Employee expenses

Employee expenses break down as follows:

| In millions of Euro | 2012 | 2011 |
|---|---|---|
| Wages and Salaries | (1,661.0) | (1,147.2) |
| Social Security Costs | (293.9) | (220.1) |
| Pension Costs – Defined Contribution Plans | (39.5) | (27.7) |
| Pension Costs – Defined Benefit Plans | (27.8) | (17.6) |
| Share Subscription or Purchase Options and Performance Shares | (43.1) | (46.0) |
| Cash Incentive Plans | (9.7) | (3.1) |
| Capital Increase Reserved for Employees | (10.6) | - |
| Other | (136.8) | (73.3) |
| **TOTAL EMPLOYEE EXPENSES** | **(2,222.4)** | **(1,535.0)** |

Employee expenses relate only to Group employees. Subcontractors' costs are excluded.

## Note 5 – Financial income and expenses

Net financial result breaks down as follows:

### (a) Financial income

| In millions of Euro | 2012 | 2011 |
|---|---|---|
| Interest Income from Treasury Management[1] | 54.2 | 62.3 |
| Dividends from Non-Consolidated Investments | 3.4 | 2.3 |
| Financial Income related to Long-Term Employee Benefit Plans | 9.2 | 7.7 |
| Net Reversal of Financial Assets Depreciation | 0.3 | - |
| Foreign Currency Translation Gains | 219.2 | 269.0 |
| Changes in Derivative Fair Value, Net | 15.9 | 6.9 |
| Inefficient Part of Derivative Instruments, Net | - | 1.6 |
| Total Financial Income | 302.2 | 349.8 |

(1) Mainly results from interest income from short-term security deposits.

### (b) Financial expenses

| In millions of Euro | 2012 | 2011 |
|---|---|---|
| Interest Expenses on Bonds | - | (12.2) |
| Interest Expenses on Private Placements | (17.2) | (10.3) |
| Interest Expenses on Convertible Bonds | (31.4) | (16.1) |
| Net Proceeds from Disposal of Financial Assets | (0.1) | - |
| Fees Related to Credit Facilities | (3.4) | (8.5) |
| Financial Expenses related to Long-Term Employee Benefit Plans | (14.9) | (14.6) |
| Interest Expenses on Bank Borrowings and Overdrafts | (42.2) | (28.1) |
| Depreciation on Financial Assets, Net | - | (0.3) |
| Foreign Currency Translation Losses | (242.0) | (236.2) |
| Changes in Derivative Fair Value, Net | - | - |
| Inefficient Part of Derivative Instruments, Net[1] | (4.7) | - |
| Other | (11.6) | (6.1) |
| Total Financial Expenses | (367.5) | (332.4) |
| **NET FINANCIAL RESULT** | **(65.3)** | **17.4** |

(1) Mainly includes swap points on derivative financial instruments.

# Note 6 – Income tax

## (a) Income tax expense

The income tax expense breaks down as follows:

| In millions of Euro | 2012 | 2011 |
|---|---|---|
| Current Income Tax Credit/(Expense) | (151.9) | (181.2) |
| Deferred Income Tax Credit/(Expense) | (52.9) | (27.5) |
| **INCOME TAX CREDIT/(EXPENSE) AS RECOGNIZED IN STATEMENT OF INCOME** | **(204.8)** | **(208.7)** |
| Deferred Income Tax related to Items Booked Directly to Opening Equity | (15.1) | 18.8 |
| Deferred Income Tax related to Items Booked to Equity during the Year | (25.4) | (33.9) |
| **INCOME TAX CREDIT/(EXPENSE) AS REPORTED IN EQUITY** | **(40.5)** | **(15.1)** |

## (b) Income tax reconciliation

The reconciliation between the tax calculated using the standard tax rate applicable in Technip and the amount of tax effectively recognized in the accounts can be detailed as follows:

| In millions of Euro | 2012 | 2011 |
|---|---|---|
| Net Income from Continuing Operations | 543.1 | 502.5 |
| Income Tax Credit/(Expense) on Continuing Operations | (204.8) | (208.7) |
| Income Before Tax | 747.9 | 711.2 |
| At Parent Company Statutory Income Tax Rate of 36.10% | (270.0) | (256.7) |
| Differences between Parent Company and Foreign Income Tax Rates | 127.1 | 51.8 |
| Share of Income/(Loss) of Equity Affiliates | 0.3 | - |
| Additional Local Income Tax and Foreign Tax | (15.0) | (1.3) |
| Gains/(Losses) Taxable at a Particular Rate | 13.0 | 3.4 |
| Other Non-Deductible Expenses | (13.2) | (6.4) |
| Deferred Tax Assets not Recognized on Tax Loss of the Year | (29.9) | (10.6) |
| Adjustments on Prior Year Current Taxes | 9.4 | 9.2 |
| Deferred Tax relating to Changes in Tax Rates | 2.5 | 0.1 |
| Adjustments on Prior Year Deferred Taxes | (24.2) | 4.7 |
| Consolidation Adjustments with no Tax Impact | 1.9 | (5.2) |
| Other | (6.7) | 2.3 |
| Effective Income Tax Credit/(Expense) | (204.8) | (208.7) |
| *Tax Rate* | *27.4%* | *29.3%* |
| **INCOME TAX CREDIT/(EXPENSE) AS REPORTED IN THE CONSOLIDATED STATEMENT OF INCOME** | **(204.8)** | **(208.7)** |

## (c) Deferred income tax

The principles described in Note 1-C (v) – Deferred income tax result in the following:

| | As of December 31, | |
|---|---|---|
| In millions of Euro | 2012 | 2011 restated |
| Tax Losses Carried Forward | 56.1 | 40.0 |
| Margin Recognition on Construction Contracts | 30.5 | 40.3 |
| Provisions for Pensions and other Long-Term Employee Benefits | 61.9 | 57.9 |
| Contingencies related to Contracts | 118.9 | 135.5 |
| Other Contingencies | 3.5 | 13.4 |
| Temporarily Non-Deductible Expenses | 2.5 | 13.2 |
| Fair Value Losses | 12.6 | 19.4 |
| Other Temporary Differences | 4.0 | - |
| Total Deferred Income Tax Assets | 290.0 | 319.7 |
| Differences between Taxable and Accounting Depreciation | 135.1 | 86.6 |
| Margin Recognition on Construction Contracts | 29.5 | 49.5 |
| Fair Value Gains | 13.9 | 1.6 |
| Other Temporary Differences | - | 1.0 |
| Total Deferred Income Tax Liabilities | 178.5 | 138.7 |
| **NET DEFERRED INCOME TAX ASSETS/(LIABILITIES)** | **111.5** | **181.0** |

In order to disclose the details of deferred tax assets and liabilities by nature of temporary differences, it was necessary to split up deferred tax assets and liabilities for each subsidiary (each subsidiary reports in its statement of financial position a net amount of deferred tax liabilities and assets).

The net deferred tax asset of €111.5 as of December 31, 2012 is broken down into a deferred tax asset of €300.5 million and a deferred tax liability of €189.0 million. The net deferred tax asset of €181.0 as of December 31, 2011 is broken down into a deferred tax asset of €319.2 million and a deferred tax liability of €138.2 million, as recorded in the statement of financial position.

### (d) Tax loss carry-forwards and tax credits

Tax loss carry-forwards not yet recognized as source of deferred tax assets amounted to €377.0 million as of December 31, 2012, compared to €100.2 million as of December 31, 2011. The majority of these come from the ex-Global Industries US entities for 141 million, a Finnish entity for 70 million and a Brazilian entity for €62 million. The unrecorded deferred income tax assets corresponding to these tax loss carry-forwards as of December 31, 2012 amounted to €124.0 million. All of these tax loss carry-forwards are reportable over an unlimited period of time, except in Finland and in the United States where there is respectively a 10 and 20-year time limit.

## Note 7 – Income/(loss) from discontinued operations

According to IAS 1, income/(loss) from operations discontinued or sold during the period are reported in this note.

In 2012 and 2011, no activity was closed, sold or in the process of being sold.

## Note 8 – Earnings per share

Diluted earnings per share are computed in accordance with Note 1-C (i) – Earnings per share. Reconciliation between earnings per share before dilution and diluted earnings per share is as follows:

| In millions of Euro | 2012 | 2011 |
|---|---|---|
| Net Income Attributable to Shareholders of the Parent Company | 539.7 | 507.3 |
| Non-Cash Financial Expense on Convertible Bonds, Net of Tax | 20.0 | 10.3 |
| **ADJUSTED NET INCOME FOR DILUTED EARNINGS PER SHARE** | **559.7** | **517.6** |
| In thousands | | |
| Weighted Average Number of Outstanding Shares during the Financial Year (excluding Treasury Shares) used for Basic Earnings per Share | 109,882 | 108,077 |
| *Effect of Dilution:* | | |
| ■ Share Subscription Options | 1,027 | 810 |
| ■ Performance Shares | 1,714 | 1,766 |
| ■ Convertible Bond | 11,797 | 6,846 |
| **WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES DURING THE FINANCIAL YEAR (EXCLUDING TREASURY SHARES) ADJUSTED FOR DILUTED EARNINGS PER SHARE** | **124,420** | **117,499** |
| In Euro | | |
| Basic Earnings per Share | 4.91 | 4.69 |
| **DILUTED EARNINGS PER SHARE** | **4.50** | **4.41** |

During the financial years 2012 and 2011, the Group granted performance shares and share subscription options subject to performance conditions, and in addition issued two convertible bonds on November 17, 2010 and December 15, 2011, which resulted in a dilution of earnings per share (see Note 21 (b) Convertible bonds).

In 2012, the average annual share price amounted to €82.99 and the closing price to €86.84. As a result, only the 2012 share subscription option plan (Part 2) with an exercise price of €87.13 was anti-dilutive.

In 2011, the average annual share price amounted to €69.74 and the closing price to €72.62. As a result, only the 2011 share subscription option plan (Part 1) with an exercise price of €72.69 was anti-dilutive.

# Note 9 – Property, plant and equipment (tangible assets)

The following tables illustrate the costs, the accumulated amortization and depreciation by type of tangible assets:

| In millions of Euro | Land | Buildings | Vessels | Machinery and Equipment | Office Fixtures and Furniture | Assets under Construction | Other | Total |
|---|---|---|---|---|---|---|---|---|
| Costs | 31.6 | 286.2 | 1,498.5 | 921.8 | 200.5 | 582.7 | 206.6 | 3,727.9 |
| Accumulated Depreciation | - | (138.5) | (604.7) | (426.4) | (148.0) | 5.7 | (103.0) | (1,414.9) |
| Accumulated Impairment Losses | (0.8) | - | (97.1) | (15.9) | - | (5.7) | - | (119.5) |
| Net Book Value as of December 31, 2011 – Restated | 30.8 | 147.7 | 796.7 | 479.5 | 52.5 | 582.7 | 103.6 | 2,193.5 |
| Costs | 31.1 | 292.5 | 1,634.7 | 1,063.8 | 235.8 | 573.6 | 218.6 | 4,050.1 |
| Accumulated Amortization | - | (152.5) | (610.9) | (475.5) | (172.4) | - | (111.7) | (1,523.0) |
| Accumulated Impairment Losses | (0.9) | - | (97.1) | (15.9) | - | - | - | (113.9) |
| **NET BOOK VALUE AS OF DECEMBER 31, 2012** | **30.2** | **140.0** | **926.7** | **572.4** | **63.4** | **573.6** | **106.9** | **2,413.2** |

Changes in net property, plant and equipment during the previous two periods break down as follows:

| In millions of Euro | Land | Buildings | Vessels | Machinery and Equipment | Office Fixtures and Furniture | Assets under Construction | Other | Total |
|---|---|---|---|---|---|---|---|---|
| Net Book Value as of January 1, 2011 | 10.5 | 125.6 | 603.1 | 310.4 | 47.7 | 310.3 | 64.4 | 1,472.0 |
| Additions – Acquisitions – Internal Developments | 0.1 | 9.3 | 70.9 | 98.2 | 23.0 | 116.9 | 30.1 | 348.5 |
| Additions – Business Combinations [2] | 16.9 | 13.8 | 141.7 | 86.8 | 1.5 | 241.6 | 13.5 | 515.8 |
| Disposals – Write-off | - | - | 1.9 | (4.9) | 0.3 | - | (4.2) | (6.9) |
| Depreciation Expense for the Year | - | (5.9) | (52.2) | (48.1) | (18.6) | - | (11.0) | (135.8) |
| Impairment Losses | - | - | (26.3) | - | - | - | - | (26.3) |
| Net Foreign Exchange Differences | (0.1) | 1.4 | (1.4) | 5.5 | (1.6) | 15.0 | (3.2) | 15.6 |
| Other [1] | 3.4 | 3.5 | 59.0 | 31.6 | 0.2 | (101.1) | 14.0 | 10.6 |
| Net Book Value as of December 31, 2011 – Restated | 30.8 | 147.7 | 796.7 | 479.5 | 52.5 | 582.7 | 103.6 | 2,193.5 |
| Additions – Acquisitions – Internal Developments | - | 8.7 | 64.7 | 105.4 | 28.1 | 243.1 | 35.2 | 485.2 |
| Additions – Business Combinations | - | 0.1 | - | 0.1 | 5.2 | 0.7 | 4.2 | 10.3 |
| Disposals – Write-off | (0.1) | (0.7) | (8.7) | (12.5) | (0.8) | - | (1.0) | (23.8) |
| Depreciation Expense for the Year | - | (9.8) | (63.5) | (72.4) | (21.7) | - | (16.4) | (183.8) |
| Impairment Losses | - | - | - | - | - | - | - | - |
| Net Foreign Exchange Differences | (0.6) | (2.3) | (19.1) | (9.6) | (1.1) | (12.4) | (5.8) | (50.9) |
| Other [1] | 0.1 | (3.7) | 156.6 | 81.9 | 1.2 | (240.5) | (12.9) | (17.3) |
| **NET BOOK VALUE AS OF DECEMBER 31, 2012** | **30.2** | **140.0** | **926.7** | **572.4** | **63.4** | **573.6** | **106.9** | **2,413.2** |

(1) The line "Other" is mainly related to the reclassification of assets under construction into the corresponding line items upon their delivery.
(2) Includes the restatements accounted for pursuant to the purchase price allocation of Global Industries, Ltd in accordance with revised IFRS 3.

The Group has maintained its policy of high levels of investment, in particular in order to expand its vessel fleet. As of December 31, 2012, the principal vessels recorded as "Assets under Construction" for a total amount of €573.6 million were as follows:

- the *Deep Energy*, a pipelay vessel dedicated to deepwater;
- the *Deep Orient*, a flexlay construction vessel dedicated to Asian markets; and
- two flexible pipeline installation vessels in joint venture with Odebrecht Oil & Gas, dedicated to Brazilian markets.

In addition, the Group pursues its investments in flexible and umbilical plants in Brazil, Angola and the United Kingdom, which are recognized as "Assets under Construction" as of December 31, 2012.

The increase in the "Vessels" item mainly relates to the delivery of the Global 1201, a rigid pipe S-lay and Heavy lift construction vessel.

Pledged fixed assets amounted to €184.7 million as of December 31, 2012 and principally consisted of mortgages related to *Skandi Vitória, Skandi Arctic* and *Skandi Niterói* vessels. No assets are subject to a capital lease.

# Note 10 – Intangible assets

Costs, accumulated amortization and depreciation by type of intangible assets are as follows:

| In millions of Euro | Goodwill | Licenses/ Patents/ Trademarks | Software | Other | Total |
|---|---|---|---|---|---|
| Costs | 3,112.4 | 115.3 | 84.9 | 3.8 | 3,316.4 |
| Accumulated Amortization | - | (96.6) | (43.4) | (2.6) | (142.6) |
| Accumulated Impairment Losses | - | - | - | - | - |
| Net Book Value as of December 31, 2011 – Restated | 3,112.4 | 18.7 | 41.5 | 1.2 | 3,173.8 |
| Costs | 3,292.3 | 144.8 | 107.1 | 3.1 | 3,547.3 |
| Accumulated Amortization | - | (120.8) | (56.7) | (2.2) | (179.7) |
| Accumulated Impairment Losses | - | - | - | - | - |
| **NET BOOK VALUE AS OF DECEMBER 31, 2012** | **3,292.3** | **24.0** | **50.4** | **0.9** | **3,367.6** |

## (a) Changes in net intangible assets

Changes in net intangible assets during the previous two periods break down as follows:

| In millions of Euro | Goodwill | Licenses/ Patents/ Trademarks | Software | Other | Total |
|---|---|---|---|---|---|
| Net Book Value as of January 1, 2011 | 2,379.1 | 24.0 | 30.9 | 0.5 | 2,434.5 |
| Additions – Acquisitions – Internal Developments | - | 1.3 | 16.2 | 0.5 | 18.0 |
| Additions – Business Combinations (1) | 717.5 | - | 0.5 | - | 718.0 |
| Disposals – Write-off | - | - | (0.2) | - | (0.2) |
| Amortization Charge for the Year | - | (5.6) | (6.2) | (0.1) | (11.9) |
| Impairment Losses | - | - | - | - | - |
| Net Foreign Exchange Differences (2) | 15.8 | (1.0) | 0.3 | - | 15.1 |
| Other | - | - | - | 0.3 | 0.3 |
| Net Book Value as of December 31, 2011 – Restated | 3,112.4 | 18.7 | 41.5 | 1.2 | 3,173.8 |
| Additions – Acquisitions – Internal Developments | - | 0.1 | 17.5 | 0.4 | 18.0 |
| Additions – Business Combinations | 202.3 | 8.5 | - | - | 210.8 |
| Disposals – Write-off | - | - | 0.1 | (0.2) | (0.1) |
| Amortization Charge for the Year | - | (1.8) | (9.1) | (0.2) | (11.1) |
| Impairment Losses | - | - | - | - | - |
| Net Foreign Exchange Differences (2) | (22.4) | (1.4) | - | - | (23.8) |
| Other | - | (0.1) | 0.4 | (0.3) | - |
| **NET BOOK VALUE AS OF DECEMBER 31, 2012** | **3,292.3** | **24.0** | **50.4** | **0.9** | **3,367.6** |

(1) Includes the restatements accounted for pursuant to the purchase price allocation of Global Industries, Ltd in accordance with revised IFRS 3.
(2) Goodwill is mainly denominated in Euro.

## (b) Goodwill

The goodwill recognized following an acquisition is measured at fair value as the excess of the purchase price over the share of identifiable assets and liabilities of the acquired entity. This goodwill is subject to an impairment test performed annually or upon occurrence of a meaningful event (see Note 1-C (d) – Business combinations).

The increase in consolidated goodwill recognized as of December 31, 2012 is mainly driven by the recognition of a temporary goodwill on account of Stone & Webster process technologies acquisition, for a total amount of USD250.4 million (*i.e.* €198.6 million) allocated to the Onshore/Offshore segment.

In 2011, the goodwill allocated to the Subsea segment primarily increased due to the acquisition of Global Industries, Ltd, (goodwill of €686.6 million) and the acquisition of Cybernétix (goodwill of €18.6 million) (see Note 2 – Scope of consolidation).

The following table shows the detail of goodwill by business segment:

| In millions of Euro | As of December 31, 2012 | 2011 restated |
|---|---|---|
| Subsea | 2,631.5 | 2,644.7 |
| Onshore/Offshore | 660.8 | 467.7 |
| **TOTAL GOODWILL** | **3,292.3** | **3,112.4** |

Impairment tests were performed on the goodwill, using the method described in Note 1-C (a) – Use of estimates.

By using the discounted cash flow method, the impairment tests performed by the Group were based on the most likely assumptions with respect to activity and result. Assumptions made in 2012 relied on the business plans covering years 2013 to 2015 for each Cash-Generating Units. Beyond 2015, the growth rate taken into account was 3.0%. Cash flows were discounted at a rate of 10.0% after tax. The tax rate used in the model was 30.0%. The assumptions of growth rate, discount rate and tax rate used in 2012 are unchanged compared to 2011.

As of December 31, 2012, impairment tests performed on the net book value of goodwill did not result in the accounting of an impairment loss. A 10.0% decrease in the 2015 operating margin relative to the business plan estimates, the use of a 2.0% growth rate after 2015, or a plus or minus 1.0% variation in the discount rate would have no impact on the value of goodwill.

No impairment loss was recorded in 2011.

## Note 11 – Investments in equity affiliates

Subsequent to the acquisition of Stone & Webster process technologies in August 2012, the Group has consolidated under the equity method the 50% owned company Badger Licensing LLC – JV.

| In millions of Euro | Badger Licensing LLC – JV | 2012 |
|---|---|---|
| Country | United States of America | - |
| Percentage of Interests | 50% | - |
| Carrying Amount of Investments as of December 31 | 5.9 | - |
| Data at 100% | | |
| Total Assets | 18.7 | 18.7 |
| Total Liabilities (excluding Equity) | 6.9 | 6.9 |
| Net Assets | 11.8 | 11.8 |
| Revenues | 6.8 | 6.8 |
| **NET RESULT** | **2.0** | **2.0** |

Changes in investments in the equity affiliates break down as follows:

| In millions of Euro | 2012 | 2011 restated |
|---|---|---|
| Carrying Amount of Investments as of January 1 | - | - |
| Additions – Business Combinations | 6.2 | - |
| Disposals | - | - |
| Share of Income/(Loss) of Equity Affiliates | 1.0 | - |
| Distributed Dividends | (1.1) | - |
| Net Foreign Exchange Differences | (0.2) | - |
| **CARRYING AMOUNT OF INVESTMENTS AS OF DECEMBER 31** | **5.9** | **-** |

## Note 12 – Other financial assets

As per Note 1-C (l) – Other financial assets, other financial assets are recorded at their fair value or at their historical cost if they cannot be measured reliably. In the latter case, depreciation is recorded if its recoverable amount is lower than its historical cost.

As of December 31, 2012, impairment tests performed on the net book value of other financial assets (non-current) did not result in any recognition of impairment loss.

The breakdown of this item by nature is presented below:

| | As of December 31, | | | |
|---|---|---|---|---|
| | 2012 | | 2011 restated | |
| In millions of Euro | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Non-Consolidated Investments | 8.6 | 8.6 | 8.5 | 8.5 |
| Valuation Allowance | (0.8) | (0.8) | (1.1) | (1.1) |
| **Net Value of Non-Consolidated Investments** | **7.8** | **7.8** | **7.4** | **7.4** |
| Loans | 10.7 | 10.7 | 11.9 | 11.9 |
| Valuation Allowance | - | - | - | - |
| **Net Value of Loans** | **10.7** | **10.7** | **11.9** | **11.9** |
| Liquidity Contract | 10.7 | 10.7 | 10.9 | 10.9 |
| **Net Value of Liquidity Contract** | **10.7** | **10.7** | **10.9** | **10.9** |
| Security Deposits and Other | 45.9 | 45.9 | 66.1 | 66.1 |
| Valuation Allowance | (2.3) | (2.3) | (3.5) | (3.5) |
| **Net Value of Security Deposits and Other** | **43.6** | **43.6** | **62.6** | **62.6** |
| **TOTAL OTHER FINANCIAL ASSETS, NET** | **72.8** | **72.8** | **92.8** | **92.8** |

## Note 13 – Available-for-sale financial assets

As of December 31, 2012 and 2011, the Group owned 789,067 shares, *i.e.* 5.5%, of Gulf Island Fabrication, Inc. (GIFI), a company listed in New York (NASDAQ).

In 2010, the Group acquired an 8% stake in Malaysia Marine and Heavy Engineering Holdings Berhad (MHB) for €114.5 million (*i.e.* 128,000,000 shares). Technip's stake in MHB increased by 0.35% in 2011 for €7.1 million (*i.e.* 5,555,000 supplementary shares), then additionally 0.15% in 2012 for €3.2 million (*i.e.* 2,455,000 supplementary shares), totaling 136 million shares. This company is listed in Malaysia (Bursa Malaysia Securities Berhad).

| | As of December 31, | | | |
|---|---|---|---|---|
| | 2012 | | 2011 restated | |
| In millions of Euro | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Share – Unlisted | - | - | - | - |
| Share – Listed | 162.7 | 162.7 | 201.9 | 201.9 |
| **TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS** | **162.7** | **162.7** | **201.9** | **201.9** |

In the financial year ended December 31, 2012, a loss was recognized in fair value reserves for €42.4 million, compared to €6.4 million in 2011.

## Note 14 – Inventories

The breakdown of inventories is as follows:

| | As of December 31, | |
|---|---|---|
| In millions of Euro | 2012 | 2011 restated |
| Raw Materials | 244.9 | 202.3 |
| Work in Progress | 23.7 | 17.7 |
| Finished Goods and Merchandise | 52.2 | 57.0 |
| Valuation Allowance | (24.0) | (22.4) |
| **TOTAL NET INVENTORIES** | **296.8** | **254.6** |

As of December 31, 2012, inventories meant to be used in the next 12 months amounted to €295.0 million.

## Note 15 – Construction contracts

Long-term contracts are recorded in accordance with IAS 11 "Construction contracts" when they include construction and delivery of a complex physical asset and in accordance with IAS 18 "Revenues" in other cases (see Note 1-C (b) – Long-term contracts).

The breakdown of construction contracts is as follows:

| | As of December 31, | |
|---|---|---|
| In millions of Euro | 2012 | 2011 restated |
| Construction Contracts – Amounts in Assets | 454.3 | 588.0 |
| Construction Contracts – Amounts in Liabilities | (873.0) | (724.3) |
| **TOTAL NET CONSTRUCTION CONTRACTS** | **(418.7)** | **(136.3)** |
| Costs and Margins Recognized at the Percentage of Completion | 8,065.5 | 4,897.0 |
| Payments Received from Clients | (8,308.5) | (4,835.3) |
| Accruals for Losses at Completion | (175.7) | (198.0) |
| **TOTAL NET CONSTRUCTION CONTRACTS** | **(418.7)** | **(136.3)** |

## Note 16 – Trade receivables

Given the nature of Group operations, the Group's clients are principally major oil and gas, petrochemical or oil-related companies.

This line item represents receivables from completed contracts, invoices to be issued on long-term contracts other than construction contracts and miscellaneous invoices (*e.g.* trading, procurement services).

| | As of December 31, | |
|---|---|---|
| In millions of Euro | 2012 | 2011 restated |
| Trade Receivables | 869.4 | 960.3 |
| Contracts – To be invoiced | 404.1 | 303.5 |
| Doubtful Accounts | 35.3 | 33.8 |
| Provisions for Doubtful Accounts | (35.3) | (33.8) |
| **TOTAL NET TRADE RECEIVABLES** | **1,273.5** | **1,263.8** |

Trade receivables are non-interest bearing. Their maturities are linked to the operating cycle of contracts. As of December 31, 2012, the portion of trade receivables that had a maturity of less than 12 months amounted to €1,242.7 million.

Each customer's financial situation is periodically reviewed. Provisions for doubtful receivables, which have to-date been considered sufficient at the Group level, are recorded for all potential uncollectible receivables, and are as follows:

| In millions of Euro | 2012 | 2011 restated |
|---|---|---|
| Provisions for Doubtful Accounts as of January 1 | (33.8) | (45.1) |
| Increase | (7.6) | (17.6) |
| Used Provision Reversals | 5.4 | 25.0 |
| Unused Provision Reversals | 0.7 | 3.9 |
| **PROVISIONS FOR DOUBTFUL ACCOUNTS AS OF DECEMBER 31** | **(35.3)** | **(33.8)** |

## Note 17 – Other current receivables

Other current receivables break down as follows:

| | As of December 31, | |
|---|---|---|
| In millions of Euro | 2012 | 2011 Restated |
| Value Added Tax Receivables | 127.3 | 100.7 |
| Other Tax Receivables | 82.1 | 61.2 |
| Receivables from Employees | 6.0 | 6.0 |
| Prepaid Expenses (1) | 122.9 | 128.0 |
| Insurance Indemnities to be Received | 2.5 | 0.5 |
| Other (2) | 172.7 | 188.4 |
| **TOTAL NET OTHER CURRENT RECEIVABLES** | **513.5** | **484.8** |

(1) Prepaid expenses mainly correspond to insurance costs, as well as building and construction rental expenses.
(2) The line "Other" essentially includes the current accounts on *joint venture* contracts and partners' current accounts.

As of December 31, 2012, the portion of other current receivables with a maturity of less than 12 months amounted to €500.9 million. Other current receivables are non-interest bearing.

## Note 18 – Cash and cash equivalents

Cash and cash equivalents break down as follows:

| In millions of Euro | As of December 31, 2012 | 2011 Restated |
|---|---|---|
| Cash at Bank and in Hand | 1,323.6 | 918.6 |
| Cash Equivalents | 965.7 | 1,890.1 |
| **TOTAL CASH AND CASH EQUIVALENTS** | **2,289.3** | **2,808.7** |
| Euro | 707.4 | 999.7 |
| US Dollar | 571.6 | 812.2 |
| Brazilian Real | 249.5 | 399.8 |
| Norwegian Krone | 124.0 | 108.6 |
| Pound Sterling | 103.3 | 72.5 |
| Australian Dollar | 100.6 | 101.0 |
| Japanese Yen | 100.1 | 43.6 |
| Indian Rupee | 53.0 | 34.9 |
| Other | 279.8 | 236.4 |
| **TOTAL CASH AND CASH EQUIVALENTS BY CURRENCY** | **2,289.3** | **2,808.7** |
| Certificates of Deposits | 260.6 | 533.0 |
| Fixed Term Deposits | 702.1 | 1,220.4 |
| Floating Rate Notes | 3.0 | 127.0 |
| Other | - | 9.7 |
| **TOTAL CASH EQUIVALENTS BY NATURE** | **965.7** | **1,890.1** |

In accordance with Note 1-C (q) – Cash and cash equivalents, cash and cash equivalents consist of cash in bank and in hand, as well as marketable securities fulfilling the following criteria:

- a maturity of usually less than three months;
- highly liquid;
- a fixed exchange value; and
- an insignificant risk of loss of value.

A substantial portion of cash and marketable securities are recorded or invested in either Euro or US dollar which are frequently used by the Group within the framework of its commercial relationships. Cash and cash equivalents in other currencies correspond either to deposits retained by subsidiaries located in countries where such currencies are the national currencies in order to ensure their own liquidity, or to amounts received from customers prior to the payment of expenses in these same currencies or the payment of dividends. Short-term deposits are classified as cash equivalents along with the other marketable securities.

## Note 19 – Assets and liabilities held for sale

As of December 31, 2012, the Comanche vessel was accounted for as assets held for sale for a total amount of €9.9 million.

As of December 31, 2011, there was no asset or liability held for sale.

# Note 20 – Shareholders' equity

## (a) Changes in the parent company's share capital

As of December 31, 2012, Technip share capital consisted of 113,040,513 outstanding shares with a par value of €0.7625 each. Changes since January 1, 2011 break down as follows:

| | Number of Shares | Share Capital (In millions of Euro) |
|---|---|---|
| **Share Capital as of January 1, 2011** | **110,249,352** | **84.1** |
| Capital Increase due to Share Subscription Options Exercised | 738,406 | 0.5 |
| **Share Capital as of December 31, 2011** | **110,987,758** | **84.6** |
| Capital Increase due to Share Subscription Options Exercised | 577,612 | 0.5 |
| Capital Increase Reserved for Employees | 1,475,143 | 1.1 |
| **SHARE CAPITAL AS OF DECEMBER 31, 2012** | **113,040,513** | **86.2** |

## (b) Technip's shareholders as of December 31

As of December 31, 2012, to the Company's knowledge and based on notices and documents received by the Company, Technip's principal shareholders in percentage of share capital are as follows:

| | As of December 31, | |
|---|---|---|
| | **2012** | 2011 |
| Caisse des Dépôts et Consignations (indirectly via *F*onds Stratégique d'Investissement) | 5.25% | 5.35% |
| The Capital Group Companies Inc. | 5.00% | 5.25% |
| Blackrock Inc. | 4.90% | 6.20% |
| Amundi Asset Management | 3.30% | 3.20% |
| Norges Bank Investment Management | 3.00% | 2.50% |
| Oppenheimer Funds Inc. | 2.85% | 2.90% |
| IFP Énergies nouvelles | 2.50% | 2.55% |
| BNP Paribas Asset Management | 2.25% | 2.35% |
| Causeway Capital Management | 2.10% | 1.45% |
| Natixis | 1.50% | 3.00% |
| Treasury Shares | 2.10% | 2.00% |
| Group Employees | 2.65% | 2.00% |
| Other | 62.60% | 61.25% |
| **TOTAL** | **100.00%** | **100.00%** |

## (c) Treasury shares

Changes in treasury shares are as follows:

| | Number of Shares | Treasury Shares (In millions of Euro) |
|---|---|---|
| **Treasury Shares as of January 1, 2011** | **2,907,461** | **(137.9)** |
| Shares Acquired pursuant to Liquidity Contract | 957,023 | (64.5) |
| Shares Sold pursuant to Liquidity Contract | (950,023) | 64.1 |
| Shares Granted to Employees | (671,743) | 29.0 |
| **Treasury Shares as of December 31, 2011** | **2,242,718** | **(109.3)** |
| Shares Acquired pursuant to Liquidity Contract | 437,013 | (34.7) |
| Shares Sold pursuant to Liquidity Contract | (446,013) | 34.7 |
| Shares Purchased for Employees | 1,337,110 | (108.3) |
| Shares Granted to Employees | (1,199,847) | 68.8 |
| **TREASURY SHARES AS OF DECEMBER 31, 2012** | **2,370,981** | **(148.8)** |

Treasury shares are held in order to serve performance share plans that were granted to employees in 2008, 2009, 2010, 2011 and 2012 as well as to serve share purchase option plans granted in 2008.

### (d) Fair value reserves

Fair value reserves are as follows:

| In millions of Euro | Hedging Reserve(1) | Revaluation of Available-For-Sale Financial Assets(2) | Other | Total |
|---|---|---|---|---|
| **Fair Value Reserves as of January 1, 2011** | (31.8) | 76.1 | (3.5) | 40.8 |
| Net Gains/(Losses) on Cash Flow Hedges (IAS 32/39) | (18.9) | - | - | (18.9) |
| Tax Effect on Net Gains/(Losses) on Cash Flow Hedges | 4.9 | - | - | 4.9 |
| Fair Value Changes on Available-For-Sale Financial Assets (IAS 39) | - | (6.4) | - | (6.4) |
| Tax Effect on Fair Value Changes on Available-For-Sale Financial Assets | - | (0.5) | - | (0.5) |
| Other | - | - | (0.2) | (0.2) |
| **Fair Value Reserves as of December 31, 2011** | (45.8) | 69.2 | (3.7) | 19.7 |
| Net Gains/(Losses) on Cash Flow Hedges (IAS 32/39) | 76.9 | - | - | 76.9 |
| Tax Effect on Net Gains/(Losses) on Cash Flow Hedges | (22.6) | - | - | (22.6) |
| Fair Value Changes on Available-For-Sale Financial Assets (IAS 39) | - | (42.4) | - | (42.4) |
| Tax Effect on Fair Value Changes on Available-For-Sale Financial Assets | - | 1.5 | - | 1.5 |
| Other | (4.0) | - | 3.8 | (0.2) |
| **FAIR VALUE RESERVES AS OF DECEMBER 31, 2012** | **4.5** | **28.3** | **0.1** | **32.9** |

(1) Recorded under this heading is the efficient portion of the change in fair value of the financial instruments qualified as cash flow hedging (see Note 1-C (c) – Foreign currency transactions and financial instruments).

(2) Amounts correspond to the revaluation of MHB and GIFI shares based on the share price as of December 31 (see Note 13 – Available-for-sale financial assets).

### (e) Distributable retained earnings

As of December 31, 2012, distributable retained earnings of the parent company amounted to €2,927.7 million, including €2,005.4 million of share capital premiums.

### (f) Statutory legal reserve

Under French Law, companies must allocate 5% of their statutory net profit to their legal reserve fund each year before dividends may be paid in respect of that year. Funds are allocated until the amount in the legal reserve is equal to 10% of the aggregate nominal value of the issued and outstanding share capital. The legal reserve may only be distributed to shareholders upon liquidation of the Company. As of December 31, 2012, the statutory legal reserve amounted to €9.8 million.

### (g) Dividends paid and proposed

In 2012, the dividend paid for the financial year ended December 31, 2011 amounted to €172.6 million (*i.e.*, €1.58 per share).

The recommended dividend in respect of 2012 is €1.68 per share and will be submitted for approval at the Shareholders' General Meeting to be held on April 25, 2013. Given that no decision was taken as of December 31, 2012, no impact was recorded in the 2012 financials.

In 2011, the dividend paid for the financial year ended December 31, 2010 amounted to €156.1 million (*i.e.*, €1.45 per share).

## (h) Share subscription option plans and share purchase option plans

### Technip plans

The Board of Directors has granted certain employees, senior executives and Directors or Officers *(mandataires sociaux)* of the Group and its affiliates, share subscription option plans or share purchase option plans at an agreed unit price. The main features and changes in plans that are in place for 2012 and 2011 are as follows:

| Technip Plans Number of Options | Plan 2005 | | | | | Plan 2008 | Plan 2009 | Plan 2010 | | | Plan 2011 | | | Plan 2012 | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Part 1 [1] | Part 2 [1] | Part 3 [1] | Parts 1, 2 Re-granted [1] | Parts 1, 2 and 3 Re-granted [1] | Part 1 [2] | Part 1 [1] | Part 1 [1] | Part 2 [1] | Part 3 [1] | Part 1 [1] | Part 2 [1] | Part 3 [1] | Part 1 [1] | Part 2 [1] | |
| Approval date by Shareholders' General Meeting | April 29, 2005 | April 29, 2005 | April 29, 2005 | April 29, 2005 | April 29, 2005 | May 6, 2008 | April 30, 2009 | April 29, 2010 | April 29, 2010 | April 29, 2010 | April 28, 2011 | April 28, 2011 | April 28, 2011 | April 26, 2012 | April 26, 2012 | |
| Grant Date by the Board of Directors | Dec. 14, 2005 | July 26, 2006 | March 12, 2007 | Dec. 12, 2007 | June 12, 2008 | July 1, 2008 | June 15, 2009 | June 23, 2010 | Dec. 15, 2010 | March 4, 2011 | June 17, 2011 | Dec. 14, 2011 | March 2, 2012 | June 15, 2012 | Dec. 12, 2012 | |
| **Options Outstanding as of January 1, 2004** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Options Granted (Subscription) | 965,213 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 965,213 |
| **Options Outstanding as of December 31, 2005** | **965,213** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | **965,213** |
| Options Granted (Subscription) | - | 965,213 | - | - | - | - | - | - | - | - | - | - | - | - | - | 965,213 |
| Options Exercised (Subscription) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Options Outstanding as of December 31, 2006** | **965,213** | **965,213** | - | - | - | - | - | - | - | - | - | - | - | - | - | **1,930,426** |
| Options Granted (Subscription) | 21,339 | 21,867 | 987,192 | - | - | - | - | - | - | - | - | - | - | - | - | 1,030,398 |
| Options Re-Granted (Subscription) | - | 26,078 | 15,345 | 85,000 | - | - | - | - | - | - | - | - | - | - | - | 126,423 |
| Options Exercised (Subscription) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Options Cancelled (Subscription) | (62,885) | (48,193) | (15,345) | - | - | - | - | - | - | - | - | - | - | - | - | (126,423) |
| **Options Outstanding as of December 31, 2007** | **923,667** | **964,965** | **987,192** | **85,000** | - | - | - | - | - | - | - | - | - | - | - | **2,960,824** |
| Options Granted (Purchase) | - | - | - | - | - | 953,100 | - | - | - | - | - | - | - | - | - | 953,100 |
| Options Granted (Subscription) | 3,449 | 3,648 | 3,666 | 329 | - | | - | - | - | - | - | - | - | - | - | 11,092 |
| Options Re-Granted (Subscription) | - | - | - | - | 106,858 | - | - | - | - | - | - | - | - | - | - | 106,858 |
| Options Exercised (Subscription) | - | - | (2,054) | - | - | - | - | - | - | - | - | - | - | - | - | (2,054) |
| Options Cancelled (Purchase/ Subscription) | (31,800) | (65,588) | (58,404) | (5,019) | - | (11,040) | - | - | - | - | - | - | - | - | - | (171,851) |

| Technip Plans Number of Options | Plan 2005 | | | | | Plan 2008 | Plan 2009 | Plan 2010 | | | Plan 2011 | | | Plan 2012 | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Part 1[(1)] | Part 2[(1)] | Part 3[(1)] | Parts 1, 2 Re-granted[(1)] | Parts 1, 2 and 3 Re-granted[(1)] | Part 1[(2)] | Part 1[(1)] | Part 1[(1)] | Part 2[(1)] | Part 3[(1)] | Part 1[(1)] | Part 2[(1)] | Part 3[(1)] | Part 1[(1)] | Part 2[(1)] | |
| Options Outstanding as of December 31, 2008 | 895,316 | 903,025 | 930,400 | 80,310 | 106,858 | 942,060 | - | - | - | - | - | - | - | - | - | 3,857,969 |
| Options Granted (Subscription) | - | - | - | - | - | - | 1,093,175 | - | - | - | - | - | - | - | - | 1,093,175 |
| Options Exercised (Subscription) | - | (1,540) | - | - | - | - | - | - | - | - | - | - | - | - | - | (1,540) |
| Options Cancelled (Purchase/ Subscription) | (8,079) | (21,562) | (2,054) | - | (3,000) | (5,000) | (2,100) | - | - | - | - | - | - | - | - | (41,795) |
| Options Outstanding as of December 31, 2009 | 887,237 | 879,923 | 928,346 | 80,310 | 103,858 | 937,060 | 1,091,075 | - | - | - | - | - | - | - | - | 4,907,809 |
| Options Granted (Subscription) | - | - | - | - | - | - | - | 1,102,300 | 19,400 | - | - | - | - | - | - | 1,121,700 |
| Options Exercised (Subscription) | (611,967) | (234,206) | (1,540) | - | - | - | - | - | - | - | - | - | - | - | - | (847,713) |
| Options Cancelled (Purchase/ Subscription) | (12,087) | (461,542) | (10,783) | (2,008) | - | (32,000) | (24,300) | (11,000) | - | - | - | - | - | - | - | (553,720) |
| Options Outstanding as of December 31, 2010 | 263,183 | 184,175 | 916,023 | 78,302 | 103,858 | 905,060 | 1,066,775 | 1,091,300 | 19,400 | - | - | - | - | - | - | 4,628,076 |
| Options Granted (Subscription) | - | - | - | - | - | - | - | - | - | 81,300 | 339,400 | 53,900 | - | - | - | 474,600 |
| Options Exercised (Subscription) | (263,183) | (96,354) | (323,970) | (16,058) | - | (150) | (525) | (300) | - | - | - | - | - | - | - | (700,540) |
| Options Cancelled (Purchase/ Subscription) | - | 1,540 | (13,350) | - | (6,000) | (5,450) | (20,050) | (12,600) | - | (1,800) | - | - | - | - | - | (57,710) |
| Options Outstanding as of December 31, 2011 | - | 89,361 | 578,703 | 62,244 | 97,858 | 899,460 | 1,046,200 | 1,078,400 | 19,400 | 79,500 | 339,400 | 53,900 | - | - | - | 4,344,426 |
| Options Granted (Subscription) | - | - | - | - | - | - | - | - | - | - | - | - | 49,007 | 284,700 | 35,350 | 369,057 |
| Options Exercised (Subscription) | - | (81,340) | (376,198) | (55,216) | (64,858) | (362,555) | - | - | - | - | - | - | - | - | - | (940,167) |
| Options Cancelled (Purchase/ Subscription) | - | (8,021) | - | - | - | (12,900) | (17,000) | (22,500) | (2,000) | (2,600) | (1,000) | (4,900) | (300) | (600) | - | (71,821) |
| **OPTIONS OUTSTANDING AS OF DECEMBER 31, 2012** | **-** | **-** | **202,505** | **7,028** | **33,000** | **524,005** | **1,029,200** | **1,055,900** | **17,400** | **76,900** | **338,400** | **49,000** | **48,707** | **284,100** | **35,350** | **3,701,495** |
| Maturity Date | Dec. 14, 2011 | July 26, 2012 | March 12, 2013 | Dec. 12, 2013 | June 12, 2014 | July 1, 2014 | June 15, 2015 | June 23, 2016 | Dec. 15, 2016 | March 4, 2017 | June 17, 2018 | Dec. 14, 2018 | March 2, 2019 | June 15, 2019 | Dec. 12, 2019 | |

(1) Share subscription option plans exercisable four years from the date of grant and provided certain targets are met.
(2) Share purchase option plans exercisable four years from the date of grant and provided certain targets are met.

The main features described in the table above take into consideration the following adjustments to the rights of option beneficiaries:

- The Board of Directors resolved to adjust the rights of option beneficiaries as of May 14, 2007 in order to take into account the extraordinary dividend deducted from retained earnings and approved by the Combined Shareholders' Meeting held on April 27, 2007. Consequently exercise prices and option numbers were recalculated for all plans.
- The Board of Directors resolved to adjust the rights of option beneficiaries as of May 14, 2008 in order to take into account the extraordinary dividend deducted from retained earnings and approved by the Combined Shareholders' Meeting held on May 6, 2008. Consequently exercise prices and option numbers were recalculated for all plans.

These options were granted subject to certain targets. This means that the final number of options granted to employees is contingent upon Technip achieving 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 2008, 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 and 2012-2014 periods on the basis of several criteria: Group results in terms of Total Shareholder Return, operating income from recurring activities and return on capital employed.

## Coflexip plans

After the merger of Technip and Coflexip, Technip took over the share subscription and share purchase option plans of Coflexip. The last outstanding Coflexip plan has expired in 2011. Below are the main features and changes in plans that were in place for 2011:

| Coflexip Plans<br>Number of Options | Plan CSO 11 | Total |
|---|---|---|
| Approval Date by Shareholders' General Meeting | May 30, 2000 | |
| Grant Date by the Board of Directors | March 20, 2001 | |
| Purchase Options Granted | 34,415 | 34,415 |
| Subscription Options Granted | 180,000 | 180,000 |
| **Options Outstanding as of December 31, 2003** | **178,415** | **178,415** |
| Options Exercised (Subscription) | - | - |
| Options Cancelled (Subscription) | (1,000) | (1,000) |
| **Options Outstanding as of December 31, 2004** | **177,415** | **177,415** |
| Options Exercised (Subscription) | (24,785) | (24,785) |
| Options Exercised (Purchase) | (34,415) | (34,415) |
| Options Cancelled (Subscription) | (16,915) | (16,915) |
| **Options Outstanding as of December 31, 2005** | **101,300** | **101,300** |
| Options Exercised (Subscription) | (36,207) | (36,207) |
| **Options Outstanding as of December 31, 2006** | **65,093** | **65,093** |
| Options Granted (Subscription) | 1,311 | 1,311 |
| Options Exercised (Subscription) | (18,845) | (18,845) |
| Options Cancelled (Subscription) | (1,023) | (1,023) |
| **Options Outstanding as of December 31, 2007** | **46,536** | **46,536** |
| Options Granted (Subscription) | 178 | 178 |
| Options Exercised (Subscription) | (9,301) | (9,301) |
| **Options Outstanding as of December 31, 2008** | **37,413** | **37,413** |
| Options Exercised (Subscription) | (1,803) | (1,803) |
| Options Cancelled (Subscription) | - | - |
| **Options Outstanding as of December 31, 2009** | **35,610** | **35,610** |
| Options Exercised (Subscription) | (14,586) | (14,586) |
| Options Cancelled (Subscription) | - | - |
| **Options Outstanding as of December 31, 2010** | **21,024** | **21,024** |
| Options Exercised (Subscription) | (9,504) | (9,504) |
| Options Cancelled (Subscription) | (11,520) | (11,520) |
| **OPTION OUTSTANDING AS OF DECEMBER 31, 2011** | **0** | **0** |
| Maturity Date | March 20, 2011 | |

## IFRS 2 accounting charge

IFRS 2 applies to all share subscription and share purchase option plans granted after November 7, 2002 and whose rights were not vested as of January 1, 2005. Consequently, the Group recorded a charge of €10.2 million in 2012 compared to €13.7 million in 2011.

To evaluate these plans, and considering the lack of relevant historical information, the Group used the six general assumptions common to all options pricing models (exercise price, term, share price at grant date, expected volatility of share price, estimated dividends and risk-free interest rate for the option life). Regarding the assessment of volatility, the historical measures performed on the share price show great discrepancies depending upon the periods and the maturity chosen. In order to achieve a reliable measure of the future volatility, Technip decided to use an approach that consists in comparing measures of historical volatility over periods of 1 year, 2 years, 3 years and 5 years on the one hand and the share's implied volatility on the other.

The following table illustrates the assumptions used to calculate the charge. The Group uses the Cox Ross Rubinstein binomial model.

| Technip Plans | Plan 2005 | | | | | Plan 2008 | Plan 2009 | Plan 2010 | | | Plan 2011 | | | **Plan 2012** | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Part 1 | Part 2 | Part 3 | Parts 1 and 2 Re-granted | Parts 1, 2 and 3 Re-granted | Part 1 | Part 1 | Part 1 | Part 2 | Part 3 | Part 1 | Part 2 | Part 3 | Part 1 | Part 2 |
| Share Price at Grant Date (in Euro) | 48.87 | 43.01 | 50.19 | 54.21 | 55.81 | 58.50 | 36.41 | 52.00 | 67.18 | 71.64 | 71.39 | 65.50 | 83.83 | 78.80 | 87.05 |
| Exercise Price (in Euro) | 46.94 | 41.39 | 49.17 | 55.67 | 59.96 | 58.15 | 34.70 | 51.45 | 63.23 | 72.19 | 72.69 | 66.94 | 78.39 | 74.54 | 87.13 |
| Dividend Yield | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 3.5% | 3.0% | 3.0% | 3.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% |
| Turnover Rate | 5.0% | 5.0% | 5.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% |
| Volatility | 28.0% | 31.0% | 30.3% | 32.0% | 34.4% | 34.4% | 32.9% | 39.1% | 39.1% | 39.1% | 32.0% | 32.0% | 32.0% | 34.2% | 33.5% |
| Annual Risk Free Interest Rate | | | | | | | | | | | | | | | |
| 6 months | 2.6% | 3.3% | 4.0% | 4.9% | 5.1% | 5.2% | 1.5% | 0.4% | 0.4% | 0.4% | 1.3% | 1.3% | 1.3% | 0.3% | 0.1% |
| 1 year | 2.8% | 3.5% | 4.1% | 4.9% | 5.4% | 5.4% | 1.7% | 0.5% | 0.5% | 0.5% | 1.5% | 1.5% | 1.5% | 0.3% | 0.1% |
| 3 years | 2.9% | 3.7% | 3.9% | 4.1% | 4.7% | 4.7% | 2.2% | 1.2% | 1.2% | 1.2% | 2.0% | 2.0% | 2.0% | 0.8% | 0.2% |
| 5 years | 3.1% | 3.8% | 4.0% | 4.2% | 4.8% | 4.8% | 2.9% | 1.9% | 1.9% | 1.9% | 2.6% | 2.6% | 2.6% | 1.6% | 0.8% |
| 10 years | 3.3% | 4.0% | 4.0% | 4.4% | 4.8% | 4.8% | 3.9% | 3.1% | 3.1% | 3.1% | 3.5% | 3.5% | 3.5% | 2.8% | 2.1% |
| Option Fair Value Set at Grant Date (in Euro) | 10.97 | 11.22 | 12.75 | 13.74 | 14.90 | 17.30 | 8.45 | 13.61 | 13.61 | 13.61 | 14.35/ 15.05 | 14.35 | 14.35 | 17.58/ 18.40 | 21.02 |
| Maturity Date | Dec. 14, 2011 | July 26, 2012 | March 12, 2013 | Dec. 12, 2013 | June 12, 2014 | July 1, 2014 | June 15, 2015 | June 23, 2016 | Dec. 15, 2016 | March 4, 2017 | June 17, 2018 | Dec. 14, 2018 | March 2, 2019 | June 15, 2019 | Dec. 12, 2019 |

Average share price amounted to €82.99 in 2012 and €69.74 in 2011.

## (i) Performance share plans

Since 2007, the Board of Directors has granted certain employees, senior executives and Directors or Officers *(mandataires sociaux)* of the Group and its affiliates, free shares subject to Technip achieving satisfactory performances, namely "performance shares". Following are the main features and changes in the plans that were in place for 2012 and 2011:

| | Plan 2007 | | Plan 2008 | | | Plan 2009 | | | Plan 2010 | | | Plan 2011 | | | Plan 2012 | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Part 1 | Part 1 Re-granted | Part 1 | Part 2 | Part 3 | Part 1 | Part 2 | Part 3 | Part 1 | Part 2 | Part 3 | Part 1 | Part 2 | Part 3 | Part 1 | Part 2 | |
| Approval date by Shareholders' General Meeting | April 28, 2006 | April 28, 2006 | May 6, 2008 | May 6, 2008 | May 6, 2008 | April 30, 2009 | April 30, 2009 | April 30, 2009 | April 29, 2010 | April 29, 2010 | April 29, 2010 | April 28, 2011 | April 28, 2011 | April 28, 2011 | April 26, 2012 | April 26, 2012 | |
| Grant Date by the Board of Directors | March 12, 2007 | Dec. 12, 2007 & July 1, 2008 | July 1, 2008 | Dec. 9, 2008 | Feb. 18, 2009 | June 15, 2009 | Oct. 25, 2009 | Feb. 16, 2010 | June 23, 2010 | Dec. 15, 2010 | March 4, 2011 | June 17, 2011 | Dec. 14, 2011 | March 2, 2012 | June 15, 2012 | Dec. 12, 2012 | |
| **Shares Granted as of January 1, 2007** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Shares Granted | 1,110,670 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,110,670 |
| Shares Re-Granted | - | 44,500 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 44,500 |
| Shares Cancelled | (44,500) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (44,500) |
| **Outstanding Shares as of December 31, 2007** | 1,066,170 | 44,500 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,110,670 |
| Shares Granted | - | - | 859,050 | 20,100 | - | - | - | - | - | - | - | - | - | - | - | - | 879,150 |
| Shares Re-Granted | - | 20,300 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 20,300 |
| Shares Cancelled | (50,100) | (1,800) | (11,700) | - | - | - | - | - | - | - | - | - | - | - | - | - | (63,600) |
| **Outstanding Shares as of December 31, 2008** | 1,016,070 | 63,000 | 847,350 | 20,100 | - | - | - | - | - | - | - | - | - | - | - | - | 1,946,520 |
| Shares Granted | - | - | - | - | 191,542 | 981,175 | 12,000 | - | - | - | - | - | - | - | - | - | 1,184,717 |
| Shares Exercised | (234) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (234) |
| Shares Cancelled | (12,732) | (800) | (12,060) | - | (1,100) | (2,100) | - | - | - | - | - | - | - | - | - | - | (28,792) |
| **Outstanding Shares as of December 31, 2009** | 1,003,104 | 62,200 | 835,290 | 20,100 | 190,442 | 979,075 | 12,000 | - | - | - | - | - | - | - | - | - | 3,102,211 |
| Shares Granted | - | - | - | - | - | - | - | 100,000 | 883,900 | 13,800 | - | - | - | - | - | - | 997,700 |
| Shares Exercised | (178,416) | (10,250) | (533) | - | (16) | - | - | - | - | - | - | - | - | - | - | - | (189,215) |
| Shares Cancelled | (258,603) | (15,350) | (41,887) | - | (5,034) | (23,200) | - | (1,900) | (11,300) | - | - | - | - | - | - | - | (357,274) |
| **Outstanding Shares as of December 31, 2010** | 566,085 | 36,600 | 792,870 | 20,100 | 185,392 | 955,875 | 12,000 | 98,100 | 872,600 | 13,800 | - | - | - | - | - | - | 3,553,422 |
| Shares Granted | - | - | - | - | - | 400 | - | - | - | - | 86,300 | 361,000 | 37,050 | - | - | - | 484,750 |
| Shares Exercised | (280,393) | (16,300) | (354,500) | (18,300) | - | (500) | - | (100) | (300) | - | - | - | - | - | - | - | (670,393) |
| Shares Cancelled | (285,692) | (9,550) | (6,200) | (1,800) | (4,350) | (15,275) | - | (450) | (12,500) | - | (1,800) | (7,650) | - | - | - | - | (345,267) |
| **Outstanding Shares as of December 31, 2011** | - | 10,750 | 432,170 | - | 181,042 | 940,500 | 12,000 | 97,550 | 859,800 | 13,800 | 84,500 | 353,350 | 37,050 | - | - | - | 3,022,512 |
| Shares Granted | - | - | - | - | - | - | - | - | - | - | - | - | - | 49,357 | 430,150 | 126,892 | 606,399 |
| Shares Exercised | - | (10,600) | (423,150) | - | (58,842) | (338,000) | (12,000) | (900) | (600) | - | - | (100) | - | - | - | - | (843,392) |
| Shares Cancelled | - | (150) | (9,020) | - | (3,550) | (17,600) | - | (2,100) | (24,900) | (1,500) | (2,600) | (4,800) | (3,300) | (1,550) | (3,350) | - | (75,220) |
| **OUTSTANDING SHARES AS OF DECEMBER 31, 2012** | **-** | **-** | **-** | **-** | **118,650** | **584,900** | **-** | **94,550** | **834,300** | **12,300** | **81,900** | **348,450** | **33,750** | **47,807** | **426,800** | **126,892** | **2,710,299** |

From country to country, the vesting period of these plans is either three years from the date of grant (in which case the holding period is two years), or four years from the date of grant (in which case there is no holding period).

Performance shares were granted contingent upon the same performance conditions described in Note 20 (h) Share subscription and share purchase option plans except for the 2011 and 2012 plan. For these latter plans, the performance is respectively measured over the 2011-2013 and the 2012-2014 periods 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.

### IFRS 2 accounting charge

IFRS 2 applies to the valuation of performance share grants. Consequently, the Group recorded a charge of €32.9 million in 2012 compared to €32.3 million in 2011.

The fair value of performance share plans is determined according to the share price at grant date less discounted future dividends. The following table shows assumptions underlying the fair value computation of the plans:

| | Plan 2007 | | Plan 2008 | | | Plan 2009 | | | Plan 2010 | | | Plan 2011 | | | Plan 2012 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Part 1 | Part 1 Re-granted | Part 1 | Part 2 | Part 3 | Part 1 | Part 2 | Part 3 | Part 1 | Part 2 | Part 3 | Part 1 | Part 2 | Part 3 | Part 1 | Part 2 |
| Share Price at the Grant Date (in Euro) | 50.19 | 54.21 | 58.50 | 58.50 | 23.76 | 36.41 | 36.41 | 36.41 | 52.00 | 67.18 | 71.64 | 71.39 | 65.50 | 83.83 | 78,80 | 87,05 |
| Dividend Yield | 3.2% | 2.0% | 2.0% | 2.0% | 3.0% | 3.5% | 3.5% | 3.5% | 3.0% | 3.0% | 3.0% | 2.0% | 2.0% | 2.0% | 2,0% | 2,0% |
| Turnover Rate (1) | 2.0%/ 6.0% | 2.0%/ 6.0% | 2.0%/ 6.0% | 2.0%/ 6.0% | 2.0%/ 6.0% | 2.0%/ 6.0% | 2.0%/ 6.0% | 2.0%/ 6.0% | 2.0%/ 6.0% | 2.0%/ 6.0% | 2.0%/ 6.0% | 2.0%/ 6.0% | 2.0%/ 6.0% | 2.0%/ 6.0% | 2,0%/ 6,0% | 2,0%/ 6,0% |
| Fair Value of Performance Shares Set at Grant Date (in Euro) (1) | 44.57/ 45.57 | 50.65 | 55.10/ 54.00 | 55.10/ 54.00 | 21.72/ 21.07 | 32.78/ 31.65 | 32.78/ 31.65 | 32.78/ 31.65 | 47.52/ 46.12 | 47.52/ 46.12 | 47.52/ 46.12 | 67.23/ 65.90 | 67.23/ 65.90 | 67.23/ 65.90 | 74,21/ 72,74 | 81,98/ 80,36 |
| Maturity Date | March 13, 2011/12 | Dec. 12, 2011/12 & July 1, 2012/13 | July 1, 2012/13 | Dec. 9, 2012/13 | Feb. 18, 2013/14 | June 15, 2013/14 | Oct. 25, 2014 | Feb. 16, 2014/15 | June 23, 2014/15 | Dec. 15, 2014/15 | March 4, 2015/16 | June 17, 2015/16 | Dec. 14, 2015/16 | March 2, 2016/17 | June 15, 2016/17 | Dec. 12, 2016/17 |

(1) The turnover rate and fair value of performance shares differ from country to country.

Performance shares granted to employees will be served using treasury shares.

The average share price amounted to €82.99 in 2012, compared to €69.74 in 2011.

## (j) Capital management

Shareholders' equity breaks down into portions attributable to non-controlling interests and to equity holders of the parent company. Equity attributable to equity holders of the parent is equal to the share capital of Technip, the Group's parent company, cumulated results and other reserves, less treasury shares.

Treasury shares are primarily held for the following purposes:

- To serve share option plans or other share plans that were granted to employees, directors or officers of the Company.

  During the financial year ended December 31, 2012, Technip continued its purchases of own shares under the program approved by the Shareholders' General Meeting held on April 28, 2011, for a period of 18 months and relating to a maximum number of shares not exceeding 10% of the shares comprising the share capital, at a maximum share price of €105. In all, 1,337,110 shares were bought during the period at an average price of €81, for a total of €108.3 million.
- To promote share trading and, in particular, to ensure the liquidity of shares pursuant to a liquidity contract, by an investment service provider. Pursuant to a contract dated February 12, 2010, and for a duration of one year as from this date, tacitly renewable, the Company engaged Crédit Agricole Cheuvreux to execute a liquidity contract in compliance with the AMAFI Code of Conduct.

  During the financial year ended December 31, 2012, 437,013 shares were purchased and 446,013 shares were sold pursuant to the terms and conditions of this liquidity contract.

On the basis of the authorization granted by the Combined General Meeting held on April 28, 2011, (20th resolution), at its meeting on December 14, 2011, the Board of Directors of the Company decided to undertake a capital increase in favor of members of the Technip Group Savings Plan (PEG). Further to Technip's 2008 capital increase reserved for employees, this new international employee shareholding initiative is a continuation of the Group's policy to mobilize its staff towards the implementation of the Group's new strategy and to bring employees of Technip closer to the development and the results of the Group.

### (k) Capital Increase Reserved for Employees

Technip realized a capital increase reserved for employees in 2012.

The capital increase has been realized by Technip SA, holding company of the Group and was offered to all Technip employees and its subsidiaries.

Three different plans were offered to these employees to subscribe to the capital increase:

- Technip "Classic Plan" allows recipients to subscribe Technip shares within a FCPE (*Fonds Commun de Placement*. A FCPE is a French collective savings vehicle allowing employees to hold a portfolio invested in securities. The FCPE is managed by a management company on behalf of the employee investors holding units of the FCPE). Recipients can benefit from an Employer contribution as well as a 20% discount on the subscription price but are fully exposed to the change of the share value on the stock market. The holding period is five years.
- Technip "Secure Plan" allows employees to subscribe Technip shares within a FCPE and to benefit from an Employer contribution as well as a 20% discount on the subscription price while guaranteeing the initial investment at the end of the five years period, increased by the greater between the capitalized annual return of 2.0% and the protected average increase Technip share value compared to the reference price.
- Technip "Multiple Plan" allows the recipients to subscribe Technip shares within a FCPE or directly and to benefit from an Employer contribution as well as a 20% discount on the subscription price while guaranteeing at the end of the five years period, the initial investment increased by the greater between the capitalized annual return of 2.5% and 7.75 times the average increase in Technip share value compared to the reference price. The bank in charge of structuring the operation, finance nine Technip shares for one Technip share subscribed by an employee. The initial investment of the employee is guaranteed. The capital guarantee and the multiple of the average increase are obtained through the transfer to the bank of the discount, the dividends and the other financial rights related to the shares.

For some countries, depending of the national laws, only one or two of the three plans have been proposed. Terms and conditions of these plans have been adapted depending on local constraints linked to legal, tax or social matters. In some countries, Technip Multiple Plan has been replaced by a SAR plan (Stock Appreciation Rights).

Following this capital increase, the number of shares issued on July 10, 2012 is 1,109,527 shares, the increase in common stock amounts to €0.8 million, and the increase in Paid-in-Surplus amounts to €65.4 million, reduced by €0.9 million net charge being administrative costs linked to this operation, for a total of €64.5 million.

In addition, 365,616 new shares were issued related to the SAR Plan. The increase in common stock amounts to €0.3 million and the increase in Paid-in-Surplus amounts to €21.6 million, reduced by €0.3 million net charge being administrative costs linked to this operation, for a total of €21.3 million.

Main characteristics of the capital increase reserved for employees are presented in the schedule above.

| | | 2012 «Classic» | 2012 «Secure» | 2012 «Multiple» |
|---|---|---|---|---|
| **Detail of the plan and amounts subscribed** | | | | |
| Maturity of the plan (in years) | | 5 | 5 | 5 |
| Reference price (in Euro)(1) | | 74.63 | 74.63 | 74.62 |
| Subscription price (in Euro) | | 59.70 | 59.70 | 59.70 |
| Price at the end of the subscription period (in Euro) | | 76.38 | 76.38 | 76.38 |
| Discount – face value (%) | | 20% | 20% | 20% |
| Total number of shares subscribed (in millions of shares) | | 184,898 | 87,614 | 837,015 |
| Total number of shares subscribed by employees (in millions of shares) | | 184,898 | 87,614 | 124,326 |
| Total amount subscribed (in millions of Euro) | | 11.0 | 5.2 | 50.0 |
| **Valuation assumptions** | | | | |
| Borrowing rate for market participants(2) | | 4.91% | 4.91% | 4.91% |
| 5-year risk-free interest rate | | 1.05% | 1.05% | 1.05% |
| Annual borrowing rate for shares | | 1.00% | 1.00% | 1.00% |
| Retail/institutional volatility spread | | NA | 7.50% | 7.50% |
| **Valuation of the IFRS 2 expense** | | | | |
| (A) Discount value | (in millions of Euro) | 3.1 | 1.5 | 14.0 |
| | (%) | 22% | 22% | 22% |
| (B) Value of the lock-up period for the market participant | (in millions of Euro) | 2.5 | 1.2 | 11.2 |
| | (%) | 18% | 18% | 18% |
| (C) Value of the opportunity gain | (in millions of Euro) | - | 0.03 | 1.8 |
| | (%) | NA | 0.40% | 2.90% |
| **(A–B+C) OVERALL COST FOR THE GROUP (IN MILLIONS OF EURO)** | | **0.6** | **0.3** | **4.6** |

(1) The reference price is calculated based on Technip's average share value during the 20 trading days before the opening of the subscription period.
(2) Average interest rate charged by banks for an ordinary, non-revolving personal loan with a maximum maturity of five years granted to an individual with an average credit rating

The total cost for Employer's contribution for these three plans amounts to €5.2 million and was recorded as an employee expenses in 2012.

Under the «classic' plan, the IFRS 2 expense related to this capital increase reserved for employees is determined in accordance with the method of the ANC *(Autorité des normes comptables)*, taking into account the lock-up period of five years for the employee. This approach values the lock-up cost through a strategy where the employee would sell the locked-up shares on the forward market and then purchase the same number of shares on the spot market, financing the loan by the forward sale and by the dividends paid over the lock-up period.

Under the 'leveraged plans', the IFRS 2 expense includes also the opportunity gain for the employee, corresponding, through the issuer's involvement in the plans, to its access to volatility profile adapted to institutional investors rather than retail rates.

The IFRS 2 expense related to the discount amounts to €5.5 million and was recorded as an employee expenses in 2012.

# Note 21 – Financial debts (current and non-current)

## (a) Financial debts, breakdown by nature

Financial Debts break down as follows:

| In millions of Euro | As of December 31, 2012 | 2011 restated |
|---|---|---|
| Bond Issue (1) | - | 46.2 |
| Convertible Bonds (2) | 945.2 | 916.1 |
| Private Placement (3) | 517.2 | 197.4 |
| Bank Borrowings (4) | 243.3 | 393.7 |
| **Total Non-Current Financial Debts** | **1,705.7** | **1,553.4** |
| Bond Issue (1) | - | 3.0 |
| Convertible Bond (5) | - | 251.4 |
| Commercial Papers | 150.0 | 170.0 |
| Bank Borrowings | 231.8 | 158.5 |
| Accrued Interests Payables | 18.6 | 15.3 |
| **Total Current Financial Debts** | **400.4** | **598.2** |
| **TOTAL FINANCIAL DEBTS** | **2,106.1** | **2,151.6** |

(1) As of December 31, 2011, the bonds issued by Global Industries and guaranteed by the US Government under Title XI of the Federal Ship Financing Program, amounted to USD63.8 million (recorded for €49.2 million), net of issue charges. A total amount of USD59.8 million (recorded for €46.2 million) was classified as non-current financial debts as of December 31, 2011. These 7.71% p.a. bonds are reimbursed semi-annually with equal principal installments of USD2.0 million each and had a final maturity of February 15, 2025. On November 30, 2012, Technip redeemed the bonds guaranteed by the US Government under Title XI of the Federal Ship Financing Program.

(2) On December 15, 2011, Technip issued a bond with an option for conversion and/or exchangeable for new or existing shares (OCEANE) for a total amount of €497.6 million (see b).

On November 17, 2010, Technip issued a bond with an option for conversion and/or exchangeable for new or existing shares (OCEANE) for a total amount of €550 million (see b).

As of December 31, 2012, the remainder of the reimbursed part of the Convertible Debenture (see 5) of Global Industries amounts of USD2.4 million.

(3) On July 27, 2010, Technip achieved a private placement for €200 million (recorded for €197.7 million as of December 31, 2012). The maturity is 10 years; the annual coupon rate is 5%.

On June 14, 2012, Technip achieved a private placement for €150 million (recorded for €149.7 million as of December 31, 2012). The maturity is 10 years; the annual coupon rate is 3.4%.

On June 14, 2012, Technip achieved a private placement for €100 million (recorded for €94.9 million as of December 31, 2012). The maturity is 20 years; the annual coupon rate is 4%.

On June 15, 2012, Technip achieved a private placement for €75 million (recorded for €74.9 million as of December 31, 2012). The maturity is 15 years; the annual coupon rate is 4%.

(4) Includes bank borrowings and credit facilities representing drawings on subsidized loans granted to one of the Brazilian subsidiaries for the purpose of pre-financing exports and re-financing investments, drawings on loans granted to a Norwegian subsidiary and to a Brazilian affiliate aimed at financing new vessels.

(5) A Senior Convertible Debenture was issued on July 27, 2007 by Global Industries for a total amount of USD325 million (recognized for €251.4 million as of December 31, 2011). The interest rate is 2.75% p.a. and the maturity is August 1, 2027. On January 11, 2012, Global Industries reimbursed a principal amount of USD322.6 million (corresponding to 99.3% of the outstanding debentures) and paid accrued interest of approximately USD3.9 million to bondholders.

## (b) Convertible bonds

On December 15, 2011, Technip issued a bond with an option for conversion and/or exchangeable for new or existing shares (OCEANE) for €497.6 million, with a maturity date of January 1, 2017.

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. (The first coupon payment on January 31, 2012 amounted to €0.03 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; and
- 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.

As required by IAS 32, the OCEANE convertible bond is recognized in two distinct components:

- a debt component is recognized at amortized cost for an initial amount of €420.4 million, net from its share of issuing costs. The effective rate is 3.7%. As of December 31, 2012, the debt component amounted to €435.2 million; and
- a conversion option component is recognized in equity for an amount equal to the difference between the issuing price of the OCEANE convertible bond and the value of the debt component. The carrying amount is recognized net of its proportionate share of the debt issuance costs for an amount of €73.1 million and net of corresponding deferred taxes. This value is not revalued but will be adjusted to take into account the conversion of bonds.

On November 17, 2010, Technip issued a bond with an option for conversion and/or exchangeable for new or existing shares (OCEANE) for approximately €550 million, with a maturity date of January 1, 2016.

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. (The first coupon payment on January 31, 2011 amounted to €0.09 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; and
- 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.

As required by IAS 32, the OCEANE convertible bond is recognized in two distinct components:

- a debt component is recognized at amortized cost for an initial amount of €480.9 million, net from its share of issuing costs. The effective rate is 3.2%. As of December 31, 2012, the debt component amounted to €508.2 million; and
- a conversion option component is recognized in equity for an amount equal to the difference between the issuing price of the OCEANE convertible bond and the value of the debt component. The carrying amount is recognized net of its proportionate share of the debt issuance costs for an amount of €63.3 million and net of corresponding deferred taxes. This value is not revalued but will be adjusted to take into account the conversion of bonds.

## (c) Comparison of carrying amount and fair value of current and non-current financial debts

Comparison of carrying amount and fair value of non-current financial debts is as follows:

| | As of December 31, | | | |
|---|---|---|---|---|
| | 2012 | | 2011 restated | |
| In millions of Euro | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Bond Issue | - | - | 46.2 | 46.2 |
| Convertible Bond | 945.2 | 1,009.4 | 916.1 | 938.4 |
| Private Placement | 517.2 | 560.5 | 197.4 | 210.9 |
| Bank Borrowings and Credit Lines | 243.3 | 243.3 | 393.7 | 393.7 |
| Total Non-Current Financial Debts | 1,705.7 | 1,813.2 | 1,553.4 | 1,589.2 |
| Bond Issue | - | - | 3.0 | 3.1 |
| Convertible Bond | - | - | 251.4 | 251.4 |
| Commercial Papers | 150.0 | 150.0 | 170.0 | 170.0 |
| Bank Borrowings | 231.8 | 231.8 | 158.5 | 158.5 |
| Accrued Interests Payables | 18.6 | 18.6 | 15.3 | 15.3 |
| Total Current Financial Debts | 400.4 | 400.4 | 598.2 | 598.3 |
| **TOTAL FINANCIAL DEBTS** | **2,106.1** | **2,213.6** | **2,151.6** | **2,187.5** |

## (d) Analysis by type of interest rate

Analysis by type of interest rate after yield management is as follows:

| | As of December 31, | |
|---|---|---|
| In millions of Euro | 2012 | 2011 restated |
| Fixed Rate | 2,061.2 | 2,117.6 |
| Floating Rate | 44.9 | 34.0 |
| **TOTAL FINANCIAL DEBTS** | **2,106.1** | **2,151.6** |

As of December 31, 2012, the debt is essentially issued at fixed rate. The fixed rate debt mainly comprises the two convertible bonds, the private placements, drawings on subsidized export finance loans granted to one of the Brazilian subsidiaries for the purpose of pre-financing exports and re-financing investments, as well as drawings on loans granted to a Norwegian subsidiary for financing a new vessel, drawings on a loan granted to a Brazilian affiliate aimed at financing two new vessels and finally the commercial paper issue by Technip.

Over the financial year 2012, the average rate of the fixed rate debt was 3.92% compared to 4.62% in 2011. Over the same period, the average rate of the Group's overall debt (fixed and floating rate) was 3.93% compared to 4.58% per year in 2011. The average rate of debt is calculated by dividing the amount of financial costs for the fiscal year (excluding bank fees not expressly related to the debt) and the average outstanding debt for the fiscal year.

### (e) Analysis by currency

Analysis by currency is as follows:

| | As of December 31, | |
|---|---|---|
| In millions of Euro | 2012 | 2011 restated |
| Euro | 1,628.2 | 1,293.1 |
| US Dollar | 157.9 | 459.7 |
| Brazilian Real | 267.9 | 342.3 |
| Norwegian Krone | 50.0 | 53.9 |
| Other | 2.1 | 2.6 |
| **TOTAL FINANCIAL DEBTS** | **2,106.1** | **2,151.6** |

### (f) Schedule of financial debts

The schedule of financial debts is as follows:

| In millions of Euro | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 and beyond | Total |
|---|---|---|---|---|---|---|---|
| Fixed Rate | 368.3 | 15.3 | 87.6 | 521.9 | 448.2 | 619.9 | 2,061.2 |
| Floating Rate | 32.1 | 1.7 | 1.7 | 1.7 | 1.7 | 6.0 | 44.9 |
| **TOTAL FINANCIAL DEBTS AS OF DECEMBER 31, 2012** | **400.4** | **17.0** | **89.3** | **523.6** | **449.9** | **625.9** | **2,106.1** |

| In millions of Euro | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 and beyond | Total |
|---|---|---|---|---|---|---|---|
| Fixed Rate | 578.2 | 225.2 | 17.1 | 16.6 | 511.6 | 768.9 | 2,117.6 |
| Floating Rate | 20.0 | 1.8 | 1.6 | 1.6 | 1.6 | 7.4 | 34.0 |
| **TOTAL FINANCIAL DEBTS AS OF DECEMBER 31, 2011 – RESTATED** | **598.2** | **227.0** | **18.7** | **18.2** | **513.2** | **776.3** | **2,151.6** |

### (g) Secured financial debts

Secured financial debts are as follows:

| | As of December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2012 | | | 2011 restated | | |
| In millions of Euro | Guarantee | Without Guarantee | Total | Guarantee | Without Guarantee | Total |
| Bank Overdrafts, Current Facilities and Other | - | - | - | 1.2 | 191.2 | 192.4 |
| Short Term Part of Long-Term Debts | 16.8 | 383.6 | 400.4 | 27.2 | 378.6 | 405.8 |
| Total Current Financial Debts | 16.8 | 383.6 | 400.4 | 28.4 | 569.8 | 598.2 |
| Total Non-Current Financial Debts | 168.1 | 1,537.6 | 1,705.7 | 185.4 | 1,368.0 | 1,553.4 |
| **TOTAL FINANCIAL DEBTS** | **184.9** | **1,921.2** | **2,106.1** | **213.8** | **1,937.8** | **2,151.6** |

## Note 22 – Pensions and other long-term employee benefit plans

In accordance with the laws and practices of each country in which it operates, Technip manages retirement and similar benefit schemes on behalf of its employees.

In compliance with IAS 19, the Group has assessed its obligations in respect of employee pension plans and other long-term benefits such as "jubilee benefits", post-retirement medical benefits, special termination benefits and cash incentive plans. The plan assets are recorded at fair value. Evaluations were coordinated so that liabilities could be measured using recognized and uniform actuarial methods, and were performed by an independent actuary.

On June 2011, the IASB published an amended IAS 19. This amended standard is applicable retrospectively to annual periods beginning on or after January 1, 2013. It introduces the following changes:

- It modifies the valuation method regarding the long-term return on plan assets, which will be based on the discount rate used to measure the present value of the obligation.
- It eliminates the option of deferring actuarial gains and losses using the "corridor" approach. All actuarial gains and losses must now be recognized directly in other comprehensive income.
- It suppresses the deferral of past service cost on unvested benefits: all costs arising from past service are instead recognized immediately in the net Income.

## (a) Description of the Group's current benefit plans

### Brazil

A jubilee plan provides a lump sum payment of half a month's salary after 10, 15, 20 and 30 years of service. The plan also pays for a short trip to Brazil and Paris after 20 and 30 years of service.

### France

The following plans are offered in France:

- a retirement benefit consisting of a capital payment based on years of service and salary at retirement date;
- a post-retirement medical benefit (this is closed to new entrants to the plan);
- a jubilee plan that provides a lump sum payment after 20, 30, 35 and 40 years of services at all companies (a minimum number of years spent at Technip is required);
- an additional defined contribution pension plan was set up on January 1, 2005 dedicated to a predetermined and uniform class of top managers. A contribution of 8.0% of gross annual salary within the legal limits is paid by the Company;
- a complementary defined benefit pension plan was set up on May 1, 2007 for members of the Group's Executive Committee. It consists of a guaranteed retirement wage of 1.8% of income bracket 4 of annual gross compensation per year of service in the Executive Committee (up to a limit of 15 years of service).

### Germany

The following plans are offered in Germany:

- two pension plans that offer a pension payable from age 65: (i) a deferred compensation plan and (ii) an early retirement plan (OAPT);
- a jubilee plan that provides a lump sum payment ranging from one to three months of salary when employees reach 25, 40 and 45 years of service.

### Italy

A post-retirement benefit that provides a capital payment according to the wages and years of service in the Company is offered to the employees. Following the change of Italian law in 2007, this defined benefit plan has been changed into a defined contribution plan. Consequently, no future right is generated in respect of IAS 19. The amount remaining in the books relates to the rights generated before the change of plan.

### Norway

A pension plan offers a guaranteed income from age 67 depending on final gross salary and years of service.

### The Netherlands

The Company has a defined benefit pension plan.

### United Arab Emirates

A retirement benefit plan provides a payment according to the years of service in the Company (21 days of salary per year of service up to 5 years and 30 days of salary beyond 5 years) with a limit of 26 years.

### United Kingdom

A pension plan offers an annuity payment (this plan is closed for new comers). There is also a multi-employer benefit plan providing employees of the mercantile marine with pensions on retirement and protection on death (this plan is also closed for newcomers).

## (b) Net benefit expense recognized in the statement of income

The net benefit expense recognized in the statement of income breaks down as follows:

| In millions of Euro | 2012 | 2011 Restated |
|---|---|---|
| Current Service Cost | 20.0 | 15.3 |
| IFRIC 14 Impact | - | (1.7) |
| Financial Cost of Benefit Obligation | 14.9 | 14.6 |
| Expected Return on Plan Assets | (9.2) | (7.7) |
| Net Actuarial Gain/(Loss) Recognized | 7.1 | 3.4 |
| Past Service Cost | 0.7 | 0.6 |
| Cash Incentive Plans | 9.7 | 3.1 |
| Special Events *(Curtailment)* | - | - |
| **NET BENEFIT EXPENSE AS RECORDED IN THE STATEMENT OF INCOME** | **43.2** | **27.6** |

In addition to the defined benefit pension plan expense shown in the above table, defined contribution plan expenses amounted to €39.5 million in 2012, compared to €27.7 million in 2011.

The expected defined benefit plan expense for 2013 calculated on an estimated basis amounts to €26.1 million.

Defined contribution plan expenses expected for 2013 amount to €11.1 million.

An early application of IAS 19 amended on year 2012 would have on the whole the following impacts:

- an increase of the provision in the opening statement of financial position for €63.4 million, through equity, corresponding to the unrecognized actuarial gains and losses and deferred past service cost;
- a positive impact of €5.1 million on the net consolidated result; and
- a decrease by €16.5 million of the other comprehensive income.

## (c) Benefit asset/(liability) recognized in the statement of financial position

The liability as recorded in the statement of financial position breaks down as follows:

| | As of December 31, | |
|---|---|---|
| In millions of Euro | 2012 | 2011 restated |
| Provisions | (136.8) | (109.8) |
| Accrued Expenses | 2.6 | - |
| Asset/(Liability) as Recorded in the Statement of Financial Position | (134.2) | (109.8) |
| Defined Benefit Obligation | (374.0) | (296.0) |
| Fair Value of Plan Assets | 176.1 | 126.4 |
| Net Defined Benefit Obligation | (197.9) | (169.6) |
| Unrecognized Actuarial (Gains)/Losses | 68.0 | 53.7 |
| Unrecognized Past Service Costs | 8.5 | 9.2 |
| Cash Incentive Plans | (12.8) | (3.1) |
| IFRIC 14 Impact | - | - |
| **ASSET/(LIABILITY) AS RECORDED IN THE STATEMENT OF FINANCIAL POSITION** | **(134.2)** | **(109.8)** |

The discounted defined benefit obligation includes €240.2 million for funded plans and €133.8 million for unfunded plan assets.

Changes in unrecognized actuarial gains and losses are as follows:

| In millions of Euro | 2012 | 2011 restated |
|---|---|---|
| Unrecognized Actuarial (Gains)/Losses as of January 1 | 53.7 | 33.5 |
| Amortized during the Year | (7.1) | (3.4) |
| Amounts Generated during the Year due to Experience | 21.0 | (4.0) |
| Amounts Generated on Assets | 0.3 | (12.6) |
| Amounts Generated during the Year due to Changes in Assumptions | (1.5) | 39.4 |
| Exchange Difference | 1.6 | 0.8 |
| **UNRECOGNIZED ACTUARIAL (GAINS)/LOSSES AS OF DECEMBER 31** | **68.0** | **53.7** |

Changes in the net benefit asset/(liability) of pension plans and other post-employment benefits are presented below:

| In millions of Euro | 2012 | 2011 restated |
|---|---|---|
| Net Benefit Asset/(Liability) as of January 1 | (109.8) | (98.0) |
| Exchange Differences on Foreign Plans | 0.4 | 0.1 |
| Expenses Charged in the Income Statement | (33.5) | (24.5) |
| Contributions Paid | 17.8 | 15.9 |
| Disposals of Subsidiaries/Changes in Scope of Consolidation | - | (0.5) |
| Cash Incentive Plans | (9.7) | (3.1) |
| Other | 0.6 | 0.3 |
| **NET BENEFIT ASSET/(LIABILITY) AS OF DECEMBER 31** | **(134.2)** | **(109.8)** |

The change in the DBO (Defined Benefit Obligation) is as follows:

| In millions of Euro | 2012 | 2011 restated |
|---|---|---|
| Defined Benefit Obligation as of January 1 | (299.1) | (243.1) |
| Current Service Cost | (20.0) | (15.3) |
| Contributions by Employee | (0.1) | (0.1) |
| Financial Cost on Benefit Obligation | (14.9) | (14.6) |
| Benefits Paid | 15.5 | 15.5 |
| Actuarial Gains/(Losses) | (19.5) | (35.4) |
| Curtailment | - | - |
| Cash Incentive Plans | (9.9) | (3.1) |
| Exchange Difference | (3.0) | (3.0) |
| Other | (35.7) | - |
| **DEFINED BENEFIT OBLIGATION AS OF DECEMBER 31** | **(386.7)** | **(299.1)** |

Changes in fair value of plan assets are as follows:

| In millions of Euro | 2012 | 2011 restated |
|---|---|---|
| Fair Value of Plan Assets as of January 1 | 126.4 | 103.5 |
| Expected Return | 9.3 | 7.7 |
| Contributions by Employer | 10.2 | 8.2 |
| Contributions by Employee | 0.1 | 0.1 |
| Benefits Paid | (7.9) | (7.9) |
| Actuarial Gains/(Losses) | (0.3) | 12.6 |
| Exchange Differences on Foreign Plans | 2.6 | 2.2 |
| Other | 35.7 | - |
| **FAIR VALUE OF PLAN ASSETS AS OF DECEMBER 31** | **176.1** | **126.4** |

Below are the details of the principal categories of pension plan by country in terms of percentage of their total fair value:

| In % | Bonds | Shares | Real Estate | Cash | Total |
|---|---|---|---|---|---|
| Norway | 53% | 6% | 18% | 23% | 100% |
| Netherlands | 80% | 20% | - | - | 100% |
| United Kingdom | 5% | 91% | 2% | 2% | 100% |

France has invested in general funds, so the level of detail provided in the table above is not available. The net expected return on assets amounts to approximately 3.0%.

The expected return on assets is the weighted average of the expected returns. Expected return on assets, by asset class, is as follows:

| In % | Bonds | Shares | Real Estate | Cash |
|---|---|---|---|---|
| Norway | 3.85% | 6.85% | 3.85% | 2.85% |
| Netherlands | 3.40% | 6.40% | - | - |
| United Kingdom | 4.25% | 7.25% | 4.25% | 3.25% |

## (d) Actuarial assumptions

The main assumptions that have been relied upon to define the benefit obligations related to pension plans are detailed in the following table:

| | As of December 31, | | | |
|---|---|---|---|---|
| | 2012 | | 2011 | |
| | Euroland | Other | Euroland | Other |
| Discount Rate | 3.10% | 3.00% to 7.25% | 4.70% | 2.40% to 9.70% |
| Expected Return on Plan Assets | 3.00% to 6.40% | 4.25% to 7.25% | 3.40% to 8.50% | 4.80% to 7.80% |
| Future Salary Increase (above Inflation Rate) | 0.40% to 4.00% | 1.00% to 2.40% | 0.25% to 4.00% | 1.00% to 2.10% |
| Healthcare Cost Increase | 3.00% | NA | 3.00% | NA |
| Inflation Rate | 2.00% | 1.80% to 4.50% | 2.00% | 2.40% to 4.50% |

A 0.25% decrease in the discount rate would increase the defined benefit obligation by approximately 4.1%. Due to the recognition of actuarial profits and losses using the so-called "corridor" method, this decrease would not have significant impact on the accrued amount as of December 31, 2012.

A 1.0% decrease in the expected return on plan assets would increase the benefit expense for 2012 by around 6.9%.

The effect of a one percentage point increase or decrease in the assumed health care cost trend rate would not be material, as it would not result in a significant change in the obligation.

# Note 23 – Provisions (current and non-current)

The principles used to evaluate the amounts and types of provisions for liabilities and charges are described in Note 1-C (u) – Provisions.

## (a) Changes in provisions

Changes in provisions over financial year 2012 break down as follows:

| In millions of Euro | As of January 1, 2012 – Restated | Increase | Used Reversals | Unused Reversals | Foreign Exchange Adjustments | Other | As of December 31, 2012 |
|---|---|---|---|---|---|---|---|
| Pensions and other Long-Term Employee Benefits[1] | 105.0 | 36.8 | (12.6) | - | (0.4) | (0.8) | 128.0 |
| Tax | 10.5 | 1.2 | (1.5) | (0.1) | (0.2) | (0.6) | 9.3 |
| Litigation | 0.2 | 0.1 | - | - | - | - | 0.3 |
| Provisions for Claims Incurred but not Reported[2] | 7.9 | 2.8 | - | (3.3) | 0.1 | - | 7.5 |
| Other Non-Current Provisions | 16.7 | 7.1 | (4.2) | (2.8) | (0.1) | 0.5 | 17.2 |
| **Total Non-Current Provisions** | **140.3** | **48.0** | **(18.3)** | **(6.2)** | **(0.6)** | **(0.9)** | **162.3** |
| Pensions and other Long-Term Employee Benefits[1] | 4.8 | 3.6 | (2.4) | - | (0.1) | 0.3 | 6.2 |
| Contingencies related to Contracts[3] | 132.3 | 134.6 | (39.8) | (48.5) | (1.5) | (1.4) | 175.7 |
| Restructuring | 0.1 | - | (0.1) | - | - | - | - |
| Tax | 44.1 | 23.1 | - | (6.4) | (1.7) | - | 59.1 |
| Litigation[4] | 0.1 | 0.3 | (0.1) | - | (0.1) | 2.3 | 2.5 |
| Provisions for Claims[2] | 1.8 | 0.6 | (0.2) | - | - | - | 2.2 |
| Other Current Provisions[5] | 163.7 | 35.8 | (66.7) | (17.1) | (3.3) | (6.9) | 105.5 |
| **Total Current Provisions** | **346.9** | **198.0** | **(109.3)** | **(72.0)** | **(6.7)** | **(5.7)** | **351.2** |
| **TOTAL PROVISIONS** | **487.2** | **246.0** | **(127.6)** | **(78.2)** | **(7.3)** | **(6.6)** | **513.5** |

(1) See Note 22 – Pensions and other long-term employee benefit plans.
(2) Provisions for Reinsurance are recorded at the level of the Group's captive reinsurance companies as per IFRS 4.
(3) Provisions recognized on contingencies on contracts are related to litigations on contracts.
(4) See Note 32 – Litigation and contingent liabilities.
(5) Other current provisions mainly include accruals related to social security costs

## (b) Schedule of provisions

The following table shows the maturity of provisions forecast as of December 31, 2012:

| In millions of Euro | As of December 31, 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 and beyond |
|---|---|---|---|---|---|---|---|---|
| Pensions and other Long-Term Employee Benefits | 128.0 | - | 20.7 | 11.6 | 10.6 | 11.1 | 17.8 | 56.2 |
| Tax | 9.3 | - | 2.7 | - | 6.6 | - | - | - |
| Litigation | 0.3 | - | 0.3 | - | - | - | - | - |
| Provisions for Claims Incurred but not Reported | 7.5 | - | - | - | - | - | - | 7.5 |
| Other Non-Current Provisions | 17.2 | - | 12.7 | 2.0 | 0.1 | 0.1 | 0.9 | 1.4 |
| **Total Non-Current Provisions** | **162.3** | **-** | **36.4** | **13.6** | **17.3** | **11.2** | **18.7** | **65.1** |
| Pensions and other Long-Term Employee Benefits | 6.2 | 6.2 | - | - | - | - | - | - |
| Contingencies related to Contracts[1] | 175.7 | 155.3 | 9.0 | 0.1 | - | - | - | 11.3 |
| Restructuring | - | - | - | - | - | - | - | - |
| Tax | 59.1 | 59.1 | - | - | - | - | - | - |
| Litigation | 2.5 | 2.5 | - | - | - | - | - | - |
| Provisions for Claims | 2.2 | 2.2 | - | - | - | - | - | - |
| Other Current Provisions | 105.5 | 105.5 | - | - | - | - | - | - |
| **Total Current Provisions** | **351.2** | **330.8** | **9.0** | **0.1** | **-** | **-** | **-** | **11.3** |
| **TOTAL PROVISIONS** | **513.5** | **330.8** | **45.4** | **13.7** | **17.3** | **11.2** | **18.7** | **76.4** |

(1) Provisions for contingencies related to contracts which maturity cannot be precisely determined are usually presented in the less than one year category.

The criteria for classifying an asset/liability as "current" or "non-current" in the statement of financial position is described in Note 1-C Accounting rules and estimates.

## Note 24 – Trade payables

Trade payables amounted to €2,095.0 million as of December 31, 2012 as compared to €2,244.3 million as of December 31, 2011.

Trade payables are non-interest bearing liabilities. Their maturities are linked to the operating cycle of contracts. As of December 31, 2012, trade payables with a maturity of less than 12 months amounted to €2,065.8 million.

## Note 25 – Other liabilities (current and non-current)

Other current and non-current liabilities are as follows:

| | As of December 31, | |
|---|---|---|
| In millions of Euro | **2012** | 2011 restated |
| Wages and Salaries | 275.1 | 260.7 |
| Social Security Costs | 66.9 | 51.1 |
| Other Tax Payables | 166.7 | 156.7 |
| Deferred Income | 49.8 | 42.3 |
| Accruals on Completed Contracts [1] | 365.4 | 795.3 |
| Current Accounts on Joint Ventures Contracts | 45.1 | 23.4 |
| Advances Received [2] | 489.7 | 529.5 |
| Other [3] | 76.1 | 130.5 |
| Total Other Current Liabilities | 1,534.8 | 1,989.5 |
| Payables on Fixed Assets | 54.0 | 61.9 |
| Subsidies | 9.4 | 11.4 |
| Other | 12.8 | 19.9 |
| Total Other Non-Current Liabilities | 76.2 | 93.2 |
| **TOTAL OTHER LIABILITIES** | **1,611.0** | **2,082.7** |

(1) When the contract is completed, accrued liabilities may be recorded to cover pending expenses until the client signs the final acceptance (see Note 1-C (b) – Long-term contracts).

(2) Includes advances received and deferred income on contracts recorded in accordance with IAS 18, not identified as construction contracts.

(3) Includes €23.9 million of current liabilities as of December 31, 2011 for the TSKJ matter.

The breakdown between current and non-current liabilities is detailed in Note 1-C Accounting rules and estimates. The portion of current liabilities with a maturity of less than 12 months amounted to €1,404.4 million as of December 31, 2012.

## Note 26 – Financial instruments

In compliance with IFRS 7, information disclosed on financial instruments is as follows:

### (a) Financial assets and liabilities by category

Financial assets and liabilities break down as follows:

| | As of December 31, 2012 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Analysis by category of financial Instruments | | | | | | |
| In millions of Euro | Carrying Amount | At Fair Value through P&L | Loans and Receivables | Available-for-Sale Financial Assets | Liabilities at Amortized Cost | Derivative Instruments | Fair Value |
| Investments in Non-Consolidated Companies | 7.8 | 7.8 | - | - | - | - | 7.8 |
| Other Financial Assets | 65.0 | - | 65.0 | - | - | - | 65.0 |
| Available-for-Sale Financial Assets | 162.7 | - | - | 162.7 | - | - | 162.7 |
| Derivative Financial Instruments | 54.3 | - | - | - | - | 54.3 | 54.3 |
| Trade Receivables | 1,273.5 | - | 1,273.5 | - | - | - | 1,273.5 |
| Current Income Tax Receivables | 158.5 | - | 158.5 | - | - | - | 158.5 |
| Other Current Receivables | 513.5 | - | 513.5 | - | - | - | 513.5 |
| Cash and Cash Equivalents | 2,289.3 | 2,289.3 | - | - | - | - | 2,289.3 |
| **TOTAL ASSETS** | **4,524.6** | **2,297.1** | **2,010.5** | **162.7** | **-** | **54.3** | **4,524.6** |
| Non-Current Financial Debts | 1,705.7 | - | - | - | 1,705.7 | - | 1,813.2 |
| Other Non-Current Liabilities | 76.2 | - | - | - | 76.2 | - | 76.2 |
| Current Financial Debts | 400.4 | - | - | - | 400.4 | - | 400.4 |
| Trade Payables | 2,095.0 | - | 2,095.0 | - | - | - | 2,095.0 |
| Derivative Financial Instruments | 38.5 | - | - | - | - | 38.5 | 38.5 |
| Current Income Tax Payables | 140.5 | - | 140.5 | - | - | - | 140.5 |
| Other Current Liabilities | 1,534.8 | - | 1,534.8 | - | - | - | 1,534.8 |
| **TOTAL LIABILITIES** | **5,991.1** | **-** | **3,770.3** | **-** | **2,182.3** | **38.5** | **6,098.6** |

| | As of December 31, 2011 – Restated | | | | | | |
|---|---|---|---|---|---|---|---|
| | Analysis by category of financial Instruments | | | | | | |
| In millions of Euro | Carrying Amount | At Fair Value through P&L | Loans and Receivables | Available-for-Sale Financial Assets | Liabilities at Amortized Cost | Derivative Instruments | Fair Value |
| Investments in Non-Consolidated Companies | 7.4 | 7.4 | - | - | - | - | 7.4 |
| Other Financial Assets | 85.4 | 16.8 | 68.6 | - | - | - | 85.4 |
| Available-for-Sale Financial Assets | 201.9 | - | - | 201.9 | - | - | 201.9 |
| Derivative Financial Instruments | 35.6 | - | - | - | - | 35.6 | 35.6 |
| Trade Receivables | 1,263.8 | - | 1,263.8 | - | - | - | 1,263.8 |
| Current Income Tax Receivables | 149.6 | - | 149.6 | - | - | - | 149.6 |
| Other Current Receivables | 484.8 | - | 484.8 | - | - | - | 484.8 |
| Cash and Cash Equivalents | 2,808.7 | 2,808.7 | - | - | - | - | 2,808.7 |
| **TOTAL ASSETS** | **5,037.2** | **2,832.9** | **1,966.8** | **201.9** | **-** | **35.6** | **5,037.2** |
| Non-Current Financial Debts | 1,553.4 | - | - | - | 1,553.4 | - | 1,589.2 |
| Other Non-Current Liabilities | 93.2 | - | - | - | 93.2 | - | 93.2 |
| Current Financial Debts | 598.2 | - | - | - | 598.2 | - | 598.3 |
| Trade Payables | 2,244.3 | - | 2,244.3 | - | - | - | 2,244.3 |
| Derivative Financial Instruments | 104.0 | - | - | - | - | 104.0 | 104.0 |
| Current Income Tax Payables | 164.9 | - | 164.9 | - | - | - | 164.9 |
| Other Current Liabilities | 1,989.5 | - | 1,989.5 | - | - | - | 1,989.5 |
| **TOTAL LIABILITIES** | **6,747.5** | **-** | **4,398.7** | **-** | **2,244.8** | **104.0** | **6,783.4** |

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments depending on the valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly;
- Level 3: inputs which have a significant effect on the recorded fair value and that are not based on observable market data.

The following table shows a breakdown of financial assets and liabilities valued at fair value by hierarchy:

| In millions of Euro | As of December 31, 2012 Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial Assets at Fair Value through P&L | - | 7.8 | - | 7.8 |
| Derivative Financial Instruments | - | 54.3 | - | 54.3 |
| Available-for-Sale Financial Assets | 162.7 | - | - | 162.7 |
| **ASSETS** | **162.7** | **62.1** | **-** | **224.8** |
| Financial Liabilities at Fair Value through P&L | - | - | - | - |
| Derivative Financial Instruments | - | 38.5 | - | 38.5 |
| **LIABILITIES** | **-** | **38.5** | **-** | **38.5** |

| In millions of Euro | As of December 31, 2011 – Restated Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial Assets at Fair Value through P&L | 16.8 | 76.0 | - | 92.8 |
| Derivative Financial Instruments | - | 35.6 | - | 35.6 |
| Available-for-Sale Financial Assets | 201.9 | - | - | 201.9 |
| **ASSETS** | **218.7** | **111.6** | **-** | **330.3** |
| Financial Liabilities at Fair Value through P&L | - | 35.9 | - | 35.9 |
| Derivative Financial Instruments | - | 104.0 | - | 104.0 |
| **LIABILITIES** | **-** | **139.9** | **-** | **139.9** |

During the financial year 2012, there were no transfer between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

## (b) Gains and losses by category of financial instruments

Gains and losses recorded income statement by category of financial instruments break down as follows:

| In millions of Euro | 2012 Interest | At Fair Value | Currency Translation | Impairment / Reversal of Impairment | Derecognition | From Subsequent Valuation |
|---|---|---|---|---|---|---|
| Categories of Financial Instruments | | | | | | |
| At Fair Value through P&L | 54.2 | - | - | - | - | 54.2 |
| Loans and Receivables | - | - | - | - | - | - |
| Available-for-Sale Financial Assets | - | - | - | - | - | - |
| Liabilities at Amortized Cost | (94.2) | - | - | - | - | (94.2) |
| Derivative Financial Instruments | - | 15.9 | - | (4.7) | - | 11.2 |
| **TOTAL NET GAINS/(LOSSES)** | **(40.0)** | **15.9** | **-** | **(4.7)** | **-** | **(28.8)** |

| In millions of Euro | 2011 – Restated: From Subsequent Valuation: Interest | At Fair Value | Currency Translation | Impairment / Reversal of Impairment | Derecognition | Net Gains/ (Losses) |
|---|---|---|---|---|---|---|
| Categories of Financial Instruments | | | | | | |
| At Fair Value through P&L | 62.3 | - | - | - | - | 62.3 |
| Loans and Receivables | - | - | - | - | - | - |
| Available-for-Sale Financial Assets | - | - | - | - | - | - |
| Liabilities at Amortized Cost | (75.2) | - | - | - | - | (75.2) |
| Derivative Financial Instruments | - | 6.9 | - | 1.6 | - | 8.5 |
| **TOTAL NET GAINS/(LOSSES)** | **(12.9)** | **6.9** | **-** | **1.6** | **-** | **(4.4)** |

### (c) Derivative financial instruments

The breakdown by category of derivative financial instruments is as follows:

| | As of December 31, | | | |
|---|---|---|---|---|
| | 2012 | | 2011 restated | |
| In millions of Euro | Asset | Liability | Asset | Liability |
| Forward Foreign Exchange Contracts – Fair Value Hedge | 4.1 | 1.3 | 0.1 | 6.2 |
| Forward Foreign Exchange Contracts – Cash Flow Hedge | 50.1 | 36.8 | 34.8 | 96.4 |
| Forward Foreign Exchange Contracts – not Designated as Hedges for Accounting Purposes | 0.1 | 0.4 | 0.8 | 1.3 |
| **TOTAL DERIVATIVE FINANCIAL INSTRUMENTS** | **54.3** | **38.5** | **35.6** | **104.0** |

The breakdown of gains and losses on derivative financial instruments that affect shareholders' equity in fair value reserves is as follows:

| In millions of Euro | 2012 | 2011 |
|---|---|---|
| Total Gains/(Losses) on Derivative Financial Instruments as Reported in Equity as of January 1 | (66.7) | (48.5) |
| Fair Value Gains/(Expenses) on Derivative Financial Instruments – Cash Flow Hedge | 72.9 | (18.2) |
| **TOTAL GAINS/(LOSSES) ON DERIVATIVE FINANCIAL INSTRUMENTS AS REPORTED IN EQUITY AS OF DECEMBER 31** | **6.2** | **(66.7)** |

Analysis of gains and losses on derivative financial instruments that affect the statement of income is as follows:

| In millions of Euro | 2012 | 2011 |
|---|---|---|
| Effectiveness Gains/(Losses) on Fair Value Hedge (*) | 13.0 | (4.0) |
| Ineffectiveness Gains/(Losses) on Fair Value Hedge | (4.0) | 0.2 |
| Ineffectiveness Gains/(Losses) on Cash Flow Hedge | (0.6) | 1.3 |
| Gains/(Losses) on Economic Hedge not Designated as Hedges for Accounting Purposes | 0.3 | (1.5) |
| **TOTAL GAINS/(LOSSES) ON DERIVATIVE INSTRUMENTS AS RECOGNIZED IN STATEMENT OF INCOME** | **8.7** | **(3.9)** |

(*) Excluding the revaluation of related current receivables and payables.

## Note 27 – Payroll staff

Technip has a workforce of 36,500 people, in 48 countries, including an average of 5,800 contracted workforce integrated in operating teams.

## Note 28 – Related party disclosures

### (a) Transactions with related parties

IFP Énergies nouvelles (IFP) is represented on Technip's Board of Directors. Its percentage of ownership amounted to 2.50% as of December 31, 2012 and 2.55% as of December 31, 2011.

Technip paid IFP a royalty in respect of an agreement for research cooperation on offshore deepwaters. This royalty is determined under arm's length conditions and amounted to €2.6 million in 2012 and €5.2 million in 2011, the recorded expense amounted to €3.1 million in 2012 and €3.6 million in 2011.

On December 19, 2011, the Group proceeded to the acquisition of the trademark Technip from IFP for €1.2 million.

### (b) Assets and liabilities, income and expenses with respect to associates in joint ventures

Credits and debts towards associates in joint ventures are as follows:

| | As of December 31, | |
|---|---|---|
| In millions of Euro | 2012 | 2011 restated |
| Trade Receivables | 6.0 | 16.8 |
| Trade Payables | 14.8 | 9.2 |
| **NET TRADE RECEIVABLES/(PAYABLES)** | **(8.8)** | **7.6** |

Income and expenses generated with associates in joint ventures are as follows:

| In millions of Euro | 2012 | 2011 |
|---|---|---|
| Income | 39.1 | 10.0 |
| Expenses | (21.8) | (54.7) |

### (c) Compensation of the Chairman and Chief Executive Officer

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 current 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 4th 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 60th 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 55th 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.

### (d) Compensation and retirement commitments of the Group's principal executives

In 2012, the total amount of all direct and indirect compensation paid by the Group's French and foreign companies to all of the Group's principal executives on payroll partly or totally during the year 2012 (*i.e.*, the six members of the Excom of the Group) amounted to €4,167,999. The variable portion represented 42.5% of the overall amount.

The charges relating to share purchase and share subscription options, as well as performance shares, granted to the Company's executive officers, and accounted for in 2012, amounted to €5.8 million.

In 2012, payment made by Group companies under supplementary retirement plans applicable to the principal executives discussed above amounted to €0.2 million. The recorded expense related to the retirement income guarantee plan for Executive Committee members amounted to €0.9 million in 2012.

As of December 31, 2012, the amount for retirement commitments for Executive Committee members amounted to €4.4 million.

## Note 29 – Board of Directors compensation

The Shareholders' Meeting of April 29, 2010 set the amount of Directors' fees allocated to members of the Board of Directors for the financial year 2012 at €600,000. During 2012, the gross amount of compensation and benefits of all kinds paid by Technip to the members of the Board of Directors was €2,579,715.

## Note 30 – Joint ventures

A joint venture is a temporary partnership formed in order to deliver a contract and is jointly controlled by the parties involved.

The list of entities participating in joint ventures corresponds to those affiliates that are consolidated under the proportionate method with the following exceptions: Technip South Africa, Tipiel, Deep Oil Technology Inc., Spars International Inc., Petrolinvest, Technip Thailand, Technip MHB Hull Engineering Sdn Bhd, Ethylene XXI Contractors S.A.P.I. de C.V. and Desarrolladora de Etileno, S. de R.L. de C.V. In addition, joint venture's operations are conducted by Technip France (in partnership with Chiyoda), Technip Oceania and Cybernétix (in partnership with Subsea 7) and Technip Offshore Finland (in partnership with Areva).

The following amounts represent Technip's accumulated share of the assets, liabilities, income and expenses related to all joint ventures of the Group. These amounts are included in Technip's statement of financial position and statement of income:

| | As of December 31, | |
|---|---|---|
| In millions of Euro | 2012 | 2011 Restated |
| Non-Current Assets | 133.9 | 143.3 |
| Current Assets | 170.6 | 367.6 |
| **Total Assets** | **304.5** | **510.9** |
| Non-Current Liabilities | 165.3 | 180.0 |
| Current Liabilities | 228.5 | 325.3 |
| **Total Liabilities** | **393.8** | **505.3** |
| **NET ASSETS** | **(89.3)** | **5.6** |

| In millions of Euro | 2012 | 2011 |
|---|---|---|
| Income | 223.4 | 149.1 |
| Expenses | (79.8) | (94.5) |
| **NET INCOME AFTER TAX** | **143.6** | **54.6** |

Current assets mainly include cash and cash equivalents; current liabilities include trade payables, construction contracts – amounts in liabilities, and current accounts with associated companies.

# Note 31 – Off-balance sheet commitments

## (a) Off-balance sheet commitments related to Group operating activities

The following table illustrates the breakdown of off-balance sheet commitments per maturity.

| | As of December 31, | | | | |
|---|---|---|---|---|---|
| | 2012 | | | | 2011 |
| | Amounts of Commitments by Maturity Date | | | | |
| In millions of Euro | Less than 1 year | 1 to 5 years | More than 5 years | Total | |
| Operating Leases | 184.1 | 567.9 | 397.6 | 1,149.6 | 755.5 |
| **TOTAL CONTRACTUAL COMMITMENTS** | **184.1** | **567.9** | **397.6** | **1,149.6** | **755.5** |

| | As of December 31, | | | | |
|---|---|---|---|---|---|
| | 2012 | | | | 2011 |
| | Amounts of Commitments by Maturity Date | | | | |
| In millions of Euro | Less than 1 year | 1 to 5 years | More than 5 years | Total | Total |
| Commitments Given related to the Execution of Operating Contracts | 994.4 | 3,169.0 | 164.7 | 4,328.1 | 3,915.6 |
| Parent Company Guarantees | 25,350.6 | 12,319.9 | 3,873.4 | 41,543.9 | 37,753.8 |
| **TOTAL COMMITMENTS GIVEN RELATED TO OPERATING ACTIVITIES** | **26,345.0** | **15,488.9** | **4,038.1** | **45,872.0** | **41,669.4** |

| | As of December 31, | | | | |
|---|---|---|---|---|---|
| | 2012 | | | | 2011 |
| | Amounts of Commitments by Maturity Date | | | | |
| In millions of Euro | Less than 1 year | 1 to 5 years | More than 5 years | Total | |
| Other Commitments Received related to Operating Activities | 202.5 | 317.8 | 90.0 | 610.3 | 505.6 |
| **TOTAL COMMITMENTS RECEIVED RELATED TO OPERATING ACTIVITIES** | **202.5** | **317.8** | **90.0** | **610.3** | **505.6** |

### Operating leases and capital leases

The Group leases various equipment, vessels and buildings, mainly under lease contracts that will end within the next ten years. It is likely that the Group will have to renew or to replace them. The Group does not have any assets subject to a capital lease.

At year-end 2012, the rental expense amounted to €215.0 million compared to €153.0 million in 2011.

As of December 31, 2012, the Group's commitments related to operating leases break down as follows:

| | As of December 31, | |
|---|---|---|
| In millions of Euro | 2012 | 2011 |
| 2012 | - | 143.7 |
| 2013 | 184.1 | 122.1 |
| 2014 | 180.2 | 104.8 |
| 2015 | 164.8 | 77.4 |
| 2016 | 119.8 | 63.6 |
| 2017 | 103.1 | 38.9 |
| 2018 and beyond | 397.6 | 205.0 |
| **TOTAL NET VALUE OF OPERATING LEASES** | **1,149.6** | **755.5** |

### Guarantees related to operating activities

Commitments given relate mainly to guarantees or counter-guarantees given by banks and insurance companies to various customers in connection with ongoing contracts in order to secure due and proper performance of the contracts or following the payment of retention guarantees and advance billings (€4,328.1 million as of December 31, 2012).

Furthermore, parent company guarantees given by Technip or its affiliates to clients cover the due and proper performance of the specified construction contracts for which the average expiration period until the release of the commitment guarantees is approximately 5 years. The amounts disclosed under the parent company guarantees, which stand at €41,543.9 million as of December 31, 2012, include the portion of contract allocated to the Group's joint ventures partners. The latter amounts are neither decreased according to project percentage of completion, nor reduced by the amount of parent company guarantees received from Technip's partners in these joint ventures, same partners for which Technip issues parent company guarantees.

As of December 31, 2012, the parent company guarantees issued by Technip for contracts outside the scope of a joint venture amount to €16,627 million.

The following table illustrates the breakdown of €24,916.9 million of parent company guarantees issued by Technip as of December 31, 2012, in respect of joint venture contracts, according to the Group's percentage of ownership in these joint ventures.

| | As of December 31, | | | | |
|---|---|---|---|---|---|
| | 2012 | | | | 2011 |
| | Allocation as per % of Technip's Ownership in Joint Ventures | | | | |
| In millions of Euro | Less or equal to 25% | Greater than 25% and less or equal to 40% | Greater than 40% | Total | Total |
| Parent Company Guarantees Given within Joint Ventures | 4,452.1 | 15,294.4 | 5,170.4 | 24,916.9 | 22,403.4 |

Commitments received relate mainly to similar guarantees obtained from suppliers or subcontractors in connection with ongoing contracts.

### (b) Off-balance sheet commitments related to Group financing

| | As of December 31, | | | | |
|---|---|---|---|---|---|
| | 2012 | | | | 2011 |
| | Amounts of Commitments per Period | | | | |
| In millions of Euro | Less than 1 year | 1 to 5 years | More than 5 years | Total | Total |
| Other Commitments Given related to Financing | - | 11.3 | 437.5 | 448.8 | 332.6 |
| **TOTAL COMMITMENTS GIVEN RELATED TO FINANCING** | **-** | **11.3** | **437.5** | **448.8** | **332.6** |

| | As of December 31, | | | | |
|---|---|---|---|---|---|
| | 2012 | | | | 2011 |
| | Amounts of Commitments per Period | | | | |
| In millions of Euro | Less than 1 year | 1 to 5 years | More than 5 years | Total | Total |
| Credit Lines Received but not Used | 41.7 | 1,420.0 | - | 1,461.7 | 1,978.1 |
| **TOTAL COMMITMENTS RECEIVED RELATED TO FINANCING** | **41.7** | **1,420.0** | **-** | **1,461.7** | **1,978.1** |

### (c) Off-balance sheet commitments related to Group scope of consolidation

There is no significant commitment related to the Group scope of consolidation.

## Note 32 – Litigation and contingent liabilities

### (a) Litigation

The main current litigation and risks are as follows:

#### ITP

Since 2001, three subsidiaries of Technip were in litigation with a French company, Interpipe SA (ITP). Technip has disclosed this litigation in detail in each of its annual reports since 2004. During summer 2012, the parties entered into a settlement agreement immediately terminating all current proceedings between them.

#### 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.

### (b) Contingent liabilities

#### Individual training right

The law of May 4, 2004 provides that French company employees have the right to receive individual training, (the *Droit Individuel à la Formation:* Individual Training Right) of at least 20 hours per year, which can be accumulated over six years. At the end of the sixth year, the rights will be capped at 120 hours even if the hours have not been utilized by the employee. In accordance with Notice 2004-F of October 13, 2004 issued by the Emergency Committee of the French national accounting standards body (the *Conseil national de la comptabilité*), which advises on the proper accounting for DIF , expenses are recognized during the financial year and do not require the recognition of a liability. They constitute the remuneration of a future service and not a past one. The Group has maintained this French method for accounting for DIF under IFRS given that the debt is uncertain, *i.e.* the employee could ask to use this right but is not obliged to and may in fact never request it.

In some specific cases, these expenses could not be considered as a future service: for example when an employee has resigned and asks to use his training rights during his notice period.

In 2012, in French entities of the Group, no resigning employee asked for this right. No employee has a conflict with the Group on the subject.

Accumulated unused individual staff training rights amounted to 290,000 hours as of December 31, 2012.

In addition, the lifelong professional training agreement of the main French subsidiary offers training opportunities in five different topics: technical skills, office application IT, management and communication, quality and HSE, and languages; these trainings opportunities are open to all employees. Technip spends around 4% of its payroll on training costs (that is around 2.4% more than the 1.6% required by the law). Each year, around 60% of employees attend at least one training session.

## Note 33 – Market related exposure

### (a) Liquidity risk

Technip's financing needs are met pursuant to a Group policy implemented by the Finance and Control Division.

Cash management is centralized at the head office and coordinated through finance departments located in the Group's main operating subsidiaries.

Technip Eurocash SNC, a French general partnership *(société en nom collectif),* acts to centralize cash pooling for the Group's main entities, in compliance with applicable laws and regulations in each of the relevant countries. Technip Eurocash SNC has entered into cash pooling agreements with most of the Group's subsidiaries in order to consolidate surplus cash and to meet their needs, except where local economic and financial considerations have required recourse to external local debt.

As of December 31, 2012, the Group had multiple financing sources for financing its general corporate needs, or for financing new assets or certain operations.

#### 2010 Private placement notes

On July 27, 2010, Technip received the proceeds of the €200 million private placement notes in accordance with contractual terms and conditions agreed on November 19, 2009. The purpose of this private placement was a partial refinancing of the 2004-2011 bond issue. The notes have a 10-year term from July 27, 2010 and an annual coupon of 5%. This placement includes the usual covenants and default provisions that are standard for this type of bond issue and does not include any financial ratios. These notes are listed on the Luxembourg Stock Exchange.

#### 2010-2016 Convertible bond

On November 17, 2010, Technip issued 6,618,531 bonds convertible into and/or exchangeable for new or existing shares (OCEANE) for approximately €550 million. The bonds will be redeemed at par on January 1, 2016 except in the event of an early conversion, exchange or redemption. Bondholders have the option to convert their bonds into shares at any time at the ratio of one share for one bond. In addition, the Group has the option to call for the early redemption of all outstanding 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.

The nominal value of each bond was set at €83.10. The bonds are listed on the Euronext Paris market. The bonds bear interest at an annual rate of 0.50% payable annually in arrears on January 31 of each year, *i.e.,* €0.42 per year and per bond.

The main purpose of the convertible bond issue was to partially refinance the 2004-2011 bond issue, as well as to secure long-term financing to cover the Group's recent investments.

The bonds will be convertible into or exchangeable for new/existing Technip shares at the ratio of one share per bond, subject to future anti-dilution adjustments as described in the documentation, *i.e.,* the *Note d'opération.*

As of December 31, 2012, the amount of the bond booked as non-current financial debt in the statement of financial position amounted to €508.2 million and the amount booked as shareholders' equity amounted to €63.3 million (See Note 21 (b) – Financial debts).

#### 2011-2017 Convertible bond

On December 15, 2011, Technip issued 5,178,455 bonds convertible into and/or exchangeable for new or existing shares (OCEANE) for approximately €497.6 million. The bonds will be redeemed at par on January 1, 2017 except in the event of an early conversion, exchange or redemption. Bondholders have the option to convert their bonds into shares at any time at the ratio of one share for one bond. In addition, the Group has the option to call for the early redemption of all outstanding 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.

The nominal value of each bond was set at €96.09. The bonds are listed on the Euronext Paris market. The bonds bear interest at an annual rate of 0.25% payable annually in arrears on January 31 of each year, *i.e.* approximately €0.24 per year and per bond. The first coupon payment on January 31, 2012 amounted to approximately €0.03 per bond.

The main purpose of the convertible bond issue was to partially replenish the Group's cash balances following the payment of Global Industries, Ltd available shares for USD936.4 million.

The bonds will be convertible into or exchangeable for new/existing Technip shares at the ratio of one share per bond, subject to future anti-dilution adjustments as described in the documentation, *i.e.*, the *Note d'opération*.

As of December 31, 2012, the amount of the bond booked as non-current financial debt in the statement of financial position amounted to €435.2 million and the amount booked as shareholders' equity amounted to €73.1 million (See Note 21 (b) – Financial debts).

### 2012 Private placement notes

In June 2012, Technip concluded three long-term private note placements, each subscribed by a different investor, for an aggregate amount of €325 million. These bond issues consist of:

- €150 million 10-year private note placement concluded on June 14, 2012 with an annual coupon of 3.40% payable annually in arrears on June 14 of each year. These private notes have been rated BBB+ by Standard & Poor's and are listed on the NYSE Euronext Paris market;
- €75 million 15-year private note placement concluded on June 15, 2012, carrying an annual coupon of 4.0% payable annually in arrears on June 15 of each year. These private notes have been rated BBB+ by Standard & Poor's and are listed on the NYSE Euronext Paris market;
- €100 million 20-year private note placement concluded on June 14, 2012 with an annual coupon of 4.0% payable annually in arrears on June 14 of each year. An application quotation of this private note 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 note 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 a Standard and & Poor's rating downgrade of the notes below BBB- deemed to have occurred in respect of that change of control, any bondholder may, at its sole option, request the early redemption of all the bonds it owns.

### *Skandi Arctic* financing

In March 2009, Doftech DA (a 50% indirectly owned subsidiary of Technip) entered into a NOK1 billion facility agreement for the financing of the *Skandi Arctic* vessel. This facility will be reimbursed in 24 equal semi-annual installments from September 16, 2009 to March 16, 2021. As of December 31, 2012, the facility, fully drawn, amounted to NOK708.3 million following semi-annual payments starting from September 16, 2009.

One tranche of the facility, corresponding to 70% of the total amount is granted at a fixed rate of 5.05% by the Norwegian financing institution Eksportfinans and benefits from a guarantee by GIEK. The other tranche of the facility is granted at a floating rate by a commercial bank.

This credit facility is guaranteed jointly, but not severally, by Technip Offshore International and by the ultimate parent company of the other shareholder of Doftech DA, on an equal basis. It also benefits from a mortgage over the *Skandi Arctic* vessel.

This credit agreement includes the covenants and default provisions that are standard for this type of credit agreement and does not include any financial ratios.

### *Skandi Vitória* financing

In April 2010, the Brazilian subsidiary Dofcon Navegação, a 50% indirectly owned subsidiary of Technip, and BNDES (Banco Nacional de Desenvolvimento Econômico e Social) entered into two loan agreements for a total amount of USD240 million with a fixed interest rate of 3.09% which has increased to approximately USD244 million (by capitalization of interest up until December 31, 2010), for the financing of the *Skandi Vitória* vessel.

The two loans will be reimbursed in 204 equal monthly installments from January 10, 2011 until December 10, 2027. As of December 31, 2012, the facility amounted to USD213.5 million following the installments paid since January 2011. Each of the loans is secured by joint and several guarantees given by Technip and the ultimate parent company of the other shareholder of Doftech Navegação and by a mortgage on the *Skandi Vitória.*

The loan agreements include covenant and default provisions that are standard for such facilities with BNDES, including a covenant that the loan amount does not exceed an amount such that the estimated value of the *Skandi Vitória* is equal or greater than 110% of the loan amount.

### *Skandi Niterói* financing

On May 5, 2011, the Brazilian subsidiary Dofcon Navegação, a 50% indirectly owned subsidiary of Technip, and BNDES (Banco Nacional de Desenvolvimento Econômico e Social) entered into two loan agreements for an initial total amount of USD136.5 million with a fixed interest rate of 3.40% p.a., for the financing of the *Skandi Niterói* vessel.

The first loan of USD105.5 million will be reimbursed in 210 equal monthly installments from July, 2011 until December, 2028. The second loan of USD31 million will be reimbursed in 204 equal monthly installments from January, 2012 until December, 2028. As of December 31, 2012, the facilities amounted to USD126.9 million following successive installments paid since July 2011 and January 2012 depending on the loans.

Each of the loans is secured by joint and several guarantees given by Technip and the ultimate parent company of the other shareholder of Dofcon Navegação and by a mortgage on the *Skandi Niterói.*

The loan agreements include covenants and default provisions that are standard for such facilities with BNDES, including a covenant that the loan amount does not exceed an amount such that the estimated value of the *Skandi Niterói* is equal or greater than 110% of the loan amount.

### BNDES (Banco Nacional de Desenvolvimento Econômico e Social) facilities

As of December 31, 2012, Flexibras Tubos Flexiveis, one of the Group's Brazilian subsidiaries, had 15 separate credit facilities for a total amount of BRL700 million to sustain the pre-financing of its export operations.

Each facility was entered into on behalf of BNDES in connection with BNDES financing. The 15 credit agreements include the standard default provisions for such facilities with BNDES and do not include any financial ratio.

As of December 31, 2012, these fixed rate loans are fully drawn and consist in:

- Four separate credit facilities for a total amount of BRL250 million, each entered into in June 2010 and each with different commercial banks (each facility amounted to respectively BRL90 million, BRL70 million, BRL55 million and BRL35 million). The four facilities have a single redemption date of June 15, 2013;
- Five separate credit facilities for a total amount of BRL200 million, each entered into with different commercial banks in April 2011. Each facility of BRL40 million has a single redemption date of April 15, 2013;
- A BRL50 million credit facility entered into in December 2011, with a redemption date of July 15, 2013;
- Two separate credit facilities for a total amount of BRL85 million entered into in August 2012, each with different commercial banks (each facility of respectively BRL50 million and BRL35 million). Both facilities have a single redemption date of September 15, 2015; and
- Three separate credit facilities for a total amount of BRL115 million concluded each with different commercial banks in November 2012. Two facilities of BRL32.5 million each have a single redemption date of November 15, 2015. The facility of BRL50 million has a redemption date of December 15, 2015.

Flexibras Tubos Flexiveis redeemed the three separate credit facilities for a total amount of BRL300 million entered into in September 2009 at the August 15, 2012 maturity date.

### Pipelay support vessels financing

As of December 31, 2012, the Dutch subsidiary Technip Odebrecht PLSV CV, a 50% indirectly owned subsidiary of Technip, benefits from a USD90 million credit facility. The facility is drawn up to USD70.8 million. It is guaranteed jointly, but not severally, by Flexibras Tubos Flexiveis, a Brazilian subsidiary of the Group, and the parent company of the other shareholder of Technip Odebrecht PLSV CV, on an equal basis.

Eighty per cent of the first project costs related to the construction of two Pipelay Support Vessels being built in the Korean yards of Daewoo Shipbuilding & Marine Engineering Co, are currently financed by this variable interest rate credit facility. Both vessels will be chartered and operated for Petrobras for 10 years (5-year fixed/5-year optional) following the bid awarded by Petrobras in October 2011.

The credit facility will be repaid by the use of a project finance financing which documentation is currently in the final stages of negotiation.

### *Deep Energy* financing

In 2012, Technip cancelled the USD213 million credit facility agreements entered into in 2009 for the financing of the *Deep Energy* vessel which is currently under construction:

- On August 3, 2012, the Group cancelled the credit facility in the amount of USD125 million granted to Technip; and
- On May 15, 2012, Technip cancelled the credit facility in the amount of USD88 million granted to TP-NPV Singapore Ltd, guaranteed by Technip and benefiting from a credit insurance from the export credit agency Finnvera (Finland).

### 2011 Bank facility

On June 14, 2012, the USD1.1 billion one-year bank facility signed by Technip on November 18, 2011 and reduced to a USD455 million revolving credit facility following the 2011-2017 convertible bond issue, was cancelled. This facility was undrawn. Its purpose was to finance or refinance the acquisition of Global Industries, Ltd and the prepayment of its financial debt, with any excess to be used for the Group's general requirements.

### Global Industries external financing

#### BANK FACILITY

As of December 31, 2012, the remaining outstanding amount of bonds and letters of credit covered since December 1, 2011, acquisition date of the group Global Industries, Ltd, by a Technip corporate guarantee issued on behalf of Global Industries entities, amounted to USD1.3 million.

#### CONVERTIBLE BOND

On January 11, 2012, following the acquisition of the company Global Industries, Ltd by Technip and its delisting from the NASDAQ (New York), Global Industries, Ltd reimbursed, to comply with the conditions set out in the original offering memorandum of the 2.75% USD325 million Senior Convertible Debentures, due 2027, issued on July 27, 2007, a principal amount of USD322.6 million (corresponding to 99.3% of the outstanding debentures) and paid accrued interest of approximately USD3.9 million to the bondholders. As of December 31, 2012, the non-tendered bonds amounted to USD2.4 million.

#### BONDS GUARANTEED BY THE UNITED STATES GOVERNMENT

On November 30, 2012, Technip redeemed the bonds guaranteed by the US Government under Title XI of the Federal Ship Financing Program. This early redemption amounted to USD71.3 million, including the payment of a premium. These bonds bore an interest of 7.71% p.a. and were secured by a mortgage on the Hercules vessel which was released pursuant to the redemption.

### Syndicated credit facility and bilateral facilities

As of December 31, 2012, the Group had various unutilized financing sources for an aggregate amount of €1,461.7 million that allow it to meet its general financing needs. These facilities are not secured by any of the Group's assets. They contain covenant and default provisions that are standard for such financing from Technip and some of its affiliates, and do not include any financial ratio. These credit agreements do not include early payment provisions in case of deterioration of the borrower's credit rating.

1. The credit facility in the amount of €1 billion put in place on July 21, 2011 with two one-year extensions at the borrowers' option, subject to the lenders' approval and which may be drawn in Euros, in US dollars or in British pounds, has been extended to July 21, 2017.

   The facility, in the event it is utilized, includes a floating interest rate and an applicable margin which varies according to a schedule of Technip's credit rating.
2. In 2012, five separate credit facilities in a total amount of €420 million which may be drawn in Euros were granted to Technip and replaced the existing facilities. Following bilateral negotiations, the amounts and maturity dates are as follows:
   - a €80 million facility that matures on July 25, 2014 and contains two one-year extensions at the borrowers' option, subject to the lender's approval;
   - a €100 million facility that matures on July 25, 2015;
   - a €80 million facility that matures on July 31, 2015;
   - a €80 million facility that matures on August 2, 2015; and
   - a facility in the amount of €80 million that matures on July 27, 2016, after a first €40 million reduction on July 27, 2015.
3. Various unutilized credit facilities amounting to €34.4 million were granted to Technip.

   These credit agreements include a floating interest rate in the event that they are utilized as well as standard default provisions.

As of December 31, 2012, the credit facilities confirmed and available to the Group amounted to €1,461.7 million, of which €1,420.0 million is available after December 31, 2013. Out of this total of €1,461.7 million, €41.7 million is reserved for the financing of certain assets or for certain subsidiaries.

As of the December 31, 2012, the outstanding commercial paper amounted to €150 million. The Group retains an authorization from the *Banque de France* for a maximum amount of €600 million.

As of December 31, 2012, debt falling due in 2013 and 2014 amounted to €417.4 million including €18.6 million of accrued interest and fees and €398.8 million of principal.

## Schedule of contractual outstanding cash flows related to financial liabilities

| | As of December 31, 2012 | | | | |
|---|---|---|---|---|---|
| In millions of Euro | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years | Total |
| Bond Issue | - | - | - | 1.8 | 1.8 |
| Convertible Bonds | - | - | 1,047.6 | - | 1,047.6 |
| Private Placement | - | - | - | 525.0 | 525.0 |
| Bank Borrowings | - | 16.8 | 119.4 | 107.2 | 243.4 |
| Accrued Interest Payables on Bond Loans | - | 4.0 | 5.3 | - | 9.3 |
| Other Accrued Interest Payables | - | 34.6 | 87.0 | 163.3 | 284.9 |
| **TOTAL NON-CURRENT FINANCIAL LIABILITIES** | **-** | **55.4** | **1,259.3** | **797.3** | **2,112.0** |
| Bond Issues | - | - | - | - | - |
| Convertible Bond | - | - | - | - | - |
| Commercial Papers | 150.0 | - | - | - | 150.0 |
| Bank Overdrafts | 0.3 | - | - | - | 0.3 |
| Accrued Interest Payables on Bond Loans | 4.0 | - | - | - | 4.0 |
| Other Accrued Interest Payables | 40.4 | - | - | - | 40.4 |
| Other Bank Borrowings | 231.5 | - | - | - | 231.5 |
| Derivative Financial Instruments | 29.6 | 6.0 | 2.9 | - | 38.5 |
| **TOTAL CURRENT FINANCIAL LIABILITIES** | **455.8** | **6.0** | **2.9** | **-** | **464.7** |

Payment due dates related to debts include projected interest payments, even if they are not accrued on the closing date. Floating rates used to calculate projected interest payments are the rates in force as of December 31, 2012.

| | As of December 31, 2011 – Restated | | | | |
|---|---|---|---|---|---|
| In millions of Euro | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years | Total |
| Bond Issue | - | 2.9 | 8.8 | 26.5 | 38.2 |
| Convertible Bonds | - | - | 495.1 | 421.0 | 916.1 |
| Private Placement | - | - | - | 197.4 | 197.4 |
| Bank Borrowings | - | 224.3 | 46.6 | 122.8 | 393.7 |
| Accrued Interest Payables on Bond Loans | - | 14.1 | 42.2 | 41.7 | 98.0 |
| Other Accrued Interest Payables | - | 15.3 | 24.8 | 32.0 | 72.1 |
| **TOTAL NON-CURRENT FINANCIAL LIABILITIES** | **-** | **256.6** | **617.5** | **841.4** | **1,715.5** |
| Bond Issues | 3.0 | - | - | - | 3.0 |
| Convertible Bond | 197.6 | - | - | - | 197.6 |
| Commercial Papers | 170.0 | - | - | - | 170.0 |
| Bank Overdrafts | 0.1 | - | - | - | 0.1 |
| Accrued Interest Payables on Bond Loans | 17.1 | - | - | - | 17.1 |
| Other Accrued Interest Payables | 28.6 | - | - | - | 28.6 |
| Other Bank Borrowings | 158.4 | - | - | - | 158.4 |
| Derivative Financial Instruments | 87.5 | 15.2 | 1.3 | - | 104.0 |
| **TOTAL CURRENT FINANCIAL LIABILITIES** | **662.3** | **15.2** | **1.3** | **-** | **678.8** |

Contractual amounts as stated in the analysis of maturities relate to undiscounted contractual cash flows. These undiscounted cash flows may differ from the amounts as recognized in the statement of financial position which are based on discounted cash flows.

### (b) Currency risk

As indicated in Note 1-C (c) – Foreign currency transactions and financial instruments, Technip uses financial instruments to protect itself against currency risks incurred in the normal course of its business. The Group does not use financial instruments for trading or speculative purposes. The exchange hedging contracts are divided across several counterparties who have been selected after due consideration.

The primary hedging instruments used to manage Technip's exposure to currency risks are as follows:

| | As of December 31, | | | |
|---|---|---|---|---|
| | **2012** | | | 2011 |
| | Maturity | | Nominal value | Nominal Value |
| In millions of Euro | 2013 | 2014 and beyond | | |
| Buy Foreign Currencies/Sell Euros | 154.7 | 25.0 | 179.7 | 194.5 |
| Sell Foreign Currencies/Buy Euros | 933.7 | 239.2 | 1,172.9 | 1,236.3 |
| Buy/Sell Foreign Currencies | 698.4 | 276.1 | 974.5 | 746.8 |
| **TOTAL HEDGING INSTRUMENTS** | **1,786.8** | **540.3** | **2,327.1** | **2,177.6** |

Exchange risk is mainly related to the US dollar and the Pound Sterling.

A change of the US dollar spot price by plus or minus 10% at the closing date, calculated on the entire portfolio of Euro/US dollar derivatives, would generate a change of plus or minus €7.0 million in the result before tax (because of financial instruments held for economic hedging but not qualified for hedging accounting) and plus or minus €52.3 million in fair value reserves in equity.

A change of the Pound Sterling spot price by plus or minus 10% at the closing date, calculated on the entire portfolio of Euro/Pound Sterling derivatives, would generate a change of plus or minus €7.0 million in the result before tax and plus or minus €14.7 million in fair value reserves in equity.

### (c) Interest rate risk

#### Analysis of the sensitivity of the situation to the change in interest rates

Technip's floating rate debt amounted to €44.9 million compared to a total net debt of €2,106.1 million.

Cash is invested short term in order to ensure liquidity. Financial products are subject to fluctuations in money market interest rates.

The net short-term cash position of the Group (cash and cash equivalents less short-term financial debts) amounted to €1,888.9 million.

As of December 31, 2012, a 1% (100 bp) increase in interest rates would lower the fair value of the fixed rate convertible bonds and private placements by €71.5 million before tax; a 1% (100 bp) decrease in interest rates would raise the fair value by €71.5 million before tax.

A 1% (100 bp) increase in interest rates would generate an additional profit of €18.8 million before tax in the net cash position; a 1% (100 bp) decrease in interest rate would generate a loss of the same amount.

#### Interest rate risk monitoring method

Technip regularly analyzes its exposure to interest rate risk. This activity is the responsibility of the Treasury Department, which reports directly to the Deputy CFO.

The Group does not use financial instruments for speculative purposes.

As of December 31, 2012, Technip did not enter into any derivative interest rate instrument.

### (d) Credit risk

A significant portion of the Group's activity is concentrated with a limited number of clients because the worldwide market is dominated by a small number of major oil and gas companies. Consequently, the Group regularly performs credit risk analyses before entering into contracts and has set up procedures for monitoring payments made by customers.

The schedule of past due but not impaired trade receivables is the following:

| | As of December 31, 2012 | | | | |
|---|---|---|---|---|---|
| | Not impaired on the Reporting Date and Past Due in the Following Periods | | | | |
| In millions of Euro | Less than 3 months | 3 to 12 months | Over 1 year | Total | Total Trade Receivables |
| Trade Receivables | 151.7 | 127.7 | 58.2 | 337.6 | 1,273.5 |

| | As of December 31, 2011 – Restated | | | | |
|---|---|---|---|---|---|
| | Not impaired on the Reporting Date and Past Due in the Following Periods | | | | |
| In millions of Euro | Less than 3 months | 3 to 12 months | Over 1 year | Total | Total Trade Receivables |
| Trade Receivables | 219.7 | 103.6 | 25.3 | 348.6 | 1,279.9 |

As of December 31, 2012, the main counterparty for cash and cash equivalents represents 13.7% of total net cash position. The principal counterparty for derivative financial instruments represents 14.6% of the Group's total derivative financial instruments. The set of counterparties for the Group's operations was limited to bank institutions that were considered as the safest, mostly noted AA and A.

## Note 34 – Auditors' fees and services

Auditors' fees and services break down as follows:

| | Ernst & Young | | | | PricewaterhouseCoopers | | | |
|---|---|---|---|---|---|---|---|---|
| | 2012 | | 2011 | | 2012 | | 2011 | |
| In thousands of Euro | Amount | % | Amount | % | Amount | % | Amount | % |
| Audit | | | | | | | | |
| Auditing, certification of financial statements, examination of statutory and consolidated financial statements: | | | | | | | | |
| ■ Technip | 535 | 12% | 535 | 14% | 535 | 19% | 535 | 19% |
| ■ Subsidiaries | 1,915 | 44% | 1,887 | 49% | 2,084 | 74% | 2,019 | 71% |
| Other work and services directly related to the responsibilities of Statutory Auditors: | | | | | | | | |
| ■ Technip | 891 | 21% | 810 | 21% | 95 | 3% | 190 | 7% |
| ■ Subsidiaries | 125 | 3% | 72 | 2% | 30 | 1% | 7 | - |
| Sub-total | 3,466 | 80% | 3,304 | 86% | 2,744 | 97% | 2,751 | 97% |
| Other services | | | | | | | | |
| Legal and tax: | | | | | | | | |
| ■ Technip | - | - | - | - | - | - | - | - |
| ■ Subsidiaries | 890 | 20% | 526 | 14% | 95 | 3% | 75 | 3% |
| Sub-total | 890 | 20% | 526 | 14% | 95 | 3% | 75 | 3% |
| **TOTAL** | **4,356** | **100%** | **3,830** | **100%** | **2,839** | **100%** | **2,826** | **100%** |

Other work and services directly related to the responsibilities of Statutory Auditors are related to due diligences performed in connection with Technip's acquisitions and diligences related to the issuance of OCEANE convertible bonds.

## Note 35 – Subsequent events

There has been no significant subsequent event which occurred since the closing date of the financial year ended December 31, 2012.

# 20.2. Statutory Financial Statements as of December 31, 2012

20.2.1. Statutory Auditors' report on the financial statements 198
20.2.2. Statutory financial statements 200
1. Balance sheet 200
2. Statement of income 201
3. Statement of cash flows 202
4. Notes on accounting principles 202
5. Main events of the year 204
6. Notes to the financial statements 205
**6.1.** Fixed Assets 205
**6.2.** Current Assets 206
**6.3.** Marketable Securities 206
**6.4.** Accrued Assets and Redemption Premium 206
**6.5.** Shareholders' Equity 207
**6.6.** Provisions 210
**6.7.** Accrued Charges and Accrued Income Included in Assets and Liabilities 211
**6.8.** Maturity of Assets and Liabilities 211
**6.9.** Trade Bills Included in Assets and Liabilities 213
**6.10.** Revenues 213
**6.11.** Financial Result 213
**6.12.** Extraordinary Result 213
**6.13.** Income Tax 213
**6.14.** Related Party Disclosure 214
**6.15.** Off-Balance Sheet Commitments 214
**6.16.** Financial Instruments 214
**6.17.** Assets used as Collateral 214
**6.18.** Average Number of Employees 214
**6.19.** Board of Directors Compensation 215
**6.20.** Auditors' fees 216
**6.21.** Litigation and Pending Investigations 216
7. Subsidiaries and investments 217
8. Subsequent events 217

## 20.2.1. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

*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.*

**PricewaterhouseCoopers Audit**

63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

**Ernst & Young et Autres**

1/2, place des Saisons
92400 Courbevoie-Paris-La Défense 1

# Statutory Auditors' report on the financial statements

### For the year ended December 31, 2012

Technip – 89, avenue de la Grande Armée – 75116 Paris

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 |
| --- | --- |
| Édouard Sattler | Nour-Eddine Zanouda |

## 20.2.2. STATUTORY FINANCIAL STATEMENTS

### 1. BALANCE SHEET

#### Assets

| | | As of December 31, | |
|---|---|---|---|
| In millions of Euro | Notes | 2012 | 2011 |
| Intangible Assets | | 1.2 | - |
| Intangible Assets under Construction | | - | - |
| **Total Intangible Assets** | | **1.2** | **-** |
| Other Tangible Assets | | 0.1 | 0.1 |
| Advances Paid to Suppliers | | - | - |
| **Total Tangible Assets** | | **0.1** | **0.1** |
| 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 |
| **Total Financial Assets** | | **5,336.1** | **5,162.0** |
| **Total Fixed Assets (I)** | **6.1** | **5,337.4** | **5,162.1** |
| 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 |
| **Total Current Assets, Cash and Cash Equivalents (II)** | | **334.3** | **302.4** |
| **Accrued Assets (III)** | **6.4** | **30.9** | **25.7** |
| **Redemption Premiums on Bonds (IV)** | **6.4** | **7.8** | **2.6** |
| **Unrealized Exchange Losses (V)** | | **2.1** | **1.0** |
| **TOTAL ASSETS (I TO V)** | | **5,712.5** | **5,493.8** |

#### 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 | | - | - |
| **Net equity** | **6.5** | **3,064.5** | **2,648.9** |
| Regulated Provisions | 6.6 | - | - |
| **Total Shareholder's Equity (I)** | | **3,064.5** | **2,648.9** |
| Provisions for Risks | | 161.4 | 136.7 |
| Provisions for Charges | | 2.1 | 1.3 |
| **Total Provisions for Risks and Charges (II)** | **6.6** | **163.5** | **138.0** |
| 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 |
| **Total Liabilities (III)** | **6.8** | **2,480.5** | **2,693.3** |
| **Unrealized Exchange Gains (IV)** | | **4.0** | **13.6** |
| **TOTAL EQUITY AND LIABILITIES (I TO IV)** | | **5,712.5** | **5,493.8** |

## 2. STATEMENT OF INCOME

| | | 12 months | |
|---|---|---|---|
| In millions of Euro | Notes | 2012 | 2011 |
| Sales of Goods: Rendering of Services | | 151.3 | 156.9 |
| **Revenues** | 6.10 | **151.3** | **156.9** |
| Capitalized Expenses | | - | - |
| Provision Reversals and Transferred Expenses | | 6.5 | 5.6 |
| Other Operating Income | | - | - |
| **Total Operating Income** | | **157.8** | **162.5** |
| 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 | | (0.1) | (0.8) |
| ■ on Other Current Assets | | - | - |
| ■ for Risks and Charges | | (4.7) | (1.4) |
| Other Operating Expenses | | (0.6) | (0.5) |
| **Total Operating Expenses** | | **(227.2)** | **(214.6)** |
| **Income from Operating Activities (I)** | | **(69.4)** | **(52.1)** |
| 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 | | - | - |
| **Total Financial Income** | | **679.8** | **531.1** |
| 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 | | - | - |
| **Total Financial Expenses** | | **(122.6)** | **(143.0)** |
| **Financial Result (II)** | 6.11 | **557.2** | **388.1** |
| **Current Income before Tax (I-II)** | | **487.8** | **336.0** |
| 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 |
| **Total Extraordinary Incomes** | | **22.5** | **9.3** |
| Extraordinary Expenses from Operating Activities | | (15.1) | (0.1) |
| Extraordinary Expenses from Financing Activities | | (60.3) | (31.2) |
| Allowance for Extraordinary Provisions | | - | (0.3) |
| **Total Extraordinary Expenses** | | **(75.4)** | **(31.6)** |
| **Extraordinary Result (III)** | 6.12 | **(52.9)** | **(22.3)** |
| **Profit Sharing (IV)** | | - | - |
| **Income Tax (V)** | 6.13 | **37.6** | **44.0** |
| Income | | 860.1 | 702.9 |
| Expenses | | (387.6) | (345.2) |
| **NET INCOME (I TO V)** | | **472.5** | **357.7** |

## 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[1] | 13.8 | 26.6 |
| Net (Gains)/Losses on Disposal of Assets and Investments | 10.8 | 35.7 |
| **Cash Flow from Operations** | **497.1** | **420.8** |
| **Changes in Working Capital** | **(125.6)** | **(32.6)** |
| **Net Cash Generated from Operating Activities** | **371.6** | **388.2** |
| (Purchases)/Disposals of Intangible Assets | (1.2) | - |
| (Purchases)/Disposals of Tangible Assets | - | - |
| (Purchases)/Disposals of Financial Assets[2] | (15.3) | (148.4) |
| **Net Cash Used in Investing Activities** | **(16.5)** | **(148.4)** |
| (Increase)/Decrease in Long-Term Receivables (subsidiaries loans)[3] | (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)[4] | 325.0 | (152.4) |
| (Increase)/Decrease in Liquidity Contract | 0.2 | 3.2 |
| Capital Increase and Issuance Premium[5] | 115.7 | 34.5 |
| Dividends Paid[6] | (172.6) | (156.1) |
| **Net Cash (Used in)/Generated from Financing Activities** | **(362.0)** | **(233.2)** |
| **Net Increase in Cash and Cash Equivalents** | **(6.9)** | **6.6** |
| Cash and Cash Equivalents as of January 1 | 9.7 | 3.1 |
| **CASH AND CASH EQUIVALENTS AS OF DECEMBER 31** | **2.8** | **9.7** |
| Cash and Cash Equivalents | 2.9 | 10.1 |
| Bank Overdrafts | (0.1) | (0.4) |
| **CASH AND CASH EQUIVALENTS AS OF DECEMBER 31** | **2.8** | **9.7** |

(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 Stone & Webster Process technologies acquisition.
In 2011, including mainly increase of a French subsidiary loan (€982 million) for the purpose of Global Industries 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 and capital increase reserved for employees.
In 2011, capital increase linked to share subscription options exercised.
(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

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

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 the 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

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 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 reinvoicing 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 Stone & Webster process technologies 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 |
|---|---|---|---|---|
| Gross Value as of January 1, 2011 | 11.9 | 12.8 | 3,959.6 | 3,984.3 |
| Acquisitions | - | - | 1,372.6 | 1,372.6 |
| Disposals | - | - | (153.2) | (153.2) |
| Gross Value as of December 31, 2011 | 11.9 | 12.8 | 5,179.0 | 5,203.7 |
| Acquisitions (1) | 1.2 | - | 310.9 | 312.1 |
| Disposals (2) | - | - | (148.4) | (148.4) |
| Gross Value as of December 31, 2012 | 13.1 | 12.8 | 5,341.5 | 5,367.4 |
| Amortization and Depreciation as of January 1, 2011 | (11.9) | (11.9) | (4.8) | (28.6) |
| Allowance | - | - | (12.2) | (12.2) |
| Reversals | - | (0.8) | - | (0.8) |
| Amortization and Depreciation as of December 31, 2011 | (11.9) | (12.7) | (17.0) | (41.6) |
| Allowance (3) | - | - | (1.3) | (1.3) |
| Reversals (4) | - | - | 12.9 | 12.9 |
| Amortization and Depreciation as of December 31, 2012 | (11.9) | (12.7) | (5.4) | (30.0) |
| **NET VALUE AS OF DECEMBER 31, 2012** | **1.2** | **0.1** | **5,336.1** | **5,337.4** |

(1) Increase in financial assets mainly due to 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 Stone & Webster process technologies), 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)

(2) Decrease in financial assets mainly due to 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).

(3) Provisions on investments for €1.3 million.

(4) Reversal of Provisions on investments for €12.9 million.

### (b) Financial Assets

Financial assets break down as follows:

| | As of December 31, | | | |
|---|---|---|---|---|
| | 2012 | | | 2011 |
| In millions of Euro | 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 |
| **TOTAL FINANCIAL ASSETS** | **5,341.6** | **(5.5)** | **5,336.1** | **5,162.0** |

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 Stone & Webster process technologies 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:

| | As of December 31, | | | |
|---|---|---|---|---|
| | 2012 | | | 2011 |
| In millions of Euro | 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 |
| Total Other Current Receivables | 59.3 | (0.1) | 59.2 | 37.8 |
| Current Accounts with subsidiaries | 4.7 | (3.2) | 1.5 | 25.1 |

The trade receivables consist mainly in invoices to subsidiaries.

## 6.3. Marketable Securities

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

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

(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:

| | As of December 31, | |
|---|---|---|
| In millions of Euro | 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 [(1)] | - | 0.6 |
| Dividends | (172.6) | (156.1) |
| **SHAREHOLDERS' EQUITY AS OF DECEMBER 31** | **3,064.5** | **2,648.9** |

(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 | |
| **NUMBER OF SHARES AS OF DECEMBER 31** | **113,040,513** | **110,987,758** |
| Share Nominal Value (in Euros) | 0.7625 | 0.7625 |
| Common Stock as of December 31 (in millions of Euro) | 86.2 | 84.6 |

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:

| | 2005 | | | | |
|---|---|---|---|---|---|
| Year of the Plan | Part 1 | Part 2 | Part 3 | Re-Granted Parts 1 and 2 | Re-Granted Parts 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 | 7,028 | 33,000 |
| Current Exercise Price (in Euros) | 46.9 | 41.4 | 49.2 | 55.7 | 60.0 |

Part 2 of the 2005 plan expired in July 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 |
|---|---|
| Year of the Plan | Part 1 |
| 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 |

(*) From the vesting date, *i.e.* four years after the grant date.

| | 2010 | | |
|---|---|---|---|
| Year of the Plan | Part 1 | Part 2 | Part 3 |
| 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 |

(*) From the vesting date, *i.e.* four years after the grant date.

| | 2011 | | |
|---|---|---|---|
| Year of the Plan | Part 1 | Part 2 | Part3 |
| 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 | Marsh 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 |

(*) From the vesting date, *i.e.* four years after the grant date.

The 2011 Part 3 and the 2012 Parts 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 |

(*) From the vesting date, *i.e.* four years after the grant date.

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 | Part3 List 1 | Part3 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 to 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 |
| Total Provisions in Liabilities | 138.0 | 70.9 | 45.4 | - | 163.5 |
| 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 |
| Total Provisions on Assets | 20.6 | 1.4 | 13.1 | - | 8.9 |
| **TOTAL PROVISIONS** | **158.6** | **72.3** | **58.5** | **-** | **172.4** |

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 Allowances and Reversals

Allowances and reversals of provisions break down as follows:

| In millions of Euro | 2012 | 2011 |
|---|---|---|
| Operating Allowances | 4.7 | 1.4 |
| Financial Allowances (1) | 67.6 | 57.2 |
| Extraordinary Allowances | - | 0.3 |
| **TOTAL PROVISION ALLOWANCES** | **72.3** | **58.9** |
| Operating Reversals | 0.9 | 0.4 |
| Financial Reversals | 57.4 | 31.9 |
| Extraordinary Reversals | 0.2 | - |
| Total Provision Reversals | 58.5 | 32.3 |
| Operating Charges Transferred (2) | 5.6 | 5.2 |
| Financial Charges Transferred (3) | 4.4 | 4.5 |
| **TOTAL PROVISION REVERSALS AND CHARGES TRANSFERRED** | **68.5** | **42.0** |

(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.

## 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[(1)] | 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 | - |
| **TOTAL ASSETS** | **1,815.9** | **466.4** | **1,349.5** |

(1) Without investments, treasury shares and liquidity contract.

| In millions of Euro | As of December 31, 2012 | Less than 1 Year | Between 1 Year and 5 Years | More than 5 Years |
|---|---|---|---|---|
| Bond[(1)] | 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[(2)] | 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 | - | - |
| **TOTAL LIABILITIES** | **2,480.5** | **102.0** | **805.9** | **1,572.6** |

(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 | - | - | - |
| **TOTAL ACCOUNTS PAYABLES** | **73.2** | **-** | **25.8** | **0.2** |

## 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 reinvoicing 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 |
| 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) |
| **FINANCIAL RESULT** | **557.3** | **388.1** |

## 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 and Reversal of Provisions for Ligitation | 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) |
| **EXTRAORDINARY RESULT** | **(52.9)** | **(22.3)** |

In 2012. the extraordinary result is mainly attributable to the result on treasury shares sold related to 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 |
| **TOTAL ASSETS** | **5,235.8** | **5,171.7** |
| Financial Debts (Group and Affiliates) | 805.9 | 1,278.2 |
| Current Liabilities | 64.3 | 45.0 |
| **TOTAL LIABILITIES** | **870.2** | **1,323.2** |
| 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:

| | As of December 31, | |
|---|---|---|
| In millions of Euro | 2012 | 2011 |
| Parent Company Guarantees (1) | 37,285.5 | 34,605.5 |
| Commitments Given (2) | 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 | 2012 |
|---|---|
| 2013 | 29.0 |
| 2014 | 29.0 |
| 2015 | 29.0 |
| 2016 | 29.0 |
| 2017 and beyond | 123.3 |
| **TOTAL ADRIA TOWER LEASE (1)** | **239.3** |

(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.

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 current 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 4th 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 60th 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 55th 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:

| | Ernst & Young | | PricewaterhouseCoopers | |
|---|---|---|---|---|
| In thousands of Euro | 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 |
| **TOTAL FEES** | **1,426** | **1,345** | **630** | **725** |

## 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 (as of December 31, 2012) Gross Value | Net Value | Outstanding Loans and Advances | Bonds Posted and Guarantees Issued | Revenues 2012 | Net Income 2012 | Dividends Received in 2012 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| A. DETAILED INFORMATION CONCERNING INVESTMENTS FOR WHICH GROSS-VALUE EXCEEDS 1% OF TECHNIP'S SHARE CAPITAL | | | | | | | | | | | |
| 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 | - |
| Cybernétix 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 | - | 150.0 | - | - | - |
| 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. OTHER SUBSIDIARIES AND INVESTMENTS | | | | | | | | | | | |
| Other Subsidiaries of which share capital is more than 50% owned by Technip | | | | | | | | | | | |
| 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 |
| Other Investments of which share capital is owned from 10% to 50% by Technip | | | | | | | | | | | |
| French Investments | | NA | NA | NA | - | - | - | - | NA | NA | - |
| Foreign Investments | | NA | NA | NA | 1.2 | 1.1 | - | - | NA | NA | - |
| **TOTAL** | | **NA** | **NA** | **NA** | **3,723.6** | **3,718.1** | **1,166.3** | **19,987.2** | **NA** | **NA** | **478.0** |

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

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

## 8. SUBSEQUENT EVENTS

There has been no significant event since December 31, 2012.

# 20.3. Dividend distribution policy

The Combined Shareholders' Meeting of April 26, 2012 approved the payment to shareholders of a dividend of €1.58 per share for the year ended December 31, 2011, which represented a global distribution of €172,616,900.74 in cash.

For the past three years, the amount of dividend per share eligible for the 40% French tax credit *(avoir fiscal)* is as follows:

| Year | Dividend per share | Amount of the distribution eligible for the 40% tax credit |
|---|---|---|
| 2009 | €1.35 | €1.35 |
| 2010 | €1.45 | €1.45 |
| 2011 | €1.58 | €1.58 |

Being confident in Technip's strategy, its backlog and its potential for profitable growth, the Board of Directors resolved to propose for approval by the Combined Shareholders' Meeting to be held on April 25, 2013, an increase in the 2012 dividend of 10 Euro-cents equal to a total dividend of €1.68 per share.

This dividend would be paid in cash on May 7, 2013.

The payment of dividends, which is administered by Société Générale, to the financial intermediary account holders will be made through Euroclear France's direct payment procedure.

Deutsche Bank will administer the payment of dividends to ADR (American Depositary Receipt) holders.

Under French law, dividends that are not claimed within five years of their date of payment revert to the French State.

# 20.4. Legal and arbitration procedures

## ITP DISPUTE

Since 2001, three subsidiaries of Technip were in litigation with a French company, Interpipe SA (ITP). Technip has disclosed this litigation in detail in each of its annual reports since 2004. During summer 2012, the parties entered into a settlement agreement immediately terminating all current proceedings between them.

## 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.

# 20.5. Significant changes in the financial or commercial position

At the date of this Reference Document, there has been no significant change in the Company's financial and commercial position.

# 21 Additional information


21.1. Share capital 219
- 21.1.1. Amount of share capital 219
- 21.1.2. Shares not representing capital 219
- 21.1.3. Treasury shares and share repurchase programs 219
- 21.1.4. Potential capital 221
- 21.1.5. Convertible or exchangeable securities, or securities with warrants 222
- 21.1.6. Acquisition rights or obligations over authorized but unissued capital 222
- 21.1.7. Conditional or unconditional option or agreement on any capital of any member of the Group 222
- 21.1.8. Changes in share capital 223

21.2. Articles of Association 224
- 21.2.1. Corporate purpose (Article 3 of the Articles of Association) 224
- 21.2.2. Members of Administrative, Executive and Supervisory Bodies 224
- 21.2.3. Rights and duties attached to the shares (Article 11 of the Articles of Association) 225
- 21.2.4. Amendment of Shareholders' Rights 225
- 21.2.5. Shareholders' General Meetings (Article 23 of the Articles of Association) 226
- 21.2.6. Any provision of the Company's Articles of Association that would have an effect of delaying, deferring or preventing a change in control of the Company 226
- 21.2.7. Crossing of thresholds (Article 13, Paragraphs 2 and 3 of the Articles of Association) 226
- 21.2.8. Specific provisions related to changes in share capital 226


## 21.1. Share capital

### 21.1.1. AMOUNT OF SHARE CAPITAL

As of February 29, 2012 and February 28, 2013, Technip's share capital amounted respectively to €84,866,591.60 divided into 111,300,448 shares and €86,283,684.89 divided into 113,158,931 shares.

### 21.1.2. SHARES NOT REPRESENTING CAPITAL

None.

### 21.1.3. TREASURY SHARES AND SHARE REPURCHASE PROGRAMS

During financial year ended December 31, 2012, 437,013 shares were purchased and 446,013 were sold under the terms and conditions of the Liquidity Contract with transaction fees totaling €100,000 excluding tax.

During fiscal year 2012, 1,337,110 shares were repurchased under the Share Buyback Contract with a brokerage fee amounting to €64,500 excluding tax.

In addition, during the same financial year, 1,199,847 shares were transferred at no value as performance shares granted during the year, with no transaction fees.

#### Use of treasury shares

As of February 28, 2013, the Company held 2,390,101 treasury shares. These treasury shares had a par value of €0.7625 each, representing an aggregate value of €155,286,161.95, or 2.60% of the share capital of the Company. These treasury shares were held for the following purposes:

1. To service share purchase option plans or other share plans that were granted to employees or directors or officers *(mandataires sociaux)* of the Company:

   As of February 28, 2013:

- 512,465 shares were granted under the 2008 share purchase option plan by the Board of Directors at its meeting held on July 1, 2008;
- 636,700 shares were granted under the 2009 performance share plan by the Board of Directors at its meetings held on June 15, 2009, and February 16, 2010;

- 917,900 shares were granted under the 2010 performance share plan by the Board of Directors at its meetings held on June 23, and December 15, 2010 and March 4, 2011;
- 427,557 shares were granted under the 2011 performance share plan by the Board of Directors at its meetings held on June 17, and December 14, 2011 and March 2, 2012; and
- 552,942 shares were granted under the 2012 Performance Share Plan by the Board of Directors of June 15 and December 12, 2012.

  Pursuant to a contract dated May 22, 2012 and for a duration of one year as from this date, tacitly renewable, the Company engaged SG Securities (Paris) SAS to execute a Share Buyback Contract.

2. To promote share trading and, in particular, to ensure the liquidity of shares pursuant to a Liquidity Contract, by an investment service provider, that complies with the AMAFI (Financial Market Professionals, ex-AFEI) Code of Conduct approved by the French Financial Market Authority *(Autorité des marchés financiers)* in its decision dated October 1, 2008:

   Pursuant to a contract dated February 12, 2010, and for a duration of one year as from this date, tacitly renewable, the Company engaged Crédit Agricole Cheuvreux to execute a Liquidity Contract in compliance with the AMAFI Code of Conduct.

   During the financial year 2012, 437,013 shares were purchased and 446,013 shares were sold pursuant to the terms and conditions of the Liquidity Contract.

   Pursuant to this Liquidity Contract, as of December 31, 2012, the following assets were recorded in the liquidity account:

   - 29,000 shares; and
   - €2,518,360.

### Renewal of the Company's share repurchase program

A proposal will be submitted to the Shareholders' General Meeting of April 25, 2013 (thirteenth resolution) to authorize the Board of Directors to repurchase shares in an amount of up to 10% of Technip's share capital as of the date of the meeting. The proposed maximum purchase price would be set at €115 per share (excluding charges).

### Legal framework

The implementation of this program is subject to the approval by Technip's shareholders at the Shareholders' General Meeting of April 25, 2013 of the proposed 13th resolution (the proposed thirteenth resolution is included in Annex G Section 3 of this Reference Document).

### Terms and conditions

The maximum number of shares that may be acquired according to this program shall not exceed 10% of Technip's share capital as of the day of the Shareholders' General Meeting.

Any acquisitions made by the Company must not result in the Company holding, whether directly or indirectly, more than 10% of Technip's share capital.

Under the terms of the authorization proposed to the Shareholders' General Meeting of April 25, 2013, and on the basis of the aggregate number of outstanding shares (*i.e.,* 113,158,931 shares) and treasury shares as of February 28, 2013 (*i.e.,* 2,390,101 shares), Technip may repurchase a maximum of 11,068,330 shares, representing a maximum theoretical investment of €1,272,857,950, assuming a maximum share purchase price of €115.

## 21.1.4. POTENTIAL CAPITAL

### Summary of authorizations granted by the Shareholders' General Meeting, which expired or were in effect in financial year 2012

The table below summarizes the resolutions approved by the Shareholders' General Meeting authorizing the Board of Directors to increase or reduce the share capital, and shows the Board's utilization of said authorizations in financial year 2012:

| Purpose | Validity | Limit | Use during the 2012 financial year |
|---|---|---|---|
| Authorization to reduce share capital by cancelling all or part of the shares previously repurchased | Extraordinary Shareholders' Meeting of April 29, 2010<br>12th resolution<br>Term: 5 years - Expiry: April 28, 2015 | 10% of the share capital per 24-month period | None |
| Authorization to repurchase Company shares | Ordinary Shareholders' Meeting of April 28, 2011<br>12th resolution<br>Term: 18 months - Expiry: October 27, 2012* | 10% of the share capital | 0.10% |
| Share capital increase with preferential subscription rights | Extraordinary Shareholders' Meeting of April 28, 2011<br>13th resolution<br>Term: 26 months - Expiry: June 27, 2013* | Par value: €40 million<br>€2.5 billion for securities representing debt certificates granting access to share capital | None |
| Share capital increase without preferential subscription rights and by public offer | Extraordinary Shareholders' Meeting of April 28, 2011<br>14th resolution<br>Term: 26 months - Expiry: June 27, 2013* | Par value: €8 million<br>€2.5 billion for securities representing debt certificates granting access to share capital | None |
| Share capital increase without preferential subscription rights and by private placement | Extraordinary Shareholders' Meeting of April 28, 2011<br>15th resolution<br>Term: 26 months - Expiry: June 27, 2013* | Par value: €8 million<br>€2.5 billion for securities representing debt certificates granting access to share capital | None |
| Grant of performance shares to be issued to eligible employees of the Company and directors or officers of the Company or other associated companies | Extraordinary Shareholders' Meeting April 28, 2011<br>16th resolution<br>Term: 24 months - Expiry: April 27, 2013* | 0.4% of the share capital | 0.04% |
| Grant of performance shares to be issued to the Chairman and Chief Executive Officer of the Company, Executive Director of the Company, and the Group principal executives | Extraordinary Shareholders' Meeting April 28, 2011<br>17th resolution<br>Term: 24 months - Expiry: April 27, 2013* | 0.4% of the share capital | None |
| Grant of share subscription or share purchase options to be issued to eligible employees and directors or officers of the Company and employees and directors and officers of other associated companies | Extraordinary Shareholders' Meeting April 28, 2011<br>18th resolution<br>Term: 24 months - Expiry: April 27, 2013* | 0.4% of the share capital | 0.04% |
| Grant of share subscription or share purchase options to be issued to the Chairman and Chief Executive Officer of the Company , Executive Director of the Company and the Group principal executives | Extraordinary Shareholders' Meeting April 28, 2011<br>19th resolution<br>Term: 24 months - Expiry: April 27, 2013* | 0.4% of the share capital | None |
| Share capital increase in favor of employees adhering to a company savings plan | Extraordinary Shareholders' Meeting April 28, 2011<br>20th resolution<br>Term: 26 months - Expiry: June 27, 2013* | 1% of the share capital | 1% |
| Authorization to repurchase Company shares | Ordinary Shareholders' Meeting of April 26, 2012<br>6th resolution<br>Term: 18 months - Expiry: October 25, 2013 | 10% of share capital | 1.47% |
| Share capital increase with preferential subscription rights | Extraordinary Shareholders' Meeting of April 26, 2012<br>8th resolution<br>Term: 26 months - Expiry: June 25, 2014 | Par value: €42 million<br>€2.5 billion for securities representing debt certificates granting access to share capital | None |
| Share capital increase without preferential subscription rights and by public offer | Extraordinary Shareholders' Meeting of April 26, 2012<br>9th resolution<br>Term: 26 months - Expiry: June 25, 2014 | Par value: €8 million<br>€2.5 billion for securities representing debt certificates granting access to share capital | None |
| Share capital increase without preferential subscription rights and by private placement | Extraordinary Shareholders' Meeting of April 26, 2012<br>10th resolution<br>Term: 26 months - Expiry: June 25, 2014 | Par value: €8 million<br>€2.5 billion for securities representing debt certificates granting access to share capital | None |

| Purpose | Validity | Limit | Use during the 2012 financial year |
|---|---|---|---|
| Grant of performance shares to be issued to eligible employees of the Company and directors or officers of the Company or other associated companies | Extraordinary Shareholders' Meeting of April 26, 2012 11th resolution Term: 24 months - Expiry: April 25, 2014 | 0.5% of share capital | 0.43% |
| Grant of performance shares to be issued to the Executive Director of the Company and to the Group principal executives | Extraordinary Shareholders' Meeting of April 26, 2012 12th resolution Term: 24 months - Expiry: April 25, 2014 | 0.5% of share capital | 0.06% |
| Grant of share subscription or share purchase options to be issued to the eligible employees and directors and officers of the Company and employees and directors and officers of other associated companies | Extraordinary Shareholders' Meeting of April 26, 2012 13th resolution Term: 24 months - Expiry: April 25, 2014 | 0.3% of share capital | 0.16% |
| Grant of share subscription or share purchase options to be issued to Executive Director of the Company and to the Group principal executives | Extraordinary Shareholders' Meeting of April 26, 2012 14th resolution Term: 24 months - Expiry: April 25,2014 | 0.3% of share capital | 0.13% |
| Share capital increase without preferential subscription rights reserved for categories of beneficiaries as part of the implementation of an employee share program | Extraordinary Shareholders' Meeting of April 26, 2012 15th resolution Term: 18 months - Expiry: October 25, 2013 | 0.5% of share capital | 0.31% |
| Share capital increase in favor of employees adhering to a company savings plan | Extraordinary Shareholders' Meeting of April 26, 2012 16th resolution Term: 26 months - Expiry: June 25, 2014 | 1% of share capital | None |

* The 12th, 13th, 14th, 15th, 16th, 17th, 18th, 19th and 20th resolutions of the Combined Shareholders' Meeting on April 28, 2011 expired at Combined Shareholders' Meeting of April 26, 2012, which renewed them with the 6th, 8th, 9th, 10th, 11th, 12th, 13th, 14th and 16th resolutions.

As a number of these authorizations are due to expire, the Combined Shareholders' General Meeting of April 25, 2013, is being requested to authorize the Board of Directors:

- to purchase, for an 18-month period, Company shares, for a maximum share purchase price of €115 in an amount up to 10% of the share capital (thirteenth resolution);
- to grant, on one or more occasions over a 24-month period, performance shares in an amount of up to 0.50% of the Company's share capital as of the date of the Shareholders' Meeting described above to (i) Technip's employees, (ii) employees and directors and officers *(mandataires sociaux)* of the companies related to the Group (fourteenth resolution);
- subject to the approval of the fourteenth resolution, described above, to grant, on one or more occasions over a 24-month period, performance shares in an amount of up to 0.50% of the Company's share capital as of the date of the Shareholders' Meeting described above to the Company's Chairman and Chief Executive Officer *(mandataire social)* and to the Group's principal executives (fifteenth resolution). This grant shall be applied toward the ceiling of 0.50% of the Company's share capital set pursuant to the fourteenth resolution described above;
- to grant, on one or more occasions over a 24-month period, options for the purchase or subscription of shares in an amount of up to 0.30% of the share capital as of the date of the Shareholders' Meeting described above to, (i) Technip's employees (ii) directors and officers *(mandataires sociaux)* of the companies related to the Group (sixteenth resolution);
- subject to the approval of the thirteenth resolution, to grant, on one or more occasions over a 24-month period, options for the purchase or subscription of shares in an amount of up to 0.30% of the Company's share capital on the date of the Shareholders' Meeting described above, to Technip's Chairman and Chief Executive Officer *(mandataire social)* and to the Group's principal executives (seventeenth resolution). This grant shall be applied toward the ceiling of 0.30% of the share capital set under the sixteenth resolution described above;
- to increase the share capital, on one or more occasions over a 26-month period, in favor of members of savings plan of the Company and the French and foreign companies affiliated to the Company pursuant to Article L. 3344-1 of the French Labor Code, in an amount of up to 1% of the share capital on the date of implementation of such increase (eighteenth resolution).

### 21.1.5. CONVERTIBLE OR EXCHANGEABLE SECURITIES, OR SECURITIES WITH WARRANTS

For a description of the Group's convertible bond issues, please refer to Section 4.6 of this Reference Document.

### 21.1.6. ACQUISITION RIGHTS OR OBLIGATIONS OVER AUTHORIZED BUT UNISSUED CAPITAL

None.

### 21.1.7. CONDITIONAL OR UNCONDITIONAL OPTION OR AGREEMENT ON ANY CAPITAL OF ANY MEMBER OF THE GROUP

See Section 17.2.3 of this Reference Document.

## 21.1.8. CHANGES IN SHARE CAPITAL

### Changes in share capital over the three previous years

| Date of Board of Directors' meeting recording the share capital variation | Type of operation | Number of shares issued/ cancelled | Nominal account of the share capital increase/reduction (in Euro) | Global issuance premium | Successive amounts of share capital (in Euro) | Total number of shares | Par value of the shares (in Euro) |
|---|---|---|---|---|---|---|---|
| 02/16/2010 | Exercise of share subscription options | 25,730 | 19,619.13 | - | 83,374,261.68 | 109,343,294 | 0.7625 |
| 02/15/2011 | Exercise of share subscription options | 906,058 | 690,869.22 | - | 84,065,130.90 | 110,249,352 | 0.7625 |
| 02/14/2012 | Exercise of share subscription options | 738,406 | 563,034.58 | - | 84,628,165.48 | 110,987,758 | 0.7625 |
| 07/24/2012 | Exercise of share subscription options | 470,762 | 358,956.02 | - | 84,987,121.50 | 111,458,520 | 0.7625 |
| 07/24/2012 | Recording of the share capital increase under the Group savings plan | 1,475,143 | 1,124,796.54 | - | 86,111,918.04 | 112,933,663 | 0.7625 |
| 10/23/2012 | Exercise of share subscription options | 72,939 | 55,615.99 | - | 86,167,534.03 | 113,006,602 | 0.7625 |

### Changes in share capital from January 1, 2013 until February 28, 2013

| Date of Board of Directors' meeting recording the share capital variation | Type of operation | Number of shares issued/ cancelled | Nominal account of the share capital increase/reduction (in Euro) | Global issuance premium | Amount of share capital (in Euro) | Total number of shares | Par value of the shares (in Euro) |
|---|---|---|---|---|---|---|---|
| 02/19/2013 | Exercise of share subscription options | 33,911 | 25,857.13 | - | 86,193,391.16 | 113,040,513 | 0.7625 |

# 21.2. Articles of Association

## 21.2.1. CORPORATE PURPOSE (ARTICLE 3 OF THE ARTICLES OF ASSOCIATION)

The Company has the following purpose in all countries:

- all engineering studies and services, and the construction of complex industrial plants, particularly in the hydrocarbon sector, and generally in all fields of industry, including chemicals and life sciences;
- the design, manufacture, purchase, sale, construction, assembly and installation of materials, products, equipment and systems intended for said installations, in particular, fixed or floating platforms and pipelines for the development of oil fields at sea;
- the provision of all services related to these products, equipment and installations;
- the development and implementation of all processes and products for practical use in industry as a result of research carried out by the Company or by any other individual or entity;
- the registration, acquisition, procurement, direct or indirect use, sale or purchase of all brands, processes, patents, and licenses for the use of patents;
- the direct or indirect participation of the Company in all operations described above, either by the formation of companies, contributions to existing companies or mergers with such companies, transfer to companies of all or part of its assets or rights in real and personal property, subscriptions, purchases and sales of securities and corporate interests, partnerships, advances, loans or otherwise;
- the investment, by any means and in any form, in companies or industrial, commercial, financial and real property enterprises, whether French or foreign, regardless of their legal form or organization and, where necessary, the disposal of these investments;
- more generally, all operations of a commercial, financial, industrial or civil nature or in real or personal property, related directly or indirectly to any of the purposes listed above and to any similar or related purposes, both on its own behalf or on behalf of third parties, and more generally all transactions facilitating or related to the attainment of these purposes.

## 21.2.2. MEMBERS OF ADMINISTRATIVE, EXECUTIVE AND SUPERVISORY BODIES

### Composition of the Board of Directors (Article 14 of the Articles of Association – excerpts)

The Company is administered by a Board of Directors with no fewer than three, and no more than 18, members, subject to exceptions provided for by law.

Each director shall hold at least 400 of the Company shares in registered form.

Individuals or legal entities may be directors.

Members of the Board of Directors are appointed by the Ordinary Shareholders' Meeting for a four-year term to expire at the end of the Ordinary Shareholders' Meeting convened to approve the financial statements for the preceding financial year and held in the financial year during which the term expires.

One-half of the members of the Board of Directors will be renewed on a rolling basis every two years if the Board of Directors is comprised of an even number of directors, or one-half of the members plus one if the Board of Directors is comprised of an odd number of directors. For purposes of this provision, the order of the termination of office will be decided by the Board of Directors on the date of its first meeting following the adoption of this provision, unanimously approved by the directors present or represented or, failing that, by a random draw. The previous term of office of directors thus chosen or drawn will be automatically nullified.

The number of directors who are over the age of 70 may not exceed one third of the number of directors in office at the end of the financial year.

### Operation of the Board of Directors

#### Deliberations of the Board of Directors (Article 16 of the Articles of Association – excerpts)

At least half of the members of the Board of Directors must be present in person for meetings to be valid.

In accordance with the conditions and limitations set by applicable regulations, directors who are not physically present, but participate in meetings of the Board of Directors by means of video-conference or other telecommunications, will be considered present for purposes of quorum and majority requirements.

Decisions are adopted by a majority of the directors present in person or represented. The Chairman shall have the casting vote in the event of a tie.

#### Powers of the Board of Directors (Article 17 of the Articles of Association)

The Board of Directors shall set the guidelines for the operation of the Company and shall see to it that they are implemented.

Subject to the powers expressly granted pursuant to Shareholders' General Meetings, and within the scope of the corporate purpose, it shall take up any and all issues affecting the proper operation of the Company and shall decide in its meetings any business concerning the Company.

In relationships with third parties, the Company shall be bound even by actions of the Board of Directors which are not related to the corporate purpose, unless it can prove that the third party knew that the action exceeded such purpose or that it could not be unaware of it given the circumstances; for these purposes, the publication of the articles of association shall not in and of itself constitute proof.

The Board of Directors shall perform any and all audits and controls it may deem appropriate. The Chairman or the Company's Chief Executive Officer is responsible for communicating to each director all necessary documentation and information so that they may discharge their duties.

## 21.2.3. RIGHTS AND DUTIES ATTACHED TO THE SHARES (ARTICLE 11 OF THE ARTICLES OF ASSOCIATION)

Each share shall grant a right to the corporate assets, to the distribution of the profits and to any liquidation surplus *(boni de liquidation)*, in proportion to the number of shares issued.

The shareholders shall be liable only up to the amount of their capital contributions.

Share ownership automatically implies adherence to the Company's Articles of Association and to the decisions of the Shareholders' General Meetings.

The rights and duties attached to each share shall pass with the title of the share, to whomever obtains ownership.

Whenever it is necessary to own a certain number of shares to exercise a right of any kind, in particular, in the event of an exchange, consolidation or grant of shares, or following an increase in or reduction of share capital – whatever the terms and conditions thereto may be – a merger or any other transaction, shareholders holding a number of shares fewer than that required may exercise their rights only on the condition that they make their own personal arrangements with regard to consolidation and, where applicable, to the purchase or sale of the number of shares or rights forming the necessary fractional share.

### Double voting rights (Article 12 of the Articles of Association)

From November 24, 1995, double voting rights, taking into account the fraction of the share capital that they represent, have been attributed to all fully paid-up shares which can be proved to have been registered in the name of the same shareholder for at least two years.

In the event of an increase of share capital by capitalization of reserves, profits or premiums, double voting rights shall also be granted as from the time of their issue to registered shares that were granted free of charge to a shareholder in respect of existing shares entitling such shareholder to the benefit of said right.

Registered shares benefiting from double voting rights that are converted into the bearer form for any reason whatsoever shall lose such double voting rights.

Pursuant to Article L. 225-99 of the French Commercial Code, double voting rights may be cancelled by a decision of the extraordinary general meeting of the shareholders of the Company following ratification by the beneficiary shareholders at a special meeting.

### Identifiable bearer shares (Article 13, Paragraph 1 of the Articles of Association)

In accordance with applicable laws and regulations, the Company may at any time ask the body responsible for clearing securities for information enabling it to identify the holders of shares carrying immediate or future voting rights at Shareholders' General Meetings, as well as the number of shares held by each of them and, where applicable, any restrictions that may affect such shares.

### Distribution of profits (Article 27 of the Articles of Association)

From distributable profit, as defined by law, the Shareholders' General Meeting may withhold any sums it thinks fit to allocate to any optional reserve fund or to carry it forward.

The balance, if any, shall be divided between all the shareholders in proportion to the number of shares that they own.

In addition, the Shareholders' General Meeting may decide to distribute sums withheld from the reserve funds at its disposal, by indicating expressly the particular reserve funds from which the deductions should be made. However, the dividends must be withheld first from the distributable profits for the financial year.

## 21.2.4. AMENDMENT OF SHAREHOLDERS' RIGHTS

In the absence of any provisions relating to changes to shareholders' rights in the Company's Articles of Association, any changes to shareholders' rights are subject to applicable law.

## 21.2.5. SHAREHOLDERS' GENERAL MEETINGS (ARTICLE 23 OF THE ARTICLES OF ASSOCIATION)

### Convening and Holding of Shareholders' General Meetings – Deliberations

Shareholders' General Meetings shall be convened in accordance with the conditions set out by applicable laws and regulations. Shareholders' General Meetings shall meet at the registered office or at any other place specified in the notice convening the meeting.

Shareholders' General Meetings shall be chaired by the Chairman of the Board of Directors or, in his/her absence, by a director so appointed by the Board of Directors, or failing this, the Shareholders' General Meeting shall appoint a Chairman.

The scrutineer's functions are performed by two shareholders who are present and who agree to perform these duties, and who have by themselves or as proxies the largest number of votes.

The presiding committee shall appoint a secretary, who can be chosen from outside of the Shareholders' General Meeting's members.

### Attendance

All shareholders may, in accordance with the conditions set forth under applicable laws and regulations, either personally attend the Shareholders' Meetings, cast an absentee vote, or be represented by another shareholder or by their spouse or civil partner. Moreover, they may be represented by any other natural or legal person of his or her choice.

The right to participate in Shareholders' Meetings arises through the registration of the shares in the name of the shareholder, or his or her intermediary registered on his or her behalf pursuant to Article L. 228-1 of the French Commercial Code, as of 00:00 am (Paris time) on the third business day preceding the Shareholders' Meeting, in accordance with applicable regulations.

Any legal entity that is a shareholder may participate in the Shareholders' General Meetings through its legal representatives or by any other person appointed by it for this purpose.

The shareholders may, subject to the conditions set forth under applicable laws and regulations, send their proxy and mail voting form for any Shareholders' Meeting, either in paper form, or, subject to the decision of the Board of Directors at the time at which the Shareholders' Meeting is convened, by electronic means.

When using a proxy and mail voting form or casting an absentee vote electronically, the electronic signature may result from a procedure allowing for the reliable identification of the shareholder, evidencing the link between the signature and the form to which it is affixed.

The Board of Directors may decide, at the time that the Shareholders' Meeting is convened, that the shareholders may participate in the Shareholders' Meeting *via* videoconference or by other means of telecommunication, including the internet, subject to the regulations applicable at the time of their use.

All shareholders who participate in the Shareholders' Meeting by one of the aforementioned means shall be deemed present for the purposes of the quorum and for the calculation of a majority.

The Company will be able, in accordance with applicable regulations, to use electronic communication instead of communication *via* the post in order to satisfy the formalities specified by the regulations.

## 21.2.6. ANY PROVISION OF THE COMPANY'S ARTICLES OF ASSOCIATION THAT WOULD HAVE AN EFFECT OF DELAYING, DEFERRING OR PREVENTING A CHANGE IN CONTROL OF THE COMPANY

To the Company's knowledge, neither the Company's Articles of Association nor its internal charter contains any provisions that could delay or prevent a change in control.

The Company's Articles of Association provide for double voting rights as described above in Section 21.2.3 (Article 12 of the Articles of Association).

## 21.2.7. CROSSING OF THRESHOLDS (ARTICLE 13, PARAGRAPHS 2 AND 3 OF THE ARTICLES OF ASSOCIATION)

Any shareholder acting alone or in a group *(de concert)*, in addition to the thresholds referred to pursuant to Article L. 233-7 of the French Commercial Code, who comes to hold or ceases to hold, directly or indirectly, 1% of the Company's share capital or voting rights, or a multiple of said percentage less than or equal to 30%, shall notify the Company within five business days of having exceeded any one of these thresholds, by registered letter with return receipt requested, of the aggregate number of shares, voting rights or securities giving rights to the Company's share capital, which it holds, directly or indirectly, alone or in a group *(de concert)*.

Any failure to comply with the above statutory notification shall entail the forfeiture of those voting rights exceeding the fraction that was required to have been declared pursuant to the provisions detailed above. Such forfeiture shall apply for all Shareholders' General Meetings that are held during a two-year period following the date on which the failure to notify has been remedied, at the request of one or more shareholders, together holding at least 1% of the Company's share capital or voting rights, with such request being recorded in the minutes of the Shareholders' General Meetings.

## 21.2.8. SPECIFIC PROVISIONS RELATED TO CHANGES IN SHARE CAPITAL

In the absence of any provisions regarding changes to the share capital in the Company's Articles of Association, any changes to the share capital are subject to applicable law.

# 22 Major contracts


22.1. 2010 private bond placement with deferred payment 227
22.2. 2010-2016 convertible bond issue 227
22.3. 2011-2017 convertible bond issue 228
22.4. 2012 private placement notes 228
22.5. *Skandi Arctic* financing 228
22.6. *Skandi Vitória* financing 228
22.7. *Skandi Niterói* financing 228
22.8. BNDES financing 228
22.9. Pipelay support vessels financing 229
22.10. *Deep Energy* financing 229
22.11. 2011 Bank facility 229
22.12. External financing of Global Industries 229
22.13. Revolving credit agreement and bilateral facilities 229


As of December 31, 2012, Technip's credit rating was BBB+/stable/A-2.

## 22.1. 2010 private bond placement with deferred payment

On July 27, 2010, Technip received the proceeds of a €200 million private placement of bonds. For a description of this private placement, please refer to Section 4.6 of this Reference Document.

## 22.2. 2010-2016 convertible bond issue

On November 17, 2010, Technip issued bonds convertible into and/or exchangeable for new or existing shares (OCEANE) for approximately €550 million. For a description of this OCEANE bond issue please refer to Section 4.6 of this Reference Document. The bond issue was rated BBB+ by Standard & Poor's.

The supplementary report from the Chairman and Chief Executive Officer (CEO) of Technip and the supplementary report of the Statutory Auditors on this bond issue are available from Technip, at 89, avenue de la Grande Armée – 75116 Paris (France) and on Technip's website (www.technip.com).

## 22.3. 2011-2017 convertible bond issue

On December 15, 2011, approximately €497.6 million bonds convertible and/or exchangeable for new or existing shares (OCEANE) were issued and are described in Section 4.6 of this Reference Document. The bond issue was rated BBB+ by Standard & Poor's.

The supplementary report from the Chairman and CEO of Technip and the supplementary report of the Statutory Auditors on this bond issue are available from Technip, at 89, avenue de la Grande Armée – 75116 Paris (France) and on Technip's website (www.technip.com).

## 22.4. 2012 private placement notes

In June 2012, three long-term private debt issues were concluded by Technip, each subscribed by a different investor and for an aggregate amount of €325 million and are described in Section 4.6 of this Reference Document.

## 22.5. *Skandi Arctic* financing

The financing of an initial amount of NOK 500 million that corresponds to the 50% interest held by the Group in the *Skandi Arctic* vessel has been reduced to NOK 354.2 million. For a description of this financing, please refer to Section 4.6 of this Reference Document.

## 22.6. *Skandi Vitória* financing

As of December 31, 2012, the two BNDES (Banco Nacional Desenvolvimento Econômico e Social) loans for an initial aggregate amount of USD240 million have been reduced to USD213.5 million, with a USD106.8 million Technip share that corresponds to 50% interest held by the Group in the *Skandi Vitória* vessel. For a description of these loans, please refer Section 4.6 of this Reference Document.

## 22.7. *Skandi Niterói* financing

As of December 31, 2012, the two BNDES loans for an initial aggregate amount of USD136.5 million have been reduced to USD126.9 million, with a USD63.5 million Technip share that corresponds to 50% interest held by the Group in the *Skandi Niterói* vessel. For a description of these loans, please refer Section 4.6 of this Reference Document.

## 22.8. BNDES financing

The 15 different BNDES facility agreements entered into by the Group's Brazilian subsidiary Flexibras Tubos Flexiveis for a total amount of BRL700 million, with seven different commercial banks on behalf of BNDES, are described in Section 4.6 of this Reference Document.

## 22.9. Pipelay support vessels financing

The USD90 million credit facility drawn up to USD70.8 million by the Dutch subsidiary Technip Odebrecht PLSV CV, in which Technip indirectly holds a 50% interest, and dedicated to the first project costs of the construction of two pipelay support vessels, is described in Section 4.6 of this Reference Document.

## 22.10. *Deep Energy* financing

In 2012, Technip cancelled credit facilities for an aggregate amount of USD213 million that were put in place for the financing of the *Deep Energy* that is currently under construction. For a description of these facilities, please refer to Section 4.6 of this Reference Document.

## 22.11. 2011 Bank facility

The bank facility entered into by Technip on November 18, 2011 amounting to USD1.1 billion and reduced to USD455 million, was cancelled on June 14, 2012. For a description of this loan, please refer to Section 4.6 of this Reference Document.

## 22.12. External financing of Global Industries

Global Industries', Ltd's external financing, among which is a bond issue in an initial amount of USD325 million dated July 27, 2007 and amounting to USD2.4 million as of December 31, 2012, following an early redemption in January, 2012, is described in Section 4.6 of this Reference Document.

## 22.13. Revolving credit agreement and bilateral facilities

On July 21, 2011, Technip entered into a €1 billion revolving syndicated agreement, which is described, along with five bilateral facility agreements that were signed with several banks in 2012 for a total amount of €420 million, in Section 4.6 of this Reference Document.

# 23 Information from third Parties, declarations filed by experts and declarations of Interest

To the Company's knowledge, all information from the sources referred to in this Reference Document has been accurately reproduced and no facts have been omitted, that would render the reproduced information, in any significant way, inaccurate or misleading.

# 24 Publicly available documents

Throughout this Reference Document's validity period, the following documents, and all other documents provided for under law, may be consulted in accordance with applicable laws and regulations at the Company's registered office, 89, avenue de la Grande Armée – 75116 Paris (France):

- a copy of the Articles of Association;
- the Statutory Auditors' reports and the financial statements for the preceding three financial years;
- all reports, correspondence and other documents, historical financial information for the Company and its subsidiaries relating to the preceding three financial years; and
- assessments and statements made by an expert at the request of the issuer, part of which is included or discussed in this Reference Document.

## PERSONS RESPONSIBLE FOR FINANCIAL INFORMATION RELEASES

**Investor and Analyst Relations**
CS 51650 – 89, avenue de la Grande Armée – 75773 Paris Cedex 16 – France
Fax: +33 (0)1 47 78 67 58

**Kimberly Stewart**
Phone: +33 (0)1 47 78 66 74
E-mail: kstewart@technip.com

**David Tadbir**
Phone: +33 (0)1 40 90 19 04
E-mail: dtadbir@technip.com

# 25 Information on holdings

See Section 7.2 of this Reference Document and the List of Subsidiaries and Investments as disclosed in Note 7 to the Company's Statutory Financial Statements for the financial year ended December 31, 2012, which is included in Section 20.2 of this Reference Document.

# A Annex: Offices held by Board members, current as of December 31, 2012 and over the past five years [(1)]

| First name | Last name | Current offices | Expired offices in the last five years |
|---|---|---|---|
| Thierry | PILENKO | Director of Hercules Offshore* (United States)<br>Member of the Supervisory Board of PSA Peugeot Citroën* | Director of CGGVeritas*<br>Permanent representative of Technip in Technip France's Board of Directors |
| Olivier | APPERT | Chairman and Chief Executive Officer of IFP Energies nouvelles<br>Director of CGGVeritas*<br>Director of the Institut de Physique du Globe de Paris<br>Director of Storengy | |
| Pascal | COLOMBANI | Chairman of the Board of Directors of Valeo*<br>Director of Alstom*<br>Senior Advisor of A.T. Kearney<br>Non Executive Director of Energy Solutions* (United States) | Director of Rhodia*<br>Director of British Energy Group p.l.c. (United Kingdom) |
| Leticia | COSTA | Director of Insper Instituto de Ensino e Pesquisa (Brazil)<br>Board Member of Gafisa S.A.* (Brazil)<br>Board Member of Marcopolo* (Brazil)<br>Board Member of Localiza S.A.* (Brazil)<br>Board Member of Sadia S.A.* (Brazil)<br>Vice-President of Booz & Company do Brasil (Brazil)<br>Member of the Audit Committee of Vodorantim Industrial (Brazil) | |
| Marie-Ange | DEBON | Director of companies in Suez Environnement Group*: Sita France and Hisusa (Spain) | Director of Groupama*<br>Director of companies in Suez Environnement Group*: Degremont and Sita Waste Services (Hong Kong) |
| C. Maury | DEVINE | Director of FMC Technologies* (United States)<br>Director of John Bean Technologies* (United States)<br>Member of independent Nominating and Governance Committee of Petroleum Geo Services* (Norway) | Vice-Chairman of the Board of Det Norske (Norway)<br>Director of Aquatic Energy (United States) |
| Alexandra Bech | GJØRV | Board Member of Eidsiva Energi AS* (Norway) | Board Member of Norsk Rikskringkasting AS (Norway)<br>Board Member of Norske Skog ASA* (Norway)<br>Board Member of Schibsted* (Norway)<br>Board Member of Hydrogen Technologies AS (Norway)<br>Board Member of Advokatfirmaet Hjort (Norway) |
| Gérard | HAUSER | Director of Alstom*<br>Director of Ipsen*<br>Director of Delachaux<br>President of the Supervisory Committee of Stromboli<br>Director of Mecaplast (Monaco) | Director of Faurecia*<br>Director of Nexans* |
| Marwan | LAHOUD | President of EADS France<br>Member of the Supervisory Board of BPCE<br>Permanent Representative of MBDA in Eurotradia International<br>Member of the Supervisory Committee of Eurocopter<br>Member of the Shareholders' Committee of Airbus<br>Vice President and Member of the Board of Directors of CEPS<br>Member of Bureau and of the Board of Directors of GIFAS<br>Member of the Executive Committee of EADS NV (Netherlands)<br>President of EADS UK (United Kingdom)<br>directors of companies in EADS Group: EADS CASA (Spain), EADS North America Holdings (United States) | |
| John | O'LEARY | Board Member of Vantage Drilling Company* (United States)<br>Member of the Supervisory Board of Huisman-Itrec (Netherlands)<br>Member of the Supervisory Board of Jumbo Shipping (Netherlands) | Board Member of MIS* (United Arab Emirates) |
| Joseph | RINALDI | Partner of Davis Polk & Wardwell LLP (United States) | - |

(1) This table does not include offices held by members of the Company's Board of Directors or the primary employment of the Board members of the Company. These positions are presented in Section 14.1 of the Reference Document.

* Companies listed on a regulated market.

B

# Annex: Financial results of the last five years as of December 31, 2012

## Financial results of the Company for the last five years as of December 31, 2012

| In millions of Euro | December 31, 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|
| **I. YEAR END FINANCIAL POSITION** | | | | | |
| A) Called up Capital | 83.4 | 83.4 | 84.1 | 84.6 | 86.2 |
| B) Outstanding Shares [a] | 109,317,564 | 109,343,294 | 110,249,352 | 110,987,758 | 113,040,513 |
| C) Convertible Bonds | - | - | 6,618,531 | 11,796,986 | 11,796,986 |
| **II. OVERALL OPERATING RESULT** | | | | | |
| A) Net Revenues | 138.7 | 144.9 | 137.4 | 156.9 | 151.3 |
| B) Income before Tax, Depreciation and Amortization | 271.5 | 195.9 | 13.5 | 342.5 | 451.0 |
| C) Income Tax Expense/(Profit) | (64.3) | 17.3 | (39.0) | (44.0) | (37.6) |
| D) Net Income | 250.9 | 45.5 | 275.9 | 357.7 | 472.5 |
| E) Dividends Paid | 143.6 | 156.1 | 171.8 | 172.6 | 185.9 [b] |
| **III. OPERATING INCOME PER SHARE (IN EURO)** | | | | | |
| A) Income before Depreciation and Amortization | 3.1 | 1.6 | 0.5 | 3.5 | 4.3 |
| B) Net Income | 2.3 | 0.4 | 2.5 | 3.2 | 4.2 |
| C) Dividends Paid | 1.20 | 1.35 | 1.45 | 1.58 | 1.68 [b] |
| **IV. STAFF** | | | | | |
| A) Number of Employees | 7 | 8 | 8 | 8 | 7 |
| B) Wages and Salaries | 8.5 | 13.0 | 10.2 | 15.8 | 14.2 |

(a) Does not include the exercise of options arising from the current share purchase or share subscription option plans. Includes 2,370,981 treasury shares as of December 31, 2012.

(b) This amount corresponds to the dividend proposed by the Board of Directors at the Shareholders' General Meeting: €1.68 per share based on outstanding shares excluding treasury shares held as of December 31, 2012.

C

# Annex: Report of the Chairman of the Board of Directors to the Shareholders' Meeting on the composition, conditions of the preparation and organization of the Board of Directors' work, the internal control procedures and risk management procedures put in place by the Company

(Article L. 225-37 of the French Commercial Code)


Code of reference 236

1. Composition and conditions of preparation and organization of the Board of Directors' work 236
   - **1.1.** Composition of the Board of Directors and its Committees 236
   - **1.2.** Company shares held by the directors 239
   - **1.3.** Role and Practices of the Board of Directors 239
   - **1.4.** Specific provisions regarding the participation in general Shareholders' Meeting 241

2. Rules and principles determined by the Board of Directors for the compensation and benefits of the corporate representatives 241
   - **2.1.** Compensation of the Chairman and Chief Executive Officer 241
   - **2.2.** Directors' fees granted to members of the Board of Directors 242

3. Information required pursuant Article L. 225-100-3 of the French Commercial Code 243

4. Internal control procedures and risk management procedures put in place by the Company 243
   - **4.1.** Internal control objectives 243
   - **4.2.** Internal control procedures within the Group 243
   - **4.3.** Internal Control procedures related to the preparation and processing of financial and accounting information 250

This report was prepared pursuant to the provisions of Article L. 225-37 of the French Commercial Code. Its purpose is to describe the composition and the application of the principle of fair representation of women and men within the Board of Directors, the conditions of the preparation and the organization of the Board of Directors' work, to present the rules and principles determined by the Board of Directors for the compensation and benefits of any nature awarded to the corporate representatives, as well as internal control and risk management procedures implemented by the Group, in particular procedures relating to the preparation and processing of accounting and financial information for the annual and consolidated accounts.

This report aims to provide a description of the work completed, undertaken or scheduled by the Company. It does not in any case intend to demonstrate that the Company has control of all risks it is facing.

This report refers to the Management Report which is included in the Reference Document of the Company for the financial year ended December 31, 2012, regarding the disclosure of information referred to in Article L. 225-100-3 of the French Commercial Code on the structure of the Company's capital and on facts that may have an impact in the event of a tender offer.

This report has been prepared by the Chairman and Chief Executive Officer of the Company together with the Group Internal Control Department and the Corporate Secretary's Office. The outline was presented for comments to the Internal Control Steering Committee and reviewed by the various departments of the Group Finance and Control Division. The report was reviewed by the Audit Committee on February 18, 2013, and approved by the Board of Directors of the Company on February 19, 2013.

When used in this report, the terms "Technip" and "Group" refer collectively to Technip SA, the Group's parent company, and to all its directly and indirectly consolidated subsidiaries located both in and outside France.

The term "Company" refers exclusively to Technip SA, the Group's parent company.

# Code of reference

In accordance with Article L. 225-37 of the French Commercial Code, the Company declares that it voluntarily refers to and enforces the AFEP-MEDEF corporate governance code on listed companies of December 2008 resulting from the consolidation of the AFEP-MEDEF report of October 2003 and the AFEP-MEDEF recommendations of January 2007 and October 2008 concerning the compensation of executive directors of listed companies and the recommendation of April 2010 concerning increasing women's presence on Boards of Directors (hereinafter the "AFEP-MEDEF Code"). The AFEP-MEDEF Code is available on the MEDEF's internet site (www.medef.fr).

At the Company's request, Labrador Conseil, an independent corporate governance consultancy firm, has reviewed this Report and has confirmed that the Company complies with the provisions of the AFEP-MEDEF Code.

# 1. Composition and conditions of preparation and organization of the Board of Directors' work

## 1.1. COMPOSITION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

As of December 31, 2012, the Board of Directors was made up of 11 members. It does not include any directors representing employees or employee shareholders. Five directors are of a nationality other than French. As of the date of this Reference Document, it comprises four women following the appointment of Alexandra Bech Gjørv as member of the Board at the meeting of the Board held on October 23, 2012, for a four-year term. Thus, Technip meets the first step of the regulation's requirement in terms of balanced representation of women and men on the Board of Directors to be reached following the Shareholders' Meeting held to approve the financial statements for the financial year ended December 31, 2013.

Pursuant to Article 14-4 of the Company's Articles of Association, the term of Board members is set at four years. This duration respects the recommendations of Article 12 of the AFEP-MEDEF Code.

In accordance with the recommendations of Article 12 of the AFEP-MEDEF Code, in order to facilitate a smooth renewal of the Board and to prevent "renewal en masse", and resulting from the resolution adopted at the Company's Combined Shareholders' Meeting on April 27, 2007, the Board of Directors, at its meeting on the same day, introduced a rolling renewal system, pursuant to which one-half of its members' terms of office should be renewed every two years.

In accordance with the recommendations of the AFEP-MEDEF Code, the characterization of "independent director" of Board members of the Company is discussed and reviewed every year by the Board of Directors upon the Nominations and Remunerations Committee's proposal (Article 8.3 of the AFEP-MEDEF Code).

At its meetings on February 13 and October 23, 2012, the Nominations and Remunerations Committee reviewed the characterization of "independent director" of the Company's Board members which were in office at the date of this Committee with regard to the definition and criteria used in the AFEP-MEDEF Code. This review was also made on February 18, 2013.

Therefore a director is independent when he or she has no relationship of any kind whatsoever with the corporation, its group or the management of either that is such as to influence his or her judgment. This means that the independent director is:

- not to be an employee or executive director of the corporation, or an employee or director of its parent or a company that it consolidates, and has not been in such a position for the previous five years;
- not to be an executive director of a company in which the corporation holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive director of the corporation (currently in office or having held such office going back five years) is a director;
- not to be a customer, supplier, investment banker or commercial banker that is material for the corporation or its group; or for a significant part of whose business the corporation or its group accounts;
- not to be related by close family ties to an executive director;
- not to have been an auditor of the corporation within the previous five years; and
- not to have been a director of the corporation for more than 12 years. As a practical guideline, loss of the status of independent director on the basis of this criterion should occur only upon expiry of the term of office during which the 12-year limit is reached.

The Committee presented its conclusions to the Board of Directors which adopted them at its meeting on February 14, 2012.

As of December 31, 2012, the Board of Directors was composed of eight independent members. It therefore exceeds the recommendations of the AFEP-MEDEF Code, which stipulates that one-half of the Board members must be independent in companies where the share capital is widely held and with no controlling shareholders (Article 8.2).

As of December 31, 2012, the members of the Board of Directors were as follows:

| Name<br>Main position<br>Professional address<br>Age – Nationality | Position within the Board of Directors | Term |
|---|---|---|
| **Thierry Pilenko**<br>Technip's Chairman and Chief Executive Officer<br>89, avenue de la Grande Armée – 75116 Paris<br>55 – French | Technip's Chairman and Chief Executive Officer | Date of first appointment: April 27, 2007.<br>Date of last appointment: April 28, 2011.<br>Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2014. |
| **Olivier Appert**<br>Chairman of IFP Énergies nouvelles<br>Institut Français du Pétrole<br>1 et 4, avenue de Bois-Préau – 92852 Rueil-Malmaison Cedex<br>63 – French | Director | Date of first appointment: May 21, 2003.<br>Date of last appointment: April 28, 2011.<br>Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2014. |
| **Pascal Colombani**<br>Chairman of the Board of Directors of Valeo<br>44, rue de Lisbonne – 75008 Paris<br>67 – French | Independent Director | Date of first appointment: April 27, 2007.<br>Date of last appointment: April 28, 2011.<br>Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2014. |
| **Leticia Costa**<br>Partner in Prada Assessoria<br>Av. Brigadeiro Faria Lima, 1744, 1 andar<br>01451-021 – São Paulo – SP – Brazil<br>52 – Brazilian | Independent Director | Date of first appointment: April 28, 2011.<br>Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2014. |
| **Marie-Ange Debon**<br>Corporate Secretary of Suez Environnement<br>Tour CB21 – 16, place de l'Iris – 92040 Paris La Défense Cedex<br>47 – French | Director | Date of first appointment: July 20, 2010.<br>Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2012 to be held on April 25, 2013. |
| **C. Maury Devine**<br>1219 35th Street NW Washington – DC 20007 – USA<br>61 – American | Independent Director | Date of first appointment: April 28, 2011.<br>Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2014. |
| **Alexandra Bech Gjørv**<br>Partner in Advokatfirmaet Hjort<br>Akersgaten 51 – N-0150 – Oslo – Norway<br>47 – Norwegian | Independent Director | Date of first appointment: October 23, 2012.<br>Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2012 to be held on April 25, 2013. |

| Name<br>Main position<br>Professional address<br>Age – Nationality | Position within the Board of Directors | Term |
|---|---|---|
| Gérard Hauser<br>89, avenue de la Grande Armée – 75116 Paris<br>71 – French | *Senior Independent Director* | Date of first appointment: April 30, 2009.<br>Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2012 to be held on April 25, 2013. |
| Marwan Lahoud<br>Chief Strategy & Marketing Officer of EADS<br>37, bd de Montmorency – 75781 Paris Cedex 16<br>46 – French | Independent Director | Date of first appointment: April 30, 2009.<br>Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2012 to be held on April 25, 2013. |
| John O'Leary<br>Chairman and Chief Executive Officer of Strand Energy<br>Strand Energy – PO Box 28717 – Dubai Industrial Park – Dubai – United Arab Emirates<br>57 – Irish | Independent Director | Date of first appointment: April 27, 2007.<br>Date of last appointment: April 28, 2011.<br>Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2014. |
| Joseph Rinaldi<br>Partner in Davis Polk & Wardwell<br>Davis Polk & Wardwell – 450 Lexington Avenue – New York NY 10017 – USA<br>55 – Australian and Italian | Independent Director | Date of first appointment: April 30, 2009.<br>Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2012 to be held on April 25, 2013. |

The other offices held by the members of the Board of Directors are indicated in Annex A of this Reference Document.

The other offices held by Board members are indicated in Annex A to the Reference Document of the Company for the year ended December 31, 2012.

In order to assist it in fulfilling its duties and responsibilities, the Board of Directors has established four Committees: an Audit Committee and a Nominations and Remunerations Committee, thereby complying with the recommendations made in the AFEP-MEDEF Code (Article 13); a Strategic Committee and an Ethics and Governance Committee in order to meet specific concerns as permitted by the AFEP-MEDEF Code.

On December 31, 2012, the four Committees members were as follows:

## Audit Committee

| Member | Title | Date of first appointment |
|---|---|---|
| Pascal Colombani | Chairman | October 23, 2012 |
| Marie-Ange Debon | Member | October 26, 2010 |
| C. Maury Devine | Member | April 28, 2011 |
| Alexandra Bech Gjørv | Member | October 23, 2012 |
| Gérard Hauser | Member | April 30, 2009 |
| John O'Leary | Member | April 27, 2007 |

In accordance with the AFEP-MEDEF Code, as from their appointment, the members of the Audit Committee receive information on the Company's specific accounting, financial and operational features (Article 14.3.1).

All of the Audit Committee members have, due to their education and professional experience, qualifications in financial and accounting matters which goes beyond the requirements of Article L. 823-19 of the French Commercial Code which directs that at least one member of the Audit Committee shall have such experience and qualifications. All of the Audit Committee members are independent directors, *i.e.*, more than two-thirds of its members as required by the recommendations of the AFEP-MEDEF Code (Article 14.1) and by Article L. 823-19 of the French Commercial Code which directs that at least one member of the Audit Committee shall be independent. In accordance with AFEP-MEDEF Code, the Chairman and Chief Executive Officer, the only executive officer, is not a member of the Audit Committee (Article 14.1).

## Nominations and Remunerations Committee

| Member | Title | Date of first appointment |
|---|---|---|
| Gérard Hauser | Chairman | June 23, 2010 |
| Pascal Colombani | Member | April 27, 2007 |
| C. Maury Devine | Member | April 28, 2011 |

All of the Nominations and Remunerations Committee members are independent directors, which goes beyond the AFEP-MEDEF's recommendations that provide that the Committee should be comprised of a majority of independent directors (Articles 15.1 and 16.1).

## Strategic Committee

| Member | Title | Date of first appointment |
|---|---|---|
| Pascal Colombani | Chairman | April 27, 2007 |
| Joseph Rinaldi | Vice Chairman | June 23, 2010 |
| Olivier Appert | Member | May 21, 2003 |
| Leticia Costa | Member | April 28, 2011 |
| Gérard Hauser | Member | April 30, 2009 |
| Marwan Lahoud | Member | April 30, 2009 |

More than 80% of the members of the Strategic Committee were independent directors.

### Ethics and Governance Committee

| Member | Title | Date of first appointment |
|---|---|---|
| Joseph Rinaldi | Chairman | April 30, 2009 |
| Olivier Appert | Member | December 9, 2008 |
| Pascal Colombani | Member | December 9, 2008 |
| Leticia Costa | Member | April 28, 2011 |

75% of the Ethics and Governance Committee members were independent directors.

### General Management of the Company

The Ordinary Shareholders' Meeting of April 28, 2011 renewed Thierry Pilenko as a director for a four-year term expiring after the Shareholders' Meeting convened to approve the financial statements for the year ended December 31, 2014.

At its meeting of April 28, 2011, the Board of Directors renewed Thierry Pilenko as Chairman of the Board of Directors. At this meeting, in accordance with Article 18 of the Company's Articles of Association, the Board of Directors elected to combine the offices of Chairman and Chief Executive Officer of the Company into one office, after having determined that this form of organization was the most appropriate to the Company, and renewed Thierry Pilenko as Chairman and Chief Executive Officer for the duration of his term of office with the Board of Directors.

At its meeting on February 18, 2013, the Ethics and Governance Committee re-stated its approval to combine the offices of Chairman and Chief Executive Officer, considering that this remained the management method most adapted to the Company.

As of December 31, 2012, the Board of Directors had appointed no Executive Vice President *(Directeur Général Délégué)*.

However, in July 2010, the Board of Directors decided to create a function of Senior Independent Director whose missions are detailed in Section 16.1.1 of the Reference Document of the Company for the year ended December 31, 2012. On October 23, 2012, the Board of Directors entrusted this position to Gérard Hauser for a period of two years, subject to the renewal of his term as director at the 2013 Shareholders' Meeting and extended in exceptional circumstances until the date of the Shareholders' Meeting approving the financial statements for the year ended December 31, 2014.

## 1.2. COMPANY SHARES HELD BY THE DIRECTORS

Pursuant to Article 14 of the Articles of Association effective as of December 31, 2012, each director is required to hold at least 400 Company shares in registered form.

As of December 31, 2012, to the Company's knowledge, each of the Board members holds the following number of shares in registered form:

| Members of the Board of Directors | Number of Technip shares held as of 12/31/2012 |
|---|---|
| Thierry Pilenko | 73,500 |
| Olivier Appert | 904 |
| Pascal Colombani | 400 |
| Leticia Costa | 400 |
| Marie-Ange Debon | 400 |
| C. Maury Devine | 400 |
| Alexandra Bech Gjørv | 0* |
| Gérard Hauser | 1,700 |
| Marwan Lahoud | 400 |
| John O'Leary | 800 |
| Joseph Rinaldi | 400 |
| **TOTAL** | **79,304** |

* 400 shares were acquired on January21, 2013, in accordance with the Articles of Association, within three months of appointment.

## 1.3. ROLE AND PRACTICES OF THE BOARD OF DIRECTORS

### 1.3.1. Role and powers of the Board of Directors

The Board of Directors determines the direction of the Company's operations and oversees its implementation. Subject to the powers expressly assigned to the Shareholders' Meetings, and within the scope of the corporate purpose, it shall take up any and all issues affecting the Company's proper operation and shall decide on any issues concerning it in its meetings.

The Board of Directors' functioning is ruled by an Internal Charter, which was approved by the Board of Directors on May 21, 2003, and is periodically updated (last updated December 12, 2012).

In accordance with Article 17-3 of the Company's Articles of Association, the Board of Directors performs controls and verifications it deems appropriate.

It ensures, with the assistance of the Audit Committee in particular, that internal control entities function properly, that the Statutory Auditors are carrying out their work in a satisfactory manner and that the Board Committees it has created function properly.

The Board may establish special Committees and determine their composition and responsibilities. These Committees perform their activities under the Board of Directors' responsibility. As of December 31, 2012, the Board was assisted by four Committees: the Audit Committee, the Nominations and Remunerations Committee, the Strategic Committee and the Ethics and Governance Committee.

The Board's Internal Charter provides that it formally assesses its operating policies, at regular intervals of no more than three years. In addition, it organizes a discussion regarding its operations once a year.

## 1.3.2. Practice of the Board of Directors

### 1.3.2.1. Meetings and reports of the Board of Directors

The Chairman of the Board of Directors organizes and administers the work of the Board of Directors, on which he gives a report at the Shareholders' Meeting.

The Board of Directors meets at least four times per year, or more frequently as may be required by the circumstances. During the 2012 financial year, the Board met 9 times. The attendance rate for all directors was 90%.

The average duration of a Board of Directors' meeting was approximately four hours.

After reviewing the reports of each of the Audit Committee, the Strategic Committee, the Nominations and Remunerations Committee and the Ethics and Governance Committee on issues within the scope of their respective mission, the Board of Directors worked in 2012, among others, on the following matters:

- Financial and accounting matters:
  - review of the annual accounts and Consolidated Financial Statements for the financial year 2011, the first half-year Consolidated Financial Statements and quarterly information for financial year 2012, upon the Audit Committee's recommendation and the Statutory Auditors' observations,
  - review of draft press releases announcing the financial results under the period reviewed,
  - review of the half-year financial report and 2012 interim financial information,
  - review of the 2013 budget and the investment plan,
  - review of the cash flow forecasts, and
  - assessment of the provisional management accounts;
- Preparation of the Annual Shareholders' Meeting:
  - the notice of the meeting, determination of the agenda and draft resolutions, and
  - review of the Reference Document including the Board of Directors Report and the Financial Report and the Chairman's Report on Internal Control;
- Decisions, in particular regarding:
  - the determination of the Chairman and Chief Executive Officer's compensation and of its objectives for 2012,
  - the list of the members of the special Committees of the Board of Directors,
  - the list of directors qualified as "independent directors",
  - the distribution of directors' fees,
  - the nomination of Gérard Hauser as Senior Independent Director,
  - the update of the Board of Directors' internal rules and the Rules of Good Conduct on the distribution and use of privileged information,
  - the implementation of a share capital increase in favor of employees,
  - bond issuances through private placement,
  - the submission of bids for several acquisition Projects, the final approval for the acquisition of the Energy & Chemicals division of the Shaw group and associated financings,
  - the approval of a share subscription option plan and the grant of three tranches of options, the approval of a performance share plan and the grant of three tranches of performance shares, the recording of the share capital increase resulting from the exercise of the share subscription options, and
  - the authorization to issue parent company guarantees;
- Review, in particular, of:
  - the Human Resources Handbook, and
  - information on the Group's operations.

### 1.3.2.2. Assessment of the Board of Directors

On February 14, 2012, in accordance with the recommendations of the AFEP-MEDEF code, the Board of Directors conducted a global review of its own operation policies as well as those of its Committees and concluded that they were all functioning properly.

In addition, the Board of Directors has followed, during the financial year 2012, the implementation of the recommendations for the improvement of its operations contained in the conclusions of the in-depth evaluation report prepared by an external consultant at the end of 2011.

The main effective measures, as such, have included:

- the implementation of the objective of diversity regarding the composition of the Board (appointment of Ms. Alexandra Bech Gjørv); and
- electronic tool for the dispatch of Committees and Boards packs to the directors (*via* a secure website).

### 1.3.2.3. Right to information and communication for directors

The Chairman of the Board of Directors monitors the proper functioning of the Company's bodies and ensures, in particular, that directors are in a position to perform their duties. The Chairman of the Board of Directors must send to each director all documents which are necessary to perform their duties.

Directors receive all the information which is useful to the exercise of their duties in accordance with the agenda prior to each Board meeting. To this end, the Company complies with its internal rules that provide that documents to be reviewed in a Board meeting are circulated the week before the meeting.

The Directors' Charter adopted on May 21, 2003, as amended on February 19, 2013, provides that each director must be carefully prepared for Board meetings and Committees' meetings, that he or she is a member of, and has an obligation to review the documentation made available to he or her. He or she can request the Chairman of the Company, the Chief Executive Officer and the Executive Vice Presidents, for any and all additional information that he or she deems necessary or useful. If he or she believes this is necessary, a director can ask for training on the specifics of the Company, its work and its business sector. As such, in 2012, Alexandra Bech Gjørv received a training session to familiarize herself with the activities and practices of the Group, following her appointment as Directors of the Board.

### 1.3.2.4. Limitation of the powers of the Chief Executive Officer

In accordance with Article 19-1 of the Company's Articles of Association, the Board of Directors delegated to the Chairman and Chief Executive Officer all authority granted by French law with the ability to delegate such authority in specific areas.

### 1.4. SPECIFIC PROVISIONS REGARDING THE PARTICIPATION IN GENERAL SHAREHOLDERS' MEETING

#### Shareholders' Meetings

##### Convening and holding of Shareholders' Meetings – Deliberations (Article 23 of the Articles of Association)

Shareholders' Meetings shall be convened in accordance with applicable laws and regulations. Shareholders' Meetings shall meet at the registered office or at any other place specified in the notice.

Shareholders' Meetings shall be chaired by the Chairman of the Board of Directors or, in his absence, by a director so appointed by the Board of Directors, or failing which, the Shareholders' Meeting shall appoint a Chairman.

The vote tellers' functions are performed by two shareholders who are present and who agree to perform these duties, and who have by themselves or by proxy the largest number of votes.

The presiding Committee appoints a secretary, who must be chosen from outside the members of the Meeting.

##### Participation (Article 23 of the Articles of Association)

All shareholders may, in accordance with the conditions set forth under applicable laws and regulations, either personally attend the Shareholders' Meetings, cast an absentee vote, or be represented by another shareholder or by their spouse or civil partner. Moreover, they may be represented by any other natural or legal person of his or her choice.

The right to participate in Shareholders' Meetings arises through the registration of the shares in the name of the shareholder, or his or her intermediary registered on his or her behalf pursuant to Article L. 228-1 of the French Commercial Code, as of 00:00 am (Paris time) on the third business day preceding the Shareholders' Meeting, in accordance with applicable regulations.

Any legal entity that is a shareholder may participate in the Shareholders' General Meetings through its legal representatives or by any other person appointed by it for this purpose.

The shareholders may, subject to the conditions set forth under applicable laws and regulations, send their proxy and mail voting form for any Shareholders' Meeting, either in paper form, or, subject to the decision of the Board of Directors at the time at which the Shareholders' Meeting is convened, by electronic means.

When using a proxy and mail voting form or casting an absentee vote electronically, the electronic signature may result from a procedure allowing for the reliable identification of the shareholder, evidencing the link between the signature and the form to which it is affixed.

The Board of Directors may decide, at the time that the Shareholders' Meeting is convened, that the shareholders may participate in the Shareholders' Meeting *via* videoconference or by other means of telecommunication, including the internet, subject to the regulations applicable at the time of their use.

All shareholders who participate in the Shareholders' Meeting by one of the aforementioned means shall be deemed present for the purposes of the quorum and for the calculation of a majority.

The Company will be able, in accordance with applicable regulations, to use electronic communication instead of communication by post in order to satisfy the formalities specified by the regulations.

##### Double voting rights (Article 12 of the Articles of Association)

Since November 24, 1995, double voting rights, taking into account the fraction of the share capital that they hold, have been attributed to all fully paid-up shares which have been registered in the name of the same shareholder for at least two years.

In the event of an increase in share capital by capitalization of reserves, profits or premiums, double voting rights shall also be granted as from the time of their issue to registered shares. They will be granted free of charge to a shareholder in respect of their existing shares, entitling such shareholder to the benefit of the double voting right.

Registered shares benefiting from double voting rights that are converted into bearer form, for any reason whatsoever, shall lose such double voting rights.

## 2. Rules and principles determined by the Board of Directors for the compensation and benefits of the corporate representatives

### 2.1. COMPENSATION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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).
- 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), (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 4th 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 60th 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 55th 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.

## 2.2. DIRECTORS' FEES GRANTED TO MEMBERS OF THE BOARD OF DIRECTORS

The Shareholders' Meeting of April 29, 2010 set the amount of directors' fees allocated to members of the Board of Directors for each of the financial years 2010, 2011 and 2012 at €600,000.

The Board of Directors determines the terms of payment of directors' fees *(jetons de présence)*. On the proposal of the Nominations and Remunerations Committee, the Board of Directors finalized the distribution of directors' fees for 2012 as follows:

- both a fixed and variable portions paid according to attendance rate at Board and Committees meetings; and
- an additional fixed amount awarded to directors living outside France, the Senior Independent Director and Chairmen of the Committees.

Directors (other than the Chairman and Chief Executive Officer) do not receive any other compensation from the Company or companies of the Group.

A proposal will be submitted to the Shareholders' General Meeting of April 25, 2013 to raise the total amount of directors' fees to €800,000 for the financial years 2013, 2014 and 2015 (the proposed twelth resolution is included in Annex G Section 3 of this Reference Document).

# 3. Information required pursuant Article L. 225-100-3 of the French Commercial Code

Information required pursuant to Article L. 225-100-3 of the French Commercial Code is reported in the following sections of the Reference Document of the Company for the year ended December 31, 2012: Sections 4, 7.2, 14.1.1, 15, 18, 21.1.3, 21.2.2, 21.2.3, 21.2.6, and Note 7 of the Statutory Financial Statements as of December 31, 2012 included in Section 20.2 of the abovementioned Reference Document.

# 4. Internal control procedures and risk management procedures put in place by the Company

In order to manage inherent risks in its business, the Group has always maintained internal control procedures and a variety of tools that have gradually developed and which are based on the fundamental concept of a Project.

The Chairman and Chief Executive Officer, assisted by the Chief Financial Officer (CFO), ensures that effective control measures are deployed within the Group and that possible dysfunctions related to internal controls are subject to appropriate corrective measures. The Audit Committee of the Company monitors the assessment of internal control procedures as well as all measures for any significant issues encountered.

## 4.1. INTERNAL CONTROL OBJECTIVES

### 4.1.1. Definition and objectives of the internal control

The Group defines internal control as a process implemented by the Executive Committee, the different departments and divisions of the Group and each employee in order to give reasonable assurance that:

- the Group's corporate objectives, as defined by corporate bodies, applicable laws and regulations and the Group's Values, standards and Internal Charters, are followed;
- the financial information is reliable; and
- operations are effective and resources are used in an efficient manner.

In this respect, the framework of internal control that the Group has implemented contributes to managing the operation of the Group's business. However, it cannot provide an absolute guarantee that risks are completely eliminated or entirely covered.

### 4.1.2. Scope of this report

This report refers to the Company and all of its consolidated entities (the "Group"). The new Technip Stone & Webster Process Technology (PT) Business Unit, coming from both Technip and the recently acquired Shaw E&C organization, is not part of this report. The Global Industries, Ltd. entities acquired by the end of December 2011 are now integrated within the Internal Control scope of Technip. Because Shaw is a publicly traded company reporting to the U.S. Securities Exchange Commission (SEC), the acquired organization complied with the provisions of Sarbanes-Oxley until its acquisition.

### 4.1.3. Internal control framework

The internal control system, as defined by the Group, is based on the framework of the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and is accordingly compliant with the internal control framework recommended by the French *Autorité des marchés financiers* (AMF) and its application guide, as updated in July 2010.

## 4.2. INTERNAL CONTROL PROCEDURES WITHIN THE GROUP

This report addresses the five internal control components defined by COSO, *i.e.*, control environment, risk assessment procedure, control operations, information and communication and internal control monitoring.

### 4.2.1. Control environment

#### The Board of Directors

The Group's Board of Directors, assisted by its four Committees (*i.e.*, the Audit Committee, Nominations and Remunerations Committee, Strategic Committee and Ethics and Governance Committee) approves the main direction of the Group's business operations and ensures its implementation. Within the scope of the Company's corporate purpose, as stated in its Articles of Association, it deals with all matters relating to the conduct of the Group's business, other than those matters that are expressly reserved by law to shareholders' meetings.

The Directors are required to comply with the Directors' Charter and to abide by the Group values that are formulated in Technip's Group Values Charter. They must also follow the Rules of Good Conduct relating to the communication and use of privileged information by corporate officers, executives and employees of the Group.

As of December 31, 2012, the four Committees set up by the Board of Directors have their own Charter describing their particular duties, responsibilities and practices.

Each of these Committees is comprised of at least three directors appointed by the Board of Directors.

Their work is presented to the Board of Directors in a written report.

## The Audit Committee

The function of the Audit Committee is to assist the Board of Directors in ensuring the quality of internal controls procedures and the integrity of items disclosed to the Company's shareholders and the financial markets.

The Audit Committee ensures follow-up on issues regarding the generation and control of accounting and financial information and, in this respect, is mainly responsible for:

- recommending the appointment and compensation of Statutory Auditors to the Board of Directors, as well as ensuring their independence;
- analyzing the assumptions used in the closing of accounts and reviewing the Company's financial statements and the consolidated annual and interim condensed financial statements or information prior to the Board of Directors' review, including by remaining aware of the financial situation, liquidity and commitments of the Company;
- assessing internal control procedures as well as any other corrective measures for any significant problems encountered during the internal control process;
- evaluating the relevance of the risk analysis procedures; and
- reviewing the procedures to be implemented on the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, as well as documents sent anonymously and confidentially by employees raising concerns regarding questionable accounting or auditing matters.

The Audit Committee may interview the Chairman and Chief Executive Officer and interview or visit any operational or functional business head to perform its duties. The Committee may in particular interview any person involved in the preparation of financial statements or audit processes (such as the Finance Directors, Audit Directors and General Counsel).

The Committee also interviews the Statutory Auditors. It may do so without the presence of the Company management.

The Committee meets at least four times per year. The Committee met six times during the 2012 financial year and had an attendance rate of 97% for all members.

## The Nominations and Remunerations Committee

In accordance with the recommendations of the AFEP-MEDEF Code, the Chairman and Chief Executive Officer, the only executive officer, is not a member of the Committee.

The Nominations and Remunerations Committee conducts preparatory work on appointments of Board members and corporate officers, compensation policy and the policy for granting share subscription options or share purchase options.

This Committee is mainly responsible for the following:

- issuing recommendations to the Board of Directors for the appointment of directors, the Chairman, the Chief Executive Officer and other Executive Vice Presidents *(Directeurs Généraux Délégués)*, as necessary;
- reviewing executive compensation policies implemented within the Group and the compensation of senior management, issuing proposals regarding the compensation of the Chairman, the Chief Executive Officer and other Executive Vice Presidents, as appropriate, and preparing a report on the foregoing.

This Committee submits to the Board of Directors, on an annual basis, a list of proposed directors qualified as "independent directors" under applicable rules and recommendations.

The Committee may seek proposals from the Company's Chairman and Chief Executive Officer.

The Chairman and Chief Executive Officer of the Company participates in all meetings other than deliberations that relate to him.

Subject to confidentiality obligations, the Committee may request that the Chairman and Chief Executive Officer obtain assistance from any executives whose expertise may be relevant to the Committee's agenda.

The Committee meets at least twice a year. The Committee met four times during financial year 2012. Its attendance rate was 100%.

## The Strategic Committee

The Strategic Committee assists the Board of Directors in reviewing and making decisions on major transactions related to the Group's main strategic objectives.

In this context, the functions of this Committee include the review of the Group's budget, the review of any major asset acquisitions or dispositions as well as the review of any transaction that could involve major risks for the Group.

The Committee may seek proposals from the Company's Chairman. The Chairman and Chief Executive Officer participates in the meetings.

The Committee may request that the Chairman and Chief Executive Officer obtain assistance from any executive whose expertise may be relevant to the Committee's agenda.

The Committee meets at least twice a year. The Committee met two times during financial year 2012. The attendance rate was 81% for all members.

## The Ethics and Governance Committee

The Committee assists the Board of Directors in promoting best practices regarding governance and ethics within the Group.

Directors who are not members of this Committee can freely participate in the Committee's meetings.

The Committee may request the Chairman and Chief Executive Officer assistance from any executives whose expertise may be relevant to the Committee's agenda.

The Committee meets at least twice a year. The Committee met twice during financial year 2012. The attendance rate was 88%.

### The Executive Management

The Chairman and Chief Executive Officer implements the objectives determined by the Board of Directors. The Chairman and Chief Executive Officer is at the head of the Group's corporate management and is assisted by the Executive Committee (Excom).

The Chairman and Chief Executive Officer and the Excom have a central coordination role that has a major influence on the control environment and sets the "tone at the top". Through their responsibilities, they ensure that internal control procedures are in place and operative.

The Chairman and Chief Executive Officer is assisted by two specialized Committees:

- the Committee on Sustainable Development: responsible for driving and measuring the Group's progress in its sustainable development strategy; and
- the Disclosure Committee: responsible for assisting the Chairman and Chief Executive Officer and the CFO in their duties to ensure compliance with the laws and regulations applicable to listed companies, to give a true and fair view of the financial statements. This Committee meets 4 times a year.

All of the Group's activities are governed by the rules prescribed in the Group's Values Charter. The Group's core values include integrity, professional excellence, protection of health, safety, security and the environment, as well as civic and social responsibility. Furthermore, the Group is committed to supporting and promoting the principles of the "Global Compact", a United Nations program regarding human rights, labor, environment and ethics within its sphere of influence. The Group's core Values are set out in six Charters covering ethics, social responsibility, environmental protection, health and safety, quality and security.

The Group is committed to reflecting its Values as well as the Ethics Charter in staff operations and its relationship with stakeholders, such as contractors, suppliers and partners in all countries where the Group operates.

The Ethics and Compliance Committee is composed of senior managers from across the Group and reports directly to Technip's Chairman and Chief Executive Officer. It ensures proper adherence to the Group's Ethics Charter and all internal regulations derived therefrom. It makes proposals to the Chairman and to the Board in respect of ethics and compliance. The Ethics and Compliance Committee also organizes reports from Regional managers on the application of the Charter. In addition, any employee can refer an issue to the Ethics and Compliance Committee on any subject relating to the principles provided in the Ethics Charter. A whistleblowing procedure provides a structure to report potential conflicts or incidents in financial, accounting and anti-bribery areas. The Ethics and Compliance Committee is chaired by the Group Compliance Officer.

At executive level, directors and senior managers have signed the "Code of Ethics applicable to the Group's Directors, Executive Management and Senior Financial Officers". This code is an addendum to the Ethics Charter setting forth specific rules applying to them in terms of conflict of interest, public reporting, compliance and personal responsibility. Senior Management has circulated a "No Gift Instruction" note explaining the procedure for the acceptance of a gift in a professional environment to employees worldwide and communicates the "Rules of Good Conduct relating to the communication and the use of privileged information".

Annual employee appraisals refer to "analysis of skills and professional behavior" with individual commitment to ethical values.

Applying the Group's strategic objectives, its organizational structure is based on seven Regions with full P&L accountability, a vertically integrated Subsea business unit and the new global Business Unit Technip Stone & Webster Process Technology (PT). This structure was established by the Chairman and Chief Executive Officer of the Company in an organizational memorandum defining the Company's strategic framework, organizational objectives and principles.

## 4.2.2. Risk management

All risks faced by the Group (risks related to the Group, its operations and industry, as well as regulatory and legal risks, industrial and environmental risks, credit/counter-party risks, liquidity risks and market risks as detailed in Section 4 of this Reference Document) are subject to risk assessment and risk management measures at different levels of the organization, from the Corporate Divisions to the relevant Regions, entities and Projects.

### Corporate Risk Management

The Group's Risk Management function is led by the Senior Vice President Group Audit and Risk Management reporting to the Group Chief Financial Officer, who is responsible for providing an integrated approach of risk assessment, risk management and audit as well as ensuring that the Risk Management organization is monitored at appropriate levels across the Group, which encompasses the monitoring of processes, tools and risk assessment.

His mission is to focus on Project risks with an aim to ensure that appropriate tools and processes are defined, reviewed and implemented consistently across the Group and in all segments of activity. He is also responsible for monitoring the Portfolio and Enterprise Risk Management processes which are being reviewed and implemented across the Group. He participates in the identification and assessment of major risks faced by the Group and ensures the follow up and the implementation of the risk management strategy.

### Group Internal Audit

The Group Internal Audit assists the Chief Financial Officer (CFO) in assessing and improving the effectiveness of risk management, control and governance processes. It is carried out within the framework defined by Technip in the Internal Audit Charter and in compliance with the Internal Audit Plan issued at the beginning of each year and validated by the Executive Committee. This plan considers the mapping of operations and risks, as well as the rotation of audits performed. It is also presented to and validated by the Audit Committee of the Board of Directors.

The Group Internal Audit monitors the implementation of the remediation action plans defined in the audit reports.

## Group Divisions

Under the authority of the Company's Chairman and Chief Executive Officer (CEO), the Group's structure is based on a number of Corporate Divisions. Each division helps to assess and mitigate the risks faced by the Group in its respective area of responsibility.

- In an effort to assess and manage risks with respect to the Group's operations, the Executive Vice Presidents (EVP) & Chief Operating Officer (COO) Onshore Offshore and Subsea are responsible for the entire operational organization covering the business and operations for respectively the Onshore Offshore and Subsea segments. This includes commercial operations, Business Development, key accounts, tendering coordination and all operational assets and related resources including technology development.
- The General Counsel, to whom the Legal Division and the Group Corporate Secretary Office report, is responsible for all legal matters within the Group and for the definition of the Group's legal strategy and policy. He also prepares and oversees, among other things, the Group's contracting policies, assesses the terms and legal risks of contracts, manages any litigation proceedings arising from the performance of contracts and is in charge of the subscription and renewal of insurance policies in order to minimize the contractual risks faced by the Group. Finally, he follows up on real estate issues within the Group.
- The Group Compliance Officer reports to the General Counsel and the Company's Board of Directors through the Ethics and Governance Committee. She makes regular reports and recommendations concerning compliance to the General Counsel, Chairman and Chief Executive Officer and the Technip Ethics and Governance Committee. She may raise certain issues to the Chairman of the Technip Ethics and Governance Committee. Finally, she is also responsible for ensuring the application of the Ethics Charter and the effective implementation and enforcement of applicable anti-corruption and compliance policies.
- The Human Resources Division is responsible for managing the Group's human resources (recruitment, training, career and skills management, and compensation) in order to ensure that the Group attracts and retains the necessary personnel and participates in its professional development.
- The Communication Division, except for financial communications, reports to the Chairman and the CEO.
- The Quality Health and Safety (QHSE) and Security department reports to the Chairman and CEO directly. Global Procurement reports to the EVP and COO Onshore Offshore.
- The Finance and Control Division, under the supervision of the Chief Financial Officer (CFO), monitors the financial market risks pertaining to the Group's finances and the financial engineering of Projects. It also prepares statutory and consolidated financial statements as well as management accounts, is in charge of internal control, treasury management, tax management, audit and risk management, financial communications and investor relations. It also monitors the Strategy and Information Technology Divisions; and
- The Security Department, reporting to the Chairman and Chief Executive Officer (CEO), is among others in charge of carrying out Independent IT Security audits and more generally all necessary Security Audits within the Group, ensuring the implementation of relevant Master Security plans dedicated to Projects and insuring coherence and efficiency of the Business Continuity Plan for Regions, headquarters and Projects.

## Regional organization

This organization is based on the “Principle of Regionality”, which delegates managerial responsibility to the appropriate level. Day-to-day operations are under the responsibility of the Regions.

As the Group's core operational unit, each Region is defined by territory, its operational resources (commercial and execution) and its projects. Each Region is responsible for their Profit and loss which requires full entrepreneurial leeway for operational decision making in respect of project execution and client relations.

Seven regions have been defined with their respective activities, headquarters and current operating centers:

| Regions | Headquarters | Business Segments |
|---|---|---|
| Region A:<br>Western Europe, Africa, India, Pakistan | Paris | Subsea<br>Onshore/Offshore |
| Region B:<br>Italy, Greece, Eastern Europe, Russia/CIS, South America | Rome | Onshore/Offshore |
| Asia Pacific | Kuala Lumpur | Subsea<br>Onshore/Offshore |
| North Sea, Canada | Aberdeen | Subsea<br>Onshore/Offshore |
| North America | Houston | Subsea<br>Onshore/Offshore |
| Brazil | Rio de Janeiro | Subsea<br>Onshore/Offshore |
| Middle East:<br>United Arab Emirates, Qatar, Oman, Yemen, Saudi Arabia, Jordan, Syria, Iraq, Bahrain and Kuwait | Abu Dhabi | Onshore/Offshore |

In addition, the Product Business Units (PBUs) are entities that work toward the development of technologies and expertise throughout the Group. They participate in the preparation of sales proposals and assist the Regions. They are not directly responsible for a specific profit and loss account but must have a global vision of the operations and their profitability to establish benchmarks and propose mid to long term strategies.

The Subsea Division which reports directly to the EVP and Subsea COO is responsible for the strategic management of Research and Development, fleet and manufacturing plants including expansion plans. Project management is handled by the Regions.

The new Business Unit Technip Stone & Webster Process Technology which reports to the SVP Onshore is in charge of setting the proprietary technology strategy at the earliest stage of prospect proposal development, developing the technology strategy, managing the technology development and Intellectual property strategy across PT, and identifying global trends in technology.

### Risk management of Projects

Risk assessment is conducted by the Group Divisions then across the Regions and the other components of the Group, down to the level of each individual Project.

Before bidding for a project, Technip conducts a cost evaluation and analyzes the technical, commercial, financial and legal aspects of the project.

Furthermore, in each Project where the services of a local partner are needed, the Technip Compliance Policy requires an investigation into the background and reputation of its prospective partners, to give it a factual basis for concluding that the partner is capable of performing the services and will do so in a manner that fully complies with Technip's Anti-Corruption Policy.

Regional Bid Authorization procedures have been implemented to define applicable authority thresholds and approval levels within each Region's scope of responsibility (Region or Corporate). Each bid must be authorized by the management through an Authorization To Tender ("ATT"). Once the bid is submitted, the previous cost evaluation and financial and legal analysis are updated. The contract cannot be entered into without an Authorization To Commit ("ATC").

In addition to the risk assessment process at tender stage, risks are regularly assessed during the Project execution phase, including through Project reviews.

## 4.2.3. Control operations

### Principles

In order to prevent and mitigate the risks related to financial reporting, operations and the Group's assets, control operations are at all levels, in Regions, projects and within all Corporate functions throughout the Group.

In particular, these control operations aim to ensure that the following principles are followed:

- Organizational structures and responsibilities are defined and documented, business objectives are reviewed, key performance indicators are monitored, tenders and newly appointed partners are duly authorized, regular Project and asset reviews are conducted at the entity, regional or Group level, and client invoicing is monitored and approved.
- The segregation of incompatible tasks are monitored with respect to custody of assets, authorization of transactions and recording and control procedures, with the aim of reducing the risk of error or fraud.
- Budgets and forecasts are reviewed according to Group objectives.
- Reconciliations of physical assets are performed to ensure the corresponding accounts accurately reflect the reality.
- The Group Controlling Department prepared and distributed to the entire Group formal procedures for financial reporting in the form of quarterly statements and accounting rules, in accordance with accounting standards. Significant estimates and other significant accounting assessments are subject to a systematic review and comply with accounting standards and are consistent with current practices within the Group.
- Competency and experience requirements for key personnel are defined and documented; standards and procedures are applied for the entire employment contract cycle. Training/orientation is provided to newly hired personnel and personnel turnover is monitored. Checks and reconciliations are performed in the payroll chain from the calculation of pay, to pay slip issuance up until payment.
- The delegation of authority for decision-making and the Group's commitments towards third parties are formalized, regularly reviewed and updated. Permanent procedures are managed, adjusted and reviewed.
- Prospective suppliers are identified and selected on the basis of comparison charts approved by authorized personnel according to delegation rights and powers. Commitments are duly authorized, invoices reconciled with work undertaken/goods delivered and approved. Payments are verified and accounting records are checked.
- In relation to IT security, controls exist to ensure that data is accessible to authorized persons, data is not changed by unauthorized actions, usage is logged, relevant users are identified and data is not accessed by unauthorized persons. Controls ensure that key users validate changes and are the only ones authorized to request the start of production.

### Internal control evaluation processes

Detailed work related to documentation and testing of internal controls are carried out annually in the Group's major organizations from the executive management to the Regions, entities and Projects.

A detailed description of the processes and controls considered as key under the Group's internal control standards gives rise to three phases of tests dispersed throughout the year, which aim to ensure the controls are effectively and efficiently implemented. These tests are performed according to a self-assessment approach.

The self-assessment covers the following areas:

- the control Environment (assessed on the basis of questionnaires): Business & Organization, Finance, Human Resources, Permanent Procedures & Policies, Corporate Bodies, Ethics & Integrity, Internal Audit and Information Systems;
- the Business processes (assessed on the basis of tests): revenues, purchasing and procurement, payroll, capital expenditure, inventories, manufacturing and engineering, subcontracting, cost control, treasury, financial control, consolidation and tax;
- Information Technology (assessed on the basis of tests): security, operations and change management.

The results are consolidated and analyzed by the Group Internal Control. They are subject to a detailed presentation to the Audit Committee as part of the Group's annual closure of accounts.

The Auditors perform audits of internal controls if they deem it necessary in connection with their audit of the annual and consolidated accounts and, where appropriate, report their observations to the Audit Committee.

### 4.2.4. Information and communication

Information and Communication is an integral part of the Group's internal control framework as the Group is committed to reflecting its Values and internal control practices in staff operations and its relationship with stakeholders, such as suppliers and partners in all countries where the Group operates.

#### Documentation

Management of the Group's reference documentation and related framework is coordinated by the Group Quality department. Permanent procedures and policies are categorized according to five different levels: the Golden Book, Group Operating Principles and Standards, Group Instructions, Group Business Guidelines and Regions' Management Principles and Responsibilities. These documents are available on the Group intranet.

- The Golden Book is intended to give a comprehensive overview of the three themes which underpin the Group's management principles and responsibilities:
  - the Group's Core Values, encompassing its Ethics, Social, Environmental, Health and Safety, Security and Quality Charters, and its Quality, Risk, Health Safety and Environmental Policies;
  - the Core Management Principles and structure of the Group, including the role of the Regions; and
  - the role of Corporate Functions.

  The management principles in this Golden Book are valid for all entities controlled by the Group and are applied throughout the Group.
- The Group Operating Principles and Standards (GOPS) and Group Instructions are a collection of all general instructions, rules and procedures which are applicable throughout the Group. The GOPS are classified into sections, each section being related to one corporate function. In addition to the GOPS, Group Instructions may be issued from time to time by the members of the Executive Committee or people acting on their behalf. Group Instructions are more detailed instructions for application of business matters on a day-to-day basis and are aimed at specialized areas.
- To facilitate compliance with the GOPS, Corporate Functions issue and communicate Group Business Guidelines, that provide non-binding guidance to promote the use of "best practices" and support Operating Centers to improve their operational performance.
- The requirements stated in the Golden Book, GOPS and Group Instructions are mandatory across the Group and provide the overriding framework with which the Regions conduct their operational autonomy. Regions also issue their own detailed Management Principles and Responsibilities as they see fit, as do their sub-divisions (Business Units, Projects).

Each Corporate Function is responsible for performing a yearly review of its GOPS in order to verify that they still adequately match the business objectives and to implement modifications or even cancellation if needed. Group Quality & Methods (GQM), reporting to the Group QHSE Director, participates in these reviews and facilitates their formalisation. These reviews highlight topics and areas which audits should focus upon.

At Regional level, effective implementation of GOPS is raised as a standard agenda item in the planned Quality Management Reviews.

#### Communication

The circulation of information within the Group and public relations (except for financial communication) are coordinated and monitored by the Communication Department.

The Investor Relations Department focuses on financial communication and ensures that investors and the public receive accurate, precise and fairly presented information on the Group's financial and operating performance, in accordance with French law and the French Financial Market Authority's (AMF) General Regulation.

With respect to the Group's knowledge base and talent, Technip University strives to promote expertise and maximize know-how, develop managerial skills, promote multicultural environment and facilitate integration.

The Information Technology (IT) Department (among others) has the responsibility for improving IT and communication tools ensuring the security of systems and data and the consistency of IT systems in all units.

### 4.2.5. Monitoring

Internal control is monitored at all levels within the Group. The roles of major stakeholders are described below.

#### Audit Committee

The Audit Committee has a central oversight role to ensure that the internal control system is in place and operative, as this enables the Board of Directors to ensure the quality of internal controls as well as the integrity of the information disclosed to shareholders and financial markets.

The annual Internal Control assessment report and the Report of the Chairman of the Board of Directors to the Shareholders' Meeting on internal control and risk management procedures implemented by the Company were presented to the Audit Committee in 2012.

#### Management

The Group's Management is responsible for the implementation and evaluation of internal control procedures. In this regard, management, at different levels of the decision-making process, maintains internal control documentation which relates to the operational realities of its activities. In addition, management is responsible for ensuring that controls operate effectively and monitoring their operation on a self-assessment basis. The self-assessment of internal controls is based on questionnaires relating to the control environment and control testing defined in risk and control matrices for transactions and IT-related controls (Information Technologies).

As part of the annual evaluation process, each Regions' Senior Vice President and CFO, as well as the managers of the Corporate Function, are required to represent by way of a letter of affirmation that, to their knowledge, the internal control system has operated effectively during the reporting period. Each deficiency is reported in that letter and must be followed by a remediation action plan. In addition, each signatory is required to confirm at the end of the third quarter that the action plans determined in the previous year's assessment have been implemented.

#### Group Internal Audit

The Group Internal Audit has an independent and objective function and is in charge of evaluating the proper operation of the Group in all areas and provides its management with an assurance on the level of control of its operations. In particular, it evaluates the relevance and effectiveness of internal control systems through audits of specific Projects, Regions, Processes and transverse topics at Group level. It contributes to the improvement of the Group's operations through its recommendations.

It is centralized at Group level and audit work is conducted by a team of 18 auditors (end of 2012). The Senior Vice President Group Audit and Risk Management reports to the Executive Committee on the work performed, particularly on the effectiveness of the internal controls of the domains reviewed. The implementation of recommendations made by the Group Internal Audit is closely followed up. The summary results of the internal audit reports and the status of implementation of the recommendations are also communicated to the Audit Committee of the Board of Directors.

#### Internal Control Function

The Internal Control Function is organized at two levels: at the Group level and at the Regions level.

The Internal Control Function's objective is to ensure that the processes designed to limit potential misstatements in financial statements, errors and fraud, are properly executed in compliance with rules, procedures and instructions.

The Internal Control Function's principal aim is to help Regions and Corporate Functions improve their control mechanisms, including, where possible, the underlying processes and ensuring that the Regions and Corporate Functions have appropriate and robust verification and certification procedures.

Specific tasks undertaken by the Internal Control Function on the key processes affecting the accuracy of the Group's financial reporting are further described in Section 4.3.4 of this Report.

##### GROUP INTERNAL CONTROL DEPARTMENT

The Group's Internal Control Department, with a staff of five employees, determines the Group's internal control assessment framework. It assists Regions and Corporate Functions in reviewing their Internal control documentation and their control assessments to ensure they are adapted to current management and operations which underpin these processes. It contributes to the implementation of Group procedures and guidelines to address structural/systemic internal control issues at Group level and contributes to the sharing of best practices among different organizations within the Group.

Furthermore the Group Internal Control Department oversees a comprehensive assessment conducted by the Regions and the Corporate Functions of internal controls throughout the Group based on a risk mapping of the control environment, business processes and information technologies. It is also responsible for coordinating the implementation and follow-up of action plans with the support of the regional internal controllers and IT internal control correspondents for IT issues, as the case may be.

The progress and results of the internal control evaluation are regularly coordinated and consolidated by the Group Internal Control Department and presented to a dedicated Group Internal Control Steering Committee composed of members of the Group Divisions and Regional Management. It is chaired by the CFO. The Group Internal Control Steering Committee met once in 2012.

The thoroughness and level of detail in the assessment is adapted to the size and importance of each entity. Entities with the most contribution and/or risk must provide more information and answer more questions in the self-assessment process than those with less contribution or risk.

Where the results of the self-assessment indicate that controls are not at the required level either in design, operation or documentation, corrective action plans are required to be put in place. Each action plan must have a detailed timetable to complete the action and update the required control. The progress of action plans is regularly followed.

The Group's long term objective is two-fold: continuous analysis and improvement of internal control mechanisms.

Internal Control evaluations and monitoring are performed directly by using a Group's tailored IT tool. The computerization of the process allows each organization within the Group to monitor its internal control processes, to assess them on a regular basis and to report them to the Internal Control Department.

#### REGIONAL INTERNAL CONTROL

The Group Internal Control manages an existing network of seven Regional internal controllers designated among a network of approximately 40 Internal Control correspondents appointed by each entity within the scope of the assessment.

The Regional Internal Controller is in charge of coordinating and planning the internal control operations, of which the documentation update (in collaboration with the process owners), the self-assessment of the internal control process, as well as the monitoring of the effective implementation of remediation plans.

## 4.3. INTERNAL CONTROL PROCEDURES RELATED TO THE PREPARATION AND PROCESSING OF FINANCIAL AND ACCOUNTING INFORMATION

The objective of the internal control procedures regarding financial and accounting information is to ensure that the accounting, financial and management information submitted to the Group's corporate bodies and by its affiliates, as well as group financial reporting and consolidation, reflect the Group's position in a true and fair manner.

Under the responsibility of the CFO, production of financial information is organized and carried out by the Business Finance and Group Consolidation Departments and relies on data provided by the different finance and control functions located in each entity.

### 4.3.1. Accounting standards

The consolidated financial statements of Technip are established according to the accounting standards of IFRS (International Financial Reporting Standards) issued by the IASB (International Accounting Standard Board) and adopted by the European Union. IFRS principles are reflected in the GOPS and guidelines. The Group Controlling Department drafts and distributes to the entire Group the formal procedures for the production of financial information, in the form of quarterly instructions and accounting rules, in compliance with the published accounting standards.

The principles for estimates and other accounting judgments are subject to a systematic review for conformity with the accounting rules and for consistency with the practices in force within the Group. The Group's positions about changes in Generally Accepted Accounting Principles (GAAP) are subject to discussions with the Statutory Auditors.

### 4.3.2. Accounting procedures

The main applicable procedures for the preparation of the consolidated financial statements are based on three tools:

- the Group Chart of Accounts Manual updated every year and communicated to all participants in the consolidation process;
- the GOPS relating to IFRS updated regularly and available on the Group's intranet; and
- the closing instructions sent out prior to each consolidation phase, which address the scope of consolidation, the timetable for submitting data, the specific issues requiring attention at year end, and the main changes in accounting regulations and standards.

### 4.3.3. Accounts closing process

It is the responsibility of the local CFO to supervise the financial reporting process and the preparation of quarterly consolidation by the finance directors of each entity while respecting the financial calendar prepared and circulated to Regions by the Group Controlling Department. The CFOs of the Regions monitor the financial reporting process for the entities within their scope of responsibility.

The accounts of the subsidiaries are prepared according to the Group accounting standards. An integrated IT application is used to consolidate the financial statements of the Group. When reporting packages are submitted for consolidation, each entity acknowledges the receipt of instructions, the package approval by the local CFO, the application of the Group Chart of Accounts Manual as well as of Group Accounting Principles.

An internal certification process is implemented to ensure the Region CFOs are responsible for the quality of the financial information prepared relating to their perimeter scope of responsibilities. Region CFOs are required to confirm by email that, to the best of their knowledge, the contribution to the Group's consolidated income from companies within their scope of consolidation as recorded in the consolidation software, as well as the management accounts as they appear in the internal reporting software system (Together), constitute a complete and accurate presentation of the operating results and order intake of the Region. This sign-off procedure applies to annual and half-yearly closings.

On a quarterly basis, the Group Controlling Department establishes the consolidated financial statements, *i.e.*, the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows.

For the preparation of consolidated financial statements, the Group Controlling Department relies foremost on the input of the departments of Financial Control of the Subsea Division, Group Tax and Legal Entities and Treasury. The Group Controlling Department ensures a full analysis of project results and their impact on the financial statements. The Treasury Department analyzes the Group's cash position and the Group Tax and Legal Entities Department calculates the recorded taxes, deferred tax assets and liabilities and monitors the tax proof process with the Group Controlling Department.

The Statutory Auditors perform a review of the quarterly financial information with cut-off dates as of March 31, June 30 and September 30. The limited examination of the half-year condensed accounts as of June 30 is subject to a report of the external auditors with respect to the financial information of the first six months of the year.

The financial statements as of December 31 are subject to detailed audit procedures that are foremost formalized by the Report of the Statutory Auditors.

The quarterly financial statements, the half-year accounts and the financial statements for the year ended December 31 are presented to the Audit Committee and approved by the Board of Directors.

### 4.3.4. Annual assessment process of procedures for the production of the Group financial statements and other accounting and financial information

The assessment of the effectiveness of the internal controls and procedures for the preparation of accounting and financial information is part of the Group Internal Control's annual appraisal.

The tasks carried out consist of:

- selecting and identifying the entities and processes that make a significant contribution to the preparation of the Group's accounting and financial information;
- documenting processes considered important for the preparation of the financial statements;
- identifying the risks associated with these processes to help improve fraud prevention;
- defining and documenting the existence of key controls to cover these major risks;
- assessing the effectiveness and implementation of controls through the analysis performed by the Group Internal Control system on test results obtained through the self-assessment internal control testing.

These actions gave Technip the support process to conduct an in-depth assessment of its internal control system over financial reporting.

D

# Annex: Statutory Auditors' report, prepared in accordance with Article L. 225-235 of the French Commercial Code on the report prepared by the Chairman of the Board of Technip

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

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


**PricewaterhouseCoopers Audit**

63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

**Ernst & Young et Autres**

1/2, place des Saisons
92400 Courbevoie – Paris-La Défense 1


## Statutory Auditors' report, prepared in accordance with Article L. 225-235 of the French Commercial Code *(Code de commerce)*, on the report prepared by the Chairman of the Board of Directors of Technip

### YEAR ENDED DECEMBER 31, 2012,

To the Shareholders,

In our capacity as Statutory Auditors of Technip, and in accordance with Article L. 225-235 of the French Commercial Code *(Code de commerce)*, we hereby report on the report prepared by the Chairman of your Company in accordance with Article L. 225-37 of the French Commercial Code *(Code de commerce)* for the year ended December 31, 2012.

It is the Chairman's responsibility to prepare and submit for the Board of Directors' approval a report on internal control and risk management procedures implemented by the Company and to provide the other information required by Article L. 225-37 of the French Commercial Code *(Code de commerce)* relating to matters such as corporate governance.

Our role is to:

- report on any matters as to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information; and
- confirm that the report also includes the other information required by Article L. 225-37 of the French Commercial Code *(Code de commerce).* It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

## INFORMATION ON THE INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF THE ACCOUNTING AND FINANCIAL INFORMATION

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information relating to the Company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with Article L. 225-37 of the French Commercial Code *(Code de commerce).*

## OTHER INFORMATION

We confirm that the report prepared by the Chairman of the Board of Directors also contains the other information required by Article L. 225-37 of the French Commercial Code *(Code de commerce).*

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

The Statutory Auditors

*French original signed by*

| PricewaterhouseCoopers Audit | Ernst & Young et Autres |
|---|---|
| Édouard Sattler | Nour-Eddine Zanouda |

E

# Annex: Society and Environment Report (Articles L. 225-102-1 of the French Commercial Code – Grenelle II Law of July 12, 2010)


1. Introduction 255
   - 1.1. Ambition & Strategy 255
   - 1.2. Indicators – Identification of Material topics 256

2. Social information 257
   - 2.1 Reporting scope 257
   - 2.2. Workforce 258
   - 2.3. Compensation and benefits 262
   - 2.4. Employees development 263
   - 2.5. Diversity and equal opportunity 266
   - 2.6. Social relationships 268
   - 2.7. Health & Safety and Security 269

3. Environment 272
   - 3.1. Sustainable responses to environmental challenges 272
   - 3.2. Group policy 274
   - 3.3. Environmental impact 277
   - 3.4. Sustainable use of resources 279
   - 3.5. Climate change 281

4. Societal commitments 282
   - 4.1. Societal and economic development of host communities and countries 282
   - 4.2. Stakeholders relationships 284
   - 4.3. Maintaining the highest ethical standards 286


Pursuant to Article L. 225-102-1 of the French Commercial Code, this report was prepared for the purpose of describing Technip's commitment to Corporate Social Responsibility ("CSR").

# 1. Introduction

On April 24, 2012, Article L. 225-102-1 of the French Commercial Code came into force with application from financial year ended December 31, 2012.

This provision, as part of the implementation of the Grenelle II Law, requires that certain French companies, including Technip, address a range of topics in their Management Report.

Technip has chosen to have the CSR information provided in this report verified by its Statutory Auditors.

Financial year ended December 31, 2012 is the first year in which the Group has published data on each CSR requirement under the law and therefore represents an additional reporting effort that, when compared to data historically published by the Group, comprises a particularly large volume of data and indicators.

The audit was conducted on the basis of tests performed on a sample of selected sites based on their activity, their contribution to the consolidated indicators, their location and a risk analysis. In particular, the selection process has led to further consideration of construction sites of the Group.

The full scope of the audit work completed by the Statutory Auditors is presented in the form of the Attestation and assurance report on social, environmental and societal information attached to this Annex.

## 1.1. AMBITION & STRATEGY

Technip ambition is to be recognized as one of the best-in-class companies for sustainable development within its business sector.

### Sustainable development strategy and evaluation of performance

The current level of maturity of the Group allows it to develop and broaden its efforts. To achieve the objectives it has set, Technip has decided to establish the sustainable development in the business development strategy.

To achieve this, its action plan will focus on the integration of sustainable development and project execution. Setting up innovative pilot programs for certain projects will lead to a global launch of the most successful programs. In relation to climate change, the Group will focus on using eco-design and lifecycle analysis to reduce the long-term environmental impact of the infrastructures built by the Group.

The Group strategy also includes working more closely with stakeholders and notably local communities in the countries where it operates, developing communication towards its clients, and reinforcing its relationships with socially responsible investors.

For many years, Technip has taken tangible steps towards improving sustainable development and has been committed to a strong and widely recognized policy of CSR. In 2003, the Group signed the United Nations Global Compact on human rights, working standards, environmental standards and anti-corruption, and applied its ten principles to every aspect of its business.

### The UN Global Compact's Ten Principles

**Human Rights**

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

**Labour**

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

**Environment**

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

**Anti-Corruption**

- Principle 10: Businesses should work against corruption in all its form, including extortion and bribery

The Group CSR efforts have been recognized in many ways. For over 10 years, Technip has been highly ranked by the Dow Jones Sustainability Index. In 2011, the CSR rating agency Vigeo ranked Technip at number two in its industry.

In addition, the Group has received several awards for the quality of its sustainable development strategy, whether for its health, safety and environmental performance on projects, such as Al Jubail in Saudi Arabia, Asab 3 in the United Arab Emirates and PMP in Qatar, or its human resources policies, for which it received in 2012, and for the second consecutive year, the Top Employers Europe certification. Last year, the Group received a grand prize rewarding its excellence in financial, CSR and share performance, a recognition only awarded to six of the top 100 market leading companies in France. Internally, additional key performance indicators for CSR will be defined in 2013 to improve how to measure the performance of sustainability strategy.

### Technip Sustainable Development vision

Its approach to sustainable development is influenced by four core values of "doing the right thing", "encouraging a fair return for all", "building the future" and "trusting the team" and therefore represents an opportunity to perform business with more added value for stakeholders. The priority of the Group is to support its clients to meet the world's energy needs, without undermining the ability of future generations to meet their own.

Within Technip, sustainable development means strengthening talent management so as to place a greater focus on the development of each employee's potential. Accurately anticipating the future needs of the industry and associating business partners to the development of the Group will improve the financial and operational performance.

Technip can further reduce the environmental footprint of its activities, as well as of its clients and suppliers, by working together in a more collaborative way. Sustainable development also focuses on contributions that can be made to the economic and social balance of local communities, by increasing opportunities for projects to generate local employment.

The decision by the Group Head of Sustainable Development to strengthen sustainable development network with greater coordination at the Group, Regional and entity levels has supported this vision by improving the way best practices are shared. The Group's CSR team will take the lead on social, societal and environmental Sustainable Development best practices, in addition to the coordination of innovative pilot schemes. With the support of finance experts, a more intelligent approach to financing sustainable development initiatives will be taken. Wherever appropriate, Regional and country Sustainable Development Committees will be set up on the model of the Group Committee and a Sustainable Development Coordinator will also be named within operations for each Region and country.

Sustainable Development Awareness Training has been identified as a key topic to be planned in the medium term. This topic will be discussed with Sustainable Development Coordinators within the Regions in order to define the best approach.

### Priorities for 2013 and beyond

Reduced poverty through local economic development, an increase in locally produce content and measures to combat climate change will be at the heart of the Group priorities. Technip will also continue to offer its teams improved career opportunities and enhanced internal mobility, both very important development tools when it comes to empowering employees. In addition, the Group will promote even greater sustainability and innovation in all its activities, especially in the development of new technologies and solutions for clients. Its continuing growth, while maintaining competitiveness, will help the Group provide value to its stakeholders.

## 1.2. INDICATORS – IDENTIFICATION OF MATERIAL TOPICS

In 2012, in accordance with the Global Reporting Initiative ("GRI") principles that Technip adheres to, certain topics reported in the social and societal section of this report have been identified as "material".

This year has been used to prepare for a more substantive evaluation of the materiality of the reporting and the involvement of stakeholders. In this intermediary period, Technip selected challenges and topics that it considered to be the most material, in addition to those required under French law (*loi sur les Nouvelles Régulations Économiques* (NRE) and Grenelle II), either because they reflected the Group's strategy and could impact its performance, or because the feedback received from its stakeholders allowed it to identify their needs and expectations.

Material topics were drawn from:

- compliance with Article L. 225-102-1 of the French Commercial Code, which requests that listed companies communicate on a certain number of topics and indicators;
- GRI recommendations;
- issues raised by the Group's Audit Department during its audits to Group entities;
- analysis by external auditors of the 2011 Reference Document and their recommendations for 2012;
- expectations from rating agencies; and
- CSR practices benchmark against a selection of companies.

After being defined, the topics are classified in accordance with four categories corresponding to Technip's four values.

In Chapter 2.1.4, this methodology has been applied to social. Over the course of 2013, the methodology will be extended to environmental and societal matters.

# 2. Social information

## 2.1 REPORTING SCOPE

### 2.1.1. Reporting scope for entities

The reporting scope covers 100% of the entities consolidated in the Group, in accordance with the Finance and Legal scope of consolidation. However, to provide more transparency to the reporting and to facilitate the comparison between two consecutive years, the reporting on training and absenteeism does not take into account the answers coming from newly acquired entities that have not been within the Group throughout the whole year.

### 2.1.2. Reporting scope for personnel

The scope covers personnel on the payroll, except for the information given in Chapter 2.2.1.1. that covers the total workforce. The beginning of each chapter contains a mention of the percentage of personnel covered.

### 2.1.3. Reporting tool

A web solution is implemented Group-wide to collect and consolidate either quantitative or qualitative data. The few entities that have difficulties in accessing Technip's intranet site are given an off-line template to complete, which then automatically connects with the web application.

### 2.1.4. Indicators – Identification of material topics

After being defined at the Group level, the topics have been classified in accordance with four categories corresponding to Technip's four values: it is indeed important that employees and stakeholders know which topics are the most significant for the Group and how these values are embedded in daily professional activities.

**A community of men and women driven by shared Values**

| Doing the right thing | Trusting the team | Encouraging a fair return for all | Building the future |
|---|---|---|---|
| **The right partners** (acquisitions, agreements, partnership) | **To foster cooperation and transparency** through social dialogue across teams and management | **To offer equal opportunities** to every employee regardless of gender or ethnic origin | **To build expertise and foster innovation** (training, expert network)) |
| **The right initiatives and behavior** (promotion and respect of the ILO convention, standards and Charters) | **To motivate and empower others to achieve common objectives** (performance appraisals, career talks) | **To share profits sustainably** (incentives, group saving plan...) | **To commit to excellence** in quality and continuous improvement |
| **The right people at the right place** (talent recruitment, mobility, succession plan, knowledge transfer) | **To believe in each person's contribution** (encouraging diversity as an added value to work performance) | **To encourage and support employees** to reach their maximum potential | **To foster mentoring and knowledge transfer** (transgenerational projects) |

### 2.1.5. Terminology used in social reporting

Users dispose of an indicator definition protocol that is reviewed and improved each year based upon feedback from the entities and the problems observed.

#### 2.1.5.1. Management staff

Since Management staff may be understood differently depending on the country and culture, the definition chosen throughout the Group for a Manager is a person "who supervises subordinates in accordance with the "Human Resources Without Borders"[1] program.

#### 2.1.5.2. Contracted personnel

Contracted personnel refers to the workforce which is not on the payroll. It includes:

- sub-contractors working at the Group's industrial sites (fleet, manufacturing plants and the ship-yard); and
- people working in offices from time to time, when there is a spike in workload, such as agency personnel and consultants.

Sub-contractors working on construction sites are not reported due to on the one hand, the significant fluctuation in numbers during the rolling out of projects and on the other hand, their significant presence on large projects. In 2011, for example, there were approximately 70,000 sub-contractors working on Technip's Qatar construction sites, a number which decreased significantly towards the completion of the project.

(1) The program "Human Resources Without Borders" was part of a three-year strategic plan from 2009 to 2012. The objective is to ensure a better match between human resources and business requirements, to contribute to the professional development of employees in terms of skills and careers, to extend global expertise and to strengthen an employee's feeling of belonging to the Group.

#### 2.1.5.3. Operating centers and industrial sites

Operating centers relate to all centers where Technip operates. Industrial sites include the fleet (marine employees), spoolbase facilities (pipeline fabrication base), port activities, manufacturing plants (fabrication of flexible and umbilicals) and the ship-yard (construction of spar hulls and offshore structures).

#### 2.1.5.4. Blue collar employees

Blue collar employees are defined as employees who perform physical work. Support services such as drivers, security guards, and other service staff are included. A blue collar employee with a management role, as defined above, will be qualified as a "Manager".

### 2.1.6. Collection and consolidation methodologies

#### 2.1.6.1. Collection

- Data is input by 82 legal entities in the Group reporting tool and then "submitted" (saved and sent) to the Corporate Department. In 2012, it should be noted that the PMP Ras Laffan project did not report its headcount information (414 persons).
- At an intermediary level, HRIS (Human Resources Information System) correspondents within each Region lend their support on technical issues.

#### 2.1.6.2. Consolidation methodologies

The indicators cover 100% of entities for all topics, except Training and Absenteeism, which cover 96.5% of total headcount (excluding entities not present during the whole year).

Indicators are calculated on the basis of the Group's scope as of December 31, 2012. Chapters relating to Arrivals and Departures, Absenteeism and Training cover the year 2012.

Reporting in relation to human resources contains approximately 400 questions (of which 120 are on a monthly basis with the remainder asked on a yearly basis). During the input of the data by entities, or during their consolidation at the Corporate level, 145 consistency checks are applied.

#### 2.1.6.3. Feedback of inconsistencies to the entities

A process has been established that assembles all the inconsistencies in a specific template, which maintains a concise overview of the issues to be solved and keeps track of any comments. This template is used at the Corporate level and by the entities to share their comments and make corrections to the data input in the different questionnaires. This same template is also helpful during the external and internal audits to justify gaps and clarify issues.

### 2.1.7. Controls

#### 2.1.7.1. Internal audits

In 2012, the position of HR Controller was created at the Corporate level. During internal audits, the HR Controller facilitates communication between entities and the Group's Internal Audit Department. In particular, the HR Controller contributes to solving findings issued by the Group's Internal Audit Department and assists entities in applying the required corrective actions.

The HR Controller also helps to prioritize the indicators that are to be checked: in 2012, the reporting processes for HR indicators were included in the scope of some audits conducted by the Group's Internal Audit Department.

The HR Controller and the Group's Internal Audit Department have started working in coordination with one another to elaborate the Audit program that will allow for the audit of HR indicators and their reporting process in the various Group's entities.

#### 2.1.7.2. External verification

In addition to the external audits required under French law, Technip requests every year GRI's approval of its reporting policy and procedures.

## 2.2. WORKFORCE

### 2.2.1. Changes and organization

Social data of companies acquired in 2012 (Stone & Webster process technologies and Suporte Consultoria e Projetos Ltda) are consolidated in all chapters except for the chapters "Absenteeism" and "Training" in the current section.

#### 2.2.1.1. Breakdown of total workforce per category

| Breakdown of total workforce by category | December 31, 2012 (1) | December 31, 2011 (1) |
|---|---|---|
| **Employees on payroll** | **30,241** | **25,717** |
| Permanent employees | 26,279 | 22,390 |
| Temporary employees (fixed-term) | 3,962 | 3,327 |
| **Contracted workforce** | **6,267** | **5,375** |
| Contracted workers in fleet, plants and yard | 2,749 | 2,502 |
| Other contracted workforce | 3,518 | 2,873 |
| **TOTAL WORKFORCE** | **36,508** | **31,092** |

(1) Coverage rate: 100% of employees on payroll and contracted workforce.

At year-end 2012, the total workforce increased significantly compared to year-end 2011 (+17%) due to:

- a greater number of new hires (on payroll) compared to 2011 (+31%); and
- the acquisition of several companies during 2012 (1,062 persons on payroll): in particular, Stone & Webster process technologies mainly in the United Kingdom and in North America, and Suporte Consultoria e Projetos acquired by Genesis in Brazil.

The total workforce includes employees on the payroll as well as externally contracted workers (agency personnel, consultants and sub-contractors).

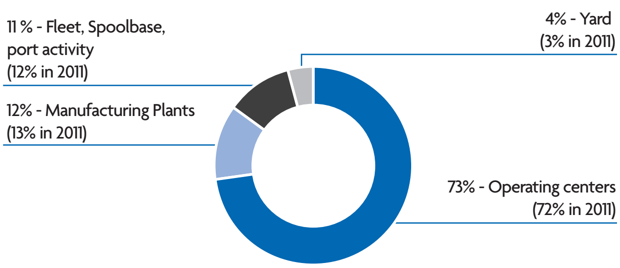
The number of contracted workers may vary significantly depending on the Group's needs and the projects undertaken. In 2012, those who are working on the Group's industrial sites (fleet, plants and yard) increased by 10%, compared to 2011. The numbers for an other category of the contracted workforce are the most variable with an increase of 22% in 2012 compared to 2011. The variation indicated between 2011 and 2012 is a snap shot as of December 31, 2012 but the figures may change from one month to another. The average number of contracted workforce during 2012 is 5,848 people.

In 2012, there was a significant increase in the number of employees on the payroll (+18%), comprising 83% of the total workforce in the Group as of December 31, 2012. The highest increase of employees on the payroll was in North America (due to the acquisition of Stone & Webster process technologies) and Asia-Pacific (primarily due to organic growth).

During 2012, the number of employees with permanent contracts increased by 17%, *i.e.* 3,889 additional employees compared to 2011. During 2012, employees with fixed-term contracts accounted for 11% of the aggregate workforce, which remained stable. This trend is particularly evident in France where fixed-term contracts only account for 1.2% of the payroll in 2012 (compared to 1.6% in 2011).

### HEADCOUNT STRUCTURE (AS OF DECEMBER 31, 2012)

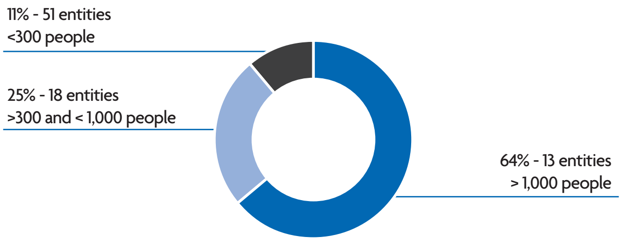
#### Activities (100% of employees on payroll and contracted workforce)




The chart above illustrates the diversity of activities and of its workforce Group-wide. The fleet comprises marine employees; the manufacturing plants are essentially composed of blue collar employees; and the Group's only ship-yard at Pori (Finland) employs skilled personnel specialized in offshore construction.

#### Size of entities

(100% of employees on payroll and contracted workforce)



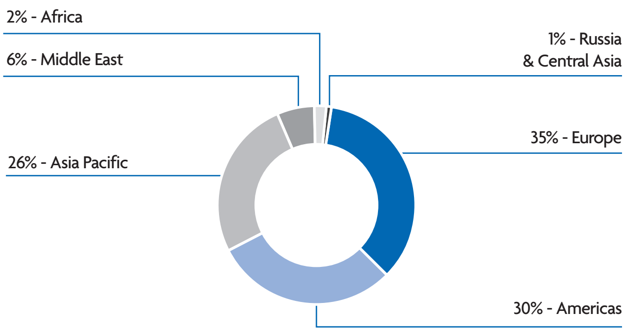

The breakdown of Technip entities demonstrates that two-thirds of employees are grouped within only 13 centers, which means that HR processes or tools can be rapidly put in place in the Group's principal centers to cover a majority of employees. Conversely, as two-thirds of the Group's entities (51 of 82) have less than 300 employees, it takes time for the employees based in the remaining third to be covered.

### 2.2.1.2. Breakdown of employees on the payroll according to gender, geographic zone and age (100% of employees on payroll)

| Breakdown of employees by geographic zone | December 31, 2012 (1) | 2011 (1) |
|---|---|---|
| Europe | 10,551 | 9,507 |
| Americas | 9,054 | 7,491 |
| Asia Pacific | 7,827 | 6,212 |
| Middle East | 2,011 | 1,833 |
| Africa | 555 | 472 |
| Russia & Central Asia | 243 | 202 |
| **TOTAL EMPLOYEES ON PAYROLL** | **30,241** | **25,717** |

(1) Coverage rate: 100% of employees on payroll.

#### Employees per geographical zone



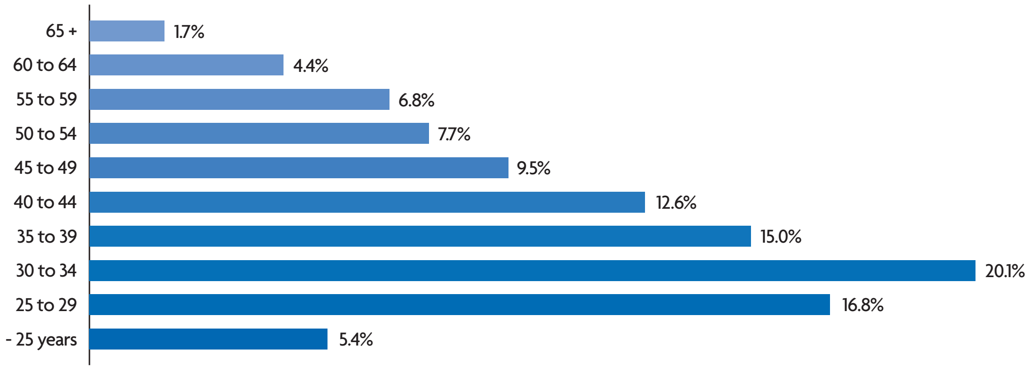

Since 2009, Technip continues to invest in the recruitment and development of new graduates, covering all the Group functions, with a strong focus on Project management competencies. The strategy contributes to a greater diversity of abilities, and fosters enhanced career management and change. The results of this recruitment effort are demonstrated by the following statistics:

- between 2009 and 2012, recruitment of employees below the age of 35 has tripled; and
- in 2012, people below the age of 35 accounted for 42% of the total number of employees on the payroll.

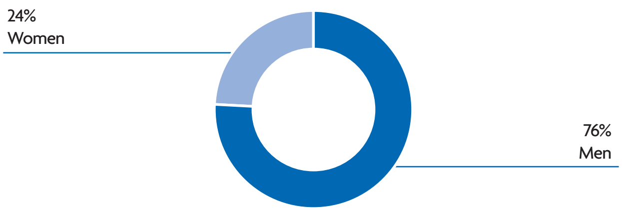
The Group's strategy is to continuously diversify the genders and contribute to a larger panel of experiences and know-how:

- in 2012, women below the age of 35 accounted for 27% of people hired in this age range, whereas the number of women on the payroll only accounted for 24%;
- in addition, 73% of women, compared to 54% of men, were below the age of 35 at the time of their recruitment.

## Age pyramid in 2012 (by range in %)




## Employees per gender




### 2.2.1.3. Arrivals and departures

| Payroll employees: Arrivals & departures | 2012 (1) | 2011 (1) |
|---|---|---|
| **Arrivals** | **7,651** | **5,862** |
| Permanent employees | 5,027 | 3,717 |
| Temporary employees (fixed-term) | 2,624 | 2,145 |
| **Departures** | **4,295** | **3,277** |
| Permanent employees | 2,772 | 2,261 |
| Temporary employees (fixed-term) | 1,523 | 1,016 |
| **Renewal rate of permanent positions (2)** | **1.81** | **1.64** |

(1) Coverage rate: 100% of employees on payroll.
(2) Start/termination of permanent positions.

#### ARRIVALS

In 2012, 66% (5,027 people) of employees on the payroll were hired under permanent contracts (compared to 63% in 2011). In addition, in 2012, 16% (590 people) of the average number of fixed-term contracts were converted to permanent contracts, demonstrating the Group willingness to retain talents.

Recruitment in the Group is following the market trend towards the South and East: new hires in the Group entities located in countries with high growth account for 55% of the Group's total new hires (such as Malaysia, Brazil, Singapore and India).

An online tool, part of the HRWeB solution, is used by Group entities to publish all vacancies to employees on the Internal Job Portal. The same tool is connected to Technip's Career Pages on www.technip.com, allowing recruiters to push offers to external candidates when needed. More than 230,000 applications were received in 2012, and 3,700 of which were internal applications submitted by employees. This flow resulted in over 2,800 recruitment offers during the year.

#### ACCOMPANYING THE GROWTH WITH RECRUITMENT

Technip and its IFP School partner (IFP Énergies nouvelles) sponsored 20 students from France, Brazil, India, Thailand, Saudi Arabia and Malaysia. The selected candidates underwent a combination of academic training within IFP and placements in Technip entities across Europe to provide students with the opportunity to see firsthand the application of theory in a live project environment. On successful completion of the program the students are given an opportunity to join Technip upon their graduation.

851 recent graduates, for whom Technip represented the first job, were recruited, a 32% increase compared to 2011, particularly in Malaysia, UK and the United States.

However, a majority of the Group entities face difficulties in recruiting experienced engineers due to the scarcity of these profiles locally. In certain countries, the number of graduates is at a minimum with a rising demand for junior engineer staff.

To face this issue and to accompany growth, the Group had to identify additional solutions to the Job Portal tool for recruitment. Technip opened a new recruitment center in Malaysia, improved cooperation between centers, ran special recruitment campaigns and increased its social media presence. Those initiatives helped the Group continue to deliver projects under good conditions.

Another challenge is to maintain the Group effort to recruit and keep senior staff, especially to transfer knowledge and good practices and to make the bridge with younger generations: in the Group, the number of employees hired over the age of 50 has kept increasing over the last two years (+39% between 2010 and 2011 and +50% between 2011 and 2012, which in 2012 represented approximately 1,000 persons recruited over the age of 50).

#### BRINGING ADDITIONAL COMPETENCIES

In 2012, due to the acquisition of Stone & Webster process technologies, Technip obtained complementary skilled resources, in research in the US, and engineering in the US, the UK and India. Also, the acquisition by Genesis of Suporte Consultoria e Projetos in Brazil added significant skill sets to the global Subsea activity and strengthened its relationships with Brazilian customers. In October 2012, the alliance with Heerema has enabled the Group to reinforce its Subsea capabilities and know-how in ultra-deep waters.

### DEPARTURES

In 2012, the global turnover of permanent and temporary employees (15%), taking into consideration all motivations for departure, was close to stable compared to 2011 (14%), while the number of arrivals in 2012 increased by 31% compared to 2011.

Measures taken to retain talents have contributed to a significant decrease of the resignation rate between 2011 and 2012 (-0.8 pt).

Considering the tight market and high competition to recruit and keep talents, this remains a challenge for 2013 especially in high growth countries (Malaysia, Brazil and India).

| Reasons of departures (permanent employees) | 2012 (1) |
|---|---|
| Voluntary reasons of leaving (resignations, retirements) | 2,008 |
| Lay-off/redundancy/dismissal | 440 |
| Transfers between entities | 135 |
| Other reasons | 189 |
| **TOTAL** | **2,772** |

(1) Coverage rate: 100% of permanent employees on payroll.

## 2.2.1.4. Organization of working hours

| | December 31, | |
|---|---|---|
| Working time | 2012 (1) | 2011 (1) |
| Number of full-time employees | 29,666 | > 25,000 |
| Number of part-time employees | 575 | < 600 |
| Number of employees working in shifts | 3,400 | < 2,500 |
| Overtime hours (France and Region centers) | 1,421,931 | 773,394 |

(1) Coverage rate: 100% of employees on payroll except overtime hours (coverage rate: 50%).

The proportion of part-time employees remains stable at 2% of the employees on payroll.

Administration of working time is often manual in the small entities of the Group. The consolidation of overtime hours is, therefore, limited to Region centers. The increase of overtime between 2011 and 2012 is essentially due to the integration in December 2011 of Global Industries entities, in particular the Carlyss fleet, and is the result of increased project activity.

## 2.2.1.5. Absenteeism (excluding acquisitions)

| Absenteeism rate (1) | 2012 (2) | 2011 |
|---|---|---|
| Occupational illness or injury | 0.03% | 0.04% |
| Non-occupational illness | 1.69% | 1.99% |
| Non-occupational injury | 0.06% | 0.08% |
| **TOTAL (ILLNESS/INJURY)** | **1.78%** | **2.11%** |

(1) Absenteeism excluding other reasons than illness or injury.
(2) Coverage rate: 96.5% of employees on payroll.

Absenteeism information covers only personnel on payroll. More thorough information including contracted workforce is to be found in Chapter Health and Safety of this report.

The 2011 rate of absenteeism has been changed from 2.15% to 2.11%, due to a correction that was not made until after the publication of the 2011 Reference Document.

In 2012, the rate of absenteeism decreased compared to 2011, due to two elements:

- regarding absenteeism for health reasons, most of the days off involved non-work related illnesses and injuries (1.75% in 2012 compared to 2.06% in 2011); and
- regarding occupational injuries, the number of working days lost because of accidents decreased by 537 (-24% compared to 2011). This decrease is due to clarification made in the definition of this indicator and a better understanding of this indicator by the entities.

14,036 medical examinations were completed, among which 4,521 were pre-employment fitness to work for newly hired employees.

Eleven cases of occupational illness have been reported in the Group, such as ear infections in divers' population and musculo-skeletal disorders. In 2012, the definition of the occupational illness was reviewed to clarify the understanding of this indicator and to harmonize the reporting in the Group, independently from the reporting done to meet national regulations.

Obligations in terms of medical examinations vary depending on the country. Following a period of sick leave, 1,395 employees had a medical evaluation, in particular in Brazil, Malaysia and France. Systematic pre-expatriation medical evaluations and follow-ups are carried for the duration of the expatriate assignment in the Group.

Present in 48 countries, employees travel and work in areas with different health profiles. A good knowledge of local health risks allows Technip to provide its personnel with the right information.

## 2.2.1.6. Health: Preventing risks and encouraging wellness

### GROUP-WIDE HEALTH MANAGEMENT PROCESS IMPLEMENTED

Since 2011, evaluating workplace risks, including social and psychological factors, has been at the center of the healthcare strategy of the Group. In 2011, a health management process was implemented to standardize practices throughout the Group. In 2012, a detailed guideline, regarding health risk assessments was provided, a new Medical Officer joined the medical team to reinforce the services provided to the Regions and a tool was made available to the occupational health teams and HSE managers. In 2013, new guidelines will be provided.

### PROTECTING TRAVELERS AND EXPATRIATES

Preventive healthcare starts with accurate information and regular training. Detailed leaflets regarding destination countries and specific diseases are available to travelers and expatriates on Technip's intranet. Specific information for anti-malarial preventions and other health risks is provided for projects in areas prone to epidemics. Medical risk alerts are issued when necessary. In 2012, 15 such alerts were issued, providing information and prevention advice.

### IMPROVING MEDICAL CARE AT SEA AND ONSHORE

In 2012, the Group paid particular attention to its vessels. A new standard for the qualification and training of onboard medics was issued, and their job description was reviewed accordingly. In parallel, a new standard for vessel hospitals and medical equipment was published, bringing them in line with the standards used at construction sites.

The Group continued to evaluate local medical resources and their ability to handle emergency situations. In 2012, this review was conducted in Cameroon, Equatorial Guinea, South Korea, Ghana, Thailand, New Caledonia, Angola and Indonesia.

#### PUTTING WELLNESS IN THE SPOTLIGHT

For Technip's 2012 World Health Day, all entities organized a vaccination awareness campaign, completed with posters, information leaflets and workshops. Many entities invited healthcare experts to talk about the importance of vaccination and immunization. Others arranged for free flu shots. Across the Regions, employees also participated in awareness and fund-raising healthcare activities for heart disease, smoking and diabetes. Several entities, including Technip's headquarters, started surveys and assessments of psychosocial risks at work.

## 2.3. COMPENSATION AND BENEFITS

### 2.3.1. Salary policy

Compensation within the Group is managed at Regional level. In 2012, an employee benefit survey was launched at Group level ahead of the implementation of a global salary policy. In 2012, a global salary survey was initiated.

#### Global salary survey

The objectives of the global salary survey were to:

- have an overview of Technip practices throughout its entities as a means of working towards establishing a salary policy in the future;
- benchmark Technip's competitiveness within the Oil and Gas industry or General Market (if the only one available); and
- perform a cross-analysis of salaries across the Group per country.

Twenty-nine countries were represented in this survey, covering 17,000 employees. Elements analyzed were focusing on base salaries and variable pay.

#### Employee benefit survey

The objectives of this survey were to:

- obtain an overview of what is offered in the different entities and ensure that the benefits provided are adequate and contribute to retention of employees;
- verify compliance with legal requirements; and
- benchmark against market practice.

Twenty-four countries were represented in this survey which focused on key coverage such as life, disability and medical insurances.

The list of these benefits is now available to all participating entities in a global database which can be accessed by the respective Human Resources community on demand.

#### Next steps

Another global salary survey is scheduled for fall 2013. This second exercise will allow the Group to start to perform analysis in terms of salaries levels by genders, by level of responsibilities, by regions and by countries.

### 2.3.2. Compensation, change in compensation and social security costs

#### 2.3.2.1. Compensation and change

The Group's payroll expenses increased from €1,147.2 million in 2011 to €1,661.0 million in 2012. The Group's social security costs increased from €220.1 million in 2011 to €293.9 million in 2012.

All entities in the Group have declared that employees on payroll are paid above minimum guaranteed wage in the country where they operate.

#### 2.3.2.2. Employee incentive and profit-sharing schemes

Pursuant to applicable law, French companies within the Group with at least 50 employees and that generate sufficient profits must distribute a profit-sharing amount on the Company's result to their employees. For financial year 2012, the total profit-sharing amount to be paid in France was estimated at €11.7 million. Each company negotiates and enters into a profit-sharing agreement. The profit-sharing amounts distributed can be transferred to the Group Savings Plan (*"Plan d'Épargne de Groupe"*, or "PEG") or the Group Pension Savings Plan (*"Plan d'Épargne Pour la Retraite Collectif"*, or "PERCO").

| Profit sharing | December, 31 | |
|---|---|---|
| In thousands of Euro | 2012 | 2011 |
| Amounts allocated to incentive profit sharing (France, Spain, Italy) | 19,715 | 8,052 |
| Amounts allocated to mandatory profit sharing (France) | 16,875 | 6,052 |

#### INCENTIVE PROFIT SHARING

For financial year 2012, several of the Group's French companies had an incentive profit-sharing agreement in place: Technip, Technip Corporate Services, Technip France, Flexi France, Technip TPS, Seal Engineering, Cybernétix and Technip Normandie. Calculation methods vary for each company according to their business. The amounts distributed can be paid directly to the employee or transferred to the Group Savings Plan (PEG) or the Group Pension Savings Plan (PERCO).

Employees from the Italian and Spanish companies, Technip Iberia and Technip Italy, also benefit from a similar profit-sharing mechanism.

For financial year 2012, the total amount of incentive profit-sharing paid in the Group's subsidiaries was approximately €20 million.

#### GROUP SAVINGS PLAN – EMPLOYEE SHARE OWNERSHIP

The Group Savings Plan (PEG) was implemented in 2003. It was amended several times with the last amendment being made as of March 9, 2012.

Its purpose is to enable employees to build, with the help of their company, a collective portfolio of marketable securities and to benefit, where applicable, from social security and tax benefits applicable to this form of collective savings. As of December 31, 2012, the total amount invested in the PEG amounted to €160.8 million, including €90 million in the form of employee shareholding.

At any time during the year, members may invest in the PEG and can choose between the various company mutual funds (*"Fonds Communs de Placement d'Entreprise",* or "FCPE"), whose portfolios are invested in shares, bonds or monetary instruments pursuant to a management strategy to achieve a specific investment goal. One of these funds is fully invested in Technip's listed shares thereby allowing employees to be associated with the Group's development.

Other FCPEs created within the PEG are dedicated to share capital increases reserved for employees, including employees of foreign companies that have joined the PEG. The PEG provides a common framework for all Group companies that have joined in terms of the payments that can be made, the means by which company profits can be shared, investment options and general operating regulations.

A share capital increase reserved for Group employees was carried out on July 10, 2012 resulting in the creation of 1,109,527 new shares. Nearly 9,000 Technip employees in 21 countries worldwide participated in this offering and invested a total €66.2 million, equal to a 40.6% participation rate. This is the highest participation rate recorded since the Group introduced this type of offering.

#### GROUP PENSION SAVINGS PLAN

In 2006, the Group Pension Savings Plan (PERCO) was implemented. It was revised pursuant to an agreement dated as of February 10, 2011. It is open to employees of the French companies of the Group that have joined the PERCO.

Its purpose is to enable employees to build, with the help of their company, pension savings and to benefit, where applicable, from social security and tax benefits applicable to this form of collective savings. As of December 31, 2012, the total amount invested in the PERCO was €23 million.

It comprises various company mutual funds ("FCPE") whose portfolios are invested in shares, bonds or monetary instruments depending on the management strategy chosen by each employee.

## 2.4. EMPLOYEES DEVELOPMENT

### 2.4.1. Training (excluding acquisitions)

Training of employees is performed locally within the entities of the Group and at the Corporate level through Technip University programs.

#### Technip University

Technip University, a cross-regional organization, is headquartered in Paris. Technip University, dedicated to growing knowledge, is the architect of learning and development for the Group. The university's objective is to provide development interventions at each major milestone in the career of its employees. The university is linked to execution centers through the Global Training Network ("GTN"). The GTN is made up of more than 40 training officers located in entities across the Group. The Training Network meets monthly by teleconference and annually in person every spring. The network is responsible for delivering University courses, sharing best practices and developing curriculum that can be shared across business segments and regions. The GTN is also responsible for quality management of external training providers and liaises with other functions such as HSE and Quality that have specialized training courses they are required to deliver.

#### Learning and Development

Development activities usually fall into the following categories: Learning from experience, learning from others and learning from training.

**Practical experience.** Most learning and development happens during naturally occurring work events. A plan helps focus the experience so that learning is intentional and can be quantified. The development plan often includes development mobility. An employee rotates through other business units, functions or locations to broaden and enrich their knowledge of the business.

**Learning from Others.** In some cases, knowledge transfer projects are set up to ensure an effective skill transfer between a recognized internal expert and an apprentice. Participants use a customized skill development plan to mark progress.

**Training.** Training managers in the Regions oversee the delivery of instructor-led courses and eLearning programs relevant to the business needs in their region. Technip University also delivers courses that are of general interest to all Group employees.

**Development Programs.** Technip University oversees the Group's learning and development programs for employees who aspire to become technical leaders, project leaders or managerial leaders. Compliance training, Health, Safety and Environmental training, as well as skill-building specific to a product line are conducted by training organizations in Technip entities.

**Project Leader Development Program ("PLDP").** All members of Technip's project management job family are invited to participate in a development program managed by the university. The program is based on a competency framework for project managers. Employees assess their competencies and select activities that will close the gaps between their current level and the standard. The program makes available training that can lead to international project management certification. It also organizes seminars designed to capture and transmit best practices.

Through the Company's intranet, the university provides a Project Management Development Planner—a reference catalogue of developmental activities for each competency in the framework.

Working with talent managers throughout the Group, the university also recommends develop-in-place assignments that employees can undertake while in their current position, that add value to the life of the project to which they are assigned.

To meet the Company's growth targets, the university is charged with accelerating the development of some employees. To meet this demand, Technip University sponsors a knowledge transfer project to shorten the learning cycle. Project management experts help the next generation of project managers build skills by using customized skill development plans. Once the skills in one knowledge area have been learned, employees move on to another expert and a new knowledge area. This process ensures the aspiring project manager has the foundation required to take on assignments with larger scope and scale.

In 2012, 13 Project management experts helped 33 employees build their skills.

**Technical Leader Development Program.** All employees are invited to take technical training courses, most of which are offered by Technip's entities around the world. The focus of these courses is to teach employees about the Group's product and services and empower them to stretch their technical skills.

The university also offers a curriculum of e-learning courses focusing on the oil and gas industry.

In conjunction with Technip's College of Experts, Technip University sponsors knowledge transfer projects to increase capacity in the Group proprietary technologies. The College of Experts oversees a network of more than 600 employees who possess unique knowledge and skills. As part of this network, the experts transfer knowledge and skills through technical mentoring, writing papers for industry and teaching classes. Some experts serve as chairs or adjunct professors in local universities.

**Managerial Leader Development Program.** For those employees whose career aspirations include taking management roles at Technip, the University oversees a development program based on the Company's leadership traits. A series of assessments are undertaken, and in conjunction with line management and HR, development plans are written and executed. Since 2005, a two-part flagship leadership event has been held annually.

In 2013, additional employees and experts will be added to the knowledge transfer project. In the near future, Technip University is to become more global and visible to all employees. It is designing development programs for employees interested in technical and managerial careers and will introduce a new system to manage training across the Group.

**E-learning courses.** The university hosts articles of general interest on its internal website and has created a knowledge management system for the project leader development program.

University programs are developed using a wide range of material from both internal and external sources, including videos, articles, and quizzes. This learning approach is suitable for all levels and learning styles and easy to access *via* Technip University's website at any time, enabling employees to work through programs at their own rhythm.

The university also offers all employees 16 modules of oil & gas e-learning courses, or approximately 15 hours of training. These modules are available in English and French. They are available on a learning platform through HRWeB, the HR talent management system.

## Training hours

| Training of employees on payroll | 2012 (1) | 2011 |
|---|---|---|
| **TRAINING HOURS** | **863,714** | **901,379** |
| Technical training | 226,864 | 360,043 |
| Non-technical training (including management, cross disciplines training, IT and certification) | 294,770 | 295,084 |
| Health, Safety, Security (including Pulse training) | 204,092 | 142,876 |
| Languages | 101,223 | 68,794 |
| Human rights, ethics and Technip values awareness training | 36,765 | 34,582 |
| **NUMBER OF EMPLOYEES ON PAYROLL WHO BENEFITED FROM AT LEAST ONE TRAINING DURING THE YEAR** | **23,402** | **19,495** |
| Women | 5,635 | 4,514 |
| Men | 17,767 | 14,981 |

(1) Coverage rate: 96.5% of employees on payroll.

In 2011, the number of training hours was exceptionally high due to a significant investment of training (150,000 hours) for the employees working in the new flexibles construction plant in Malaysia. In 2012, the trend returned to average.

The number of training sessions administered on safety (the Pulse Program) has greatly increased (+126%) due to autonomy given to the Regions in organizing training sessions, as well as due to the nearly systematic organization of a training session at the beginning of each project.

In 2012, an average of 80% of the employees attended training sessions (compared to 81% in 2011).

In 2012, Technip University delivered close to 13,000 hours of training to more than 2,000 employees.

From the learning platform at Corporate headquarters, Technip delivered more than 30,000 hours of e-learning on various topics such as ethics and compliance.

## 2.4.2. Developing and keeping talent

### 2.4.2.1. Managing performance

In 2012, a global performance appraisal process has been running for the fourth consecutive year.

The annual performance reviews are performed through a global information system that can be accessed by all Technip employees having access to the Group intranet. For those who cannot access the Group intranet (*i.e.,* workers in plants, the shipyard or spoolbases), an offline system is available.

The performance appraisal process is open from November to February of the following year to eligible employees corresponding to defined rules of length of services (more than 6 months of presence within the Group) and employee status (active status).

In 2012, 92% of eligible employees had completed their annual appraisal. In 2013, 23,792 eligible employees are being assessed, the process should conclude at the end of February.

A new e-learning course called "Living the values" combines values with performance appraisal: it explains how to integrate the four values – Doing the right thing, Trusting the team, Encouraging a fair return for all and Building the future – into the Group's everyday life and actions at work. It aims to help all personnel to understand why and how the employees of the Group are assessed on the values.

The four values have been integrated for the first time in the performance appraisal process with three concrete behaviors defined per value. These behaviors are used as a reference point during discussions and make the appraisal process even further focused and fact-oriented. It is essential to discuss the Group's work performance through objectives, however the way Technip does things is equally important, which is why the values are assessed through actions, behaviors and the way Technip's culture is embodied by its employees.

### 2.4.2.2. Talent management

Between April and July of each year, the Leadership teams from all entities, Regions or Corporate conduct People Reviews. In coordination with the Human Resources Department, these teams evaluate the potential, performance and career opportunities for each management team member, high performer and key employee. This process allows the Leadership teams to identify and track talents who may become future Technip leaders. It also gives a better understanding of the current potential of these talents, with a focus on their short-term and long-term development.

In 2012, the Group conducted the biggest People Review campaign ever (covering 8,301 employees). Technip management, supported by HR, reviewed the careers of all middle and senior managers, as well as all high performers. This process resulted in internal mobility opportunities, personal development plans and long-term career paths for each person. The review also enabled HR to develop a strong succession plan for senior managers and identify pools of high-potential people and create a reserve talent for the future leaders.

### 2.4.2.3. Succession planning

In 2012, Technip's Leadership team spent significant time reviewing the succession plans for all Top Managers. At the end of the process, the Executive Committee formally approved its outcomes. This is a great milestone in terms of the quality of the decisions, and represents a commitment to take a proactive approach to management succession. The additional step remains of ensuring that a greater number of quality profiles are made available to these succession plans. In 2013, the identification of additional potential successors, and development of reserve talent for core positions is a key objective for the Talent Management function, considering diversity as a strong Group commitment.

### 2.4.2.4. Encouraging mobility

Technip continues to promote international mobility as a career development tool and as a way to build One Technip with an international and multi-local culture, in addition to its traditional purpose of meeting business needs.

The Group's International assignment policy has been reviewed as part of the "Human Resources Without Borders" and was implemented on June 1, 2011. Three guiding principles describe mobility within the Group:

- geographic mobility (a move from one country to the other);
- functional mobility (a move from one activity or job position or function to the other); and
- cross-segment mobility (a move from one segment to the other: Subsea, Onshore/Offshore).

Geographic or international mobility is the assignment of an employee away from his/her home office, for the completion of projects (in offices or on construction sites) or to take up a new position in one of the Group's entities (assignment "in structure").

In 2012, the booklet "International Mobility at Technip" was published to reinforce this message and to give employees the information required to manage their career more proactively. It also emphasizes the importance of the International Assignment policies introduced in 2011, which are the basis of a fair and transparent approach to expatriation.

| | December 31, | |
|---|---|---|
| Breakdown of expatriates by home office | 2012 (1) | 2011 (1) |
| Europe | 698 | 591 |
| Asia Pacific | 342 | 278 |
| Middle East | 177 | 166 |
| South America | 78 | 92 |
| North America | 72 | 44 |
| Russia & Central Asia | 1 | 1 |
| Africa | 1 | 1 |
| **TOTAL** | **1,369** | **1,173** |

(1) Coverage rate: 100% of employees on payroll.

The number of expatriates increased in aggregate by 17%, principally in Europe (+18%) and Asia-Pacific (+23%). This increase is justified by the growing business in Asia-Pacific in the two segments of activity (Onshore/Offshore and Subsea) as well as shortage of experts in this geographic zone, which has lead entities to call upon resources from the Group's entities in other countries.

43 nationalities are represented among the expatriates, which reflect the multi-cultural nature of the Group, and 63% of entities host one or more expatriates coming from other Group entities.

In addition, as shown in table below, the proportion of expatriates and inpatriates in each geographic zone is well balanced, except in Europe where more people are sent abroad than are received as inpatriates. This reflects the voluntary mix of cultures and know-how required to meet the business needs and to foster career development.

| Breakdown of expatriates and inpatriates by home office | December 31, 2012[1] Expatriates | Inpatriates |
|---|---|---|
| Europe | 51% | 33% |
| Asia-Pacific | 25% | 32% |
| Middle East | 13% | 11% |
| South America | 6% | 5% |
| North America | 5% | 6% |
| Russia & Central Asia | 0% | 7% |
| Africa | 0% | 5% |

(1) Coverage rate: 100% of employees on payroll.

4.5% of the employees on the payroll have been expatriated to various countries across the world.

Two-thirds of these employees have been assigned for the purposes of completion of a project (either in offices or on construction sites).

The remaining third are assigned to supporting activities, such as procurement, finance, information technology, legal and human resources departments. Since 2009, this “in structure” mobility has increased steadily (+84%). This confirms the Group’s commitment to the development of talents and ensures the succession of certain key positions that require a broad experience of the Group’s jobs and functions.

The Group’s Mobility Process is also supported by an internal online “Job Portal”, accessible through the Technip HR portal (HRWeB). This portal enables employees to access real-time information on job opportunities within the Group, subscribe to job alerts that advise them of positions opened within their area of interest and submit their applications online. This Job portal is now used by all entities across Technip to publish both internal and external vacancies.

### 2.4.2.5. Forming leaders

The qualities that Technip requires from its future leaders are clearly defined and summarized by the six Technip leadership traits: Enterprising; Driving profitable execution; Role modeling, HSE, Compliance and Diversity; Leading people courageously and effectively; Making strategy happen and Fostering cross-border collaboration. These traits are used to guide career-related discussions on what really matters when developing people.

Technip wants its employees to grow in both technical and leadership roles. The College of Experts, Technip’s technological reference body, is emphasized in the definition and review of expertise-related objectives during performance appraisals. To support leadership roles, the Technip Leading Edge program puts high-potential employees with sufficient experience within Technip on track to become leaders.

#### IMPROVING ENGAGEMENT AND RETENTION

Losing an employee is always a failure. The career management practices contribute to employee retention by improving employee engagement. For example, Technip considers career talks as an opportunity for quality discussions regarding career development and a right for all of its employees.

In 2012, Technip continued to offer long-term employee incentive plans consisting of stock options, performance shares and cash, which are designed to build loyalty and improve retention.

Additionally, an alert system has been implemented to anticipate the risk of attrition in the Group as well as take all measures needed to retain the employee in the Group. This alert is mainly focused on key positions/key contributors for whom a departure from the Group would affect the business.

## 2.5. DIVERSITY AND EQUAL OPPORTUNITY

The Social Charter contains a commitment to equal opportunity, as indicated below. This Charter is given to all new employees in the Group and is available on the Group intranet.

**Social Charter**

Social responsibility is one of the core values of Technip. This Charter defines the Group's Objectives in this area and the corresponding guidelines.

**Our Objectives**

- To have employment relationships guided by the Group's values.
- To implement this Charter to all entities of the Technip Group which will adapt this Charter to local legislations, cultural differences and local specificities of the countries in which they operate.

**Our Guidelines**

In order to reach the above mentioned objectives in terms of social responsibility, Technip :

- Will not, as a principle, practice any discrimination among its employees or applicants on the basis of sex, age, race, religion, political or trade union affiliations, nationality or disability.
- Is committed to providing the necessary training for the Group's skill base and its advancement, as well as for the professional development of its employees.
- Promotes and facilitates mobility within the Group.
- Will not employ children under the minimum working age for completing compulsory schooling in the countries where we do business, and in any event, not under the age of 15 years old.
- Is committed to not using forced or compulsory labor.
- Will continue to maintain a positive work environment in which employees and management work together to strengthen our business.
- Respects the freedom of association, which includes the right of each employee to join or refuse to join a trade union in accordance with the applicable legislation in the relevant country.
- Endeavors to develop an open dialogue with its employees and their representatives, if any, concerning significant decisions that will directly affect them.
- Encourages its suppliers and sub-contractors to implement the values set forth in the present Charter in their own business policies.
- Endeavors to distribute this Charter to all employees within the Technip Group through our local entities.

Technip
take it further.

## 2.5.1. Promoting diversity

### Gender diversity

For several years, the Group has worked hard to promote a culture of gender equality within its organizations, functions and Regions: if the Group wants to attract the right talent for tomorrow's business world, it must show greater diversity. Several studies have shown that companies with the best performance and increasing Return on Equity (ROE) ratios were the companies with the most diverse teams.

Numerous initiatives have been set up to achieve these goals, covering all aspects of the Group Human Resources policy. Specifically, gender equality must be considered when filling key positions or recruiting managers, providing access to learning and development.

In 2012, women account for 24% of the employees on payroll, stable when compared to 2011. The challenge of Technip is to recruit, keep and promote these talents:

- women have been offered more management positions (18% of women are managers, compared to 17% in 2011);
- the renewal of the Board of Directors in 2011 and in 2012 means that it now includes four women and seven different nationalities, which illustrates the Group's commitment for diversity at the highest level; and
- the creation in 2013 of the Diversity Committee means that the Group will continue its efforts to promote diversity everywhere, investing in talented women for the future, and improving the work-life balance of employees.

| | December 31, | |
|---|---|---|
| Breakdown according to gender | 2012 (2) | 2011 (2) |
| Managers (1) | 3,337 | 2,817 |
| Women | 18% | 17% |
| Men | 82% | 83% |
| Non Managers | 24,061 | 20,562 |
| Women | 27% | 27% |
| Men | 73% | 73% |
| Blue Collar employees (3) | 2,843 | 2,338 |
| Women | 5% | 10% |
| Men | 95% | 90% |
| **TOTAL** | **30,241** | **25,717** |
| Women | 24% | 24% |
| Men | 76% | 76% |

(1) Employees who supervise subordinates in accordance with the "Human Resources Without Borders" program.
(2) Coverage rate: 100% of employees on payroll.
(3) Employees who perform physical work. Support services such as drivers, security guards, and other service staff are included. A blue collar employee with a management role, as defined above, will be qualified as a "Manager".

### New graduates and seniors

- In 2012, recruitment of new graduates increased by 32% with an average of more than 500 interns and apprentices are working for the Group each month.
- It is also essential for the Group to value and capitalize on the expertise of its senior employees: whereas the total workforce has increased by 17% in 2012, the number of seniors over 50 has increased by 29% (6,217 persons).

## 2.5.2. Promoting cultural and ethnic diversity

The Group capitalizes on its broad cultural and ethnic diversity, which it constantly promotes and shares throughout its entities through the internationalization of its teams, multicultural programs and international mobility.

In 2012, 109 different nationalities are represented in the Group (compared to 105 in 2011). The most represented nationalities in the Group include French, Indian and Brazilian.

Four of the Group's entities have employees that come from at least 40 nationalities (in the United States, United Arab Emirates, France and Norway).

At Technip, over 50% of Regional managers have been recruited locally and this trend is increasing.

An international online diversity training program is available to all employees of the Group. The program reminds trainees that diversity is one of the Group's key values and all employees of equivalent capability must be offered the same career development opportunities, regardless of gender or ethnic origin. By raising awareness and giving examples of good practice, this training initiative promotes the kind of behavior that supports diversity and multicultural teamwork.

## 2.5.3. Equal opportunity

### 2.5.3.1. Providing employment to people with disabilities

Again this year, Technip continued to support initiatives in favor of people with disabilities. From 2009 to 2012, the number of employees with disabilities has risen from 0.6% to 0.7%. The recording of disabled people is different according to local legislations and relies upon voluntary declarations, which may result in a lower number of disabled people being recorded.

214 people have been recorded as disabled in the Group. Disabled workers represent 0.7% of employees on payroll Group-wide and 1.2% of employees in Europe, including 4% in Italy, 3.5% in Germany and 1.4% in France. (This figure does not include subcontracted services). In Brazil, disabled workers represent 1.9% of employees on payroll, which is the highest rate outside Europe.

For maximum efficiency, the Group targets its efforts locally. In 2012, for example, Technip in France signed an agreement with all unions in relation to people with disabilities. The principal actions undertaken were as follows:

- Technip France successfully finalized its two-year national agreement with Agefiph (National Association Managing Funds for Hiring Persons with Disabilities). "Mission Handicap" is reporting to Human Resources Department of Technip France and successfully completed its objectives in terms of awareness, recruitment and promoting the continued employment of disabled employees and cooperation with the protected sector.

- Nine disabled employees were recruited; five of them were involved in combined work-study contracts. Overall, seven employees can be retained in their current posts due to adaptations of the offices to their disability and nine new disabilities were reported. Also, a partnership with disabled employee workshops has been developed due to the initiatives and willingness of the different departments within the Company.
- Awareness campaigns directed at all of the employees have been implemented through internal communication tools as well as through seminars. Employees showed interest by not only attending the meeting but also by actively participating.
- Training sessions in relation to best practices have been driven both by "Mission Handicap" and ADAPT (Association for the social and professional integration of the disabled). These sessions will continue in the future since they ensure the integration on a case-by-case basis in the best conditions of employees starting in the Company as well as for the Department who will welcome them.
- Technip has just negotiated its first collective bargaining agreement with employment partners, in coordination with Agefiph, as a means of furthering its initiatives in favor of the employment of disabled people. This three-year agreement has been filed for the approval of the French Administration. Technip confirms its commitment in relation to disability and goes forward with the actions already initiated in this matter. Technip France's aim is to become a "handi-welcome" company.

#### 2.5.3.2. Retaining senior employees to ensure knowledge transfer

Intergenerational human resources management is at the heart of social responsibility: it is crucial to ensure the development of junior employees as well as to capitalize on the knowledge of senior employees.

6% of Technip workforce is over the age of 60 and their combined experience and knowledge is a priceless asset that the Group cannot afford to lose. Workforce is also growing quickly, with 22% being under the age of 30. For several years now, the goal has been to create pathways of knowledge transfer. The Group will continue its efforts in this area.

## 2.6. SOCIAL RELATIONSHIPS

### Strengthening social dialogue

#### Labor relations and collective agreements

Collective or individual labor relations are governed by legislation, collective agreements, the *Golden Book* (Technip Group Management principles and Responsibilities) or the GOPS (Group Operating Principles and Standards) issued at Group level. It is mandatory for all entities to comply with the Group's internal rules, which are available in Technip intranet.

Information and dialogue processes are also in place, locally, at the European level (the "European Works Council" or "EWC") and for the whole Group.

The EWC, set up in 2005, includes 14 employee representatives for 10 European countries and meets twice a year. The EWC has an intranet site that has been accessible to employees in represented countries since 2008.

Since 2006, EWC members have received special training each year that emphasizes multicultural matters. This training will continue.

In 2012, 58 new collective bargaining agreements were signed within 17 entities. 226 agreements are now in force within 27 entities. They cover the following issues:

| Topics included in the 226 agreements | % entities covering this topic |
|---|---|
| Remuneration | 31% |
| Working conditions | 29% |
| Health and Security | 28% |
| Equal opportunity | 19% |
| Training | 18% |

The percentage of employees in the Group who are governed by mandatory collective agreements varies according to countries. In the countries that have signed ILO convention No. 98[(1)], 60% of the employees benefit from collective agreements. In all the entities of the Group including the countries that have not signed this convention, the percentage is 42%.

Group processes for keeping employees informed are in place to ensure everyone receives the same level of information simultaneously. The Group's quarterly "Horizons" magazine is distributed to all employees. It features reports on their specialist skills, promotes their successes and shares their passion.

The fortnightly "Technip in motion" e-newsletter, launched in April 2008, gives a snapshot of the Group's events and achievements throughout the world.

The Group's intranet portal concentrates all relevant information in terms of standards, processes and Technip activities. It is supplemented by local intranets for most of Group's entities and specialized intranets for subjects like HSE (Health, Safety and Environment) or Human Resources. Technip, as part of its knowledge management initiative, uses a collaborative intranet portal which makes it possible for communities of technical experts to share best practices, know-how and key documents. Instant messaging and teleconferencing are available to facilitate discussions.

#### Developing social dialogue

Technip has built a culture based on the values of trust, mutual respect and dialogue. To turn this culture into a competitive advantage, the Group's HR policy provides a frame of reference for relationships with trade unions and other employee representatives. It reinforces its commitment to long-term business development through an open dialogue with personnel and external stakeholders.

(1) In countries that have signed ILO convention No. 98: Right to Organize and Collective Bargaining Convention.

Following the release of Technip's annual results in February 2012, an online chat was organized for the first time to enable Technip employees to interact directly with Thierry Pilenko, Chairman and CEO, and Julian Waldron, Chief Financial Officer. This was the opportunity for them to ask questions about the Group's operational and financial performance.

A second online chat took place in November 2012, and was held twice on the same day to better accommodate all time zones. Members of the Group Executive Committee were able to answer questions about the Group's operations, performance, and strategic priorities.

Both chats were very successful: 350 questions were asked throughout the first online event, and over 450 questions during the second. The number of employees connected to follow the conversation increased by 50% between the first and the second edition, from 3,000 to 4,500 employees. Further, chat transcripts were rapidly made available to all employees, after the event, to enable anyone not able to attend, to be aware of what was said.

These kinds of events were designed to promote direct and interactive conversations among collaborators and the management team. They enable employees to have the opportunity to ask their questions directly, as well as to get insight about the Group's 2011 performance and its 2012 forecasts. It was also a great opportunity for teams to better understand the Group' strategy, ask for clarifications, and allow for employees to express their ideas and concern. Overall, it was a good way to get people talking internally, as wanted by the "One Technip" approach. This initiative will be renewed in 2013.

Finally, with the Jacques Franquelin Award, Technip wishes to foster dialogue and communication through individual or team initiatives. The award celebrates the successes of approximately 25 people. This year, the objective is to strengthen this recognition scheme and to link the Award to Technip's values. Since the creation of the Jacques Franquelin Award in 2000, 1,650 nominations have been received with 209 awards given.

### Consultations/negotiations with trade unions over organizational changes

Five meetings were held with Unions within two entities in France in relation to a project to create a Technology center and the reorganization of the Finance Department. In Finland, the local Technip entity has decreased its former sales department to the minimum and has also restructured its production department. None of these actions led to any reductions in headcount, as all employee transfers were managed internally.

## 2.7. HEALTH & SAFETY AND SECURITY

### Health and Safety Charter

**Health and Safety Charter**

Health and Safety of persons and property are among the core values of Technip. This Charter defines the Group's Objectives in this area and the corresponding Health and Safety Guidelines.

**Our Objectives**

- To insist upon and protect the Health and Safety of persons and property, when in conflict with other strategic goals.
- To strive persistently and with determination to avoid incidents and losses in the workplace and elsewhere.

Management's commitment is a critical success factor in achieving our Health & Safety goals.

**Our Guidelines**

In order to achieve our Health and Safety Objectives, Technip set up the following guidelines:

- To comply with applicable Health & Safety legislation and Technip's own standards.
- To set clear and meaningful objectives for Health & Safety performance, placing an emphasis on key indicators.
- To measure our performance and communicate our progress regularly and openly.
- Hold managers, supervisors and employees accountable for compliance with our Health & Safety management systems.
- To implement Health & Safety management systems which comply with internationally recognized industry standards.
- To combine our engineering and technology know-how with sound assessment principles in order to minimize risks and mitigate, as much as is reasonably practicable, any residual consequences.
- To ensure all relevant personnel receive appropriate training and advice to allow them to undertake their work safely and without any detriment to their health.
- To work with our clients, partners and subcontractors to build a common Health & Safety management system on each project.
- To strive to continually improve our Health & Safety performance.

February 2011

Technip
take it further.

### Protecting people at all times

From project sites to offices, from manufacturing facilities to vessels, the Group strives to protect its employees, clients and sub-contractors by defining and strictly applying an ambitious health, safety and environment (HSE) policy, as well as an uncompromising security strategy.

For 2013, its objectives in this respect are:

- Safety:
  - maintain a zero fatalities rate,
  - reduce the Total Recordable Case Frequency rate (TRCF), and
  - elaborate new three-year Pulse plan;
- Health:
  - continue the implementation of health risk assessments on all sites and the follow-up,
  - start the health surveillance process, following health risk assessments, and
  - implement the health performance indicators described in its process;
- Security:
  - continue the implementation of the corporate security standards across Technip,
  - consolidate the dedicated maritime security system across the fleet and the offshore assets,
  - implement Technip's new joint notification and incident management standard through the organization of regular crisis exercises, and
  - develop the prevention and detection of information security issues.

| Technip safety performance | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|---|---|---|---|---|
| Total Recordable Case Frequency (TRCF)[(1)] | 0.24 | 0.26 | 0.22 | 0.22 | 0.25 |
| Fatalities | 0 | 2 | 2 | 7 | 4 |
| Average Severity of Recordable Cases[(2)] | 2.37 | 2.34 | 2.26 | 2.22 | 2.17 |

(1) The Total Recordable Case Frequency is calculated by 200,000 hours worked. Recordable cases as defined by OSHA standards are considered as per December 31, 2012.

(2) Severity Definition as per TP HSE Incident Potential Matrix (5- Catastrophic, 4- Severe, 3- Significant, 2- Moderate, 1- Negligible).

### 2.7.1. Safety: a culture of continuous improvement

In 2012, a total of 172 million man-hours were recorded as worked at facilities and project sites worldwide. The Group is continually challenging and improving HSE management to increase performance and set the benchmark for its industry.

#### Data-driven prevention

In 2012, the Total Recordable Incident Frequency Rate (TRCF), which measures the recordable events per 200,000 hours worked, dropped to 0.24, after rising slightly in 2011. The overall severity of incidents slightly increased but, for the first time since 2005, there were no fatalities on any of the Group's projects.

In 2012, Technip introduced the Serious Injury and Fatality Frequency Rate (SIFF) in its reporting, which is an indicator of the potential severity of events. In addition to the Incidents that are covered by the Total Recordable Case Frequency (TRCF), it covers near misses and first aid cases which have the potential for serious injury. In close cooperation with an external safety consultancy and other leading companies in the industry, Technip is continuously reviewing this data to identify potential problem areas. In 2012, based on the results of the review of TRCF data, the Group continued to improve its HSE Management System, performance standards and training programs, which are focusing on mitigating the risks that staffs are exposed to. Technip also tracks leading indicators to gauge the effectiveness of the proactive actions taken to improve safety performance.

#### The Pulse leadership program

The Pulse program is one of the main ways to develop a positive HSE culture. It aims to create awareness of the challenges posed in assuring the safety of employees, as well as of the human, material and financial costs of accidents. So far, more than 15,000 people have attended Pulse sessions, ranging from senior managers and managers/supervisors to the general workforce and engineers.

In 2012, approximately 20,000 employees participated in a global HSE culture survey that focused on management commitment, risk taking, as well emphasizing the need to stop work when faced with a safety risk. The results will serve as the basis for a new three-year Pulse plan.

The Group continued its policy of making sub-contractors part of implementing a robust HSE approach on worksite. To ensure that everyone working on sites is fully engaged in HSE, Technip makes its safety requirements and expectations clear to contractors at the contract stage and provide training for all construction personnel.

#### The Jacques Franquelin award fosters safety initiatives

In 2012, the annual internal Jacques Franquelin award was attributed to two teams, in the "Doing The Right Thing" category, for their high-safety aspect. The first team worked on managing the risks of soil contamination on a project site. The second one developed a method for installing offshore cables that reduced manual handling and working at height. This original concept is considered to be an industry first.

### 2.7.2. Health: preventing risks and encouraging wellness

Refer to Chapter "2.2.1.6. Health: preventing risks and encouraging wellness" in the Social Information section.

### 2.7.3. Security: keeping its people safe

Ensuring that Technip is able to keep its people and crews out of harm's way while operating in challenging environments is a permanent and main priority of the Group.

In keeping with "One Technip" principle, Technip's Security Division monitors all security issues affecting the working conditions and environments of people and crew members, regardless of whether they are travelling, working in offices, on construction sites or onboard vessels operated by the Company.

The strategy of the Group is based on its ability to anticipate and mitigate security risks while enhancing its capacity to manage quickly and efficiently any kind of incident. The effectiveness of this strategy is backed by Technip's strong commitment to Security.

**Security Charter**

The security of our people, property and information is one of the core values of Technip. This Charter defines the Group's objectives in this area and the corresponding guidelines.

**Our Objectives**

- Protect to the best of our ability our employees while they are exercising their functions.
- Protect our assets and our strategic information.
- Protect our facilities, both on land and at sea.
- Maintain the integrity of our image and reputation.
- Propose appropriate measures to protect our projects.

**Our Guidelines**

In order to achieve our Objectives, we have established the following guidelines:

- Anticipate the occurrence of high risk situations through analysis of risk factors. The results of such analysis will determine the conditions under which an existing site or project may be continued, as well as how a new site or project will be created.
- Organize security plans and procedures. Each project team has a security plan, which is validated by the Group before the project becomes operational. In emergency situations, it is important to act efficiently and in a coordinated manner, particularly with regard to procedures concerning health and safety. Security plans are verified, updated and tested by local managers.
- Involve management in the process of implementing and updating all aspects of security. Management works closely with the Group's Security Division, whose members are in charge of applying the Group's security measures and procedures.
- Practice prevention from the occurrence of high risk situations through employee awareness of security procedures, employees at each level being aware of their roles and duties in preventing risks. Keeping employees informed about security conditions will result in decreased exposure to risks.
- Seek to improve procedures while they are implemented by making necessary corrections. The Security Division should be informed of any and all such corrections, so they may apply them to other entities of the Group as applicable. All measures, plans and procedures are regularly reviewed by the Group's Security Division. These procedures will rely on information, experience, coordination and training.
- Protect strategic information of Technip. In case of access to sensitive or confidential information, ensure they are not disclosed intentionally or through carelessness. Comply with archiving and record retention policies in compliance with local laws as well as Technip standards that govern these issues.
- Prefer partners who benefit from a security policy.

February 2011

Technip
take it further.

## An evolving international context

2012 was a challenging year for the Security Division, with an increased number of Technip staff and operations across the world, a rising number of IT attacks and new maritime risks related to the new extended Fleet. Technip's robust security management system has proved highly effective, managing the transit of several vessels through high risk areas, as well as the resumption of operations after Arab Spring events in Middle East and North Africa.

Technip operates with full independence in its security assessments and decision making. Technip has developed a 4-Level country risk ranking in matters of security and implements an appropriate security system according to in country security threats.

The Group keeps its teams constantly informed about security issues, with full transparency:

- Travelers Handbooks are available for all countries where Technip operates and are distributed to staff prior to any mission;
- Real-time security alerts are issued by Technip's Security Division and posted on the Security Intranet page to inform travelers of changes in the security context occurring worldwide; and
- the whereabouts of all personnel in transit are monitored through the Technip Security Database, a proprietary software system, which informs and supports personnel in the event of an incident occurring.

## All-round protection

Technip's Security Division monitors security issues affecting the working conditions and environments of people and crew members, regardless of where they work or travel. Its strategy is to evaluate and prevent security risks while enhancing its ability its to manage any kind of incident.

In 2012, the Group continued to innovate and improved upon best practices and initiatives introduced in 2011, as well as forming close ties with local communities, clients and partners to ensure that projects receive the local support necessary to continue operations in volatile countries.

Regular security training and induction sessions are organized in Regions and Entities to raise awareness of staff and provide them with security advice on specific matters such as Travel Security, Information Protection, and Project Security.

Following the fleet expansion, maritime security processes were upgraded to protect vessels during operations and in transit in sensitive areas. In 2012, Technip produced an anti-piracy DVD that was distributed to all fleet staff, which contains information on threats and security recommendations in case of an incident. In addition, tailored security inductions are conducted to cater to each project's specific circumstances.

## Crisis management

Technip implements a 3-level Crisis Management system. At each level of the organization, dedicated emergency response teams, processes, and facilities are ready to be immediately mobilized in the event of an incident. In 2012, significant crisis management preparedness efforts were made towards the revision of Technip's joint Notification and Incident management standard, which is used by the HSE, Medical and Security Divisions, to consolidate and benefit from experience in past years and to face new potential threats.

Technip's ability to respond to an incident has been reinforced through the continuous Emergency Response ("ER") training program (with regular live exercises coordinated by the Security Division). As an example, on a subsea project located in West Africa, a desktop Crisis Management exercise was carried out before operations commenced, to test ER protocols and the coordination between project stakeholders. During operations, several ER drills have been carried out in coordination with Clients to ensure the efficiency of ER protocols.

The Group continued to improve its emergency communication capabilities, to keep in touch with its personnel and external stakeholders in the event of an incident. Regular security training and awareness-raising sessions are held for staff across all entities.

In addition to ER protocols, Technip also launched its group-wide Business Continuity program which is aimed at enabling the Company to resume its critical activities immediately after a significant incident.

Dedicated software was developed to efficiently create Business Continuity strategies and Plans, which includes a Virtual Crisis Management Center that is activated whenever an incident occurs.

## Security starts with information

In 2012, in a dedicated Information Security and Privacy booklet was distributed to all employees in order to reinforce the protection of information and know-how. A permanent independent audit process was also implemented to regularly test the security of IT systems and anticipate new security threats. In addition, dedicated alerts and awareness messages are released when needed to reduce the risk of new potential threats. The IT Security unit has been provided additional resources to deal with the new challenges in relation to the protection of information and IT systems.

## Maritime security an important topic within Technip

As Technip's activities have developed, the Group's areas of operations have extended worldwide and certain projects are located in regions facing maritime and piracy threats. At all times, Technip Security ensures that dedicated processes are implemented throughout the Group for the protection of maritime staff and the smooth execution of operations.

The capacity of the fleet to operate worldwide has led to a significant increase in the amount of vessels transiting through piracy hotspots. In 2012, for example, six vessels transited through the Gulf of Aden and Arabian Sea, compared to one vessel in 2011. In 2012, several projects are also situated in the Gulf of Guinea where the number of piracy incidents has significantly increased. In addition, the projects are getting more complex as they involve staff and vessels from different Regions and marine centers across the Group. The maritime security organization, based on regional time zones and coordinated by headquarters, has enabled to tackle these challenges.

To protect vessels in transit through piracy hotspots, the Group takes preventive measures including: installing barbed wire across the freeboard or on the main deck, welding steel plates at critical access points, adding lookouts during the transit, conduct lock down drills, etc. Depending on the threat assessment, an escort vessel or armed maritime security force can be provided. With advice from the Legal department, Technip strictly monitors their skills, capacities and procedures, as well as establishing rules for the use of force. The Group also focuses on security and awareness-raising briefings as the maritime staff plays a key role in the prevention of threats.

Technip Security Division maintains its focus on the delivering of homogeneous and efficient security conditions to all Technip staff and crew members, while providing constant oversight of the security measures implemented within local entities.

# 3. Environment

## Environmental Charter

**Environmental Charter**

Environmental responsibility is one of the core values of Technip.
This Charter defines the Group's Objectives in this area and the corresponding Environmental Guidelines.

**Our Objectives**

- To strive to minimize the impact of our activities on the environment and risks to nature and others.
- To strive persistently and with determination to avoid any environmental incidents.

Management's commitment is a critical success factor in achieving these goals.

**Our Guidelines**

In order to achieve our Objectives, we have established the following guidelines:

- To comply with applicable environmental legislation and our own standards.
- To set clear and meaningful objectives for environmental performance, placing an emphasis on key indicators.
- To measure our performance and communicate our progress, regularly and openly.
- To hold managers, supervisors and employees accountable for compliance with our environmental management systems.
- To implement environmental management systems which comply with ISO 14001 requirements.
- To use and develop our engineering knowledge to reduce the environmental impact of the facilities we design, build or operate together with our clients.
- To combine our engineering and technology know-how with sound assessment principles in order to minimize environmental impacts and mitigate, as much as is reasonably practicable, residual consequences that may arise.
- To promote employees awareness so that they may integrate environmental considerations into their daily activity.
- To work with our clients, partners and subcontractors to build a common environmental management system on each project.
- To strive to continually improve our environmental performance.

Technip
take it further.

## 3.1. SUSTAINABLE RESPONSES TO ENVIRONMENTAL CHALLENGES

The energy industry must respond effectively to worldwide environmental challenges, especially those related to global warming and the prevention of pollution. Technip confronts these challenges every day, in its own activities and those of its clients.

In 2013, the Group objectives in this respect are to:

- develop carbon-footprint minimization strategies;
- strive to minimize environmental impact of activities;
- develop, implement and monitor a high-level environmental risk register in each Technip's Region;
- conduct at least one audit against the "environmental performance standard", identify the gaps and steps for improvement in every Region; and
- implement the Green Office program at all major Technip offices.

### 3.1.1. Controlling the environmental footprint

The growing energy demand of emerging countries highlights the need to address the issue of greenhouse gas reduction. The main focus of the environmental policy of the Group is to reduce these greenhouse gas emissions and limit the potential environmental impact of its activities, while continuing to develop more efficient processes.

#### A strong and efficient commitment to improving environmental performance

Our environmental strategy is an integral part of the overall health, safety and environment (HSE) policy. Technip has committed to improve environmental performance to prevailing regulations, increase energy efficiency, as well as to lower consumption, emissions and waste.

The process and requirements for Technip's environmental management are defined in the global environmental management performance standard, implemented in 2011. In 2012, an audit of both environmental data and processes was conducted with the resulting information used to identify areas in which the environmental reporting could be improved and the environmental impact reduced. In addition, a review of the operating centers was completed to assess their compliance to the global environmental management performance standard. The Group also developed environmental risk registers for each entity, enabling them to identify and manage their local risks and challenges. This is an important step to ensure local environmental issues are properly assessed and managed in accordance with regulatory, stakeholder and community expectations.

In 2012, one of Technip's major environmental achievements was the implementation of the Green Office program, a standard that had been in development since 2010.

### Reinforcing the global environmental culture

An improved environmental performance begins with fostering responsible behavior. Technip continues to reinforce environmental awareness, through the organization of global events such as World Environment Day (June 5 each year), an initiative sponsored by the United Nations and adopted by Technip with activities now organized by most of the main offices and sites. This event is an opportunity to demonstrate the Group commitment to reducing the negative impact of its business. In 2012, there were activities focusing on the theme of the "green economy" (proposed by the United Nations Development Programme) throughout the Group, including local initiatives such as tree planting, nature walks, cycling events, recycling and energy saving schemes.

Four environmental e-learning modules were also launched by Technip University. Specifically tailored for the oil and gas sector, they cover all aspects of business and are designed to help raise an understanding of the Group's activities, potential impacts on the planet and area of opportunities for the future.

## 3.1.2. Implementing environmentally-friendly solutions for the clients

Technip's environmentally conscious actions are not limited to internal activities. The Group also advises and supports its clients in their effort to tackle the challenges of greenhouse gas reduction and other environmental issues

### Respecting the environment over a project's lifespan

Developing sustainable environmental solutions commences at the concept design phase for a project, which is when the most effective means of reducing the impact from both construction and operation can be achieved. In particular, the Environmental and Health team in Paris has carried out extensive design studies for Shell FLNG projects that will be operated throughout the world. For a project to be located in Australia, a number of specific acoustic activities have been developed to ensure compliance with Australian regulations, such as a noise ALARP (As Low As Reasonably Practicable) demonstration for equipment (with the assistance of an Australian Consultant) and calculations of noise dose exposure for operators. As the Noise & Vibration aspects were crucial on this project, a third party confirmed the conformity of each critical piece of equipment during Factory Acceptance Tests. This project was also an opportunity for Technip to perform the Public Address/General Alarm in-house study.

During the construction phase, Technip work closely with its clients on every HSE aspect of a contract. For Projects such as the Jubail refinery, in Saudi Arabia, HSE and environmental management have been priorities and given full attention. During the construction, pre-commissioning and commissioning phases of this project, the Group focused in particular on the reduction of air emissions, dust abatement, waste segregation and recycling. In addition, great efforts were made to provide environmental training and to diffuse awareness campaigns in relation to waste segregation, energy conservation and carpooling initiatives involving the total workforce including the site management, personnel on payroll and contracted personnel. The HSE Management System Team of the project was awarded the Environmental Champion Award Plaque by the client, which was an important recognition of the Jubail worksite's excellent results in environmental management and performance.

### Preventing accidental pollution

Recent worldwide environmental events and natural disasters, such as the Elgin incident in the North Sea, serve as a reminder to the industry of the importance of safety and pollution prevention.

In 2012, Technip recorded an increase in environmental incidents on sites and vessels.

Spills accounted for 92% of environmental incidents, with oils (*e.g.*, hydraulic), fuels (*e.g.*, diesel and petrol) and chemicals accounting for 97% of spills and waste water (*e.g.* contaminated water and sewage effluents) accounting for 3% of spills. 84% of these incidents were classified as "minor non-reportable", with no regulatory requirement to report to the government authorities. Further analysis of the minor non-reportable incidents shows that more than 45% resulted in very small and fully-contained spills (volume < 10 liters).

In relation to the 8% of environmental incidents that were not spills, these consisted of incorrect waste disposal as well as noise and gas emissions.

The rise in environmental incidents has been identified as a result of the increased level of mandatory environmental reporting requirements and awareness as well as better reporting processes. The impact of these incidents has been minor and serves to identify areas for improvement and prevention, which includes regular inspections, maintenance, training and processes, as well as ensuring the competency of the people and systems in place.

Having systems ready to mitigate the impact of any accidents, should they occur, is also paramount. In 2012, Technip completed the development and construction of the marine well containment system. This emergency response device is available with 24 hours' notice to be fully-deployed within a matter of weeks to contain oil and prevent oil spills in the event of a potential future underwater well incident in the Gulf of Mexico.

### Contributing to renewable energies

Global investment in clean energy, after racing ahead for eight years and reaching a record total of USD300 billion in 2011, decreased for the first time in 2012 to USD270 billion (source: Bloomberg New Energy Finance). Notwithstanding this decrease, Technip continues to answer the global renewable energy's need, reinforcing its expertise in that sector.

During the year, several offshore wind initiatives were launched in France, and in the rest of Europe, and the Group successfully continued its expansion in this market, leaning on its experience and capabilities. Technip Offshore Wind Ltd, the Group's UK-based business unit, has been endorsed with the ISO 14001:2004 Environmental Management Standard as well as the OHSAS 18001:2007 for Occupational Safety & Health Standard. This achievement underpins the Group commitment to becoming an industry leader in HSE performance. The Group also provided important support to geothermal activity in the US, answering the growing demand for alternative energy. Due to collaboration agreements in the renewable sector, Technip expanded its range of solutions for the energy industry whether for the biorefinery market or solar sector.

### Investing in bio-based chemicals

Beyond petrochemicals, Technip continues to develop the growth of the "green" chemicals or commonly called bio-based chemicals market, which are derived from biomass. Several projects are currently underway. The market is growing fast, with a promising outlook.

In 2012, Technip continued work for Solvay on its first bio-based chemical project in China, with a plant scheduled to become operational in 2014. The Epicerol technology converts glycerin derived from vegetable oil into epichlorohydrin (a basic chemical for applications in the electronics, automotive and aeronautics industries).

Partnerships and technological alliances are also under development, both in the United States and Europe. Technip has recently joined the French Bio-based Chemistry Association *(Association Chimie du Végétal),* which promotes and creates the industrial, economic and political conditions for the development of this new sector.

Technip is also highly involved in a multi-client study regarding strategic and prospective issues for bio-based chemicals by 2030. This work is a significant step in this field, gathering together for the first time all the major players of the value chain, from producers and technology providers to distributors.

### 3.1.3. Example of environmental actions in Brazil

In Vitória (Brazil), where a manufacturing plant of the Group is installed, the environmental focus is on three main initiatives. First, the implementation of Technip's Environmental Education program raised awareness of natural resources among employees and communities, including three schools. Various events, such as the Arbor (Tree) Day Celebration, as well as lectures and visits were organized during the year. Second, $CO_2$ emissions from 2011 were analyzed to try and improve the performance and footprint. Third, the ISO 14001 Certification, rewarding environmental management system, was renewed for the third time.

The analysis of $CO_2$ emissions was supported by a consulting company and an environment-specialized contractor. In addition, Technip's employees provided support and motivation for the participation in activities. As much as possible, best practices are shared with other Regions across the Group.

In 2013, the focus in terms of sustainable development in Vitória will be on pursuing the Environmental Education program, on implementing procedures to adjust the management system with the focus on achieving the NBR-ISO 14064 Greenhouse Gases Certificate and on conducting an energy efficiency study aiming at optimizing the use of the site resources. For the rest of Brazil, Technip will make every effort to obtain the ISO 14001 Certification for Technip's new Açu plant, ships and supply boats.

## 3.2. GROUP POLICY

The Group's HSE policy is implemented in all of its entities, regardless of legal form. For more information on the Group's HSE policy, see Section 17.1.4.5 of this Reference Document.

### Legal and regulatory compliance

Technip operates within and complies with the framework of environmental regulations, standards, laws and international codes that are in force in the countries in which it carries out business. Applicable regulations and client demands are identified early, at the proposal stage, to ensure they are met, properly monitored and respected during project execution.

For each Project, the designated HSE Manager issues a HSE management plan that summarizes the legal and other contractual requirements for each work stream. The Quality, HSE and legal departments of each Group entity verify that its operations are in compliance with local and international regulations, through regular reviews and audits, and continue to monitor regulatory requirements (including updates). In 2012, Technip was not subject to any regulatory notifications, license breach notifications, fines or prosecutions.

### Environmental certification policy and process

Technip continued to adopt a policy of ISO 14001 environmental certification for its sites, yards and entities. To meet this commitment, Technip is implementing a robust environmental management framework, and steadily reducing its environmental impact. As of December 31, 2012, 52 Group entities (approximately 63% of the total Group entities) were ISO 14001 certified, with 16 more entities working towards certification. This represents a 60% increase in the number of ISO 14001 certified sites.

This certification not only ensures that the environmental impact of each entity's activity is identified, assessed and mitigated, but it also testifies to the commitment of management to continuous improvement of environmental performance, to prevent pollution, and to assess the Group's compliance with environmental regulations.

Synergi, a global integrated software solution, manages the improvement process, and assists with environmental monitoring the performance of the Group in relation to its health, safety and environment standards. The number of reporting entities has increased across Technip, with greater numbers of personnel at Group level involved in the implementation of this monitoring process. In 2012, directly reporting construction sites accounted for more than 83% of 2012 worked manhours, notwithstanding a decrease in the number of sites. Other sites are small sites where Technip has only a consultancy or supervision role or not direct responsibilities or control (out of Technip boundaries). The reporting level of other entities (fabrication sites, vessels, offices) has slightly increased also.

## Expenses related to reducing the Group's environmental impact

Environmental expenditure for environmental protection, improvements and pollution prevention measures, is principally related to managing and reducing noise, waste, discharges, effluents and energy efficiency systems, as well as soil remediation practices. These expenses may also include environmental consultancy fees, specialist environmental contactors, waste removal and testing of liquid effluent discharge.

Environmental improvement measures are linked to the Group's strategic investments, such as at its Brazilian and Malaysian flexible manufacturing plants, the construction of new pipelay vessels, *Deep Energy* and *Deep Orient,* as well as operating expenses related to managing waste and effluent at sites, plants and in offices. All Technip vessels operate to International Maritime Organisation MARPOL standards that require certification for atmospheric emissions and discharge standards.

| | In thousands of Euro | | |
|---|---|---|---|
| Annual expenses related to environmental protection as reported by the sites | 2012 | 2011 | 2010 |
| Total environmental expenditure | 2,773 | 2,251 | 3,342 |
| Decontamination costs | 0 | 0 | 0 |
| Number of fines & compensation awards | 0 | 0 | 0 |
| Amount of fines & compensation awards | 0 | 0 | 0 |

The amount of environmental expenditure increased in 2012 compared to 2011. This increase can be attributed to noise abatement activities, increase waste handling and disposal costs, oil spill prevention and operation of waste water treatment plants (in fabrication sites).

## Health, Safety and Environment organization

Environmental management, as for health and safety, is the responsibility of everyone at Technip. Environmental policy implementation relies upon management's commitment, the accountability of each Region, ongoing dialogue with key stakeholders involved, and a chain of responsibility for the total workforce of the Group.

The Environmental Working Group, with the support of HSE management, coordinates a network of environmental representatives at each Group entity, organizes technical working groups including experts from each operation, and puts together programs at Group level focusing on environmental performance indicators and reporting environmental improvements, awareness programs, carbon accounting and eco-design. The management of these programs is sub-delegated to the regional and local levels. In addition, the Group's entities develop and conduct environmental initiatives and programs that have been adapted to the local environment and workforce.

## HSE training

In 2012, HSE training continued to focus on leadership with the internally-developed Pulse program, as well as specific HSE aspects. The Pulse program aims to improve the Group's culture of health, safety and environmental awareness. The Pulse program consists of specific training modules aimed at particular target groups among the total workforce, such as line management, supervisors or frontline workforce.

In June 2012, as part of the Pulse program, all Technip entities worldwide participated in the "United Nations World Environment Day". In 2012, the theme was "Green Economy", which provided an opportunity to emphasize the importance of environmentally sustainable practices to Technip's total workforce, not only in daily activities, but also in conceptual and design activities. The awareness of environmental issues and their day-to-day environmental impact, both in the office and at home, will encourage the workforce to take proactive measures towards sustainable development and resource use.

| Training and environmental awareness (Total workforce) | 2012 | 2011(*) | 2010(*) |
|---|---|---|---|
| Number of HSE training hours | 421,019 | 180,922 | 355,846 |

(*) Number of hours on site.

The table above provides Technip's total number of HSE training manhours, including environmental awareness training. This training may consists of site or vessel HSE induction sessions, HSE briefings, waste management, spill control, environmental briefings and the Pulse HSE programs. Training is conducted on site, vessels and in the office, and may also be provided at external facilities. Training is conducted and available to all personnel, including both payroll and contracted personnel on sites, vessels and in the office.

For details of risk management, see Sections 4.4 and 4.8 of this Reference Document.

## Prevention of environmental incidents

Technip has a strong environmental protection commitment. This commitment is particularly evident in the strict approach to environmental incident identification and reporting that was first implemented in 2010. Currently, Technip records any spill or release, regardless of volume, into Technip Statistics. Greater attention is paid to minor non reportable spills (under the threshold of most national and International standards) as Technip works towards its goal of zero spills or releases.

In 2012, the overall number of environmental incidents reported across Technip sites and operations showed an expected increase, particularly in the operation plants, yards and construction sites. The recording of minor environmental incidents also increased, however no significant environmental incidents were identified (*i.e.*, requiring the intervention of a third party and/or having an impact on the environment outside of the area of operations, for activities involving Technip and its subcontractors).

| Distribution of accidental releases | Number of incidents (*) | | | Volume | Number of incidents | Volume | Number of incidents | Volume |
|---|---|---|---|---|---|---|---|---|
| | Minor Non-reportable | Minor Reportable | Major | Quantity (l) | Total Number | Quantity (l) | Total Number | Quantity (l) |
| | 2012 | | | | 2011 | | 2010 | |
| Construction Sites | 30 | 1 | 0 | 1,321 | 21 | 1,845 | 34 | 2,970 |
| Plants | 30 | 11 | 0 | 1,276 | 12 | 645 | 35 | 2,639 |
| Vessels | 31 | 5 | 0 | 1,223 | 33 | 456 | 6 | 227 |
| Offices | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

(*) According to the new Technip Environmental Incident Classification (GOPS 11009).

Spills accounted for 92% of environmental incidents, with oils (*e.g.*, hydraulic), fuels (*e.g.*, diesel and petrol) and chemicals accounting for 97% of spills and waste water (*e.g.* contaminated water and sewage effluents) accounting for 3% of spills.

In relation to the 8% of environmental incidents that were not spills, these consisted of incorrect waste disposal, as well as noise and gas emissions.

Of the 108 incidents, 99 were spills and 84% of these incidents were classified as "minor non-reportable" and involved small accidental spillage or discharge of hydraulic oil, diesel, chemicals, sewage or contaminated water", with no regulatory requirement to report to the government authorities. Further analysis of the minor non-reportable incidents shows that more than 45% resulted in very small and fully-contained spills (a volume of less than 10 liters).

The other 16% were "minor reportable spills". This classification means the incident is reportable to local authorities in accordance with any works approval or license conditions and regulations but does not result in a fine or prosecution.

The onshore spills were all contained, remediated and disposed of in accordance with regulatory requirements and waste measures. The operating cost of remediation of these spills has been included in environmental expenses as a waste management cost, and is not considered as a decontamination cost.

The offshore spills that consisted of minor, low volumes (from 0.5 to 10 liters) of hydraulic oils or fuels were contained wherever practical or lost to sea and reported in accordance with regulatory requirements.

The overall increase in numbers of recorded environmental incidents can be attributed to two factors: (i) the review of the Environmental Incident Definition in Group Operating Principles and Standards (GOPS) 11009, which has been fully applied in all Technip entities since the end of 2011 and (ii) the focus on environmental incident management lead by the Group's HSE division pursuant to the PULSE campaign with the specific intent of enforce environmental awareness and competencies both in Technip total workforce and third parties. Technip's HSE Campaign had an immediate direct impact as the overall volume of spilled substances in construction sites has decreased, while the reporting of events has increased.

The number of plants and vessels managed or operated by Technip has also enlarged the reporting scope and has a direct effect on the number of reported incidents. For both cases, more than 92% of incidents are minor non reportable incidents that were fully-contained.

## Environmental provisions and guarantees – compensation paid during the financial year ended December 31, 2012 stemming from court's decisions on environmental issues and imposing subsequent actions damage repair

In 2012, Technip did not make any specific provisions for environmental risks and no adverse legal decisions have been made against the Group in relation to environmental issues.

Provisions for all types of risks including environmental risks are made for each individual project.

## Targets assigned to subsidiaries outside France

The responsibility for the Group's HSE policy is sub-delegated to and implemented in all of its entities, regardless of their legal form. Environmental targets are reflected in the Technip Group Charter and specific environmental objectives (see Section 2.7 of this Annex for details).

## 3.3. ENVIRONMENTAL IMPACT

### Methodology

Technip strives to reduce the impact of its operations and activities upon the environment. To help identify environmental trends and areas for improvement in environmental performance, Technip utilizes a global environmental reporting database, Synergi. The information reported and analyzed is based upon site data collected from subcontractors, facilities and various entities. While this data is as accurate as is reasonably practical, efforts are continually made to review and improve the reporting process and quality of the data, in order to provide a more transparent picture of the Group's environmental performance. In 2012, the following actions have been implemented to improve reporting methodology.

Environmental reporting scope: the environmental reporting scope covered in this report applies to existing entities of the Group. It does not cover companies acquired during the year (i.e., Stone and Webster). The 2013 report shall include environmental data of companies acquired in 2012.

Environmental data compilation: environmental data is submitted through Technip's HSE reporting system, Synergi, as Environmental Key Performance Indicators (EKPI). Each of the Group's reporting entities is required to register its environmental data performance into Synergi. This data reflects the environmental performance of entities involved in fleet, construction, plant, fabrication and office operations and activities.

Environmental reporting restrictions: Technip's dedicated efforts to increase the quality and consistency of reporting mean that Technip's reporting for 2012 has been restricted. Environmental data is only reported for sites and entities that Technip owns or where it is responsible for their management, in accordance with the Group's standard on Classification and Reporting of HSE Incidents (GOPS 11009).

This reporting restriction reduced the number of construction sites reporting environmental data from 89% in 2011 to 55% in 2012. Indeed small sites where Technip has a consultancy or supervision role, without direct responsibilities or control, have been excluded from Technip's reporting scope. In the same time, the construction sites reporting environmental data accounted for more than 83% of 2012 construction worked manhours as compared to 80% in 2011. This reflects the greater involvement of Subcontractors in the reporting of those activities that fall within their scope of responsibility. The total number of reporting entities has increased across Technip for Offices, Vessels and Fabrication as the reporting system matures across the Group, with an increasing number of assets, entities and people involved at Group level in the implementation of processes for the monitoring of EKPIs.

In 2012, about 52% of fabrication plants and bases directly included in the reporting scope reported environmental data. 48% of the Technip fleet reported environmental data. This is accounted for by the number of new vessels that are yet to report. Similarly, 52% of Technip's offices reported environmental data. All these percentages are based on the number of worked manhours for each type of activity.

### Minimizing the environmental impact

Technip is committed to reducing the environmental footprint of its offices and fostering responsible behavior. In 2012, Technip's Green Office program was continued in order to meet this commitment. The Green Office program is a Technip Group guideline that focuses on Technip's environmental commitment and defines the Technip Green Office standard. This standard describes how office operations should be conducted in an environmentally-sound manner and consists of a set of green parameters or actions (including energy and water saving, transport plans and recycling) to be developed across the Group's offices. In 2012, many green actions were in place throughout the Group and a number of office entities had already begun implementing the standard. In Düsseldorf (Germany), for example, an environmental walk-through was conducted as well as a waste management audit. Likewise, in Antwerp (the Netherlands), Technip implemented a new management policy aimed at reducing the volume of generated waste. In Paris (France), a carbon footprint study was conducted and reviewed to understand the level of the emissions and potential areas for improvement. In Rome (Italy), the Paperless Company initiative was continued, which includes a web-based tool for consulting vendor documentation, typically representing 40 to 50% of the paper used during a project. In 2013, all offices will be assessed against this Green Office standard.

The same care for the environment is taken in industrial assets. For example, the Angra dos Reis facility (Brazil) has implemented a mobile wastewater treatment system that is used to clean painting equipment and tools. The system was constructed with re-used materials that would otherwise have been discarded as landfill. The idea came from the maintenance workers themselves and will soon be used at other Technip sites in Brazil due to its efficiency, low cost and easy operation.

The good work done by Technip offices to reach this high standard in 2012 will, upon verification by the Environmental Working Group, be recognized through the award of the Green Office Label.

### 3.3.1. Waste management

Technip strives to reduce the potential impact of its activities on the environment, which includes waste generation. Technip's waste management policy is based on the following key points: reducing the production of waste at the source through an appropriate product and packaging selection, maximizing reuse and recycling, and finally ensure traceability and appropriate final treatment of waste. This policy aligns with Technip's site ISO 14001:2004 environmental management systems. Key aspect of waste management is to identify at an early stage the specific waste streams for Technip's Projects and to suggest best practice processes to eliminate, minimize and treat. As an example, some clean soil cut from construction sites in preparation for plants is reused as fill or earthen retaining walls to reduce the need for offsite disposal.

Waste management practices in Technip also ensure full compliance with international and local regulatory requirements. For example, Technip operates several wastewater treatment units over a number of sites and yards. Discharges from these units are regularly monitored and audited in accordance with local licenses and regulatory approvals.

In 2012, Technip experienced an increase in waste generation from previous years. This increased waste generation, resulting primarily from construction activities, is due to a number of factors: (i) an increase in the number of sites, vessels and facilities, (ii) an increased level and accuracy of waste data and reporting across Technip's total workforce, (iii) an increased volume of pipe manufacturing, construction activities, and (iv) the increased scale and complexity of activities developed by sites, plants and vessels.

| Waste | Quantity (in tons) | | |
|---|---|---|---|
| Total Waste weight, by type | 2012 | 2011(*) | 2010 |
| Non-hazardous waste | 86,195 | 55,871 | 23,005 |
| Hazardous waste | 6,761 | 4,513 | 2,368 |

(*) Note – The environmental data for total waste from the 2011 Activity and Sustainability Report differs from the figures provided in the 2011 Reference Document. This is due to a correction that was not made until after the publication of the 2011 Reference Document (published first) and results from the time required to produce verified and accurate data. This discrepancy has led to changes and corrections in the present document in order to be aligned with the 2011 Activity and Sustainability Report, which contains the accurate data.

### 3.3.2. Noise and olfactory pollution

A large portion of the Group's operational and fabrication sites are located in heavy industrial environments and offshore. The noise impact from the Group's activities have been specifically measured, and analyzed. Effective systems and controls have been implemented at yards to mitigate disturbances in accordance with regulatory and occupation health standards. For example, noise studies are conducted for construction activities to ensure compliance with regulations. Restrictions on activities, such as construction and testing of pipes, and controls may include the reduction or ceasing of work in the evenings and weekends, or installing physical noise shielding on machinery. Measures have been taken to erect noise attenuation barriers in relation to the flexible manufacturing plants in Vitoria (Brazil) and Newcastle (UK) so as to reduce any potential noise events and remain within the acceptable levels mandated by regulations.

In 2012, there was one noise and light complaint reported at the Newcastle (UK) Flexible Plant, resulting from upgrade works. As a result, work was ceased and restricted to daylight hours. No further complaints were received.

Detailed noise studies are often conducted on projects during the engineering phase by the Environment and Health department located in Paris. The work of the acoustic team is to assess the noise footprint and features of plant designs, its impact with adjacent plants and environment and design specific noise reduction measures or equipment.

In 2012, there were no incidents or complaints of olfactory pollution reported from Technip entities or activities.

### 3.3.3. Biodiversity protection

Technip is committed to conducting its activities and operations in an environmentally responsible manner, preserving nature is part of the way to do business. This commitment includes the protection of biodiversity in the areas of its operations and activities. As an engineering and services company, Technip advises and assists its clients to carry out their projects and their investments in an equally responsible manner.

Biodiversity at Technip's sites may include existing vegetation or waterways adjacent to the facilities. At construction sites, biodiversity will include present and remaining vegetation, wetlands or waterways, as well as any fauna or protected species. During onshore construction efforts are taken to identify biodiversity, place controls such as stormwater runoff protection, physical barriers to vegetation and monitoring of fauna. Any damage to biodiversity is reported *via* Technip's HSE reporting system. It is normally the client's responsibility to select project locations in accordance with environmental standards and regulations. Technip provides clients with environmental consulting services to assist in the selection, concept and planning of their projects.

Technip utilizes a number of processes and measures to assess its activities and ensuring the protection of biodiversity. These measures include systemic environmental analysis and risk assessment method (ENVID), to assess and manage the potential environmental impacts of the proposal at every stage of the project, development of environmental management plans and control procedures, as well as the monitoring of the environmental impacts of its plants, yards and sites.

In 2012, biodiversity protection measures were implemented on Technip construction sites, such as dust suppression, storm water and wastewater management, erosion control, the management of protected species or habitats and the reduction of noise pollution.

For example, in Western Australia, Technip works on a gas project located in a semi-arid environment of coastal plain and bushland. In 2012, the Group continued to implement various strategies to preserve the local fragile fauna. That region is home to a wide variety of native snakes and lizards, often hiding in excavations. Even if they were inspected twice daily and fitted with shelters to prevent any passing animals from being trapped, employees on the site were also trained in handling reptiles in case they needed to be removed from remote locations. This original initiative helped rescue and relocate a large number of animals and provide a means to measure and monitor the local fauna.

In the offshore environment, measures are taken to ensure Technip activities do not impact upon marine plant and animal life, where practical. Measures may include the selection of eco-friendly chemicals for pre-commissioning discharges, and also the reporting of marine mammals such as whales and dolphins to regulatory authorities.

## 3.4. SUSTAINABLE USE OF RESOURCES

### 3.4.1. Consumption of water resources

The broad variety of Technip's business operations and locations gives rise to a wide range of natural resource requirements, such as water needs (including, drinking and industrial water, hydraulic tests, cleaning) and the implementation of local initiatives for water treatment and the reduction of consumption (*e.g.,* reuse and recycling water at industrial sites). As a consequence, water consumption fluctuates depending on a particular site's activities.

Technip is well aware of the need for water conservation and strives to reduce water consumption by monitoring consumption and the reuse and recycling water at wastewater facilities where practical and permissible. Water consumption in construction camps will vary depending upon the location of the camp, access to existing or constructed water schemes and supply. Water may be extracted from local water scheme, river or bores and treated onsite. Water may be used for dust suppression or hydro-testing of pipelines and piping.

Fabrication sites, subcontractor yards and construction camps may report environmental data into Technip's Synergi system if contractual requirements provide that it is the responsibility of Technip to manage. Sites for which Technip is not responsible report their environmental performance into their own systems and processes.

| | Quantity ($m^3$) | | |
|---|---|---|---|
| | **2012** | 2011(*) | 2010 |
| Total water consumption | 1,977,630 | 2,480,785 | 2,946,805 |

(*) The 2011 environmental data for water consumption from the 2011 Activity and Sustainability Report differs from the figures provided in the 2011 Reference Document. This is due to a correction that was not made until after the publication of the 2011 Reference Document (published first) and results from the time required to produce verified and accurate data. This discrepancy has led to changes and corrections in the present document in order to be aligned with the 2011 Activity and Sustainability Report, which contains the accurate data.

In 2012, the overall water consumption reported decreased by nearly 20%. Reductions in water consumption were achieved at construction sites and offices due to reduced needs of water from construction activities such as hydro-testing or camp facilities. The level of water consumption in vessels and yards increased slightly due to the increased number of vessels and sites.

Wastewater treatment at onshore facilities, such as plants, yards or offices is either treated by the local or regional sewerage scheme system, or by purpose-built onsite treatment systems. Offshore, Technip's vessels are fitted with MARPOL compliant sewage treatment systems. Where, the vessel cannot treat specific wastewater then the wastewater is transferred *via* sludge or holding tanks for onshore treatment.

In the 2011 Reference Document, waste water was separated into Onsite treatment and Offsite treatment. In 2012, waste water has been divided into Industrial and Domestic with the following outcomes:

- Industrial wastewater is mainly treated onsite; in 2012, it represents approximately 6% of the total waste waters for construction sites, 38% for plants and 3% for vessels;
- Domestic wastewater treatment is usually held off site in external waste water treatment plants.

| | Total Wastewater Quantity ($m^3$) | | |
|---|---|---|---|
| | **2012** | 2011 (*)(**) | 2010 (**) |
| Construction Sites | 434,806 | 214,071 | 1,220,082 |
| Plants | 64,530 | 56,454 | 25,292 |
| Vessels (***) | 109,958 | 79,785 | 89,828 |
| Offices | 136,541 | - | 226,353 |

(*) The 2011 environmental data for waste waters from the 2011 Activity and Sustainability Report differs from the figures provided in the 2011 Reference Document. This is due to a correction that was not made until after the publication of the 2011 Reference Document (published first) and results from the time required to produce verified and accurate data. This discrepancy has led to changes and corrections in the present document in order to be aligned with the 2011 Activity and Sustainability Report, which contains the accurate data.

(**) In the 2011 and 2010 Activity and Sustainability Reports, the reported effluents were effluents treated in water treatment plants and discharged directly into the natural environment.

(***) 2012 Vessels ballast water is reported separately and accounting for 77,973 $m^3$.

Water treatment is conducted at various construction sites and plants, through purpose-built sewage treatment systems, and also on vessels by onboard treatment systems. The increase in wastewater volumes in construction and vessels is due to an increase in activities and the number of reporting entities, such as the Carlyss offshore base in Louisiana (USA), and also more accurate wastewater reporting and monitoring processes.

## 3.4.2. Consumption of raw materials, energy use and efficiency

Raw materials for Technip activities will be provided from suppliers and vendors. Technip will request these suppliers to provide raw materials in accordance with contractual requirements, including HSE requirements. Raw materials may be reused on sites or vessels where practical such as the reuse of wood, packing boxes, and the recycling of materials such as scrap metal, electrical cables. Waste materials are segregated where practical to improve reuse and recycling measures.

In 2012, Technip continued to pursue energy efficient, conservation and energy saving initiatives aimed at reducing its energy consumption, such as installing timers on lighting and air-conditioning, energy efficient lighting and office designs.

Technip's offices in Houston were designed to be, and have been rated as, energy efficient. The design takes into consideration the use of natural light and ventilation, thermal insulation to reduce heating and cooling costs. In addition, Technip's Rome office utilizes solar panels for energy generation and other renewable certified sources for its own internal consumption.

| Heating & electricity consumption for permanent sites | Natural gas & LPG (*) | Fuel (Fuel-oil, Diesel Gasoline (**)) | Electricity | Natural gas | Fuel (Fuel-oil, Diesel) | Electricity | Natural gas | Fuel (Fuel-oil, Diesel) | Electricity |
|---|---|---|---|---|---|---|---|---|---|
| | MWh | | | | | | | | |
| | **2012** | | | 2011 (***) | | | 2010 | | |
| Plants | 11,086 | 30,998 | 58,016 | 9,638 | 27,227 (****) | 32,841 | 10,999 | 20,007 | 33,987 |
| Offices | 5,382 | 6,069 | 65,478 | 6,907 | 2,443 | 55,900 | 3,605 | 1,862 | 45,555 |

(*) LPG use has been added in 2012 data.

(**) For 2012 an increase of Gasoline consumption has been reported. Data has been added under column Fuel.

(***) The 2011 environmental data for energy use from the 2011 Activity and Sustainability Report were the same as the figures provided in the 2011 Reference Document. So data are aligned with the 2011 Activity and Sustainability Report, which contains the accurate data.

(****) This figure has been kept as reported in the 2011 Reference Document since the figure mentioned in the 2011 Activity and Sustainable Document appears to be incorrectly reported.

| Fuel & electricity consumption relating to operations on projects | Natural gas & LPG | Fuel (Fuel-oil, Diesel, Gasoline) | Electricity | Fuel (Fuel-oil, Diesel) | Electricity | Fuel (Fuel-oil, Diesel) | Electricity |
|---|---|---|---|---|---|---|---|
| | MWh | | | | | | |
| | **2012** | | | 2011 | | 2010 | |
| Construction Sites | 2,605 | 422,725 | 4,227 | 261,241 | 2,019 | 544,809 | 1,320 |
| Vessels | - | 1,260,951 | - | 976,560 | - | 820,723 | - |

In 2012, Technip recorded an increase in power consumption for all entities, plants, offices, construction sites and vessels. The increase in power consumption in plants and offices is due to an increase in both activities and the number of reporting entities, following the acquisition and integration of Global Industries, and also more accurate energy consumption reporting. The increase in power consumption on construction sites reflects an increase in construction activities, such as power generation, generator units and processes, and also the increase in the number of vessels following the acquisition and integration of Global Industries. In particular, Pori Construction Yard in Finland recorded high consumption of electricity. This has been attributed to the Intensity of construction activities processes and extended heating requirements.

### 3.4.3. Soil & Footprint

Clean soil cut from construction sites as preparation for facilities is reused wherever practical on the construction site in the form of fill for leveling, retaining walls or screening from neighboring activities. Technip has a limited influence in the choice of the location of the client's facilities to build, but does help influence the size, shape, orientation of the facility to limit the impact upon the biological, physical and social environment where practical. An example of this is the orientation of the installations for a gas plant in Western Australia to limit the incursion into recognized cultural heritage sites.

The footprint of Technip's activities is largely governed by the requirements and land or area provided by its client's. However, wherever practical, efforts are taken to prevent the construction or installation activities from having an excessive impact, through a review of the design layout, construction management planning and risk assessment, regulatory approvals and monitoring.

## 3.5. CLIMATE CHANGE

In 2012, global warming continued to be a significant global environmental concern, with its potential consequences of increased extreme weather patterns and natural disasters. The United Nations Climate Change Convention continued to apply pressure to address global warming with the framework of the Durban Platform process, which has as its objective the conclusion of a legally binding treaty to address global warming. The terms of the treaty are to be agreed by 2015, with entry into force in 2020.

This treaty will impose upon states even greater commitments in terms of increased energy efficiency, implementation of renewable energy sources, and a reduction of $CO_2$ emissions. This commitment will present a significant challenge in terms of the amount of investment, and genuine international cooperation between States.

In this context of regulatory requirements and local initiatives, Technip recognizes the challenge of climate change and continues to pursue strategic options to provide its clients with "green growth" solutions, energy efficiency solutions in conceptual designs. In addition, Technip has expanded its expertise and capability in the development, acquisition and implementation of renewable sources of energy, such as offshore wind turbines, biofuels and thermal gas plants. Technip's local operating entities continue to promote energy saving and renewable energies, such as the use of solar panels for power generation in Technip's Rome offices, and certified renewables energy consumption (RECS) that accounted for approximately 60% of internal energy use in 2012. In terms of its fleet vessels, in accordance with international maritime requirements, Technip has developed specific Ship Energy Efficiency plans. These plans are designed to provide measures for the efficient use of main and auxiliary machinery, safe and more efficient fuels and reduce the level of emissions.

### 3.5.1. Greenhouse gas emissions (GGE)

The table below shows the aggregate volume of direct $CO_2$ emissions (in ton $CO_2$ equivalents) generated by Technip's operations. It should be noted however that Technip is not subject to any greenhouse gas emission regulatory quotas.

Technip also quantifies its indirect emissions, which are those resulting from its own electric consumption, and that of its subcontractors, at its sites and on offshore operations.

| Total Greenhouse Gas Emissions | Direct Emissions | Indirect Emissions | Direct Emissions | Indirect Emissions | Direct Emissions | Indirect Emissions |
|---|---|---|---|---|---|---|
| | Quantity (in metric tons $CO_2$ equivalent) | | | | | |
| | 2012 | | 2011(*) | | 2010 | |
| Construction Sites | 111,462 | 2,520 | 69,401 | 2,110 | 145,274 | 8 |
| Plants | 10,546 | 15,387 | 9,462 | 11,846 | 7,597 | 7,724 |
| Vessels | 335,589 | - | 261,143 | - | 219,157 | - |
| Offices | 2,652 | 27,244 | 2,069 | 22,129 | 1,228 | 20,920 |
| Total Emissions | 460,252 | 45,153 | 342,075 | 36,085 | 373,256 | 28,652 |
| **TOTAL EMISSIONS** | **505,405** | | **378,160** | | **401,908** | |

(*) The 2011 environmental data for greenhouse gas emissions from the 2011 Activity and Sustainability Report differs from the figures provided in the 2011 Reference Document. This is due to a correction that was not made until after the publication of the 2011 Reference Document (published first) and results from the time required to produce verified and accurate data. This discrepancy has led to changes and corrections in the present document in order to be aligned with the 2011 Activity and Sustainability Report, which contains the accurate data.

Direct emissions result from fuels or energy used directly in Technip activities and operations, often due to internal electric energy production at sites. Indirect emissions result from the direct consumption of electricity from the relevant local grid as part of Technip operations. The volume of $CO_2$ generated from electricity will vary from country to country depending upon the fuel source used to produce electricity.

In 2012, Technip experienced a distinct increase of $CO_2$ emissions in all areas, which reflects the similar increase in the volume of energy consumed for the period. The increase in energy consumption in Technip entities is due to an increase in activities and the number of reporting entities (sites and vessels) not connected to the Grid, as well as due to more accurate reporting from subcontractors. In addition, the acquisition and integration of Global Industries has contributed to the emissions from Offices.

In 2012, Technip experienced 34% increase in the total volume of $CO_2$ emissions, compared to 2011.

### 3.5.2. Management of change in climate risk

Technip divides climate change risks and opportunities into two categories, each of which is approached differently in terms of economic risks and opportunities:

1. Regulatory risks and opportunities resulting from more stringent international, European or national regulations intended to reduce greenhouse gas emissions; and
2. Competition risks and opportunities resulting from possible changes in customer demand for more energy-efficient products and processes to reduce greenhouse gas emissions.

Technip considers these two categories more as opportunities than risks.

Technip itself would in any case not be directly impacted by regulatory changes as it does not have many industrial facilities and conducts regular regulatory surveys for all its facilities. For example, Technip has no facilities that fall within the scope of either the French national greenhouse gas quota scheme (PNAQ II for the 2008-2012 period) or Directive 2010/75/EU of the European Parliament on industrial emissions (integrated pollution prevention and control).

These two categories of climate change risks and opportunities should be considered as an opportunity for Technip to work together with its customers towards a better environmental performance, in accordance with Technip policies and values. Technip is in a position to propose innovative solutions to help its customers to be in compliance with any new environmental law or regulation and satisfy the market demand, including technologies with lower greenhouse gas emissions, including renewable energies.

During the year, Technip successfully continued its expansion on the Offshore Wind market; several initiatives were launched in France and in the rest of Europe. Technip also provided an important support to geothermal activity in the United States as detailed in Section 3.1.2 of this Annex, paragraph "Contributing to renewable energies".

# 4. Societal commitments

## 4.1. SOCIETAL AND ECONOMIC DEVELOPMENT OF HOST COMMUNITIES AND COUNTRIES

Technip is committed to encouraging a fair return for all. The Group believes in the execution of profitable projects based on sustainable and balanced relationships and strive to share the benefits of its successes with all its stakeholders, and notably local communities.

For 2013, the objectives in relation to this commitment are to:

1. continue to grow the national content of projects;
2. fine-tune the selection of local initiatives to increase its impact within local communities and energize national economies;
3. promote and engage the Technip workforce as volunteers and active participants in the field of sustainable development; and
4. create a position of Local Communities Manager to better coordinate the strategy and actions at Group level.

### 4.1.1. Energizing local economies

National content and multi-local footprint of talents constitute one of the six pillars of Technip's strategy. It is an integral part of its regional organization to be strongly present alongside its clients wherever they operate in the world. The reinforcement of national content obligations, in both developing and western countries, is a strong asset for Technip that allows it to respond to local needs and sustainability issues.

#### Establishing a deep-rooted presence

Technip has become a truly multi-local company with a strong regional focus. Over a 15-year time span, while historical centers in Continental Europe multiplied their workforces by a factor of 1.4, in North America the workforce has been multiplied by a factor of 42, by 18.6 in Asia-Pacific, by 11.5 in South America and by 10 in the Middle East. Over this period, Technip also launched its activities in Africa and the North Sea, where the Group now has respectively 700 and 4,100 people.

Today the Group is present in 48 countries with production assets on every continent and an extensive network of suppliers. It gives it the capability to undertake projects involving a very high level of national content, which links the economies of host countries with its own growth. For example, the supply contract for integrated production bundles delivered in 2012 for the Papa Terra project in Brazil was executed with over 50% national content.

The opening of new offices reflects change in the market, the activity and the objective for the Group to maintain a presence for the long-term. For example, in 2009, Technip decided to open a sales office and invest locally in Ghana, an emerging oil & gas country, to prepare the future. In 2012, the Group increased its involvement in the country by opening an engineering center in a joint venture with Ghana National Petroleum Corporation (GNPC), which now employs 25 staff, of which 80% are Ghanaian. In 2012, this engineering center, in partnership with other Group centers, executed the Jubilee project; the first offshore world-class field developed in Ghana, and is currently working on the second phase of the project. The team is also carrying out local initiatives in favor of the local communities (see paragraph on Technip Relief and Development Fund in Section 4.1.2 of this Annex).

### Promoting employment and skills transfer

Technip plays a key role as a local employer by prioritizing on-site hiring. Group-wide, 79% of staff is local. For example, 100% of the staff at the Dande spoolbase in Angola is Angolan, 74% of the staff at the Vitória flexible pipe plant in Brazil is Brazilian and 99% of the staff of the Tanjung Langsat factory are Malaysian. This "act local" is backed up by a strong multi-centers cooperation on projects and transfer of skills. It also strengthens the multicultural identity of Technip and broadens the Group's expertise.

The Group human resources policy is to access local talent pools and to help them develop to their maximum potential. That is one of the objectives of the Technip Leading Edge Program, a key component of the career development process for managers providing a common leadership culture for individuals from varying nationalities, cultures and backgrounds. In the class of 2011-2012, 102 people, with 27 nationalities, participated in the program and were selected from regions in line with the geographic composition of the Group.

The activity also contributes to create indirect jobs. In this matter, Technip works with its customers to source, whenever possible, materials and equipment from local vendors. This was one of the drivers, along with reducing procurement costs, behind a program launched in 2010 and pursued across 2011 and 2012 to qualify more suppliers from emerging countries. Projects also create indirect jobs in the housing, medical, transportation and catering sectors.

## 4.1.2. Supporting local communities

Technip strives to make its activity as mutually beneficial as possible, makes a strong commitment to respect local cultures and works continually to improve the wellbeing of communities by encouraging solidarity initiatives, at a local level as well as through the newly-formed Technip Relief & Development Fund.

### Building trust and confidence through open dialogue

When working with local communities, the approach is one of dialog and consideration. Technip considers local people as essential stakeholders and obtaining their support is an integral part of a project's success for the Group and its clients.

As an example from the United Kingdom, Technip has been involved since the beginning of 2010 with the Vattenfall led Aberdeen Bay offshore wind farm project. The Group has participated to various stakeholder events, including public exhibits, to assist in explaining the purpose and features of the project to those with an interest in the development and address their potential concerns.

### A close and sustained relationship

Technip encourages its operating centers and project teams to develop their own initiatives of support to the local communities, adapting them to the local cultures and legislations and respecting its ethics and compliance policy. A particular emphasis is given on issues related to children and education, health, disabled persons and humanitarian projects. In 2012, charitable actions have been carried out in 26 countries, and the amount of donations is more than €1 million.

Some entities have developed comprehensive and sustained programs to take care of their local communities. In 2012, for example, Technip in Brazil drafted two procedures regarding Corporate Social Responsibility and the Inclusion of People with Disabilities. Both documents are intended to further guide and structure the actions in Brazil. In 2012, two social initiatives in Brazil were rewarded: (i) the Technip Citizen Movement, a global action day to offer services to community, received the Jacques Franquelin internal award, and (ii) the PROENFA program, consisting in four initiatives directed to employees' families and spreading to community, received the Social Service from Industries (SESI) award in the sustainable development category.

The Group policy is to prioritize long-term engagement, when the situation calls for it, however, Technip is also capable of rallying significant resources quickly for short-term initiatives. In 2012, the region around the refinery complex at Cuddalore, approximately 180 kilometers from Chennai in southern India, was badly affected by cyclone Thane, which hit the coast with a speed of 140 kmph. Having been awarded a contract for one of the refineries in the region, Technip in India participated in humanitarian activities initiated by the client. The Technip project team visited the site to assess the situation and provided relief measures to the local villagers by distributing rice and blankets.

Cooperation with clients and sub-contractors is customary to maximize benefits for local communities. A gas plant project team in Australia is working with its client, subcontractors and local communities, to preserve the cultural heritage of Aboriginal people and minimize the project's impact on flora and fauna. In Malaysia, Technip is also teaming with its client Statoil to visit and cheer children staying in the Kuala Lumpur hospital.

Every year, each Technip entity reports their initiatives in favor of local communities to the Group's Human Resources Department and the best practices are shared through different communication channels such as the internal newsletter "Technip in Motion".

### Technip Relief and Development Fund

Created in 2011, this endowment fund reflects the Group willingness to strengthen its social corporate responsibility and is consistent with the strategy of enhancing its local presence in the countries in which it operates. The Fund has the purpose of supporting non-profit social and general interest projects, particularly those focusing on health and education and benefiting underprivileged communities. In the event of natural disasters, emergency missions are also considered on a case-by-case basis. In addition, all year long, Technip encourages regional and local initiatives and funds are allocated within each Region.

In 2012, an Intranet site was created to allow every employee in the Group to make a personal contribution directly to the Fund's activities by submitting project proposals. During the year, the Fund supported one main project, in Ghana: supplying equipment for a computer room at Kumasi University. The room is now accessible to students carrying entrepreneurial projects.

As part of the actions of the Technip Relief & Development Fund, the Group has decided to support the Red Cross' preparation and response disaster fund (the "READY Fund"). The purpose of this fund is to ensure better preparation for potential disasters, to intervene in crisis situations and to ensure continuity of actions after the period of humanitarian emergency. The READY Fund, with support from Technip and other major corporate partners, will finance actions across the world in a sustainable approach.

Another facet of long-term relationship is the implementation of a fund raising web application on Technip's intranet. In the event of a natural disaster, this web application can be immediately activated to allow all staff to donate money and the Group provides a euro-for-euro matching financial contribution.

Lastly, the Group has established for the first time in 2012 a tripartite agreement allowing Technip's Corporate Doctor to be made available up to three weeks per year to provide medical care alongside the Red Cross teams in case of natural disaster.

## 4.2. STAKEHOLDERS RELATIONSHIPS

Technip is deeply engaged with all of its stakeholders, including employees, local communities and business partners. Its strategy and future success rely on their active involvement in projects.

As relationships with employees and local communities were presented in Sections 2 and 4.1 of Annex E, the following section will concentrate on the business stakeholders: clients, suppliers, construction sub-contractors and shareholders.

For 2013, the Group objectives in this respect are to:

- pursue a focus on client satisfaction and improved performance;
- monitor the sustainable development aspects of selected suppliers and sub-contractors in their supply chain methodologies;
- meet the needs of individual shareholders and reinforce relationships; and
- maintain open, credible and consistent communications with all investors and provide Technip's management with relevant financial information

### 4.2.1. Customers: delivering efficient operations

Technip is committed to creating value for its clients by providing high-quality services and delivering high-performance installations that include significant national content.

#### Focus on quality to improve customer satisfaction and competitiveness

The Group commitment to customer satisfaction is demonstrated by the way it ensures quality. The quality management systems of all operating centers are ISO 9001 certified. To gauge customer satisfaction in projects, nine indicators are measured: health, safety and environment (HSE); project delivery; client relationships; documentation; scheduling; costs; resources; contract management and installation performance. Over the duration of the project, performance is evaluated through the use of questionnaires that help to understand client expectations and identify potential improvements. In 2012, over 190 surveys were conducted. The results show a high level of satisfaction, on par with 2011, especially in HSE, project execution, installation performance and client relations. To capitalize on the lessons learned, the new knowledge management system has been extended to all across Regions.

Technip has maintained a focus on efficiency, quality, cost and scheduling to further improve competitiveness. Following the 2010 introduction of Lean operations principles and Six Sigma quality improvement, more than 100 Lean-Six Sigma leaders were trained so that they can train others under the Six Sigma programs. In addition, more than 80 quality initiatives have been launched across all business areas.

### Increasing the national content of the clients' projects

With a presence in 48 countries, the Group organization is at once international and very local. This allows to deliver world- class projects to clients while meeting their objectives to increase national content (see Section 4.1 of this document).

## 4.2.2. Sub-contractors: partners in sustainable development

Technip rarely works alone when delivering a project and relies on suppliers to provide certain kinds of equipment, and on construction sub-contractors for the manpower employed on the onshore project sites. An integrated approach and close working relationships are therefore necessities that benefit all stakeholders.

### Sustainable procurement

Technip wants its equipment suppliers to share its values and standards and recognize the strategic importance of HSE in the quality of its suppliers' operations and its relationship with them. When selecting equipment suppliers, the Group takes into account sustainable development criteria along with economic and technical performance data. For example, greenhouse gas emissions produced by equipment transportation are considered on the basis of data from comparable technical and commercial companies.

Since 2006, the Group has incorporated references to Technip's values and added a clause to the general purchasing terms and conditions informing suppliers that it upholds the United Nations Global Compact. Technip verifies that suppliers are compliant with these values through inspections and audits.

To sustain the long-term and profitable performance of Technip, two new information technologies tools were deployed and are regularly updated. The first embeds a thorough design-to-cost culture among engineers, while the second provides buyers with the most competitive best practices for procurement.

In 2012, the Group also continued to work with customers to develop procurement policies aimed at increasing the national content of projects, both in terms of industrial capacity, human resources and QHSE practices. In 2013, it will organize anHSE awareness-raising campaign in India, similar to the one organized in 2012 in Shanghai.

Finally, Technip buyers are trained on ethical standards and to recognize the risks of corruption that they may face. They were among the first to receive training as part of the major ethics awareness campaign in 2011-2012 (see Section 4.3.1 of this Annex).

### Making construction sub-contractors accountable

As for equipment suppliers, the selection and evaluation of construction sub-contractors integrates criteria related to ethics and sustainable development.

At project level, Technip has developed processes to integrate sustainable development and environment in construction execution. These processes apply from the sub-contractors selection phase, where the "Call for Bid" documents, the sub-contracting procedure and the final selection systematically integrate environmental requirements, as well as the notion of sustainable development. Project procedures and plans have also been developed to increase the responsibilities taken by sub-contractors in terms of sustainable development. These procedures serve as frameworks and guidelines on which their own working procedures may be developed and based, but also describe how compliance with the principles will be implemented and monitored on the project: awareness or follow-up meetings, training, audits, key performance indicators (such as number of environmental incidents, labeling of waste containers and drinking water quality).

Technip is constantly increasing the range of training programs it offers to business partners regarding ethics and safety. These programs are distributed to all construction sites in a consistent manner to ensure that all project stakeholders understand Technip's values and implement measures to promote them. Regional and corporate training organizations have been established to ensure the training programs meet the highest possible standards.

The HSE portion of the training for sub-contractors is based on the Technip Pulse program, consisting of several courses. The objective is to promote an HSE climate in which both employees and business partners behave positively and proactively. In 2012, 14,000 hours of the "Pulse for the Workforce" training sessions were delivered to sub-contractors on project sites, in addition to the traditional induction and task-related HSE trainings.

Ethics training for sub-contractors consists primarily of an induction program and an introduction to Technip's Code of Ethics. For example, in Region B, the Social Accountability department has worked with the Construction department to produce a single training program to be disseminated during site visits for both Technip personnel and sub-contractors. This gives all parties a common foundation upon which any changes or improvements in the course of the project's execution can be built.

The Group's Sustainable Development policy defines the strategy to continue to lead sub-contractors and suppliers towards sustainable development practices. The Group's Construction Method Center, in Abu Dhabi, translates this strategy into deliverables that can be applied to projects and by sub-contractors to increase the sustainable development culture, solutions and responsibilities on sites. At the end of 2012, a new initiative was launched to implement renewable energy on a pilot construction site. The Construction Engineering department in Abu Dhabi has already carried out a study to identify which activity and areas could be supplied with green energy, while minimizing the risk for the production. In parallel, a study has also been conducted in other domains, such as water and wastes, to learn the lessons from Technip's previous projects.

## 4.2.3. Shareholders: sharing the benefits of growth

Technip encourages a fair return for all of its stakeholders and therefore takes care to share the benefits of its growth with its shareholders. On this basis, Technip's Board of Directors proposed that the Annual General Meeting of shareholders of April 25, 2013 approve a dividend of €1.68 per share, a 6.33% increase over 2012.

The relationship with shareholders is built on transparency and accessibility. In 2012, the Group continued to promote an active and ongoing dialog with individual shareholders. In 2012, two topic-specific conferences were hosted at Technip's corporate headquarters. One was dedicated to the manufacturing plant in Le Trait, France and the other to the Offshore Wind activity. A meeting with investors has also been held in Strasbourg as well as during the Actionaria exhibition, the main exhibition dedicated to the individual shareholders of companies listed in France, organized in Paris. Technip was awarded the Special Jury Grand Prize for the organization of its General Assembly and a silver medal at the Shares' Grand Prize for its share performance.

During 2012, Technip continued to provide the investment community with in-depth information regarding its strategy, operations, technologies and financial results. This is done through the dedicated Investors website where all press releases, presentations, audio webcasts and transcripts are freely available. Group and individual meetings were also held with investors at various occasions, including road shows and broker-hosted conferences in 16 cities worldwide, visits to Technip's offices, and energy industry conferences. In October, the Group successfully hosted its second technical workshop, which focused on Technip's expertise in refining *via* an audio webcast.

## 4.3. MAINTAINING THE HIGHEST ETHICAL STANDARDS

### Ethics Charter

As a multinational company, Technip must conduct business ethically and in strict compliance with the law. Ethical behavior is expected by employees, demanded by clients and is the basis of the trust of shareholders. For Technip, it is the only acceptable way of doing business.

**Ethics Charter**

Integrity is one of the core values of Technip. This Charter defines the Group's Objectives in this area and the corresponding Rules of good conduct.

**Our Objectives**

- To offer opportunities for success to all our suppliers, partners and subcontractors in a spirit of fair competition and mutually rewarding collaboration.
- To conduct business everywhere in the world with the highest standards of honesty, integrity and fairness, in accordance with the Global Compact principles.
- To put our staff as at the heart of our strategic development, and create conditions for the individual men and women of Technip to reach their full potential.
- To disclose relevant information openly and transparently with our shareholders and the financial community.

**Our Rules of Good Conduct**

In carrying out their professional activities, the employees of Technip must strive throughout the world to comply with the following rules of good conduct::

- Respecting the spirit and the letter of applicable laws.
- Not granting, directly or indirectly, any kind of benefit to any person involved in Technip business for the purposes of obtaining commercial favours.
- Not using for their personal profit or disclosing to a third party any insider information to which they may have access through their professional activities, and in particular, not buying or selling, or having bought or sold by a third party, any stocks and/or shares of Technip until such information has been made public by Technip.
- Avoiding any conflict of interest between their roles in the Group's business and their private interests, particularly in their relations with clients, competitors and suppliers. In this regard, Technip staff must refrain from offering or accepting gifts or invitations which would not be consistent with acceptable practices or applicable laws. They must also refrain from investing or acquiring interests with clients, competitors or suppliers without the prior written consent of management.
- Protecting the confidentiality of the information to which they have access through their professional activities.
- Informing the Ethics and Compliance Committee of the Group about any behaviour which is not compliant with the rules set forth in this Charter.

Technip
take it further.

### 4.3.1. Preventing corruption

At Technip, "doing the right thing" means doing business with the highest ethical standards.

## A clear strategy and a strong commitment

Technip is dedicated to conducting business across the world according to the highest standards of honesty, fairness and integrity, and in compliance with the principles set out in the United Nations Global Compact. Everyone in the Group is expected to do the right thing and conduct business in an ethical manner on a day-to-day basis. To make sure compliance is understood and applied by employees, Regional Compliance Officers oversee daily operations and committees have been set up. The Group has also developed a compliance program that focuses on three main priorities:

1. Compliance with the laws and regulations of the countries in which Technip operates;
2. Conducting due diligence on business partners globally, to ensure that they operate in strict compliance with laws and regulations at both an international and national level;
3. Training its workforce to increase their awareness and knowledge of legal and company requirements, and to foster ethical behavior.

To ensure that the compliance program is understood and effectively applied by all employees, the Ethics Charter is widely distributed and is accessible to employees on the Intranet.

## Starting at the top

The compliance program is supported by a dedicated structure that stretches from the Board of Directors to every level of the Group.

The first pillar of the compliance structure of Technip is the Ethics and Governance Committee. Formed in December 2008 and composed of members of the Board of Directors, it assists the Board in promoting ethical and governance best practices. One of its main tasks is to guarantee the adherence to ethical principles within the Group and debate any matter that the Board of Directors (or Chairman) submits for consideration. The Ethics and Governance Committee meets at least twice a year. It produces an annual report evaluating operating policies and proposing functional improvements.

The second pillar is the Ethics and Compliance Committee. Composed of senior managers from across the Group, it reports directly to the Chairman and Chief Executing Officer (CEO). The Committee ensures that Technip's Ethics Charter and related policies and procedures are properly implemented. It submits an annual review of its actions to the Chairman and CEO recommending improvements in terms of ethics and compliance. Additionally, it gathers reports from Regional managers detailing the implementation of the Ethics Charter. Any employee can submit to the committee a question regarding the principles set forth in the Ethics Charter. In addition, a whistleblowing process enables Technip's employees to report if they feel that there has been a violation of its policies and procedures.

The Chief Compliance Officer (CCO), who also supervises Technip's Ethics and Compliance program across the Group, chairs the Ethics and Compliance Committee. Reporting directly to the General Counsel and the Board of Directors *via* the Ethics and Governance Committee, the CCO is in charge of applying and enforcing the Ethics Charter and all applicable anti-corruption policies and regulations. In the event of an issue involving the CEO or any of his direct reports, it is reported by the CCO to the Chairman of the Ethics and Governance Committee. To ensure total independence, the CCO is not affiliated with any profit center and holds no other role within the Group.

For everyday operations in the Regions and business units, and the implementation of Technip's anti-corruption and compliance policies, the CCO relies on Regional Compliance Officers.

## Covering all business operations

To govern its business activities, the Group has implemented several ethics-related operational standards that translate its general principles into concrete operating procedures.

The Doing Business Abroad – Anti-Corruption policy provides a clear and comprehensive Group-wide framework to help employees operate with honesty and integrity. The policy sets out the rules governing sensitive relationships, such as negotiating with third parties and making decisions regarding contracts.

The Know Your Partner policy obliges potential business partners (*i.e.,* natural persons or businesses assisting Technip in bidding processes, business development, promoting products or interacting with government officials, such as sales agent, marketing agent, country sponsor, or consultant) to complete a thorough questionnaire and sign a declaration of compliance with the main international laws and regulations against corruption. Internally as well as with the support of external legal counsels, Technip performs due diligence on the information provided and interviews both the representatives of its potential business partners and its internal employees overseeing the relationship with the potential business partners. The Group pays particular attention to any indicators that could cast doubt on the honesty and integrity of the potential partner, and adapts its approach according to the Transparency International's Corruption Perception Index. If this type of issue cannot be suitably resolved, the commercial relationship is terminated.

In 2012, the Group implemented several new policies aligned with the Doing Business Abroad – Anti-Corruption and Know Your Partner policies, in respect of joint ventures and consortium relationships and gifts and hospitality. Those policies are applicable to subcontractors when a specific risk is identified by Technip and deeper investigation is required. Pursuant to these new policies, due diligences are also being performed on joint venture and consortium partners, as well as sub-contractors when a risk is identified. Technip also continued to enhance existing policies, revising them when necessary. For instance, Technip's antitrust policy was improved and a special training program for it was launched. All the policies and procedures mentioned above apply to all operations worldwide.

In 2012, the Compliance Department launched a large-scale initiative to create Technip's first Code of Conduct, one of the most effective and impactful parts of its compliance program. Embracing all aspects of best practices, it aims at including, among others, topics related to human resources, sustainable development, safety, communication and finance. In 2013, a booklet will be distributed worldwide to all employees. It will also be available on both Intranet and website, as a resource for stakeholders to better understand the role and importance of compliance within Technip.

## Training the workforce and leadership

In 2011, the Ethics & Compliance e-learning program was launched to raise awareness and understanding among employees, while providing clear insight into ethical and responsible behaviors. The Group also specifically designed a more in-depth e-learning program for top managers, which was expanded in 2012 to a broader population of senior managers, with a campaign highlighting its commitment to excellence in business practices. In 2012, more than 900 senior managers identified as in positions where they could potentially be exposed to ethical issues, performed such in-depth e-learning. It was so successful that the Group decided to open an online training to all active business partners, and gave them login access to it, because it believes that all third-party stakeholders can benefit from the progress made towards maintaining the highest ethical standards. The e-learning program is part of a culture of continuous improvement and was set up to supplement both the wide distribution of the Ethics Charter and the regular trainings that are organized very regularly on-site by the Regional Compliance Officers, based on local specificities. In 2013, Technip will continue to improve it by enhancing its compliance program, expanding the e-learning offering and adopting new policies and procedures.

## 4.3.2. Protecting human rights

Fighting corruption is one part of Technip uncompromising commitment to ethics; as is the protection of human rights.

Technip is a signatory to the United Nations Global Compact, which covers human rights, working and environmental standards as well as fighting corruption. The Group respects the letter and spirit of all human rights legislation in force. That is why all entities adhere to the International Labor Organization's Fundamental Conventions regarding the elimination of discrimination, the freedom of association, the effective recognition of the right to collective bargaining, the abolition of child labor and the eradication of forced compulsory labor.

Significant actions have been undertaken in favor of human rights. Technip added a clause to its general purchasing terms and conditions, informing suppliers that it upholds the Global Compact. This clause specifies that "the Supplier should comply with local regulations and laws concerning labor law and fair work conditions, forced compulsory labor or child labor".

Through regular inspections and audits, the Group verifies that they comply with these values.

Technip also encourages its subsidiaries and affiliates to undertake local initiatives to demonstrate their commitment to doing business in a way that upholds human rights, as indicated in some examples below:

- In the United States, Technip headquarter commits to elimination of any discriminatory acts by their managers/employees and the employee handbook contains a statement to this effect. A chapter of this handbook is dedicated to equal employment opportunity and applies to all policies and procedures relating to recruitment, promotion, hiring, compensation, benefits and terminations. All employees are required to sign acceptance of the handbook. Similar procedures exist in other countries, such as Australia.
- In France, in 2012, the local Technip entity concluded two main collective bargaining agreements: one on non-discrimination on gender and a second one on employment of handicapped persons. These agreements were signed with all representative unions that represent employees of Technip France.
- In the United Kingdom, Technip's headquarter implemented a specific Equality and Diversity procedure, which is made available for all employees to access and use for reference on their Business Management System (BMS).
- In Italy, Technip is proud to have received Social Accountability 8000 certification for the ninth year in a row. The CSR Representatives who are in charge encourage internal initiatives of associations to foster the implementation and to monitor the application of CSR policy and Technip Italy's Club carries on social and cultural activities. On Construction jobsites even in non-unionized Countries such as Al Jubail in Saudi Arabia, Technip Italy encourages the appointment of workers representatives (including for subcontractors) and the implementation of a grievance procedure to collect and address all workers' complaints. A specific committee is appointed and meets periodically for this purpose.

F

# Annex: Statutory Auditors' attestation and assurance report on social, environmental and societal information, prepared in accordance with Article L. 225-102-1 of the French Commercial Code

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

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

**PricewaterhouseCoopers Audit**

63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

**Ernst & Young et Autres**

1/2, place des Saisons
92400 Courbevoie - Paris-La Défense 1

## Statutory Auditors' attestation and assurance report on social, environmental and societal information presented in the Management Report

### YEAR ENDED DECEMBER 31, 2012,

To the Executive Board

In accordance with your request and in our capacity as Statutory Auditors of Technip, we hereby report to you on the consolidated social, environmental and societal information presented in the Management Report issued for the year ended December 31, 2012 in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code *(Code de commerce).*

## Entity's Responsibility

The Executive Board of the entity is responsible for the preparation of the Management Report including the consolidated social, environmental and societal information (the "Information") in accordance with the requirements of Article R. 225-105-1 of the French Commercial Code *(Code de commerce)*, presented as required by the entity's internal reporting standards (the "Guidelines") and available upon request at the entity's premises.

## Our Independence and Quality Control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession *(code de déontologie)* and Article L. 822-11 of the French Commercial Code *(Code de commerce)*. In addition, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Independent verifier's responsibility

It is our role, on the basis of our work:

- to attest whether the required Information is presented in the Management Report or, if not presented, whether an appropriate explanation is given in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code *(Code de commerce)* and Decree No. 2012-557 dated April 24, 2012 (Attestation of disclosure);
- to provide limited assurance on whether the other Information is fairly presented, in all material respects, in accordance with the Guidelines (limited assurance).

We called upon our Corporate Social Responsibility experts to assist us in the performance of our work.

# 1. ATTESTATION OF DISCLOSURE

Our engagement was performed in accordance with professional standards applicable in France:

- We compared the Information presented in the Management Report with the list as provided for in Article R. 225-105-1 of the French Commercial Code *(Code de commerce)*.
- We verified that the Information covers the consolidated perimeter, namely the entity and its subsidiaries within the meaning of Article L. 233-1 and the controlled entities within the meaning of Article L. 233-3 of the French Commercial Code *(Code de commerce)*.
- In the event of the omission of certain consolidated Information, we verified that an appropriate explanation was given in accordance with Decree No. 2012-557 dated April 24, 2012.

On the basis of our work, we attest that the required Information is presented in the Management Report.

# 2. LIMITED ASSURANCE REPORT

## Nature and scope of the work

We conducted our engagement in accordance with ISAE 3000 (International Standard on Assurance Engagements) and French professional guidance. We performed the following procedures to obtain a limited assurance that nothing has come to our attention that causes us to believe that the other Information presented in Annex E of the Management Report is not fairly presented, in all material respects, in accordance with the Guidelines. A higher level of assurance would have required us to carry out more extensive work.

Our work consisted in the following:

- We assessed the suitability of the Guidelines as regards their relevance, comprehensiveness, neutrality, understandability and reliability, taking into consideration, where applicable, the good practices in the sector.
- We verified that the Group had set up a process for the collection, compilation, processing and control of the Information to ensure its completeness and consistency. We examined the internal control and risk management procedures relating to the preparation of the Information. We conducted interviews with those responsible for social and environmental reporting.
- We selected the consolidated Information to be tested[1] and determined the nature and scope of the tests, taking into consideration their importance with respect to the social and environmental consequences related to the Group's business and characteristics, as well as its societal commitments.

(1) Environmental information: Wastewater, hazardous and non hazardous waste, water consumption, energy consumption, greenhouse gas emissions.
Social information: headcount, arrivals and departures, absenteeism rate, training hours, social dialogue (number of agreements in force and signed during the year).
Safety information: total recordable case frequency.

Concerning the quantitative consolidated information that we deemed to be the most important:

- at the level of the consolidating entity and the controlled entities, we implemented analytical procedures and, based on sampling, verified the calculations and the consolidation of this information;
- at the level of the sites that we selected[2] based on their business, their contribution to the consolidated indicators, their location and a risk analysis:
- we conducted interviews to verify that the procedures were correctly applied,
- we performed tests of detail based on sampling, consisting in verifying the calculations made and reconciling the data with the supporting documents.

The sample thus selected represents 31% of the headcount (human resources information), 40% of the worked man-hours (safety information) depending on indicators between 16% to 72% of the quantitative environmental information tested.

Concerning the qualitative consolidated information that we deemed to be the most important, we conducted interviews and reviewed the related documentary sources in order to corroborate this information and assess its fairness. Regarding ethical standards and employees security, interviews were conducted at Group level only.

- As regards the other consolidated information published, we assessed its fairness and consistency in relation to our knowledge of the Group and, where applicable, through interviews or the consultation of documentary sources.
- Finally, we assessed the relevance of the explanations given in the event of the absence of certain information.

## Conclusion

We express reservations on the following points:

- Environmental and societal data related to subcontractors at the camp is not reported consistently through all reporting entities within the Group, which has an impact on the consistency of consolidated Information.
- Unclear definitions in the Guidelines for reporting of waste and wastewater quantities, and inconsistencies in the application by reporting entities of the definition for the accidental releases deteriorate the reliability of indicators for those matters. The associated range of uncertainty could not be evaluated.

Based on our work described in this report, except for the effects of the matters described above, nothing has come to our attention that causes us to believe that the Information is not fairly presented, in all material respects, in accordance with the Guidelines.

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

The Statutory Auditors

*French original signed by*

PricewaterhouseCoopers Audit
Edouard Sattler

Thierry Raes
In charge of the Sustainable Development department

Ernst & Young et Autres
Nour-Eddine Zanouda

Christophe Schmeitzky
In charge of the Sustainable Development department

(2) Construction yards: Pori (Finland); plant (shipyard) and field; PMP Ras Laffan (Qatar); Jubail (Saudi Arabia).
Fabrication plants: Le Trait (France), Vitória (Brazil).
Vessel: *Apache II*.
Offices: Energy Tower I & II (Houston, USA), Aberdeen (United Kingdom), Adria and Vinci towers (La Défense, France), Rio de Janeiro (Brazil).

G

# Annex: Combined Shareholders' Meeting of April 25, 2013


1. Agenda 292
   - Within the authority of the Ordinary Shareholders' Meeting 292
   - Within the authority of the Extraordinary Shareholders' Meeting 292
   - Within the authority of the Combined Shareholders' Meeting 292
2. Presentation of resolutions 293
   - Presentation of resolutions within the authority of the Ordinary Shareholders' Meeting 293
   - Presentation of resolutions within the authority of the extraOrdinary Shareholders' Meeting 295
3. Draft resolutions 297
   - Within the authority of the Ordinary Shareholders' Meeting 297
   - Within the authority of the Extraordinary Shareholders' Meeting 299
   - Within the authority of the Combined Shareholders' Meeting 304


## 1. Agenda

### WITHIN THE AUTHORITY OF THE ORDINARY SHAREHOLDERS' MEETING

1. Approval of the statutory financial statements for the fiscal year ended December 31, 2012
2. Allocation of earnings for the fiscal year ended December 31, 2012, setting the dividend amount and the dividend payment date
3. Approval of the consolidated financial statements for the fiscal year ended December 31, 2012
4. Special report of the Statutory Auditors on the regulated agreements
5. Ratification of the cooptation of Alexandra Bech Gjørv's office as Director
6. Renewal of Alexandra Bech Gjørv's office as Director
7. Renewal of Marie-Ange Debon's office as Director
8. Renewal of Gérard Hauser's office as Director
9. Renewal of Joseph Rinaldi's office as Director
10. Appointment of Manisha Girotra as Director
11. Appointment of Pierre-Jean Sivignon as Director
12. Directors' attendance fees
13. Authorization granted to the Board of Directors for the repurchase of Company shares

### WITHIN THE AUTHORITY OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

14. Authorization granted to the Board of Directors to allocate performance shares to (i) Technip's employees, and (ii) the employees and directors and officers *(mandataires sociaux)* of the companies of the Group
15. Authorization granted to the Board of Directors to allocate performance shares to the Chairman of the Board of Directors and/or Chief Executive Officer of Technip *(mandataire social)* and to the Group's principal executives
16. Authorization granted to the Board of Directors to grant options for the purchase or subscription of shares to (i) Technip's employees, and (ii) the employees and directors and officers *(mandataires sociaux)* of the companies of the Group
17. Authorization granted to the Board of Directors to grant options for the purchase or subscription of shares to the Chairman of the Board of Directors and/or Chief Executive Officer of Technip *(mandataire social)* and to the Group's principal executives
18. Authorization granted to the Board of Directors to increase the share capital in favor of employees adhering to a company savings plan, without preferential subscription rights for the shareholders

### WITHIN THE AUTHORITY OF THE COMBINED SHAREHOLDERS' MEETING

19. Powers for formalities

# 2. Presentation of resolutions

## PRESENTATION OF RESOLUTIONS WITHIN THE AUTHORITY OF THE ORDINARY SHAREHOLDERS' MEETING

### First, second and third resolutions

*Approval of the statutory financial statements and allocation of earnings*

The purpose of the **first resolution** is to approve Technip SA's statutory financial statements for the 2012 fiscal year.

The purpose of the **second resolution** is to determine the allocation of Technip SA's earnings and set the dividend for the 2012 fiscal year at €1.68 per share and the payment date on May 7, 2013. The following dates shall apply for the payment of dividends:

- Ex-Date: May 2, 2013 (morning); and
- Record Date: May 6, 2013, after close of market.

Pursuant to Article 243bis of the French General Tax Code, the distributed dividend is eligible for the 40% deduction in favour of natural persons who have their fiscal domicile in France, as provided for in Article 158-3 of the French General Tax Code.

The purpose of the **third resolution** is to approve the Technip Group's consolidated financial statements for the 2012 fiscal year. They reflect a Group turnover of €8.2 billion and a net income of €540 million respectively in progress of 20% and 6.4% compared to 2011.

### Fourth Resolution

*Special report of the Statutory Auditors*

The **fourth resolution** approves the special report of the Statutory Auditors reporting the absence of any new regulated agreements entered into in 2012.

### Fifth Resolution

*Ratification of the co-optation of Alexandra Bech Gjørv as Director*

The purpose of the **fifth resolution** is to ratify the appointment as Director at the Board of Directors' Meeting held on October 23, 2012 of **Alexandra Bech Gjørv** in replacement of Daniel Lebègue who resigned.

Biography of Alexandra Bech Gjørv is presented below:

Alexandra Bech Gjørv is a partner in the law firm Hjort (Norway) and also chaired the public July 22, 2011 Commission on the terrorist attacks.

She began her career in law firms before joining Norsk Hydro ASA from 1993 to 2007 where she held a number of positions, including Executive Vice President HR and HSE and Senior Vice-President, New Energy. She then moved to Statoil ASA as Senior Vice-President, New Energy from 2007 until 2010 before joining Hjort in 2010.

Alexandra Bech Gjørv graduated from the University of Oslo (Norway). She also holds a diploma in legal studies from Oxford University (UK) and has studied at Suffolk Law School in Boston (USA), after which she passed the New York State bar exam in 1993.

Full information in relation to these directors is included in the 2012 Reference Document (Sections 14.1.1, 14.1.2, 14.1.3. and Annex A).

### Sixth to ninth resolutions

*Renewal of Alexandra Bech Gjørv, Marie-Ange Debon, Gérard Hauser, Joseph Rinaldi's terms as Directors*

The purpose of the **sixth to ninth resolutions** is to renew the terms of Alexandra Bech Gjørv, Marie-Ange Debon, Gérard Hauser, Joseph Rinaldi whose terms expire at the time of this Shareholders' Meeting.

It is therefore proposed that the terms of Alexandra Bech Gjørv, Marie-Ange Debon, Gérard Hauser, Joseph Rinaldi be renewed.

In addition to the bio of Alexandra Bech Gjørv hereabove the bios of Marie-Ange Debon, Gérard Hauser et Joseph Rinaldi follow hereafter.

**Marie-Ange Debon** is General Secretary of the Suez Environnement Group and is a member of the *Collège de l'Autorité des Marchés Financiers* (the French Financial Market Authority). Prior to joining Suez Environnement in 2008, Marie-Ange Debon has served in various positions in both the public and private sectors. In November 1998, Marie-Ange Debon joined Thomson as Deputy Chief Financial Officer and later served as General Secretary responsible for Legal, Insurance, Real Estate and Corporate Communications from 2003-2008.

Marie-Ange Debon is a graduate of HEC, ENA and has a Master's Degree in Law.

In 2012, the attendance rate to the Board of Directors and its Committees represented 82% for Marie-Ange Debon.

**Gérard Hauser** was Chairman and Chief Executive Officer of Nexans from June 2000 to June 2009. He joined Alcatel in 1996 and became President of its Cable and Component Sector in 1997 and Member of the Executive Committee of Alcatel. From 1975 till 1996, he worked for the Pechiney Group, as Chairman and Chief Executive Officer of Pechiney World Trade first and of Pechiney Rhénalu later; he was later appointed Senior Executive Vice President of American National Can and member of the Group Executive Board. From 1965 till 1975, Gérard Hauser covered several senior positions in the Philips Group.

In 2012, the attendance rate to the Board of Directors and its Committees represented 100% for Gérard Hauser.

**Joseph Rinaldi** is a partner in the international law firm of Davis Polk & Wardwell. He advises on mergers and acquisitions transactions, corporate governance and securities and corporate law. Joseph Rinaldi is a frequent speaker and author on merger and acquisition and corporate governance issues. From 2002 to 2007 he was the senior partner in the Paris office of Davis Polk after joining it in 1984 and becoming a partner in 1990.

Joseph Rinaldi graduated from the University of Sydney, Australia, with first class honors in 1979, and in 1981 received his LL.B, with first class honors, from the University of Sydney, where he was a member of the editorial committee of the Sydney Law Review. He received an LL.M from the University of Virginia School of Law in 1984. He is admitted to practice law in New York.

In 2012, the attendance rate to the Board of Directors and its Committees represented 100% for Joseph Rinaldi.

Full information in relation to these directors is included in the 2012 Reference Document (Sections 14.1.1, 14.1.2, 14.1.3. and Annex A)

## Tenth and eleventh resolutions

*Appointment of Manisha Girotra and Pierre-Jean Sivignon as Directors*

The purpose of the **tenth and eleventh resolutions** is to appoint Manisha Girotra and Pierre-Jean Sivignon as new Directors.

With these appointments, the Board would better satisfy its objectives in terms of diversity (5 women out of 12 Directors) and geographical representativity of the Group network and activities worldwide (6 non French out of 12 Directors)

Biographies of Manisha Girotra and Pierre-Jean Sivignon are presented below:

Since 2012, **Manisha Girotra** is Chief Executive Officer of Moelis & Company India, a global investment bank based in Mumbai.

Prior to joining Moelis, she had a 16 year career with UBS where she was most recently CEO & Country Head in India managing its investment bank, commercial bank, markets, equity research and wealth management divisions. From 1994 until 1996, Manisha Girotra was Head for North India at Barclays Bank, responsible for marketing and credit support to corporates and managing the relationship with the government. Between 1992 and 1994, she worked for ANZ Grindlays Bank.

In 2011, Ms. Girotra was nominated to *Fortune* magazine's and she has appeared in Business Today's 25 Most Powerful Women in Business in India for the past five years.

Manisha Girotra graduated from the Delhi School of Economics (M.A. Economics) in 1992.

Pierre-Jean Sivignon is, since September 2011, Chief Financial Officer of the group Carrefour and member of the Executive Committee.

**Pierre-Jean Sivignon** began his career in 1979 with the firm Peat Marwick Mitchell. In 1982, he joined the Schlumberger group, where he held various positions in the Financial Department of the Dowell Schlumberger Oilfield Services division (in Europe and Africa), then became General Manager of the Bank and Industry division (in Paris) and, finally, Group Treasurer in Paris and New York. From 2001 to 2005, he was Chief Financial Officer of Faurecia. Pierre-Jean Sivignon joined the Philips Group (in Amsterdam) in May 2005, where he held the positions of Chief Financial Officer and member of the Executive Committee until March 2011.

He is also member of the board of directors of Imerys Group.

He graduated from *École Supérieure des Sciences Économiques* (ESSEC) Paris.

## Twelfth resolution

*Directors' fees 2013-2015*

The **twelfth resolution** relates to the annual amount of Directors' fees to be decided for the next three years. As for the 2010-2012 period it is proposed to decide upon a fix amount for the fiscal years 2013, 2014 and 2015. The proposal set up at €800,000 is based on the following:

- As an international Group, Technip must attract talents and competences on the Board by taking into account international standards which are often disconnected from French Benchmarks;
- Even on the French standard of comparison, due to the freeze of the Directors' fees since 2010, Technip ranks today among the ten lowest companies of the CAC 40 in this respect (lower or equal to €600,000);
- In the meantime, the dividends paid to Technip shareholders increased by 31.6% (2012/2009) and the share price jumped to 76% (according to the *Journal des Finances – Investir* Technip ranks 2nd in the CAC 40 as to the share price evolution over 10 years);
- The number of meetings remained stable over the period (9 Board meetings and 12 Committees meetings in average) but the duration of meetings themselves is regularly increasing (from 4 to 6 hours or more).
- It is proposed to the Annual General Meeting to increase the number of Board members with a view of improving geographical representativity and diversity.
- The proposed amount is an annual maximum which is not always fully used as the fees actually paid follow a rate per meeting as described under Section 15.1.2 of the Reference Document 2012.
- The proposed amount (72,727 euros in average per Director and an increase of 21.2% compared to the previous average of 60,000 euros) would be frozen again for three years.

As a reminder that the Chairman and CEO does not receive any attendance fee (and the fees are currently paid to 10 Directors and to be extended to 11 out of 12 Directors subject to the approval of the previous resolutions by the Annual General Meeting)

## Thirteenth resolution

*Repurchase of Company Shares*

The **thirteenth resolution** is part of the policy aimed at avoiding dilutive measures while implementing the means to motivate and promote loyalty among the teams by having a reserve of treasury shares available for serving performance shares and stock-options plan.

Therefore, the purpose of this resolution is to renew the authorization to purchase shares of the Company granted to the Board of Directors by the Shareholders' Meeting of April 26, 2012, which is due to expire on October 26, 2013.

The purchase of shares may be carried out at any time, except during tender offers for the Company's shares, in accordance with applicable regulations.

The proposed authorization is for an 18-month period, at a maximum purchase price of €115 and up to a maximum legal limit of 10% of the total number of shares comprising the share capital.

As of December 31, 2012, the Company's share capital was divided into 113,040,513 shares. On this basis, the maximum number of shares that in theory the Company could repurchase amounts to 10,068,330 shares (taking into account 2,357,211 treasury shares which are to be charged to the 10% referred limit).

## PRESENTATION OF RESOLUTIONS WITHIN THE AUTHORITY OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

### Fourteenth, fifteenth, sixteenth and seventeenth resolutions

*Grant of share subscription or purchase options and performance shares*

#### A. Main characteristics of the "Technip Incentives and Reward Plan" (TIRP 2013)

In furtherance of the Technip Long Term compensation policy named TIRP and set up in 2011, the following proposals for 2013 are governed by the principles implemented in the resolutions submitted to the Shareholders these last two years.

As a matter of fact, the total of the new authorizations proposed this year (0.8%) is significantly lower than the corresponding level of plans maturing in 2013 (1.86%). This leads to a substantial reduction of the "burn rate" from 1.6% in 2012 to 1.2% in 2013 and contribute again to the decrease of the equity based compensation scheme in aggregate.

In addition to the above quantitative features, qualitative improvements are introduced in order to satisfy the most recent requests of shareholders received during our road shows with them.

#### B. Amendments to TIRP 2013 compared to TIRP 2012

1. 100% of senior management allocations at risk extended to certain Group Corporate Executives.

   The "100% at risk" rule applied to the Chairman and CEO and other members of the Excom (7 persons) is extended to certain Group Corporate Executives having an overall vision and responsibility for the Group (the "Senior Managers at Risk Portion").

   50% remain at risk for the other beneficiaries (the "Other Beneficiaries at Risk Portion").

   The Senior Managers at Risk Portion and the Other Beneficiaries At Risk Portion are jointly referred to as the "At Risk Portion of the Plan".
2. Threshold under which the At Risk Portion of the Plan is lost

   The Reference Performance (average of performance achieved for each metric) under which the At Risk Portion of the Plan is lost is set at 75% meaning that the benefit of the incentives is conditional upon a significant raise of the level of performance.
3. Regarding performance shares plans, Technip will decide to serve those plans in existing shares or new shares.
4. The duration of the stock options plans will be increased from seven to eight years.

#### C. General structure of TIRP 2013

Apart from the above described characteristics and amendments, TIRP 2013 is in line with the structure of plans proposed and adopted these last two years whether in terms of performance metrics or provisions included in the resolutions and/or rules of the plans themselves.

*1) Diversified Performance metrics*

With a view to aligning the targets with shareholders' interests (profitable growth and value creation), the scheme widen to several metrics:

- Sustainable Development (Health Safety & Environment or HSE);
- Operating Income from Recurring Activities (OIFRA);
- Net Cash Generated from Operational Activities; and
- Shareholder return: TSR (Total Shareholder Return) and ROCE (Return On Capital Employed).

Each metric is defined as follows:

- The **HSE metric** corresponds to the Total Recordable Case Frequency (TRCF) where TRCF = Number of recordable accidents/200,000 working hours;
- The **OIFRA metric** is the operating income from recurring activities, as reported in Technip's Annual Report;
- The **Net Cash Generated from Operational Activities metric** is the net cash generated from operating activities, as reported in Technip's Annual Report;
- The **TSR metric** is calculated as the rate of return of a share over a year, taking into account the payment of a dividend during the period. The dividend is assumed to be reinvested immediately into the share itself (definition used by Bloomberg);
- The **ROCE metric** (Return on Capital Employed)

  ROCE = Net Operating Income/employed capital

  where Employed Capital = Non current assets (excluding Available-for-Sale Financial Assets) + Working Capital needs + Other non-current liabilities.

These five metrics as described in the following table are combined and adjusted to the respective population corresponding to stock option plans or performance share plans.

## Table of metrics

| Stock options plans | Performance shares plans |
|---|---|
| All metrics are calculated over three years | |
| 1. Total Shareholder Return (TSR): in % | 1. Total Recordable Case Frequency (TRCF): in % |
| Technip yearly average TSR<br>vs.<br>sample yearly average TSR | Technip yearly average TRCF<br>vs.<br>Technip recorded TRCF on a previous period |
| 2. Operating Income From Recurring Activities (OIFRA): in % | 2. Operating Income From Recurring Activities (OIFRA): in % |
| Actual OIFRA in aggregate<br>vs.<br>an OIFRA target defined in absolute value(*) | Actual OIFRA in aggregate<br>vs.<br>an OIFRA target in absolute value(*) |
| 3. Return On Capital Employed: in % | 3. Net Cash From Operational Activities: in % |
| Yearly average of Technip ROCE<br>vs.<br>a ROCE target(*) | Actual Net Cash in aggregate<br>vs.<br>a Net Cash target in absolute value(*) |

(*) The target values for the OIFRA, Net Cash Generated *from Operational Activities and ROCE are* confidential data likely to have an influence on the share price which prohibits any ex ante disclosure even to the Beneficiaries. Conversely *the* calculation of the Reference Performance ex post shall be fully disclosed based on actual reported figures.

**The exercise of the options and/or grant of performance shares** shall be conditional upon the Reference Performance obtained by the metrics described in the above table.

The Reference Performance shall be computed as:

- the arithmetical average of the percentages of the three metrics for the Stock Options;
- the arithmetical average of the two best percentage obtained out of the three metrics for the Performance Shares.

The Reference Performance shall determine the definitive proportion of options to be exercised based on the following scale:

- if the Reference Performance is under 75%, the At Risk Portion of the Plan will be lost;
- if the Reference Performance is at least equal to 75%, the percentage of the options that will be exercisable in the At Risk Portion of the Plan will be defined on a straight line basis against the Reference Performance:
  - from 0 to 100% for the Senior Managers At Risk Portion,
  - from 0 to 50% for the Other Beneficiaries At Risk Portion.

*2) Provisions included in the resolutions*

As for previous years, the proposed resolutions comply with the following principles:

- No discount on the purchase price (options);
- No amendment of the initial terms;
- Loss of options in the event of resignation or dismissal for wrongful or gross misconduct *(faute grave* or *faute lourde);*
- Grants to the Chairman and Chief Executive Officer are decided by the Board of Directors (majority of independent directors) upon a proposal by the Nominations and Remunerations Committee (comprised only of independent directors);
- Grants to members of the Executive Committee are decided by the Board of Directors pursuant to recommendations on the plan formulated by the Nominations and Remunerations Committee;
- Resolutions for the Chairman and Chief Executive Officer *(mandataire social),* the Executive Committee members and certain Group Corporate Executives that are distinct from that of other beneficiaries; and
- Rigorous performance conditions detailed in each resolution for stock options as well as for performance shares.

*3) Provisions included in the specific plans*

It is intended to apply the following conditions:

- the list of competitors to be retained for the comparison of the TSR should include Subsea7, Amec, Petrofac, Tecnicas Reunidas, Saipem, KBR, SBM Offshore, Aker Solutions, JGC, Oceaneering and McDermott;
- A financial institution to be entrusted with the mission of acting as an independent expert to carry out calculations, comparisons and determinations of beneficiaries' rights based on the recorded results.

## D. Specific data addressing ISS governance policy criteria

The purpose of the following paragraphs is to account for the ISS 2012 French Equity based compensation Policy. Technip's proposals to the next General Meeting fully comply with the three main evolutions of said ISS revised policy.

*a) Emphasis on performance criteria*

ISS stresses that all awards "to executives shall be conditional upon challenging performance criteria". As mentioned above, with respect to Technip, allocations not only to the Chairman & CEO and members of the Executive Committee but also to certain Group Corporate Executives, are 100% conditional upon performance criteria.

As globally restructured, the performance criteria are now more diversified (rather financial for options, rather operational for performance shares consistent with the respective populations of beneficiaries) while maintaining a high degree of pertinence and challenge (expressed as actual figures of budget targets from the Group 3-Year Plan). The obvious confidentiality of such data prohibit any disclosure beforehand but will be fully published ex-post, as done historically for TSR, OIFRA, ROCE, Net Cash, TRCF.

*b) Maximum volume from equity-base compensation plan*

ISS states now that such potential volume "must not exceed 10% of fully diluted issued share capital", including current or newly proposed authorizations.

Regarding Technip, this condition is easily met as the corresponding figure is 6.25%, along with ISS rules (irrespective of discount for underwater options or at risk allocations).

*c) Burn rate guideline*

ISS considers now "the company's average three-year unadjusted burn rate which must not exceed the mean plus one standard deviation of its sector". The burn rate cap of the Energy Sector applicable to Technip is 2.04% Technip here again meets the requirement as the corresponding burn rate for Technip over the period 2010-2011-2012 is equal to 1.20% (2+0,8+0,8 = 3,6/3).

### Eighteenth resolutions

*Share capital increase reserved for employees*

Pursuant to Article L. 225-129-6 of the French Commercial Code, as the Shareholders' Meeting is being convened to examine authorizations to increase the Company's share capital, a resolution for share capital increases reserved for employees must also be presented to the Shareholders' Meeting. The purpose of the **eighteenth** resolution is to propose such an authorization, under the following conditions:

1. the maximum amount of the capital increase is 1% of the share capital as of the date of the Shareholders' Meeting;
2. the subscription price for the shares is equal to 80% of the average share price of the last 20 trading days;
3. the implementation of the authorization is subject to a waiver by the shareholders of their preferential subscription rights in favor of the employees adhering to a company savings plan;
4. the nominal amount of the share capital increases carried out pursuant to this resolution will be applied against the maximum nominal amount of €42 million set forth in the eighth resolution of the General Meeting of Shareholders dated April 26, 2012.

The authorization thus granted is valid for a period of 26 months, expiring on June 25, 2015 and cancels the corresponding authorization granted by the Shareholders' Meeting of April 26, 2012.

# 3. Draft resolutions

## WITHIN THE AUTHORITY OF THE ORDINARY SHAREHOLDERS' MEETING

### First resolution

*Approval of the statutory financial statements for the fiscal year ended December 31, 2012*

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the report of the Board of Directors on the activity and condition of the Company over the 2012 fiscal year and the report of the Statutory Auditors on the performance of their mission over the course of the 2012 fiscal year hereby approves the statutory financial statements for the fiscal year ended December 31, 2012, as presented, showing profits of €472,520,192.11. The Shareholders' Meeting also approves the transactions evidenced in these statements or summarized in these reports.

### Second resolution

*Allocation of earnings for the fiscal year ended December 31, 2012, setting the dividend amount and the dividend payment date*

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, acknowledges that the profits for the fiscal year ended December 31, 2012, amount to €472,520,192.11, that there shall be no allocation to the legal reserve, which has already reached one-tenth of the share capital and that distributable profits amount to €803,333,520.33, taking into account the available retained earnings of €330,813,328.22.

The Shareholders' Meeting therefore decides to allocate as a dividend an amount of €1.68 per share, representing a total amount of €190 million, with the remaining amount allocated to retained earnings, it being understood that in the case of a variation in the number of shares eligible for a dividend with respect to 113,040,513 shares comprising the share capital as of December 31, 2012, the total amount of dividends would be adjusted as a consequence and the amount allocated to retained earnings would be determined on the basis of the dividends actually paid.

Treasury shares on the date of payment of the dividend shall be excluded from the benefit of this distribution, and the corresponding amounts shall be allocated to retained earnings.

The dividend will be paid on May 7, 2013, in cash. The amount of the dividends that will be paid corresponds in full to distributions eligible for the 40% abatement referred to in paragraph 2 of Section 3 of Article 158 of the French General Tax Code.

The Shareholders' Meeting recalls that the amount of distributed dividends and the distributions eligible for the 40% abatement were as follows for the last three fiscal years:

| Fiscal Year | Dividend per share | Amount of distributions eligible for the 40% abatement |
|---|---|---|
| 2009 | €1.35 | €1.35 |
| 2010 | €1.45 | €1.45 |
| 2011 | €1.58 | €1.58 |

## Third resolution

*Approval of the consolidated financial statements for the fiscal year ended December 31, 2012*

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the report of the Board of Directors on the activity and condition of the Group over the 2012 fiscal year, and the report of the Statutory Auditors on the consolidated financial statements, hereby approves the consolidated financial statements for the fiscal year ended December 31, 2012, as presented, as well as the transactions evidenced in these statements or summarized in these reports.

## Fourth resolution

*Special report of the Statutory Auditors on the regulated agreements*

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the special report of the Statutory Auditors on the agreements referred to in Articles L. 225-38 *et seq.* of the French Commercial Code, hereby approves this report.

## Fifth resolution

*Ratification of the cooptation of Alexandra Bech Gjørv's office as Director*

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the report of the Board of Directors ratifies the temporary appointment of Alexandra Bech Gjørv as Director decided at the Board of Directors held on October 23, 2012 in replacement of Daniel Lebègue who resigned.

In accordance with Article 14.6 of the Articles of Association, Alexandra Bech Gjørv will be appointed for the remaining period of the office of Daniel Lebègue as Director expiring at the end of the shareholders' meeting convened to approve the statutory financial statements for the fiscal year ending December 31, 2012.

## Sixth resolution

*Renewal of Alexandra Bech Gjørv's office as Director*

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the report of the Board of Directors, decides to renew Alexandra Bech Gjørv's office as Director for a period of four years, to expire at the end of the shareholders' meeting convened to approve the statutory financial statements for the fiscal year ending December 31, 2016.

## Seventh resolution

*Renewal of Marie-Ange Debon's office as Director*

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the report of the Board of Directors, decides to renew Marie-Ange Debon's office as Director for a period of four years, to expire at the end of the shareholders' meeting convened to approve the statutory financial statements for the fiscal year ending December 31, 2016.

## Eighth resolution

*Renewal of Gérard Hauser's office as Director*

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the report of the Board of Directors, decides to renew Gérard Hauser's office as Director for a period of four years, to expire at the end of the shareholders' meeting convened to approve the statutory financial statements for the fiscal year ending December 31, 2016.

## Ninth resolution

*Renewal of Joseph Rinaldi's office as Director*

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the report of the Board of Directors, decides to renew Joseph Rinaldi's office as Director for a period of four years, to expire at the end of the shareholders' meeting convened to approve the statutory financial statements for the fiscal year ending December 31, 2016.

## Tenth resolution

*Appointment of Manisha Girotra as Director*

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the report of the Board of Directors, decides to appoint Manisha Girotra as Director for a period of four years, to expire at the end of the shareholders' meeting convened to approve the statutory financial statements for the fiscal year ending December 31, 2016.

## Eleventh resolution

*Appointment of Pierre-Jean Sivignon as Director*

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the report of the Board of Directors, decides to appoint Pierre-Jean Sivignon as Director for a period of four years, to expire at the end of the shareholders' meeting convened to approve the statutory financial statements for the fiscal year ending December 31, 2016.

## Twelfth resolution

*Directors' attendance fees*

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, decides to set the attendance fees to be allocated per fiscal year to the Board of Directors at €800,000 for 2013, and at the same amount for each of 2014 and 2015 fiscal years.

The Shareholders' Meeting grants full powers to the Board of Directors to allocate all or part of these attendance fees in accordance with such terms and conditions that it will determine.

### Thirteenth resolution

*Authorization granted to the Board of Directors for the repurchase of Company shares*

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the report of the Board of Directors, authorizes the Board of Directors to purchase shares of the Company, in accordance with the provisions of Articles L. 225-209 *et seq.* of the French Commercial Code, on one or more occasions, for the following primary purposes:

- to honor commitments related to stock-option plans or other share grants to employees or directors or officers *(mandataires sociaux)* of the Company or its affiliates;
- to use shares in payment or in exchange in connection with external growth transactions;
- to promote share trading, in order, in particular, to ensure liquidity with an investment services provider pursuant to a liquidity contract in compliance with the ethics charter approved by the French Financial Market Authority *(Autorité des marchés financiers);*
- to cancel such shares;
- to deliver shares upon the exercise of rights attached to securities giving access to the share capital;
- to implement any such market practice which would become recognized from time to time by law or by the French Financial Market Authority *(Autorité des marchés financiers).*

The purchase, holding, sale or transfer of the purchased shares may be carried out, depending on the case, on one or more occasions, in any manner on the market (regulated or not), through multilateral trade facilities ("MTFs"), *via* systematic internalizers or through negotiated transactions, in particular, through the acquisition or sale of blocks, or by using financial derivatives and warrants, in compliance with applicable regulations. The portion of the repurchase program that may be carried out by negotiation of blocks may be as large as the entire program.

The Shareholders' Meeting sets the maximum purchase price at €115 (before charges) per share and decides that the maximum number of shares that may be acquired may not exceed 10% of the shares comprising the share capital as of the date of this Shareholders' Meeting.

In the event of a share capital increase by incorporation of premiums, reserves and benefits, resulting in either an increase in the nominal value, or in a free grant of shares, and in the event of a split or reverse split of shares or any other transaction affecting the share capital, the Board of Directors may adjust the aforementioned purchase price to take into account the effect of those transactions on the value of the shares.

Full powers are granted to the Board of Directors, with power of delegation to the Chief Executive Officer or, with his consent, to one or more Executive Vice Presidents *(Directeurs Généraux Délégués),* to place, at any time, except during the period of a public offering on the Company's securities, any orders on a securities exchange or through negotiated transactions, to allocate or re-allocate repurchased shares for the various purposes pursued in accordance with applicable law and regulations, to enter into any agreements, in particular for the keeping of purchase and sale registers, to draft any documents, to carry out any formalities, to make any declarations and communications to any agencies, particularly to the French Financial Market Authority *(Autorité des marchés financiers),* concerning the transactions carried out pursuant to this resolution, to set the terms and conditions to preserve, as necessary, any rights of holders of securities giving access to the Company's share capital and any rights of beneficiaries of options in accordance with applicable regulations and, generally, to take any necessary action. The Shareholders' Meeting also grants full powers to the Board of Directors, if applicable laws or the French Financial Market Authority *(Autorité des marchés financiers)* were to extend or supplement the purposes authorized for share repurchase programs, to inform the public according to applicable regulations of potential amendments to the repurchase program pertaining to the amended purposes.

This authorization invalidates any previous authorization for the same purpose and, in particular, the sixth resolution of the Ordinary Shareholders' Meeting of April 26, 2012. It is granted for a period of 18 months from the date of this Shareholders' Meeting.

In its report to the Annual Shareholders' Meeting, the Board of Directors shall provide the shareholders with information relating to the purchases and sales of shares carried out pursuant to this resolution.

## WITHIN THE AUTHORITY OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

### Fourteenth resolution

*Authorization granted to the Board of Directors to allocate performance shares to (i) Technip's employees, and (ii) the employees and directors and officers (mandataires sociaux) of the companies of the Group*

The Shareholders' Meeting, acting under the conditions of quorum and majority required for extraordinary shareholders' meetings, after having reviewed the report of the Board of Directors, and the special report of the Statutory Auditors, and pursuant to Articles L. 225-197-1 *et seq.* of the French Commercial Code:

1. Authorizes the Board of Directors to grant, on one or more occasions, existing shares or new shares to be issued, free of charge ("the performance shares") (i) to employees of Technip ("the Company") and, (ii) to employees and directors and officers *(mandataires sociaux)* of companies related to the Company within the meaning of Article L. 225-197-2 of the French Commercial Code.
2. Decides that the grant of performance shares carried out by the Board of Directors pursuant to this resolution may not apply to more than 0.50% of the Company's share capital as of the date of this Shareholders' Meeting, it being specified that this amount does not take into account any adjustments that may be made in compliance with applicable laws or regulations, and as the case may be, applicable contractual provisions providing for other cases of adjustment. To that effect, the Shareholders' Meeting authorizes, if need be, the Board of Directors to increase the share capital accordingly by capitalization of reserves, profit or premium.
3. Decides that the grant of shares to their beneficiaries will become definitive at the end of an acquisition period whose length will be set by the Board of Directors, with the understanding that this period may not be less than two years, as from the decision by the Board of Directors to grant shares.

The beneficiaries must hold these shares for a time period set by the Board of Directors, with the understanding that the holding period may not be less than two years as from the definitive acquisition of these shares.

Nonetheless, the Shareholders' Meeting authorizes the Board of Directors, insofar as the acquisition period for all or part of one or more grants is at least four years long, to not impose a holding period for the related shares.

4. Decides that in the event of a beneficiary's disability corresponding (or comparable outside France) to the second and third categories of classification provided for in Article L. 341-4 of the French Social Security Code, the shares will be definitively granted to the beneficiary before the end of the remainder of the acquisition period. These shares may be freely transferred or sold as from their delivery.
5. This authorization includes, in favor of the beneficiaries, a waiver by the shareholders of their preferential subscription right to the shares which may be issued pursuant to this resolution.
6. Notes that the rights of beneficiaries to acquire shares will be lost in the event of resignation, removal or dismissal for wrongful or gross misconduct *(faute grave* or *faute lourde)* during the acquisition period.
7. The Board of Directors will grant performance shares and determine the identity of their beneficiaries.

   The definitive grant of the performance shares shall be conditional upon the achievement of a performance to be measured by the results achieved by the Group over three consecutive years in terms of Health Safety & Environment HSE, Operating Income from Recurring Activities (OIFRA) and Net Cash Generated from Operational Activities.

   To this end, an At Risk Portion of the Shares is defined, it corresponds to the performance shares that may be lost by the beneficiaries due to the actual performance and amounts to 50% of the allocated performance shares.

   The actual performance shall be computed as a percentage to be compared (i) for the first metric Health Safety & Environment (HSE) to the corresponding performance of the Group over a previous period and (ii) for the two other metrics (OIFRA and Net Cash Generated from Operational Activities) to a target expressed in each case as an absolute value amount.

   The Reference Performance shall be computed as the arithmetical average of the two best percentages obtained out of the above three metrics.

   The Reference Performance shall determine the definitive grant of performance shares, based on the following scale:

   - if the Reference Performance is less than 75%, the At Risk Portion of the Shares (*i.e.,* 50% of the allocated performance shares) shall be lost by the beneficiaries;
   - if the Reference Performance is at least equal to 75%, the percentage of the allocated shares to be granted to the beneficiaries, regarding the At Risk Portion of the Shares, shall be determined on a linear basis from 0 to 50% against the Reference Performance.

   The Board of Directors will determine the other terms and conditions and, as applicable, the criteria for the grant of the shares.
8. The Board of Directors will have the necessary powers to implement this authorization, in accordance with the terms described above and subject to applicable legal provisions, and to do all that is useful and necessary in accordance with applicable laws and regulations.

   The Board of Directors will inform the Shareholders' Meeting each year of the actions carried out pursuant to this resolution, in accordance with legal and regulatory requirements and particularly Article L. 225-197-4 of the French Commercial Code.

The authorization granted to the Board of Directors by the present resolution is valid for a period of 24 months following the date of this Shareholders' Meeting and invalidates any previous authorization for the same purpose.

## Fifteenth resolution

*Authorization granted to the Board of Directors to allocate performance shares to the Chairman of the Board of Directors and/or the Chief Executive Officer of Technip (mandataire social) and to the Group's principal executives*

The Shareholders' Meeting, acting under the conditions of quorum and majority required for extraordinary shareholders' meetings, after having reviewed the report of the Board of Directors, and the special report of the Statutory Auditors, and pursuant to Articles L. 225-197-1 *et seq.* of the French Commercial Code:

1. Authorizes, subject to the condition precedent of the adoption of the fourteenth resolution, the Board of Directors to grant, on one or more occasions, existing shares or new shares to be issued, free of charge ("the performance shares") to the Chairman of the Board of Directors and/or the Chief Executive Officer of Technip ("the Company"), the Company's managing director *(mandataire social)* and to the Group's principal executives (Excom members) and certain Group Corporate Executives.
2. Decides that the grant performance shares carried out by the Board of Directors pursuant to this authorization shall be applied toward the ceiling of 0.50% of the share capital provided for in the fourteenth resolution. The shareholders' Meeting authorizes, if need be, the Board of Directors to the share capital accordingly by capitalization of reserves, profit or premium.
3. Decides that the grant of shares to the beneficiaries will become definitive at the end of an acquisition period whose length will be set by the Board of Directors, with the understanding that this period may not be less than two years, as from the decision by the Board of Directors to grant shares.

   The beneficiaries must hold these shares for a time period set by the Board of Directors, with the understanding that the holding period may not be less than two years as from the definitive acquisition of these shares.

   Nonetheless, the Shareholders' Meeting authorizes the Board of Directors, insofar as the acquisition period for all or part of one or more grants is at least four years long, to not impose a holding period for the related shares.

   The Company's managing agent *(mandataire social)* must hold these shares for a time period set by the Board of Directors, with the understanding that the holding period may not be less than two years as from the definitive acquisition of these shares, without prejudice to the provisions in Article L. 225-197-1, II, last paragraph, of the French Commercial Code.

4. Decides that in the event of a beneficiary's disability corresponding (or comparable outside France) to the second and third categories of classification provided for in Article L. 341-4 of the French Social Security Code, the shares will be definitively granted to the beneficiary before the end of the remainder of the acquisition period. These shares may be freely transferred or sold as from their delivery.
5. This authorization includes, in favor of the beneficiaries, a waiver by the shareholders of their preferential subscription right to the shares which may be issued pursuant to this resolution.
6. Notes that the rights of the beneficiary to acquire the shares will be lost in the event of resignation, removal or dismissal for wrongful or gross misconduct *(faute grave* or *faute lourde)* during the acquisition period.
7. The definitive grant of the performance shares shall be conditional upon the achievement of a performance to be measured by the results achieved by the Group over three consecutive years in terms of Health Safety & Environment, OIFRA and Net Cash Generated from Operational Activities.

   The performance shall be computed as a percentage to be compared (i) for the first metric (HSE) to the corresponding performance of the Group over a previous period and (ii) for the two other metrics (OIFRA and Net Cash Generated from Operational Activities) to a target expressed in each case as an absolute value amount.

   To this end, an At Risk Portion of the Shares is defined, it corresponds to the performance shares that may be lost by the beneficiaries due to the actual performance and amounts to 100% of the allocated performance shares.

   The Reference Performance shall be computed as the arithmetical average of the two best percentages obtained out of the above three metrics.

   The Reference Performance shall determine the definitive grant of performance shares, based on the following scale:

   - if the Reference Performance is less than 75%, the At Risk Portion of the Shares (*i.e.,* 100% of the allocated performance shares) shall be lost by the beneficiaries;
   - if the Reference Performance is at least equal to 75%, the percentage of the allocated shares to be granted shall be the percentage of the Reference Performance and shall not be exceed 100%.

   The Board of Directors will determine the other terms and conditions and, as applicable, the criteria for the grant of the shares.
8. The Board of Directors will have the necessary powers to implement this authorization, in accordance with the terms described above and subject to applicable legal provisions, and to do all that is useful and necessary in accordance with applicable laws and regulations.

   The Board of Directors will, each year, inform the Shareholders' Meeting of the actions carried out pursuant to this resolution, in accordance with legal and regulatory requirements and particularly Article L. 225-197-4 of the French Commercial Code.

The authorization granted to the Board of Directors by the present resolution is valid for a period of 24 months following the date of this Shareholders' Meeting and invalidates any previous authorization for the same purpose.

## Sixteenth resolution

*Authorization granted to the Board of Directors to grant options for the purchase or subscription of shares to (i) Technip's employees, and (ii) the employees and directors and officers (mandataires sociaux) of the companies of the Group*

The Shareholders' Meeting, acting under the conditions of quorum and majority required for extraordinary shareholders' meetings, after having reviewed, the report of the Board of Directors, and the special report of the Statutory Auditors and pursuant to Articles L. 225-177 *et seq.* of the French Commercial Code :

1. Authorizes the Board of Directors to allocate, on one or more occasions, (i) to employees of Technip ("the Company") and, (ii) to employees and directors and officers *(mandataires sociaux)* of the companies related to the Company within the meaning of Article L. 225-180 of the French Commercial Code, or certain categories among them, options to subscribe new shares to be issued by the Company through share capital increases or to purchase existing shares of the Company resulting from repurchases carried out by the Company in accordance with legal provisions.
2. Decides that the options that may be allocated by the Board of Directors pursuant to this authorization may not give the right to purchase or subscribe a total number of shares greater than 0.30% of the share capital as of the date of this Shareholders' Meeting. This amount does not take into account the adjustments that may be carried out in accordance with legislative and regulatory provisions.
3. Decides that the exercise price will be set by the Board of Directors on the date that the options are granted and that (i) for options to subscribe shares, this price will be undiscounted and equal to the average of the share price on NYSE Euronext Paris over the 20 trading days preceding the date of the grant, and (ii) for options to purchase shares, this price will be undiscounted and equal to the higher of the following: (a) the average purchase price of the shares indicated in Article L. 225-179 of the French Commercial Code, and (b) the average indicated in (i) above.

   The exercise price, as determined above, may not be modified except in the event that measures necessary for the protection of the interests of the beneficiaries of the options are implemented pursuant to Article L. 225-181 of the French Commercial Code and in accordance with legal and regulatory conditions.

   The exercise of the options shall be conditional upon the achievement of a performance to be measured by the results achieved by the Group over three consecutive years in terms of Total Shareholder Return (TSR), Operating Income From Recurring Activities (OIFRA) and Return On Capital Employed (ROCE).

   To this end, an At Risk Portion of the Options is defined, it corresponds to the options that may be lost by the beneficiaries due to the actual performance and amounts to 50% of the options granted.

   The performance shall be computed as a percentage to be compared (i) for the first metric (TSR) to the corresponding TSR performance of a sample of competitors and (ii) for the second (OIFRA) and third (ROCE) metrics to a target expressed in each case as a specified absolute value amount.

   The Reference Performance shall be computed as the arithmetical average of the percentages of the above three metrics.

The Reference Performance shall determine the definitive proportion of options to be exercised based on the following scale:

- if the Reference Performance is less than 75%, the At Risk Portion of the Options (*i.e.,* 50% of the options granted) shall be lost by the beneficiaries;
- if the Reference Performance is at least equal to 75%, the percentage of the options granted which shall be exercisable by the beneficiaries, regarding the At Risk Portion of the Options, shall be determined on a linear basis from 0 to 50% against the Reference Performance.

The Board of Directors will determine the other terms and conditions and, as applicable, the criteria for the grant of the shares.

4. Acknowledges that no option may be granted less than 20 trading days following the detachment from the shares of a coupon giving right to a dividend or a capital increase.
5. Acknowledges that no option can be granted during (i) the 10 trading days preceding and following the date on which the consolidated financial statements or, in the absence of these, the annual statutory financial statements, are made public, and (ii) the period between the date on which the Company's management bodies receive information that, if it were made public, could have a significant impact on the Company's share price, and the tenth trading day following the date on which this information is made public.
6. Decides that the options must be exercised within a maximum period of eight years as from the date of grant by the Board of Directors; nevertheless, the Board of Directors may set a shorter exercise period for all or part of the options and/or for all or certain of the beneficiaries.
7. Notes that this resolution automatically acts, in favor of the beneficiaries of the options to subscribe shares, as an express waiver by the shareholders of their preferential subscription rights with respect to the shares that will be issued as options are exercised.
8. The beneficiaries' right to exercise the options will be lost in the event of resignation, removal or dismissal for wrongful or gross misconduct *(faute grave* or *faute lourde).*
9. Gives all powers to the Board of Directors for the purpose of:
   - determining the list of the option beneficiaries and the number of options granted to each of them;
   - setting the conditions applicable to the exercise and grant of the options; the Board of Directors may, in particular, (a) restrict, suspend, limit or prohibit (1) the exercise of options or (2) the sale or conversion into bearer form of the shares obtained through the exercise of the options during certain periods or starting from certain events; its decision may apply to all or part of the options or shares and concern all or certain beneficiaries, and (b) accelerate the dates or the periods for the exercise of options, maintain their exercisable nature or modify the dates or periods during which the shares obtained from the exercise of options shall not be sold or converted into bearer form; its decision may apply to all or part of the options or shares and concern all or certain beneficiaries;
   - allowing for, as applicable, a lock-up period or a period of non-delivery to the beneficiary of the shares obtained from the exercise of the options; such period may not exceed three years as from the exercise of the option.

This authorization is granted to the Board of Directors for a period of 24 months following the date of this Shareholders' Meeting and invalidates any previous authorization for the same purpose.

In accordance with the provisions of Article L. 225-184 of the French Commercial Code, each year the Board of Directors will inform the Shareholders' Meeting of the transactions carried out pursuant to the present resolution.

## Seventeenth resolution

*Authorization granted to the Board of Directors to grant options for the purchase or subscription of shares to the Chairman of the Board of Directors and/or the Chief Executive Officer of Technip (mandataire social) and to the Group's principal executives*

The Shareholders' Meeting, acting under the conditions of quorum and majority required for extraordinary shareholders' meetings, after having reviewed the report of the Board of Directors, and the special report of the Statutory Auditors, and pursuant to Articles L. 225-177 *et seq.* of the French Commercial Code:

1. Authorizes, subject to the condition precedent of the adoption of the sixteenth resolution, the Board of Directors to allocate, on one or more occasions, to the Chairman of the Board of Directors and/or the Chief Executive Officer of Technip ("the Company"), the Company's managing director *(mandataire social),* and to the Group's principal executives (Excom members and certain Group Corporate Executives) options to subscribe to new shares to be issued by the Company through share capital increases or to purchase existing shares of the Company resulting from repurchases carried out by the Company in accordance with legal provisions.
2. Decides that the options that may be allocated by the Board of Directors pursuant to this authorization shall be applied toward the ceiling of 0.30% of the share capital provided for in the sixteenth resolution.
3. Decides that the exercise price will be set by the Board of Directors on the date that the options are granted and that (i) for options to subscribe shares, this price will be undiscounted and equal to the average of the share price on Euronext Paris over the 20 trading days preceding the date of the grant, and (ii) for options to purchase shares, this price will be undiscounted and equal to the higher of the following: (a) the average purchase price of the shares indicated in Article L. 225-179 of the French Commercial Code, and (b) the average indicated in (i) above.

   The exercise price, as determined above, may not be modified except in the event that measures necessary for the protection of the interests of the beneficiaries of the options are implemented pursuant to Article L. 225-181 of the French Commercial Code and in accordance with legal and regulatory conditions.

   The exercise of the options shall be conditional upon the achievement of a performance to be measured by the results achieved by the Group over three consecutive years in terms of Total Shareholder Return (TSR), Operating Income From Recurring Activities (OIFRA) and Return On Capital Employed (ROCE).

   To this end, an At Risk Portion of the Options is defined, it corresponds to the options that may be lost by the beneficiaries due to the actual performance and amounts to 100% of the options granted.

The actual performance shall be computed as a percentage to be compared (i) for the first metric (TSR) to the corresponding performance of a sample of competitors and (ii) for the second (OIFRA) and third (ROCE) metrics to a target expressed in each case as a specified absolute value amount.

The Reference Performance shall be computed as the arithmetical average of the percentages of the above three metrics.

The Reference Performance shall determine the definitive proportion of options to be exercised based on the following scale:

- if the Reference Performance is less than 75%, the At Risk Portion of the Options (*i.e.,* 100% of the options granted) shall be lost by the beneficiaries;
- if the Reference Performance is equal to or above 75%, the percentage of the options granted which shall be exercisable shall be the percentage of the Reference Performance and shall not exceed 100%.

The Board of Directors will determine the other terms and conditions and, as applicable, the criteria for the grant of the shares.

4. Acknowledges that no option may be granted less than 20 trading days following the detachment from the shares of a coupon giving right to a dividend or a capital increase.
5. Acknowledges that no option can be granted during (i) the 10 trading days preceding and following the date on which the consolidated financial statements or, in the absence of these, the annual statutory financial statements, are made public, and (ii) the period between the date on which the Company's management bodies receive information that, if it were made public, could have a significant impact on the Company's share price, and the tenth trading day following the date on which this information is made public.
6. Decides that the options must be exercised within a maximum period of eight years as from the date of grant by the Board of Directors; nevertheless, the Board of Directors may set a shorter exercise period for all or part of the options and/or for all or certain of the beneficiaries.
7. Notes that this resolution automatically acts, in favor of the beneficiaries of the options to subscribe shares, as an express waiver by the shareholders of their preferential subscription rights with respect to the shares that will be issued as options are exercised.
8. Acknowledges that the beneficiary's right to exercise the options will be lost in the event of resignation, removal or dismissal for wrongful or gross misconduct *(faute grave* or *faute lourde).*
9. Gives all powers to the Board of Directors for the purpose of:
   - determining list of beneficiaries and the number of options granted to each of them;
   - setting the conditions applicable to the grant and exercise of the options; the Board of Directors may, in particular, (a) restrict, suspend, limit or prohibit (1) the exercise of options or (2) the sale or conversion into bearer form of the shares obtained through the exercise of the options during certain periods or starting from certain events; its decision may apply to all or part of the options or shares, and (b) accelerate the dates or the periods for the exercise of options, maintain their exercisable nature or modify the dates or periods during which the shares obtained from the exercise of options shall not be sold or converted into bearer form; its decision may apply to all or part of the options or shares, within the limits set by the applicable legal provisions;
   - allowing for, as applicable, a lock-up period or a period of non-delivery to the beneficiary of the shares obtained from the exercise of the options, without prejudice to the provisions of Article L. 225-185, paragraph 4 of the French Commercial Code.

This authorization is granted to the Board of Directors for a period of 24 months following the date of this Shareholders' Meeting and invalidates any previous authorization for the same purpose.

In accordance with the provisions of Article L. 225-184 of the French Commercial Code, the Board of Directors will inform the Shareholders' Meeting each year of the transactions carried out pursuant to the present resolution.

## Eighteenth resolution

*Authorization granted to the Board of Directors to increase the share capital in favor of employees adhering to a company savings plan, without preferential subscription rights for the shareholders.*

The Shareholders' Meeting, acting under the conditions of quorum and majority required for extraordinary shareholders' meetings, after having reviewed the report of the Board of Directors, and the special report of the Statutory Auditors, and pursuant to the provisions of Articles L. 3332-1 *et seq.* of the French Labor Code and Article L. 225-138-1 of the French Commercial Code, and in accordance with the provisions of Article L. 225-129-6 of the French Commercial Code:

1. Authorizes the Board of Directors to increase, on one or more occasions, the Company's share capital by a maximum nominal amount not exceeding 1% of the share capital as of the date this authorization is used, through the issuance of shares or securities giving access to the Company's share capital, reserved for members of a company savings plan of the Company or of the French or foreign companies that are related to the Company in accordance with Article L. 3344-1 of the French Labor Code.
2. Decides that the subscription price of the new shares will be equal to 80% of the average of the Company's share prices on the regulated market, NYSE Euronext Paris, over the 20 trading days preceding the date of the decision setting the opening date of the subscription period. However, the Shareholders' Meeting expressly authorizes the Board of Directors to reduce the aforementioned discount, should it deem appropriate, in order to take into account, as the case may be, the legal, accounting, tax and social charges regimes applicable in the countries of residence of the members of a company savings plan who benefit from the share capital increase. The Board of Directors may also substitute all or part of the discount with a grant of shares for free or other existing or new securities giving access to the Company's share capital, it being specified that the total amount of the benefit granted together with, as applicable, the discount, may not exceed the benefit that would have accrued to the members of the Company savings plan of a 20% discount.
3. Decides, pursuant to Article L. 3332-21 of the French Labor Code, that the Board of Directors may also decide to grant, for free, existing or new shares, or other existing or new securities giving access to the Company's share capital, as a matching contribution, provided that their cash value, as compared to the subscription price, does not exceed the limits set forth in Article L. 3332-11 of the French Labor Code.

4. Decides to eliminate the preferential subscription rights of shareholders with respect to the new shares to be issued or other securities giving access to the share capital and to the securities to which such securities give right, which are issued pursuant to this resolution in favor of members of a company savings plan.
5. Decides that the characteristics of the other securities giving access to the Company's share capital will be determined by the Board of Directors in accordance with the conditions provided for by applicable regulations.
6. Decides that the Board of Directors shall have all powers, with the option to delegate or to sub-delegate, in accordance with applicable legal and regulatory provisions, to implement this resolution, in particular, to set the terms and conditions of transactions, the dates and methods of the issuances that will be carried out pursuant to this resolution, the opening and closing dates of subscription periods, the price, the dividend entitlement dates of securities issued, the methods of paying for shares and other securities giving access to the Company's share capital, to grant additional time for the payment of the shares and other securities giving access to the Company's share capital, to request admission to trading of the securities created anywhere it deems appropriate, to acknowledge the share capital increases in amounts corresponding to the shares that will actually be subscribed, to carry out, personally or through a third party, all transactions and formalities related to the share capital increases, to make any necessary changes to the by-laws, and at the Board's sole discretion and if the Board deems appropriate, to allocate the cost of the share capital increases to the amount of the related premiums and to deduct from such amount the amounts necessary to increase the legal reserve to one-tenth of the new share capital after each increase.
7. Decides that the maximum nominal amount of the share capital increases that may be carried out pursuant to this resolution will be applied toward the maximum nominal amount of €42 million provided for in the eighth resolution of the General Meeting of April 26, 2012.
8. Decides that his delegation voids the authorization granted by the General Meeting of April 26, 2012, in its sixteenth resolution.

The authorization granted to the Board of Directors by the present resolution is valid for a period of 26 months following the date of this Shareholders' Meeting.

## WITHIN THE AUTHORITY OF THE COMBINED SHAREHOLDERS' MEETING

### Nineteenth resolution

*Powers for formalities*

The Shareholders' Meeting, acting under the conditions of quorum and majority required for combined shareholders' meetings, grants full powers to the bearer of an original, a copy or a certified extract of the minutes of this shareholders' meeting for the purpose of carrying out any legal formalities such as registration, publicity or other formalities.

H

# Reconciliation tables (Annual Financial Report – Management Report – Society and Environmental report)

## Annual Financial Report

In order to facilitate the reading of this Reference Document, the reconciliation table below has been prepared to help identify the information disclosed in the Annual Financial Report, which is required to be published by listed companies on a regulated market pursuant to Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the AMF's General Regulations.

| | Annual Financial Report | Reference Document |
|---|---|---|
| 1. | Company's annual financial statements | Section 20.2 |
| 2. | Consolidated financial statements | Section 20.1 |
| 3. | Management Report (within the meaning of the French Monetary and Financial Code) | See reconciliation tables below |
| 4. | Statement of persons responsible for the Annual Financial Report | Section 1.2 |
| 5. | Statutory Auditors' reports on the Company's annual financial statements and the consolidated financial statements | Sections 20.1.1 and 20.2.1 |
| 6. | Communication relating to the Statutory Auditors' fees | Section 2.3 and<br>Section 20.1.2 Note 34<br>Section 20.2.6 Note 6.20 |
| 7. | Report of the Chairman of the Board of Directors on internal control procedures | Annex C |
| 8. | Statutory Auditors' report on the report of the Chairman of the Board of Directors on internal control procedures | Annex D |

# Management Report

In order to facilitate the reading of this Reference Document, the reconciliation table below has been prepared to help identify the information included in the Management Report as required pursuant to Article L. 225-100 et seq. of the French Commercial Code.

| Management Report | | Reference Document |
|---|---|---|
| 1. | Position and activity of the Company during the past financial year | Sections 3-6.1 and 6.4 |
| 2. | Progress made or difficulties encountered | Section 6.2 |
| 3. | Results relating to the Company's operations and to the operations of its controlled subsidiaries | Sections 3.2-20.1.2-20.2.2 and 9.1 to 9.5 |
| 4. | Research and Development | Sections 11 and 9.3 |
| 5. | Forecasts of the Company's position and outlook | Section 12.1 |
| 6. | Major events that occurred between the balance sheet date and the date of this Reference Document | Sections 6.1.3 and 20.5<br>Section 20.1.2 Note 35 and<br>Section 20.2.2 Note 8 |
| 7. | Company's Management Body | Sections 1.1 and 14.2<br>Annex C |
| 8. | Objective and exhaustive review of the operations, results and financial position of the Company (in particular its financial debt having regard to the volume and complexities of the business) and key performance indicators of a financial nature and, where applicable, non-financial nature (in particular regarding the environment and employees) | Sections 9.1 to 9.5 and 10 |
| 9. | Information about the main risks and uncertainties that the Company faces, and notes regarding the Company's use of financial instruments, when the use of such instruments is relevant to the evaluation of its assets, liabilities, financial position, and profits or losses | Section 4 |
| 10. | Policy of the Company and its controlled subsidiaries regarding financial risk management | Sections 4.8.16 |
| 11. | Exposure of the Company and its controlled subsidiaries to interest rate, credit, liquidity and treasury risks | Sections 4.5-4.6-4.7<br>Section 20.1.2 Note 33 |
| 12. | List of offices or positions held by each of the directors in all companies during the financial year | Annex A |
| 13. | Report on employee mandatory profit sharing (as well as those for executives, as the case may be) transactions that were implemented pursuant to its share purchase or subscription options plans reserved for employees and executives, transactions with employees and executives and the percentage of capital owned by those whose shares are held through UCITS | Sections 15.1.1-17.2 and 17.3 |
| 14. | Activity of the Company's subsidiaries and the companies it controls | Section 7 |
| 15. | Disposal of shares in order to equalize crossed equity and the companies controlled by her or controlling interests | None |
| 16. | Purchase of significant or controlling interests of companies based in France | Section 7.2<br>Sections 20.2 Note 7 and 20.1.2 Note 2 |
| 17. | Information relating to the breakdown of the share capital | Section 18.1.1 |
| 18. | Dividends distributed during the last three financial years | Section 20.3 |
| 19. | Compensation and other benefits granted to Company's directors | Section 15.1 |
| 20. | In relation to the grant of share purchase or subscription options, information about the decision of the Board of Directors to:<br>■ either prevent executives from exercising their options before they cease employment with the Company;<br>■ or require executives to hold part or all of the shares resulting from options already exercised until they cease employment with the Company | Sections 15.1.1 and 17.2.3<br>Section 20.1.2 Note 20 |
| 21. | In the event of performance shares being granted, information about the decision of the Board of Directors to:<br>■ either prevent executives from selling their performance before they cease employment with the Company;<br>■ or, sets the quantity of these shares that executives are required to hold until they cease employment with the Company | Sections 15.1.1 and 17.2.4<br>Sections 20.1.2 Notes 26 and 33 |

| Management Report | | Reference Document |
|---|---|---|
| 22. | Changes made to the format of the financial statements or to the valuation methods used | Section 20.1.2 Note 1 |
| 23. | Injunctions over, or financial penalties imposed on, the Company for antitrust practices | None |
| 24. | Information on how the Company takes into account the environmental and social impact of its activity | Sections 4.4-6.6-17.1 and Annex E |
| 25. | Information relating to the risk to Technip in the event of interest rate, exchange rate, or share price fluctuations | Section 4.7 |
| 26. | Information required to be disclosed pursuant to Article L. 225-211 of the French Commercial Code on transactions made by the Company involving its own shares | Sections 21.1.3 and 21.1.4 |
| 27. | Summary statement of transactions made by executives involving shares of the Company | Sections 15.1.1 and 17.2.1 |
| 28. | Table of the Company's results over the previous five years | Annex B |
| 29. | Summary table of any authorizations granted to increase the Company's share capital that are in force and implementation of these authorizations during financial year 2012 | Section 21.1.4 |
| 30. | Calculation of possible adjustments to conversion rates and the conditions for subscribing or exercising rights to the Company's share capital for securities giving right to share or stock options following certain financial transactions or share repurchases by the Company | Section 20.1 Note 20 (h) |
| 31. | Information that may have an impact on a public tender offer required pursuant to Article L. 225-100 of the French Commercial Code | Sections 18.3-18.4 and 21.2 |
| 32. | Social information of the Company | Section 17.1 and Annex E |
| 33. | Information relating to terms of payment for suppliers and clients | Section 20.1.2 Note 16<br>Section 20.2.6 Note 6.8 |

# Social and environmental information

To facilitate the reading of this Reference Document, the reconciliation tables below have been prepared to help identify social, societal and environmental information as required pursuant to Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

| Social information | | Annex E |
|---|---|---|
| 1 | Employment | |
| 1.1 | Total headcount of workforce and breakdown by gender, age and geographic area | Sections 2.2.1.1 and 2.2.1.2 |
| 1.2 | Hiring and redundancies | Section 2.2.1.3 |
| 1.3 | Remuneration and its changes | Section 2.3.2.1 |
| 2 | Work organization | |
| 2.1 | Working hours management | Section 2.2.1.4 |
| 2.2 | Absenteeism | Section 2.2.1.5 |
| 3 | Labor relations | |
| 3.1 | Management of the Company's social dialogue, in particular the provision of information to employees, their consultation and negotiation procedures | Section 2.6 |
| 3.2 | Collective agreements | Section 2.6 |
| 4 | Health and safety | |
| 4.1 | Health and safety conditions at work | Sections 2.2.1.6-2.7.1-2.7.2 |
| 4.2 | Health and security agreements entered into with trade unions or staff representatives | Section 2.6 |
| 4.3 | Workplace accidents, in particular their frequency, severity, and occupational illnesses | Section 2.2.1.5 |
| 5 | Training | |
| 5.1 | Policies implemented with respect to training | Section 2.4 |
| 5.2 | Total training hours | Section 2.4 |
| 6 | Equal treatment | |
| 6.1 | Measures taken to promote the equal treatment of women and men | Section 2.5.1 |
| 6.2 | Measures taken to promote the employment and inclusion of disabled employees | Section 2.5.3.1 |
| 6.3 | Anti-discrimination policies | Section 2.5 |
| 7 | Promotion of and compliance with the fundamental conventions of the International Labor Organization | |
| 7.1 | Upholding the rights of freedom of association and of collective bargaining | Section 4.3.2 |
| 7.2 | The elimination of employment discrimination | Section 4.3.2 |
| 7.3 | The elimination of forced labor | Section 4.3.2 |
| 7.4 | The effective abolition of child labor | Section 4.3.2 |

| Environmental Information | | Annex E |
|---|---|---|
| 1 | General policy in relation to the environment | |
| 1.1 | Management of the Company to take into consideration environmental issues, and if applicable, the assessment or certification procedures in relation to the environment. | Section 3.2 |
| 1.2 | Information and training programs for employees in relation to the protection of the environment | Section 3.2 |
| 1.3 | Resources devoted to the prevention of environmental risks and pollution | Section 3.2 |
| 1.4 | The amount of provisions made for and guarantees given in relation to environmental risks, provided that such information is not likely to seriously prejudice the Company in any pending litigation. | Section 3.2 |
| 2 | Pollution and waste management | |
| 2.1 | Measures taken to prevent, reduce or repair the effects of discharges into the air, water or soil that would seriously impact the environment. | Section 3.1 |
| 2.2 | Measures taken to prevent, recycle or eliminate waste | Section 3.3.1 |
| 2.3 | Taking into account noise pollution and any other form of pollution specific to an activity | Section 3.3.2 |
| 3 | Sustainable use of resources | |
| 3.1 | Water consumption and water supply, taking into consideration any local constraints | Section 3.4.1 |
| 3.2 | Raw material consumption and measures taken to improve the efficiency of raw material use | Section 3.4.2 |
| 3.3 | Energy consumption, measures taken to improve energy efficiency and the use of renewable energies | Section 3.4.2 |
| 3.4 | Land use | Section 3.4.3 |
| 4 | Climate change | |
| 4.1 | Greenhouse gas emissions | Section 3.5.1 |
| 4.2 | Adaptation to the consequences of climate change | Section 3.5.2 |
| 5 | Protection of biodiversity | |
| 5.1 | Measures taken to protect or develop biodiversity | Section 3.3.3 |

| Societal information | | Annex E |
|---|---|---|
| 1 | Territorial, economical and social impact of the Company's activities | |
| 1.1 | Employment and regional development | Section 4.1.1 |
| 1.2 | Local communities | Sections 4.1.1 and 4.1.2 |
| 2 | The relations between the Company and career guidance associations, academic institutions, environmental preservation agencies, consumer advocacy group and local communities | |
| 2.1 | Dialogue with career guidance associations, academic institutions, environmental preservation agencies, consumer advocacy group and local communities | Section 4.1.2 |
| 2.2 | Partnerships and corporate sponsorships | Section 4.1.2 |
| 3 | Subcontractors and suppliers | |
| 3.1 | Measures taken to account for social and environmental issues in the Company's purchasing policy | Section 4.2.2 |
| 3.2 | The extent of subcontracting and measures taken to account for social and environmental issues in the Company's subcontracting policy | Section 4.2.2 |
| 4 | Fair business practices | |
| 4.1 | Measures taken to prevent corruption | Section 4.3.1 |
| 4.2 | Measures taken to ensure the health and safety of consumers | Section 2.7.1 |
| 5 | Other measures implemented to protect human rights | |

I

# Annex: Glossary

| | |
|---|---|
| **Biomass-based fuel** | These include, but are not limited to wood, sawdust, grass cuttings, biodegradable domestic refuse, charcoal, agricultural waste, crops and dried manure. |
| **Carbon fiber armor** | An exclusive technology for the composition of flexible risers, for use in deepwater, allowing them to weigh 50% less than traditional flexible pipes while offering excellent corrosion and fatigue resistance. |
| **CCS (Carbon Capture and Storage)** | The CCS is a solution for reducing greenhouse gas emissions from industrial installations in response to global warming. |
| **CSR (Corporate Social Responsibility)** | A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. CSR concerns actions by companies over and above their legal obligations towards society and the environment (definition of the EU Commission). |
| **Development (of a gas or oil field)** | All operations associated with the exploitation of an oil or gas field. |
| **DJSI (Dow Jones Sustainability Index)** | Launched in 1999, this index was the first to track the financial performances of leading sustainability-driven companies worldwide. Technip's share has been part of the index for 10 years. |
| **EPC (Engineering, Procurement, Construction)** | Type of contract comprising management and engineering services, procurement of equipment and materials, construction. |
| **EPIC (Engineering, Procurement, Installation, Commissioning)** | An EPIC or "turnkey" contract integrates the responsibility going from the conception to the final acceptance of one or more elements of a production system. It can be awarded for all, or part, of a field development. |
| **ETH-PIP Technology** | Reelable electrically trace heated pipe-in-pipe: a new technology developed and qualified by Technip for use in shallow and deepwater applications alike and qualified by Technip and Total for higher temperature applications. Successful deployment of ETH-PIP will enhance or enable production operability in certain flow and temperature conditions, where subsea pipelines transporting hydrocarbons are liable to blockage through the formation of hydrates or wax. |
| **FEED (Front-End Engineering Design)** | Engineering studies whose detail allows the client to launch the bidding process for the execution of the project. |
| **FLNG (Floating liquefied natural gas unit)** | This term covers two markets: the reception terminals located close to the coast and the offshore liquefaction unit. In a FLNG solution, the gas liquefaction installations are situated directly above the offshore gas field, thus making the construction of long subsea pipelines and large onshore infrastructure unnecessary. |
| **Floatover** | Installation method of an integrated production deck (topsides) on a fixed or floating offshore structure without heavy lift operations. |
| **Flowline** | A flexible or rigid pipe, laid on the seabed, which allows the transportation of oil/gas production or injection of fluids. Its length can vary from a few hundred meters to several kilometers. |
| **FPSO (Floating, Production, Storage and Offloading)** | A converted ship or custom-built vessel used as a support of oil and gas installations and for temporary storage of the oil prior to transport. |
| **Global Compact** | International initiative of the United Nations, launched in 2000. It unites public and private businesses around 10 universal principles relating to human rights, labor and the environment. Technip has been an official member of the Global Compact since 2003. |

| | |
|---|---|
| **Greenhouse gas** | Any of the atmospheric gases that contribute to the greenhouse effect by absorbing infrared radiation produced by the solar warming of the Earth's surface. Greenhouse gases include carbon dioxide, methane, nitrous oxide and water vapour. These gases can be naturally occurring or produced by human activity. |
| **GRI (Global Reporting Initiative)** | A group of stakeholders engaged in ensuring that reporting on economic, environmental, and social performance by all organizations becomes as stringent and systematic as financial reporting. The GRI achieves this vision by providing a framework for reporting sustainable development. The components of this reporting framework are developed through a comprehensive approach to reaching decisions by consensus among the various stakeholders. |
| **GTL (Gas-to-Liquids)** | Transformation of natural gas into liquid fuels (Fischer Tropsch technology). |
| **HSE (Health, Safety and Environment)** | Defines all measures taken by Technip to guarantee the occupational health and safety of individuals and the protection of the environment during the performance of it business activities, whether in offices or on construction sites. |
| **HVS (Heave and Vortex-Induced Motion Suppressed) semi-submersible platform** | A low-motion semi-submersible platform, reducing the fatigue on risers connected to it, enabling it to support large diameter steel catenary risers in water depths that would not be possible for conventional semis. As such, it is a technology suited to deepwater developments. |
| **IPB (Integrated Production Bundle)** | A patented flexible riser combining multiple functions of production and gas lift, incorporating both active heating and passive insulation. The IPB ensures regular flow in difficult conditions. |
| **ISO 9001** | A standard dealing with quality management standards. It sets out the requirements that organizations must meet to comply with the standard. |
| **ISO 14001** | A standard dealing with environmental management systems. |
| **Lean & Six Sigma** | To improve competitiveness, Lean focuses on cost and schedule improvement and Six Sigma on quality by reducing defect rate. Technip integrated a quality program based on these methods at the end of 2010. |
| **Liquefied Natural Gas (LNG)** | Natural gas, liquefied by cooling its temperature to -162°C, thus reducing its volume 600 times, allowing its transport by boat. |
| **Natural gas** | Consists primarily of methane (CH4) as well as some carbon dioxide and other impurities such as sulphur-based gases. |
| **Petrochemicals** | Industry relating to chemical compounds derived from hydrocarbons. |
| **Pipe-in-Pipe or Flowline** | Steel pipes assembly consisting of a standard production pipe surrounded by a so-called carrier pipe. The gap between the carrier and production pipes is filled with an insulation material (a high thermal performance material can be used). |
| **Pipeline installation** | Technip's fleet masters the three installation methods for rigid pipes: J-Lay (a vertical lay system, in deep water), S-Lay (the most common installation method for steel pipe in medium to shallow water. A horizontal lay from the back of a vessel, under tension, which gives it an "S" configuration) and reeled-lay (an onshore assembly of rigid steel pipeline, made of long sections welded together as they are spooled onto a vessel-mounted reel for transit and subsequent cost-effective unreeling onto the seabed. Minimum welding is done at sea), as well as Flexible-Lay (including the Vertical Lay System – VLS, a proprietary technology for installation of flexible pipes in deep water). |
| **Riser** | Pipe or assembly of flexible or rigid pipes used to transfer produced fluids from the seabed to surface facilities, and transfer injection or control fluids from the surface facilities to the seabed. |
| **SA 8000 (Social Accountability 8000)** | An international standardized code of conduct for improving working conditions worldwide. |
| **Semi-submersible platform** | Offshore platform that is stabilized by pontoons whose degree of immersion can be changed through ballasting and de-ballasting. |
| **Shale gas** | Natural gas held in shale, rocks made up of thin layers of fine-grained sediments. Shale formations have very low permeability. |
| **Spar** | A cylinder-shaped floating offshore drilling and production platform partially submerged that is particularly well-adapted to deep water by using top tensioned risers and surface wellheads. |
| **SST (Spiral Stacket Turret)** | A flexible hose-based alternative to the traditional mechanical swivel stack to be used in floating units. |

| | |
|---|---|
| **Sustainable Development** | Development that meets the needs of the present without compromising the ability of future generations to meet their own needs (Definition from the United Nations' 1987 Report of the World Commission on Environment and Development). |
| **Synthesis gas** | Gas mixture that primarily contains varying amounts of hydrogen and carbon monoxide and often some carbon dioxide. |
| **Technip PMC (Project Management Consultancy)** | Technip's business unit in charge of assisting its customers in achieving their business objectives, from the Technology & Licensor selection phase to the management of multinational consortia in the execution and successful delivery of world-scale, lump-sum turnkey projects. |
| **Technip PT (Technip Stone & Webster Process Technology)** | Technip's business unit looking after technologies which are wholly and jointly owned, along with others that are offered through licenses with third parties. |
| **TLP (Tension Leg Platform)** | Floating production platform anchored by tensioned cables, thus limiting vertical movement caused by heavy swells. This platform design allows for the well-heads to be located at the surface, on the platform. |
| **Ultra-deep water** | Waters deeper than 1,500 meters. |
| **Umbilical** | An assembly of hydraulic hoses, electrical cables and optic fibers used to control subsea structures from a platform or a vessel. |

This document is published by the Technip Group Legal Division

Design and production: CÔTÉ CORP.

Photo credits: Technip photo library, all rights reserved.

Print: April 2013

take it further®

Société anonyme with a share capital
of 86,283,684.89 euros

89 avenue de la Grande Armée
75116 Paris - France
Tel.: +33 (0)1 47 78 24 00

589 803 261 RCS Paris
SIRET 589 803 261 00223

www.technip.com