2011
REFERENCE DOCUMENT

Including the Annual Financial Report

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Reference Document 2011

(Unofficial English language translation)

The original French version of this Reference Document was filed with the French Financial Market Authority (AMF) on March 21, 2012 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

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 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 French Financial Market Authority (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;
- the 2009 consolidated financial statements and statutory financial statements, as well as the Statutory Auditors’ reports for the financial year ended December 31, 2009 included in Sections 20.1 and 20.2 of the 2009 Reference Document dated March 24, 2010 filed with the AMF under no. D.10-0160;
- 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, 2009 included in Section 3 as well as the sections mentioned in the Reconciliation Tables in Annex G of the 2009 Reference Document dated March 24, 2010 filed with the AMF under no. D.10-0160.

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 G of this Reference Document.

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

1 Person responsible for the Reference Document

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 G 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.

The Statutory Auditors have issued reports on the 2011 financial information which are included in Sections 20.1.1 and 20.2.1 of this Reference Document as well as on the 2010 and 2009 financial information which are incorporated by reference and included respectively in Sections 20.1 and 20.2 of the 2010 Reference Document filed with the AMF on March 24, 2011 and in Sections 20.1 and 20.2 of the 2009 Reference Document filed with the AMF on March 24, 2010.

The Statutory Auditors report on the financial statements and on the consolidated financial statements for 2009 contain one observation concerning an ongoing legal proceeding relating to a former project in Nigeria managed by a joint venture.

Thierry Pilenko
Chairman and Chief Executive Officer

2 Statutory Auditors

2.1. Primary Statutory Auditors

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

Member of the *Compagnie Régionale de Versailles*

Tour First – 1, place des Saisons – TSA 14444
92037 Paris-La Défense Cedex (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.

* PricewaterhouseCoopers Audit was previously represented by Louis-Pierre Schneider, who certified the financial statements for financial year 2009.

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, 2011, set forth in Section 20.1 of this Reference Document.

3 Selected financial information

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 €6.8 billion in 2011.

As of February 29, 2012, Technip employed a regular workforce of 28,000 people, from 105 nationalities. The Group is present in approximately 50 countries on five continents.

As of February 29, 2012, its production facilities (for flexible pipes and umbilicals), manufacturing yards 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 34 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), offshore platforms (Offshore) and onshore facilities (Onshore). The Group is active in three segments of the worldwide oil and gas industry.

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SUBSEA

The Subsea segment generated revenues of €2,972 million, representing 43.6% of consolidated 2011 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 Research and Development investments. 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, four umbilical production units, four reeled rigid pipe spoolbases and a constantly evolving fleet of specialized vessels for pipeline installation and subsea construction, which are strategically deployed in the world's major offshore markets around the world.

In 2011, Technip made three acquisitions that strengthened the Subsea segment: Global Industries which broadened Technip installation offering, allowing to lay rigid pipe from deep-to-shore; AETech and Cybernétix who added products and services for asset integrity management.

OFFSHORE

With revenues of €914 million in 2011, representing 13.4% of the Group's 2011 consolidated revenues, the Offshore segment 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, TLP, semi-submersible platform and FPSO or floating LNG). Technip dedicates significant resources each year to Research and Development and is a leader in floatover technology. With the development of floating LNG, Technip continues to strengthen its offshore expertise.

ONSHORE

In 2011, the Onshore segment generated revenues of €2,927 million, representing 43.0% of consolidated revenues. This segment 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.

As of February 29, 2012, 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 ADNOC, PDVSA, Petrobras, Petronas, Qatar Petroleum, Saudi Aramco and Sonatrach as well as large independent companies such as Anadarko. Its five main clients represented 38.5% of consolidated revenues in 2011 compared to 39.9% in 2010, and the revenues generated from its top ten clients represented 52.7% of consolidated revenues in 2011 compared to 52.6% in 2010.

The top five projects represented 26.2% of consolidated revenues in 2011 compared to 25.0% in 2010. The top ten projects generated 34.9% of consolidated revenues in 2011 compared to 34.0% in 2010.

3.2. Selected financial information

The table below shows selected consolidated financial data that have been extracted from the Consolidated Financial Statements for the two years ended December 31, 2011 and 2010 that were prepared in accordance with International Financial Accounting Standards (IFRS).

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 2011 AND 2010 IN ACCORDANCE WITH IFRS

	12 months	
In millions of Euro	**2011**	2010
Revenues	**6,813.0**	**6,081.9**
Operating Income/(Loss) from Recurring Activities	**709.5**	**620.3**
Operating Income/(Loss)	**693.8**	**614.7**
NET INCOME/(LOSS) FOR THE YEAR	**502.5**	**415.2**
Attributable to:		
Shareholders of the Parent Company	507.3	417.6
Non-Controlling Interests	(4.8)	(2.4)

OTHER FINANCIAL INFORMATION DERIVED FROM THE CONSOLIDATED STATEMENT OF INCOME FOR 2011 AND 2010

	12 months	
In millions of Euro	**2011**	2010
Revenues	6,813.0	6,081.9
Gross Margin	1,286.6	1,184.9
(in % of Revenues)	18.9%	19.5%
Operating Income/(Loss) from Recurring Activities	709.5	620.3
(in % of Revenues)	10.4%	10.2%
Operating Income/(Loss)	693.8	614.7
(in % of Revenues)	10.2%	10.1%
Net Income/(Loss) for the Year	502.5	415.2
Amortization and Depreciation for the Year	174.0	145.6
Earnings per Share (in Euro)	4.69	3.92
Diluted Earnings per Share (in Euro)	4.41	3.81

INFORMATION BY BUSINESS SEGMENT

Consolidated Statement of Income

Subsea	12 months	
In millions of Euro	2011	2010
Revenues	2,972.0	2,731.7
Gross Margin	724.9	684.9
Operating Income/(Loss) from Recurring Activities	497.9	456.5
(in % of Revenues)	16.8%	16.7%
EBITDA	645.1	574.1
(in % of Revenues)	*21.7%*	*21.0%*

Offshore	12 months	
In millions of Euro	2011	2010
Revenues	914.3	773.4
Gross Margin	133.8	106.9
Operating Income/(Loss) from Recurring Activities	52.6	34.6
(in % of Revenues)	5.8%	4.5%
EBITDA	63.1	45.3
(in % of Revenues)	*6.9%*	*5.9%*

Onshore	12 months	
In millions of Euro	2011	2010
Revenues	2,926.7	2,576.8
Gross Margin	427.9	393.1
Operating Income/(Loss) from Recurring Activities	221.1	172.1
(in % of Revenues)	7.6%	6.7%
EBITDA	237.4	189.2
(in % of Revenues)	*8.1%*	*7.3%*

Corporate	12 months	
In millions of Euro	2011	2010
Revenues	-	-
Gross Margin	-	-
Operating Income/(Loss) from Recurring Activities	(62.1)	(42.9)
(in % of Revenues)	*N/A*	*N/A*

EXTRACT OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2011 AND 2010

	As of December 31,	
In millions of Euro	2011	2010
Non-Current Assets	5,623.5	4,470.6
including Goodwill	2,652.4	2,379.1
Current Assets	5,808,5	5,751.4
including Cash and Cash Equivalents	2,808.7	3,105.7
TOTAL ASSETS	**11,432.0**	**10,222.0**
Equity attributable to Shareholders of the Parent Company	3,651.6	3,179.8
Non-Controlling Interests	21.7	22.3
Current Liabilities	5,811.0	5,672.9
Non-Current Liabilities	1,947.7	1,347.0
TOTAL EQUITY AND LIABILITIES	**11,432.0**	**10,222.0**
Other Information:		
Capital Expenditures over the Year	357.2	388.9

4 Risk factors

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 reputation 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 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 BUSINESS COULD BE IMPACTED BY NATIONAL OR INTERNATIONAL TERRORIST ACTS, WARS OR REVOLUTIONS, OR BY THE CONSEQUENCES OF SUCH EVENTS. FURTHERMORE, SOME PROJECTS ARE LOCATED IN COUNTRIES WHERE POLITICAL, ECONOMIC AND SOCIAL INSTABILITY COULD DISRUPT THE COURSE OF THOSE PROJECTS.

In 2011, a very low part of Technip's business involved projects in countries susceptible to events related to terrorism, acts of piracy, wars or revolutions (whether national or international), uprisings or the consequences of such acts. Unforeseen political events or social instability, such as those that occurred in Northern Africa, Western Africa and in the Middle-East in 2011 or where changes in economic or social policies (see in particular the regulatory and legal risks included in Section 4.3 of this Reference Document) could result in a decrease in the Group's profitability and impact its results and financial situation.

It is to be noted that Technip's operations in some geographic areas which are considered as risky cover contrasted situations. If Technip generated 22% of its 2011 revenues in the Middle-East, i.e. €1,509.6 million, only €0.5 million was generated in Yemen. Furthermore, revenues attributable to a contract in Iraq correspond to realizations outside this country.

Political instability may also result in fewer new projects meeting Technip's criteria. As a result, political instability in emerging countries could lead to greater costs and therefore materially impact the Group's financial results and thus limit the Group's growth opportunities.

Exposure to a particular area or country can be reduced by choosing either not to carry out new projects in that area or country, or by specific analysis and the implementation of preventive and protective measures against the identified risks, making such risks more manageable. Technip can decide to contact insurance companies and export-credit agencies to obtain, when necessary, insurance to cover political risk. However in the event of national or regional political instability, these insurance policies may be inadequate to prevent a loss on ongoing projects, which could reduce Technip's net income or cause Technip to incur a loss.

TECHNIP'S OPERATIONS MAY CAUSE HARM TO PERSONS AND PROPERTY, WHICH COULD DAMAGE ITS REPUTATION OR CAUSE TECHNIP TO INCUR SUBSTANTIAL COSTS, TO THE EXTENT ANY SUCH HARM IS NOT COVERED CONTRACTUALLY OR BY INSURANCE.

Technip's operations are subject to the risks inherent in providing engineering and construction services to the oil and gas and petrochemical industries, such as the risk of equipment failure, personal injury, fire or explosion. These risks could lead to injury, death, business disruption, damage to real or personal property, pollution or other environmental damages, which could result in claims against Technip. Technip may also be subject to claims resulting from the subsequent operation of facilities it has designed or delivered.

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 prove to be effective. Liability pursuant to environmental law or employment law may be assigned to Technip as a matter of law in certain jurisdictions where Technip operates. In addition, clients and subcontractors may 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 appropriate and adequate insurance coverage in place for any of the reasons discussed 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 reputation and materially impact its financial results.

MARITIME SECURITY RISKS

Piracy risks, mainly in the Gulf of Aden and the waters of surrounding countries, and, to a lesser extent, in the Gulf of Guinea, remain significantly high in recent years. Piracy represents a risk for fleets of vessels, including Technip's, and for all projects which require the transport of material through sensitive maritime areas. The materialization of such maritime security risks may impact a project's execution schedule and require time to find an alternative solution, and accordingly result in a negative impact on Technip's margin.

AIR TRAVEL RISKS

Technip operates in countries where airlines and/or the air control network may fail. Depending on the state of execution of a particular project, business trips may include a significant number of Group employees. The limited number of flights for certain destinations may lead such employees to use the same means of transportation. Should this risk materialize it could have an impact on a project's execution schedule or the submission of an offer and result in a negative impact on human resources and the Group's image.

RISKS RELATED TO INFORMATION AND INFORMATION SYSTEMS

Data storage on electronic media and in information systems is one of the foundations of Technip 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's execution and may result in a negative impact on 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 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 fiscal years, the first client as well as the five and the ten first clients generated revenues which break down as follows:

In % of Group revenues	2011	2010
Revenues of the top client	12.1%	11.5%
Revenues of the top 5 clients	38.5%	39.9%
Revenues of the top 10 clients	52.7%	52.6%

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

The failure of Technip's joint venture partners to perform their contractual obligations could lead to additional obligations being imposed on Technip, such as the defaulting partner's obligations, or to additional costs being incurred by Technip as a result of a partner's non-satisfactory performance (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 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 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 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 TO 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 notably 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 shrink significantly and sustainably and consequently have a negative impact on the Group's revenues.

IMPACT OF THE 2007 FINANCIAL 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 which then lead to fear of a systemic bank crisis.

In 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 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 later 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 increase the amount of a credit facility amounting 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.

Technip continues 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 EXPORT CREDITS COULD MAKE FINANCING CERTAIN PROJECTS BY TECHNIP'S CLIENTS MORE DIFFICULT AND LEAD TO A REDUCTION 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. 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 the 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, labor and environmental protection laws. In order to adapt itself to and comply with the changes in each of these fields of law and regulation Technip is required to make financial and technical investments or otherwise withdraw its activities from certain countries.

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, is not 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), and/or (ii) tax or regulatory authorities and/or (iii) by 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 29, 2012, 5,507,649 shares carried double voting rights, representing approximately 4.95% of the share capital and approximately 4.80% 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.

ONE OR MORE OF 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 and entities from doing business and also expose non-US persons and entities 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"), 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 thus exclude risk of sanctions under ISA and CISADA. In the event that sanctions are imposed under the ISA, 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 MAY EXPOSE TECHNIP TO LIABILITY CLAIMS IN CONNECTION WITH ENVIRONMENTAL PROTECTION OR INDUSTRIAL RISK PREVENTION REGULATIONS.

Technip operates in countries which have numerous 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 under the 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 (i) in an obligation upon Technip to restore polluted sites at its own cost, which could prove to be substantial; (ii) the suspension or prohibition of certain operational activities; and (iii) Technip's liability for damages incurred by third parties, each of which could has a negative impact on the Group's operations and financial results.

Although Technip does not directly operate facilities that fall within the scope of Clause 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 subject to industrial and environmental risks.

In the event of a major industrial accident in a facility subject to such risks, Technip's liability, as an onsite participant, for damages to Technip's employees or property, or the loss of an important customer affected by a major accident, could have a negative impact on the Group's operations and income. Given the exceptional nature of these risk factors, which are difficult to quantify, no provision has been taken in 2011.

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

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

1. Regulatory risks resulting from more stringent international, European or national regulations intended to reduce greenhouse gas emissions; and
2. Competition risks resulting from possible changes in customer demand for more energy-efficient products and processes to reduce greenhouse gas emissions.

Each of these risks could significantly adversely affect Technip's compliance with contractual completion deadlines as well as Technip's operating income:

1. 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). Investments in the petroleum industry can, however, be particularly impacted by changes in environmental laws or regulations applicable to the place where a project is located and to relevant business sectors. If certain regulations change in an unexpected manner or impose requirements for which Technip would not be in a position to propose solutions, 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 identify early enough future technologies to lower greenhouse gas emissions and develop renewable energies, Technip could no longer be in a position 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 have to address claims for occupational diseases related to its employees' exposure to asbestos. In the event that asbestos-related occupational diseases are discovered, an employer could be held liable and be required to pay significant compensation to victims or to their heirs and assigns. The exposure of Technip's employees to asbestos could result from the presence of asbestos in certain buildings or equipment used in the Group's business in its numerous locations, but, subject to certain very limited exceptions, not from the use of asbestos in the manufacturing process. The Group is unaware of any claims for occupational diseases in this respect. Nevertheless, should Technip be held liable and should the law with respect to the indemnities payable evolve in favor of 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 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 too high, sets up both payment guarantees as well as procedures for monitoring customer payments as necessary.

In 2011, 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 informational purposes, the percentages of consolidated revenues generated from Technip's top client and the consolidated revenues generated by its top five and top 10 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, 2011, Standard & Poor's corporate credit rating for Technip was BBB+/Stable/A-2. The rating was reaffirmed by Standard & Poor's on September 19, 2011 following the announcement by Technip of the acquisition of Global Industries, Ltd.

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 as a cash pooling central 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, 2011, the Group had multiple financing sources for financing its general corporate needs, or for financing new assets or certain operations.

2004-2011 BOND ISSUE

Technip's €650 million bond issued in May 2004, was fully repaid at the maturity date of May 26, 2011.

PRIVATE PLACEMENT NOTES WITH A DEFERRED ISSUE DATE

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 first coupon payment on January 31, 2011 amounted to €0.09 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 share 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, 2011, the amount of the bond booked as non-current financial debt in the statement of financial position amounted to €495.1 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).

DEEP ENERGY FINANCING

The USD213 million credit facility agreements entered into in 2009 for the financing of the *Deep Energy* which is currently under construction include:

- a credit facility in the amount of USD125 million granted to Technip, to be reimbursed pursuant to an amendment entered into on December 17, 2010, in a single final installment on the maturity date of December 15, 2012;
- a 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), to be reimbursed pursuant to an amendment entered into on December 15, 2010 in 15 equal semi-annual installments from July 15, 2012 until July 15, 2019.

These floating interest rate credit agreements include the usual covenants and default provisions applicable to Technip and the subsidiaries of the Group that are standard for this type of credit agreement, and do not include any financial ratios or any asset mortgages.

As of December 31, 2011, none of these credit facilities was used.

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 until March 16, 2021. As of December 31, 2011, the facility, fully drawn, amounted to NOK791.7 million following the first semi-annual payments 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, 2011, the facility amounted to USD230.1 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, 2011, the facilities amounted to USD134.8 million following successive installments paid since July 2011 and due to capitalization of interests on the loan tranche repayable from January 2012.

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

In September 2009, Flexibras Tubos Flexiveis, one of the Group's Brazilian subsidiaries, entered into three separate credit facilities for a total amount of BRL300 million to sustain the pre-financing of its export operations.

Each facility was entered into with a different commercial bank and for different amounts, on behalf of BNDES in connection with BNDES financing (BRL140 million, BRL90 million and BRL70 million, respectively).

The three facilities are at fixed rate with a single redemption date, August 15, 2012. The credit agreements include the standard default provisions for such facilities with BNDES and do not include any financial ratios.

In June 2010, Flexibras Tubos Flexiveis also entered into four separate credit facilities for a total amount of BRL250 million to sustain the pre-financing of its export operations.

Each facility was entered into with a different commercial bank, and for different amounts, on behalf of BNDES in connection with BNDES financing (BRL90 million, BRL70 million, BRL55 million and BRL35 million, respectively).

The three facilities are at a fixed rate with a single redemption date of June 15, 2013. The credit agreements include the standard default provisions for such facilities with BNDES and do not include any financial ratios.

In April 2011, Flexibras Tubos Flexiveis entered into five separate credit facilities for a total amount of BRL200 million to sustain the pre-financing of its export operations.

Each facility of BRL40 million was entered into with a different commercial bank on behalf of BNDES in connection with BNDES financing process.

The five facilities are at fixed rate with a single redemption date of April 15, 2013. The credit agreements include the covenants and default provisions that are standard for such facilities with BNDES and do not include any financial ratios.

In December 2011, Flexibras Tubos Flexiveis entered into a new BRL50 million credit facility to sustain the pre-financing of its export operations in connection with BNDES financing. As of December 31, 2011, this fixed rate loan with a single redemption date of July 15, 2013 was fully drawn. This credit agreement includes the standard default provisions for such facilities with BNDES and does not include any financial ratios.

As of December 31, 2011, all these loans were fully drawn.

BANK FACILITY

On November 18, 2011, Technip signed the documentation for a USD1.1 billion one-year bank facility to be used in Euros or US dollars with a one-year extension at Technip's exclusive option, which provides additional financial flexibility. This facility originally included a revolving credit facility up to 60% and a term loan up to 40% but was reduced to a USD455 million revolving credit facility on December 15, 2011 following a convertible bond issue. As of the date of this Reference Document, the facility was not used. Its purpose is to finance or refinance the acquisition of Global Industries and the prepayment of its financial debt, with any excess to be used for the Group's general requirements.

The facility is not secured by any of the Group's assets. It includes covenants from Technip that are standard for a financing of this type and does not include any financial ratios.

The facility agreement does not include early payment provision in the case of deterioration of the borrower's credit rating. The term loan and credit include, when used, floating interest rates increased by higher margins every three months, as well as standard default provisions.

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 cash payment of USD936.4 million as the acquisition price for Global Industries, Ltd.

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 share 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, 2011, the amount of the bond booked as non-current financial debt in the statement of financial position amounted to €421 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).

GLOBAL INDUSTRIES EXTERNAL FINANCING

Bank Facility

On December 1, 2011, acquisition date of the group Global Industries by Technip, Global Industries, Ltd cancelled the USD150 million banking facilities it had signed with several banks. This credit was not available to Global Industries, Ltd as it had not met the established covenants for several quarters. A Technip corporate guarantee was issued to cover the remaining outstanding amount of bonds and letters of credit under this facility, which amounted to USD2.1 million and MYR20 million as of December 31, 2011. In exchange, the cash pledged by Global Industries, Ltd to the benefit of the banks was released to Global Industries, Ltd.

Convertible Bond

Following the acquisition of the company Global Industries, Ltd by Technip and its delisting from the NASDAQ (New York), Global Industries, Ltd filed a tender offer with the US Securities Exchange Commission (SEC), that remained valid from December 6, 2011 until January 9, 2012 for its 2.75% USD325 million Senior Convertible Debentures, due 2027, issued on July 27, 2007, to comply with the conditions set out in the original offering memorandum, at their nominal price plus accrued interest (until the fixed purchase date on January 10, 2012).

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 the bondholders. As of January 11, 2012, the non tendered bonds amounted to USD2.4 million.

Obligations guaranteed by the United States Government

As of December 31, 2011, the bonds guaranteed by the US Government under Title XI of the Federal Ship Financing Program amount to USD51 million, net of issuing charges, and represent Global Industries, Ltd's principal remaining financial debt following completion of the tender offer made for the convertible bonds mentioned in the paragraph above.

These bonds bear an interest of 7.71% *p.a.* and are secured by a mortgage on the Hercules vessel. They are reimbursed semi-annually with equal principal installments of USD1.98 million and have a final maturity date of February 15, 2025.

If the covenants attached to these bonds are not met, among which there is a minimal working capital requirement and a minimum net position, Global Industries, Ltd may suffer operating constraints and some dividend distribution restrictions. As of December 31, 2011, Global Industries, Ltd met these requirements. An early redemption of the bonds would trigger the payment of an additional premium.

SYNDICATED CREDIT FACILITY AND BILATERAL FACILITIES

As of December 31, 2011, the Group had various unutilized financing sources that allow it to meet its general financing needs:

1. On July 21, 2011, a credit facility in the amount of €1,000 million was put into place in substitution of the credit facility, which was entered into in 2004 with a maturity date of June 20, 2012. This new credit facility, which may be drawn in Euros, in US Dollars or in British pounds, is fully redeemable with a final maturity date of July 21, 2016, with two one-year extensions at the borrowers' option, subject to the lenders' approval. It is not secured by any of the Group's assets. It contains covenants from Technip, and those of its affiliates that are entitled to draw on the facility, that are standard for such financing and does not include any financial ratios.

   The credit agreement does not include early payment provisions in case of deterioration of the borrower's credit rating. The credit agreement, 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, as well as standard default provisions.
2. Two credit facilities in the amount of €125 million each, which may be drawn in Euros or in US dollars were granted to Technip. Following bilateral negotiations, the maturity dates are May 26, 2012 and June 27, 2012, respectively. They have the same covenants as the credit facility described above excluding any financial ratios.
3. Two credit facilities in the amount of €80 million and €90 million, respectively, which may be drawn in Euros or in US dollars were granted to Technip. The maturity date for the €80 million facility is May 7, 2013, after a first installment of €40 million on May 7, 2012. Repayment under the €90 million facility is due to commence on May 13, 2012 (pursuant to an amendment entered into in June 2010) until May 13, 2015. Both facilities have the same covenants as those described in paragraph 2 above.
4. Various unutilized credit facilities amounting to €39.7 million were granted to Technip.

   The credit agreements that provide for these financing arrangements do not include early repayment provisions in case of deterioration of the borrower's credit rating. 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, 2011, the credit facilities confirmed and available to the Group amounted to €1,978.1 million, of which €1,500.1 million is available after December 31, 2012.
   - Out of this total of €1,978.1 million, €206.5 million is reserved for the financing of certain assets or for certain subsidiaries.
   - In late 2011, Technip returned to the commercial paper market in light of favorable market conditions. As of December 31, 2011, the outstanding commercial paper amounted to €170 million. Technip Eurocash SNC retains an authorization from the Banque de France for a maximum amount of €600 million.
   - As of December 31, 2011, debt falling due in 2012 and 2013 amounted to €771.4 million including €15.3 million of accrued interest and fees and €756.1 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 related procedures have been put in force for the past several years with the objective of optimizing the hedge of 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 and takes into account future cash flows (thereby providing "microeconomic cover").

For most entities, the 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, 2011, 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, 2011, 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
135.0	1,036.7	12.4	62.7	184.0	746.8	2,177.6

Financing currency risk

Most of the Group's subsidiaries' short term financing needs are met by the cash pooling entity, Technip Eurocash SNC, in the requested currency. 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 financial debt contracted in another currency than the functional currency of the contracting entity.

Therefore, the Group has no significant exposure to currency risk related to its financial debt.

Foreign operations currency risks

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

In 2011, approximately 61% of the Group's revenues were realized outside the euro zone, including 10% by companies having US Dollars as the functional currency and 15% by companies having British pounds as the functional currency.

A variation of 10% in the USD/EUR exchange rate would impact Group revenues by €78.3 million, while a variation of 10% in the GBP/EUR exchange rate would impact Group revenues by €117.2 million.

4.7.2. RATE RISK

The following table provides a schedule of the maturities for Technip's financial assets and financial debts, after yield management, as of December 31, 2011. 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)	203.2	495.1	421.0	1,119.3
Bond Issue (including Accrued Interest Payable)	4.3	-	197.4	201.7
Bank Borrowings and Credit Lines (including Accrued Interest Payable)	146.9	275.4	140.6	562.9
Commercial Paper	170.0	-	-	170.0
Fixed Rate	**524.4**	**770.5**	**759.0**	**2,053.9**
Cash and Cash Equivalents	(2,808.7)	-	-	(2,808.7)
Bank Borrowings and Credit Lines	19.9	6.7	7.3	33.9
Bank Overdrafts	0.1	-	-	0.1
Floating Rate	**(2,788.7)**	**6.7**	**7.3**	**(2,774.7)**
TOTAL	**(2,264.3)**	**777.2**	**766.3**	**(720.8)**

The outstanding fixed rate debt for which the residual maturity is greater than one year amounts to €1,529.5 million. The outstanding fixed rate debt mainly consists of the convertible bonds (OCEANE) and the private placement, and, as well as drawings on subsidized loans granted to one of the Brazilian subsidiaries for the purpose of pre-financing exports and refinancing investments, drawings on part of a loan granted to a Norwegian subsidiary for the financing of the *Skandi Arctic* and drawings on two loans granted to a Brazilian subsidiary for the financing of the *Skandi Vitória* and the *Skandi Niterói*.

Sensitivity analysis in regards to a change in interest rates

As of December 31, 2011, Technip's variable rate debt amounted to €34.0 million, as compared to total debt of €2,087.9 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, 2011, the Group's net short term cash position (cash and cash equivalents, less short term financial debts) amounted to €2,264.3 million.

As of December 31, 2011, a 1% (100 basis points) increase in interest rates would reduce the fair value of the fixed rate convertible bond and fixed rate convertible bond issues (OCEANE) before tax by €42.3 million. Conversely, a decrease of 1% (100 basis points) would increase fair value before tax by €44.2 million.

Moreover, a 1% (100 basis points) increase in interest rates would generate an additional profit of €22.5 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	22.5	0
Impact of -1% change on interest rates	(22.5)	0

* On the basis of outstanding amounts as of December 31, 2011.

Method of monitoring interest rate risks

Technip regularly monitors its exposure to interest rate risks, under the responsibility of the Director of the Treasury Division, who reports directly to the Deputy CFO.

The Group does not use financial instruments for speculative purposes.

As of December 31, 2011, the Group has not entered into any interest rate derivative instruments. In portfolio as of December 31, 2010, the interest rate swap (receiving fixed rate of 4.6250%, paying floating rate of 3-month EURIBOR plus a 3.645% margin) for a nominal value of €325 million expired at maturity on May 26, 2011.

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	140.1
Provisions for risk	(134.9)
NET TOTAL POSITION	**5.2**

Sensitivity to changes in share price

As of December 31, 2011, the Company holds 2,242,718 treasury shares. In the event of a 10% decrease in Technip's share price, which was €72.62 as of that date, the Company would not be required to record a provision in its annual accounts.

As of December 31, 2011, as in December 31, 2010, the Group owned 789,067 shares, *i.e.* 5.5% of Gulf Island Fabrication, Inc. (GIFI), a company listed on the NASDAQ (New York).

In 2010, the Group acquired 8% of Malaysia Marine and Heavy Engineering Holdings Berhad (MHB) for an amount of €114.5 million (*i.e.*, 128,000,000 shares). As of December 31, 2011, Technip increased its shareholding in MHB by 0.35% for an amount of €7.1 million (*i.e.*, 5,555,000 additional shares). This company is listed in Malaysia (Bursa Malaysia Securities Berhad).

At the date of this Reference Document, other than the shareholding 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 relates to equipment for which raw materials are purchased by suppliers and subcontractors. The main equipment includes, among others, rotating equipment, pressure vessels and heat exchangers.

The direct impact of fluctuations in the price of raw materials on equipment cost is low, except for certain products, such as pipes, for which the added value is limited.

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 for the procurement of flexible pipes and umbilicals for its plants and in 2010 this represented 9% of the value of the Group's procurement. Such procurement is made up of steel wires, thermoplastics and stainless steel (in decreasing order of importance).

A significant increase in commodity prices, especially energy prices such as for oil, gas and iron ore, may impact the operating costs of the Group and its subcontractors. When 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. GENERALITIES

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 should 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 is undertaken within the Group under the supervision of the Group CFO. Identified risks are monitored using internal risk-mapping and improvement programs and 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 and integrated security management, Technip implements a three stage process that applies during crisis management that reflects its specific organizational and operational requirements.

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 process and improve them, with live simulations of incidents.

2011 was the opportunity to test Technip's security systems several times, in particular with the management of the impact on the Company of the "Arab Spring", the tsunami in Japan and the floods in Thailand. During the course of the events, the robustness and reliability of Technip's crisis management systems were demonstrated. All the lessons learnt from these real events have been gathered and used to further improve internal processes.

In order to give greater guarantees to clients and partners, Technip Security Division also launched a Group Business Continuity approach, with a special focus on offshore assets and manufacturing plants. This enables the reduction in the time for the resumption of the Group's critical operations in the event of a major incident (in particular, by having operational Business Continuity Plans in place).

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 specific entity has been established that is dedicated to the management of security of large projects: Technip Security Management System) and, if applicable, the subscription to 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 RISK AND EQUIPMENT

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 RISKS LINKED TO TECHNIP'S LIABILITY WITH REGARD TO RULES ON ENVIRONMENTAL PROTECTION AND INDUSTRIAL RISKS PREVENTION

The business heads of operations within industrial facilities at risk, in cooperation with Technip's customers, are subject to a number of obligations and must take all necessary measures, in particular, to monitor, evaluate and manage risks and evacuate personnel. This policy, which recognizes the importance of training, is supported by its endeavors made in the areas of quality-assurance and employee accident prevention. In 2011, more than 250,000 hours have been invested in HSE training within the Group.

Beyond strict compliance with legislation since 2003, 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 of the Report of the Chairman of the Board of Directors to the Shareholders' Meeting, included in Annex C of this Reference Document. Within this framework, the main risks of the Group are assessed and benefit from a management system at various levels the Group. These risks are assessed annually and may give rise to corrective actions that are in turn analyzed by the Internal Audit Plan.

4.8.9. MANAGEMENT OF CHANGE IN CLIMATE RISK

Regional Business Units, with the assistance of Product Business Units, permanently monitor environmental regulations in order to propose innovative solutions to clients to reduce greenhouse gas emissions.

Reporting directly to the Executive Vice President & Chief Executive Officer Onshore/Offshore, the New Onshore and Renewable Energy Strategy Division is responsible for identifying future technologies and developing Technip's know-how to fight global warming and its expertise in renewable energies.

4.8.10. MANAGEMENT OF WEATHER CONDITIONS RISK

A three-tier operational organization has been implemented to respond quickly to any crisis situation that the Group may encounter requiring the evacuation of employees and the suspension of concerned operations because of severe weather conditions. This organization is detailed in Section 4.8.2 of this Reference Document.

In addition, these expenses covered by Technip relating to such circumstance can be partially borne by insurance policies.

4.8.11. MANAGEMENT OF MARITIME SECURITY RISK

Important security procedures and prevention measures have been implemented within Technip to promote the protection of vessels operating or transiting potential high risk areas of "piracy". A permanent monitoring of the "piracy" incidents and a close coordination with the relevant international authorities enables Technip to implement security processes adapted to the evolution of the threats. Emphasis is also placed on raising awareness and training crews on how to react in the event of a major incident.

To adjust the security policy of the Group to each of its operations worldwide, the maritime security organization is managed by regional time zones, on the same approach of the "air traffic control system". This enables to the Group to be closest to the operations and be able to react immediately and efficiently in case of need.

To reduce risks linked to its maritime fleet's operation, Technip has developed and implemented an internal security data base that enables the real-time identification of the position of Technip's fleet relative to prevented acts of piracy. Every time a vessel enters a sensitive maritime area, Technip Security Division teams are informed and mandatory *ad hoc* protective measures are implemented under the control of centralized direction.

Technip Security Division teams, exclusively dedicated to maritime protection, 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

Over recent years, Technip has developed specific security know-how on the achievement of large-scale Projects in Africa, Asia and the Middle East, and more recently in Central and South America.

In an increasingly complex and unstable environment, Technip, through the use of a dedicated internal division, has developed its own security assessment system 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 continuously analyzes with its internal resources each security situation in all countries it operates in order to anticipate any potential deterioration in terms of security conditions.

The Technip Project Security Management System is a tool specifically developed by the Security Division for the Projects, defining the security activities to carry 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 solutions that are tailored and reasonable (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 2011, various training programs were provided to Project and Proposal Managers to make them fully aware of the Project security activities. This system is explained to clients, partners and subcontractors of the Group, in order to be as consistent and transparent as possible with the Partners on each Project.

4.8.13. MANAGEMENT OF AIR TRAVEL RISK

Technip pays special attention to the security of its employees' means of travel, especially air travel conditions. An internal procedure requires that employees are distributed in different airplanes to reduce the operational impact of any air travel risk. Furthermore, several preventive measures have been developed in order to make Project teams aware of international recommendations when selecting airlines and the possibility of conducting preliminary investigations in order to ensure the reliability of airlines.

4.8.14. MANAGEMENT OF RISKS RELATED TO INFORMATION AND INFORMATION SYSTEMS

Technip oversees the protection of its technological know-how. Security of Information Systems, especially on Projects, contributes to the preservation of this know-how and reduces the risk of IT incidents, which could affect its operations and the proper functioning of the Group's business.

In 2011, a Chief Information Security Auditor (CISA) and a deputy were appointed within the Security Division. This CISA is, with his team, in charge of auditing on a permanent basis all Technip's entities, including Projects and the fleet with a full capacity to perform audits "at random". This approach ensures the neutrality and the independence of internal audits and to detect the main potential vulnerabilities on a permanent basis, in full coordination with the CISA.

4.8.15. MANAGEMENT OF RISK LINKED TO ITS PERSONNEL

In order to attract qualified employees, Technip has for several years carried 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.

The Group has implemented more transparent internal mobility conditions 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;
- 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 contracts applies throughout the Group.

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 automobile 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 to 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 that covers the entire fleet in the event of total loss or physical damage;
- a liability incurred by ship owners policy, referred to as "Protection & Indemnity" ("P&I"), which is placed with P&I Clubs. This policy also covers pollution risks attributable to vessels.
- a "Transferable Materials" policy, covering all risks of physical loss to the materials and equipment "offshore" 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 2011, the following significant events occurred:

- the re-negotiation of the "All Risks with exceptions policy" for industrial sites as well as the adjustment of insured amounts (the increase of contractual indemnification limit (the *limite contractuelle d'indemnité* [or "LCI"]) and the extension of indemnification period as regards to business interruptions);
- Technip has initiated the process of integrating Global Industries policies into the Group Insurance program, following completion of Technip's acquisition of Global Industries on December 1, 2011; and
- Technip has initiated the process of integrating Cybernétix policies into the Group Insurance program following completion of Technip's tender offer on Cybernétix on January 20, 2012;
- In 2011, the aggregate cost of the Group Insurance for all permanent policies remained under 1% of the consolidated revenues.

In 2012, 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. 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 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 of the scope of this reinsurance subsidiary to include risks other than Civil Liability.

Front End Re

In 2011, at the time that Engineering Re's scope was gradually being diversified, Technip subscribed to an existing reinsurance captive company "Front End Re" that is incorporated and located in Luxemburg. 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 means of reinsurance protection.

5 Information on the Company and the Group

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 in the Paris Company and Commercial Register under the 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 marked an important advance for the gas.

In the late 1960s, Technip 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 was created, a company specializing in the design and manufacture of flexible pipes used in subsea hydrocarbon extraction.

Over the course of this decade, Technip also created 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 plant and equipment, providing 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 Congo and the first TGP 500 platform in the Harding field in the North Sea.

In mid-1990s, following another flurry of expansion, the Company founded Technip Tianchen in China and acquired a majority stake in Houston, Texas upstream oil specialist, CBS Engineering, and, with SGN, created chemical engineering company Krebs-Speichim. Technip rounded out the decade by strengthening its global positioning by acquiring KTI/MDEU and creating Technip Germany, Technip USA and Technip Benelux, thereby increasing its 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's European leader.

Meanwhile, Coflexip acquired Stena Offshore, specializing in the installation of reeled pipes, and expanded 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.

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;
- the same year, 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 segment 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 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 share is listed. This puts Technip among a selected group of leading companies, giving it the opportunity to increase its visibility, especially in the financial markets.

2010

Technip continued to confirm its leadership position worldwide with projects in its traditional market, while accompanying clients into new frontiers where Technip's R&D efforts are providing clients with innovative technologies and solutions. For example in the harsh North Sea where 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 Brazil and especially in the promising pre-salt market where the key challenges are the water depth of 2,200 meters and the large CO_2 and hydrogen sulfide (H_2S) content in the produced fluid, Technip has produced specially developed applications and high performance equipment including distributed temperature sensor (DTS) technology developed with Schlumberger.

In recognition of Technip's pioneering technology and deepwater expertise it was awarded the contract on behalf of the Marine Well Containment Company (MWCC) to design an emergency response system to contain oil in the event of a potential future deepwater well incident in the Gulf of Mexico. The contract covers front-end engineering design (FEED) of the subsea components (equipment, umbilicals, risers and flowlines) of the Marine Well Containment System.

Technip achieved another world's first with Floating Liquefied Natural Gas (FLNG) front-end engineering design (FEED) awards by three different clients (Shell, Petronas and Petrobras). Shell's award consisted of a frame agreement between the Technip-Samsung consortium to work on the design, construction and installation of multiple FLNG facilities over a period of up to 15 years. The floating design will allow Shell to place gas liquefaction facilities directly over offshore gas fields, precluding the need for long-distance pipelines and extensive onshore infrastructure. This provides a commercially attractive approach for developing offshore fields.

Technip's further expanded its global scope in the fast growing Asia Pacific region with the inauguration of a new flexible plant in Malaysia and a 8% participation in MHB Malaysia Marine, a subsidiary of Malaysia's national oil corporation, Petroliam Nasional Berhad (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's business in 2011 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 NYSE Euronext Paris exchange and the USA over-the-counter (OTC) market as an American Depositary Receipts (ADR), with one Technip share equal to four ADRs.

As of December 31, 2011, Technip's shares ranked 24th on the CAC 40 by weighted capitalization (1.24%), compared to 36th (0.64%), when Technip joined the index in September 2009.

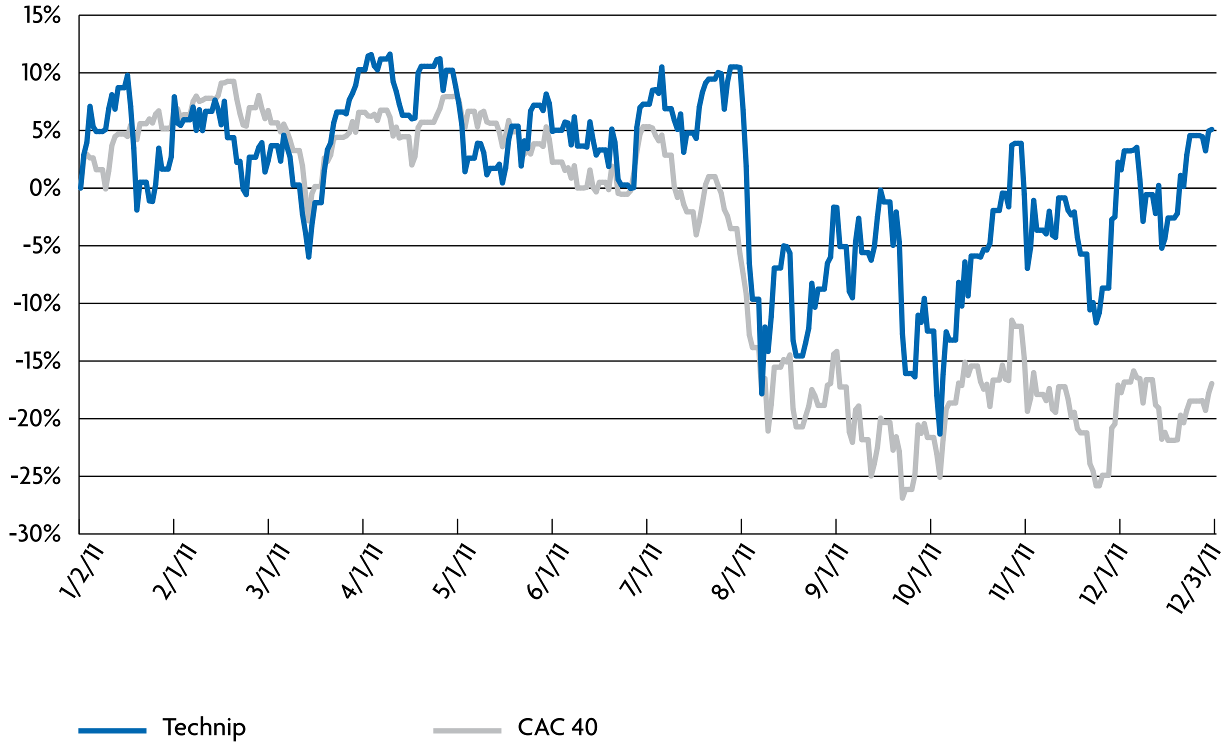
In 2011, despite uncertainty in relation to the worldwide economic recovery and European sovereign debt crisis, Technip's share price rose by 5.09% which outperformed the STOXX® 600 Oil & Gas Index* by 3.7% and the CAC 40 index by over 20%.

In 2011, Technip continued to implement its strategy focused on profitability based on successful project execution, technological excellence and profitable order intake. At the start of 2011, Technip's share price was €69.10 and was at €72.62 as of December 31, 2011.

(1) MHB: Malaysia Marine and Heavy Engineering Holdings Berhad, and its 100% subsidiary Malaysia Marine and Heavy Engineering Sdn Bhd (MMHE), provides a wide spectrum of oil and gas production facilities and services in marine repair, marine conversion and engineering & construction.

* STOXX 600 Oil & Gas Index includes European companies that are involved in the energy sector.

Share price performance on Euronext Paris – Compartment A (from January 3, 2011 to December 29, 2011)



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
2010	September 2010	59.75	51.29	13,349,148	751,480,300
	October 2010	62.94	57.70	11,185,111	685,809,700
	November 2010	65.90	59.50	12,411,259	772,456,700
	December 2010	71.74	60.20	10,531,933	710,313,800
2011	January 2011	76.30	67.79	15,718,327	1,129,178,000
	February 2011	74.90	68.03	13,377,172	964,460,900
	March 2011	75.80	62.95	19,988,342	1,406,809,000
	April 2011	77.50	72.89	14,446,628	1,090,907,000
	May 2011	76.97	68.04	15,802,050	1,138,551,000
	June 2011	75.47	68.58	11,248,144	805,055,300
	July 2011	77.18	69.60	11,441,601	847,106,500
	August 2011	78.14	53.63	21,346,251	1,338,725,000
	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

5.2. Investments

5.2.1. INVESTMENTS MADE SINCE 2007

To meet sustained demand in this sector, Technip launched a major investment program for the period 2007-2010 to, in particular, expand its fleet and to increase its flexible pipeline 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 (Brazil) 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 held 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 an extreme environment;
- a construction support 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;
- a flexible pipelay vessel in Brazil, the Brazilian flagged *Skandi Vitória,* jointly held with DOF, which accompanies the increase in the Group's plant capacity in this country. In October 2010, the *Skandi Vitória* was delivered to Technip by a Brazilian construction site, under Brazilian flag, and started its long term chartering 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 equipped with a thermoplastic umbilicals production unit intended to the Asia Pacific market.

In October 2011, Technip delivered an additional vessel for the laying of flexible pipes in Brazil, the *Skandi Niterói,* jointly-held with DOF. This vessel, built in Brazil, under the Brazilian flag, started its long term chartering with the oil company Petrobras.

In 2011, there were significant investments in renewables energies, in particular by way of technological partnerships for geothermal energy, sustainable chemistry and offshore wind (for a detailed description of these partnerships, please refer to Section 11.3 of this Reference Document).

5.2.2. MAJOR CURRENT AND FUTURE INVESTMENTS

In 2011, 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 the 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 the 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.

Technip also invests in specific equipments for the installation of cables dedicated to offshore wind projects.

As of December 31, 2011, the total amount of these investments amounted to €357.2 million. The breakdown by segment is as follows:

- Subsea: €314.5 million;
- Offshore: €8.6 million;
- Onshore: €34.1 million.

In 2012, Technip intends to invest between €350 and €400 million to further strengthen its position in high-growth geographical areas with high technological content.

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.

Lastly, Technip also examines the potential for development initiatives in Central America and in Africa.

6 Overview of the Group's activities

6.1. Technip's business in 2011

6.1.1. BUSINESS ACTIVITIES IN 2011

Subsea

Technip started the year by winning a lump sum contract with Enbridge Offshore Facilities LLC to develop the Walker Ridge gas gathering system in the Gulf of Mexico. It covers the engineering, fabrication and installation of 160 miles (270 kilometers) of steel catenary risers and pipelines, as well as the installation of subsea equipment.

Technip was awarded a contract by Chevron North America Exploration and Production to develop the Jack & Saint-Malo fields, also located in the Walker Ridge area of the Gulf of Mexico at a water depth of approximately 2,100 meters. The contract provides for the engineering, fabrication and subsea installation of more than 85 kilometers of 10.75" outer-diameter flowlines, steel catenary risers, pipeline end terminations, manifolds, pump stations and tie-in skids.

In March, Technip was awarded by the Marine Well Containment Company (MWCC) a contract for the design, procurement and fabrication of the umbilical, riser and flowline components of MWCC's expanded well containment response system for the US Gulf of Mexico.

Technip's scope of work includes two deepwater riser systems for operation in water depths down to 3,000 meters utilizing buoyancy elements, connection systems and flexible jumpers, as well as two shallow water systems for water depths down to 600 meters utilizing a lazy wave catenary configuration and one control umbilical.

These three wins reinforce Technip's leading position in the Gulf of Mexico deep water market.

In early 2011, Technip made also significant progress in the South Atlantic. A consortium comprising two of its subsidiaries, Angoflex Ltd (jointly owned with Sonangol) and DUCO Ltd, won a major umbilical contract with Acergy Angola S.A. and Acergy West Africa S.A.S. for the CLOV field development. This field is located in Block 17 offshore Angola in water depths down to 1,410 meters and operated by Total E&P Angola.

The contract provides for the supply of 76 kilometers of dynamic and static production and water injection umbilicals, which will be manufactured at the Angoflex facility in Lobito following the expansion of plant capacity. The expansion includes the installation of two large manufacturing carousels, an upgrade to the existing helical lay-up machine and the installation of a load-out path. This expansion will allow Angoflex Ltd to fabricate 100% of the CLOV umbilical workscope in its Lobito manufacturing plant. It constitutes a significant milestone in Angoflex shareholders' objective to maximize Angolan content.

On the other side of the Atlantic, Technip also announced a new investment project that will expand its flexible pipe manufacturing footprint in Brazil, adding capacity for additional volume and high-end products.

The very significant development of Brazil's hydrocarbon reserves in recent years has driven huge growth in the demand for flexible pipes for infield flowlines and risers. There are currently several thousand kilometers of flexible pipes in service in Brazilian oilfields. The pre-salt developments will increase the demand for flexible pipes, both for flowline and riser applications requiring additional capacity and technological capabilities. Technip consider that it is essential that this increasing demand is met locally and to the benefit of the Brazilian economy.

This new manufacturing plant will focus on high-end products, such as Integrated Production Bundles (IPBs) which are unique to Technip and address many of the challenges of the pre-salt developments.

Technip achieved further success in the North Sea in the first quarter, by signing several contracts. The first is with Statoil and is worth approximately €90 million for the Gygrid field development located in the North Sea at a water depth of 265 to 330 meters. This contract provides for the engineering, procurement, welding and installation of flowlines, subsea equipment installation, and installation and tie-ins of new risers and umbilicals.

GDF Suez awarded Technip an engineering, construction and installation contract worth approximately €45 million, for the Gjøa field development located in the Norwegian sector of the North Sea. The contract provides for the engineering and fabrication of two smoothbore gas export risers to connect the Gjøa platform with the gas export pipeline, removal of the existing roughbore risers and installation of the two new smoothbore risers, tie-ins and pre-commissioning activities.

Technip was then awarded an installation contract worth more than €20 million by EOG Resources United Kingdom Ltd for the development of the Conwy field, located in the East Irish Sea. The contract provides for welding and installation of an 11.4 kilometer, 8" production pipeline and an 8" water injection pipeline, which is to be trenched and backfilled, survey work and pre-commissioning of the pipelines, installation of an 11.4 kilometer umbilical; spools installation, and leak testing of the complete production and water injection systems.

Winning yet another North Sea contract in March, Technip was awarded an installation contract by TAQA Bratani Ltd for development of the Falcon field, which is located approximately 560 kilometers northeast of Aberdeen, at a water depth of 160 meters. The contract provides for project management and engineering, installation of a 6" production flexible flowline and a 4" gas lift flexible flowline, installation of a control umbilical and a subsea distribution unit, both free-issued, removal and replacement of a flexible riser, trenching and backfilling of the flowlines and umbilical, and pre-commissioning, tie-ins and testing. This award was a milestone for Technip, as it was the first contract awarded by TAQA Bratani.

In April, another North Sea contract was awarded to Technip for a full EPIC contract with RWE Dea for the Clipper South gas field development. The field is located 70 kilometers northeast of the Bacton gas terminal at a water depth of 25 meters. The contract provides for full project management, detailed pipeline design, and installation and tie-in of a 15.5 kilometer 12" production line and 3" methanol piggyback line from the new Clipper South platform to the existing LOGGS (Lincolnshire Offshore Gas Gathering system) platform.

At the end of spring 2011, Technip was awarded another North Sea contract by Statoil worth approximately €55 million for the Vigdis NE field development located in the North Sea at a water depth of 220 to 310 meters. This contract provides for welding and installation of flowlines, including a 1.5 kilometer pipe-in-pipe production flowline and a 9 kilometer plastic-lined water injection flowline, supply of flexible tails for the flowlines, subsea equipment installation, and installation and tie-ins of flowlines flexible tails, jumpers and umbilicals.

In 2011, Technip won several Subsea and Onshore contracts in Canada, including a contract with Hibernia Management and Development Company Ltd (HMDC) for the Hibernia Southern Extension project. This project is part of the continuing Hibernia field development. Hibernia is located on the Grand Banks approximately 315 kilometers offshore Newfoundland and Labrador, Canada, at a water depth of 90 meters. The contract provides for engineering, procurement and construction services for flexible flowline and steel tube umbilical, together with the installation of all subsea equipment.

The summer brought the Subsea segment a fresh success in Asia. Technip's wholly-owned subsidiary Duco Ltd was awarded a contract by BP Exploration Operating Company Ltd worth approximately €15 million for the Lan Do field development in Vietnam. This field is located 320 kilometers South of Ho Chi Minh City, at a water depth of 120 to 180 meters.

The contract includes the engineering, project management and fabrication of a main umbilical and an infield umbilical. The umbilicals will utilize a hybrid technology developed by DUCO using steel tube and thermoplastic hose fluid conduits for hydraulic control and chemical injection services. The award builds on Technip's track record in umbilical supply to BP stretching back over 25 years.

In June 2011, continuing its excellent year in the North Sea, Technip won an EPCI lump sum contract worth approximately €70 million with Endeavour Energy UK Ltd, a subsidiary of Endeavour International Corporation, for the East Rochelle development in the United Kingdom North Sea. The field is located approximately 185 kilometers northeast of Aberdeen, Scotland, at a water depth of 140 meters.

The contract provides for full project management and detailed design, fabrication, installation and pre-commissioning of 30 kilometers of pipe-in-pipe, flexible riser, free issue umbilical, subsea isolation valves and manifolds. It also entails tie-in spools, trenching, backfill and rockdumping work.

The next North Sea win was an installation contract worth approximately €40 million from Maersk Oil North Sea UK Ltd for the Gryphon Area Reinstatement Programme (GARP) located about 320 kilometers northeast of Aberdeen at a water depth of 110 meters. The contract provides for the installation of 15 dynamic risers, 2 dynamic and 2 static umbilicals, and 11 flexible flowlines, as well as subsea equipment.

In October, Technip announced that its wholly-owned subsidiary Duco Inc. was awarded two contracts, by Shell Offshore Inc., for the Cardamom and West Boreas field developments, located in the Gulf of Mexico. The contracts include the engineering, project management and construction of a 9,265 meter umbilical (Cardamom) and a 6,096 meter umbilical (West Boreas). The award follows the recent delivery of the umbilical systems for Shell's Perdido development, which are the deepest installed umbilicals in the world at approximately 2,950 meter water depth.

Also in October, Technip was awarded by Valiant Causeway Ltd a lump sum contract worth approximately €33 million for the Causeway field development, which is about 450 kilometers northeast of Aberdeen, Scotland at a water depth of 150 meters. The contract provides for engineering, procurement, installation and commissioning of rigid and flexible pipelines, subsea equipment as well as umbilicals, which will be manufactured by Technip's wholly-owned subsidiary Duco.

The autumn also brought a two-year extension of the Statoil PRS (Piping Repair System) Pool services frame contract to the latest possible completion date of December 1, 2014. The yearly revenue under the contract is expected to be in the range of €20 million. This contract covers maintenance and operation of Statoil's PRS Pool located at Killingøy in Haugesund, Norway.

Technip's responsibility is to ensure that the PRS is ready for contingency operations and that qualified staff are available to operate the equipment, should an emergency operation be required. The PRS is also used for planned marine operations, including hot-taps and hyperbaric welding operations (tie-ins). The use of the PRS for planned work improves the contingency readiness for an eventual pipeline repair operation.

Also in Norway, Technip was awarded a lump sum contract by Lundin Petroleum worth approximately €100 million for the Brynhild field development. This field, previously known as Nemo, is located in the Norwegian North Sea a few kilometers East of the boundary to UK waters at a water depth of approximately 80 meters. The development will consist of three wells tied back to the Shell Pierce platform in UK waters using Technip's proven technology for the reeled pipe-in-pipe production and plastic lined water injection flowlines. The contract also includes spools, tie-ins, trenching and protection of the flowlines, together with installation of subsea structures and the control umbilical.

The joint venture formed by Technip (50%) and Odebrecht Oil & Gas (50%) received a letter of award from Petróleo Brasileiro S.A. (Petrobras) for the charter and operation of two identical flexible pipeline installation vessels for a value of approximately USD1 billion, for a fixed five-year period with a mutual option to extend for a further five years.

Characterized by their high pipelay tension capacity of 550 tons, both vessels will be employed principally to install umbilical and flexible flowlines and risers to connect subsea wells to floating production units in waters down to over 2,500 meters deep offshore Brazil, including in the pre-salt area. The provision of installation engineering services is included in the joint venture's scope.

In December, Technip announced the completion of Global Industries, Ltd acquisition, making Global Industries a wholly-owned subsidiary of Technip. The two companies' employees and clients have been very supportive of the transaction.

The initial integration planning carried out since the announcement has confirmed the rationale for bringing Technip's subsea activities and those of Global Industries together.

- Global Industries brings its complementary subsea know-how, assets and experience to Technip, 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.
- Technip's global presence, world-class technologies, assets, services and strong project management track record will realize the full value and potential of Global Industries' know-how, assets and experience, and broaden opportunities for Global Industries' employees.
- The acquisition of Global Industries reinforces Technip's leadership in the fast-growing subsea market. Strong revenue synergies are expected, as the acquisition will substantially increase Technip's current capabilities and expand its addressable market by approximately 30% in deep-to-shore subsea infrastructure. Several projects have already been identified and are expected to materialize in the medium term.
- Technip sees additional opportunities in the Offshore segment, with Global Industries' talents, know-how and leading edge units, particularly in the heavy lift business.

The acquisition was completed ahead of schedule. In 2012, Technip will focus on the integration and deployment of Global Industries' teams and assets to secure order intake.

Offshore

Technip's first contract win for the year from Malaysia is of strategic significance which combines technologies and know-how from Technip's three business segments: onshore process of natural gas liquefaction, offshore floating facilities and subsea infrastructures. This contract confirmed Technip's leadership as a major FLNG concept provider in this very promising market.

Technip, in a consortium with Daewoo Shipbuilding & Marine Engineering Co. Ltd (DSME), was awarded a front-end engineering and design contract for a floating liquefied natural gas (FLNG) unit by Petroliam Nasional Berhad (Petronas) and MISC Berhad. This FLNG will have a capacity of one million tons per annum.

Technip garnered additional success in Asia in the form of a front-end engineering design contract with Chevron Indonesia Company Ltd for two floating production units located offshore Indonesia in the Gendalo and Gehem fields at water depths of 1,070 to 1,830 meters. The contract provides for the hull, topsides, mooring systems and steel catenary risers of the two floating production units. This contract will be the first deep water engineering project executed by Technip in Indonesia, and demonstrates the Group's commitment to maximizing local content in the execution of its projects.

Technip's first contract signed for the Middle East in 2011 was an engineering services contract with ZADCO (a joint venture company between ADNOC, ExxonMobil and JODCO) for the UZ 750 project, one of the major offshore field development projects in the United Arab Emirates. The project aims at increasing the oil production of the Upper Zakum field (located in the Gulf, 84 kilometers offshore Abu Dhabi) to 750,000 barrels of oil per day by 2015 and sustains this production target for at least 25 years. The contract provides for front-end engineering design for process units on four artificial islands, including gas separation, gas lift compression, booster gas compression, as well as power generation, utilities, interconnecting pipelines and modification of existing facilities, and procurement services for long lead items.

Technip won a pair of contracts in the Americas in May. The first was a 10-year frame agreement awarded by BP Exploration and Production, Inc. The agreement provides for the design, procurement and construction of hulls and mooring systems for Spar platforms to be located in the Gulf of Mexico, as well as the design of top tension risers for dry tree units. This award follows a design competition and confirms Technip's leadership in Spar technology.

The second was a frame agreement for engineering studies awarded by Statoil Brasil Óleo & Gàs Ltd after a competitive tender process. The scope of this three-year contract entails feasibility, concept and front-end engineering design studies for Statoil's existing offshore production fields and future developments in Brazil. Work for the contract will achieve at least 60% of local content.

This award reinforces Technip's leading position as engineering services supplier to the Brazilian market.

In a major step forward for the industry, Shell Development (Australia) Pty Ltd in May gave notice to the Technip Samsung Consortium (TSC) to proceed with the construction of the world's first floating liquefied natural gas (FLNG) facility. TSC will provide engineering, procurement, construction and installation for the FLNG facility, Shell will deploy at its Prelude gas field off the northwest coast of Australia. Moored far out at sea, some 200 kilometers from the nearest land, the Prelude FLNG facility will produce gas from offshore fields and liquefy it onboard by cooling.

The Shell Prelude FLNG facility will be the largest floating offshore facility in the world, 488 meters from bow to stern. When fully loaded, it will weigh approximately 600,000 tons: roughly six times that of the largest aircraft carrier. Some 260,000 tons of that weight will consist of steel: approximately five times the amount of steel used to build the Sydney Harbor Bridge. Floating LNG 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.

Later in August, Anadarko Petroleum Corporation issued a letter of intent to Technip for the engineering, construction and transport of a 23,000 ton Truss Spar hull for its Lucius field development. This field is located at a water depth of 2,165 meters, in the US Gulf of Mexico.

Technip's next offshore contract of 2011 was won by a consortium with NPCC. ZADCO awarded a lump sum engineering, procurement and construction contract worth a total of approximately USD500 million (Technip's share is 35%) for the Satah Full Field Development project located 200 kilometers northwest of Abu Dhabi, United Arab Emirates.

The Satah Full Field Development project's objective is to maximize crude oil production and oil recovery by reducing wellhead back pressure, and introducing gas injection and gas lift facilities. Its scope involves offshore brownfield work to the existing wellhead platforms and production manifold platform, installation of infield pipelines, as well as modification and installation of new facilities at the onshore Satah plant at Zirku Island.

This project award further demonstrates Technip's expertise in the growing brownfield projects market in the Middle East.

In October, Technip and Bluewater announced an exclusive global agreement to jointly market the Spiral Stacked Turret (SST), a turret system component intended for floating units. The SST is a flexible-hose-based alternative to the traditional mechanical swivel stack that acts to transfer flow from the moored turret of a floating unit to its topside deck, which rotates in the prevailing weather conditions. The SST allows each flexible pipe to wind and unwind onto and off a conical tray, giving significant rotational freedom and extended service life. The SST is best suited for high pressure and large capacity flow transfer systems. Technip will design and supply the upper fluid transfer system while Bluewater will design and supply the lower turret mechanism.

In November, Technip announced the award of an engineering services contract for Samsung Heavy Industries Co Ltd for Statoil's Valemon gas and condensate field located in the Norwegian North Sea, about 160 kilometers West of Bergen. The contract provides for detailed design, procurement engineering and follow-on engineering support for the Valemon fixed platform topsides.

The Offshore segment ended the year winning a lump sum contract from Anadarko Petroleum Corporation for the engineering, construction and transport of Lucius Spar hull which will have a capacity of more than 80,000 barrels of oil and 450 million cubic feet of natural gas per day, with first oil being scheduled in 2014. Lucius will be the seventh Spar Technip has delivered to Anadarko.

This Spar will be the fifteenth delivered by Technip (out of 18 worldwide) and thus demonstrates Technip's leadership in Spars and its ability to provide solutions for ultra-deep water developments. This also confirms the expertise and track record of Pori yard to deliver state-of-the-art platforms.

Onshore

Technip's Onshore segment started the year with a lump sum services contract awarded by Burgasnefteproekt EOOD (a Lukoil engineering subsidiary) worth approximately €70 million for Phase 1 of a heavy residue hydrocracking complex to be built at its refinery in Burgas, Bulgaria. The contract provides for the detailed engineering and procurement services for a 2.5 million ton/year residue hydrocracker based on the Axens H-Oil process, as well as amine, sour water stripper and hydrogen production units.

Next, Braskem-Idesa, the joint venture between the Brazilian Braskem and Mexican Group Idesa, took another important step for the development of its Ethylene XXI project in Mexico. The joint venture chose Technip as technology provider for the development of its 1,050 kilotons per year ethylene cracker based on ethane. This is part of the petrochemical complex to be built in Coatzacoalcos/Nanchital region. The complex will also include one low-density polyethylene and two high-density polyethylene plants. Braskem-Idesa has also selected Technip as contractor for the front-end engineering design (FEED) of the cracker and high-density polyethylene plants.

Bluestar Adisseo Nanjing Company Ltd awarded to Technip a detailed engineering, procurement and project management services contract for a methionine plant in Nanjing, China. The plant, which will be the first integrated liquid methionine unit in China, will have a production capacity of 140 kilotons per year.

Technip, in consortium with Tomé Engenharia, was awarded a lump sum turnkey engineering, procurement and construction (EPC) contract by Petrobras for five new units at the Presidente Bernardes Refinery in Cubatão, São Paulo, Brazil. The contract provides for engineering, procurement, construction, commissioning, pre-operation and assisted operation of five new process units, including a diesel hydrotreater and a hydrogen plant, as well as all associated utilities. The project will allow production of low-sulfur content diesel to meet new Brazilian environmental regulations. This project will reach a 75% Brazilian content.

In April, Technip announced that its wholly-owned subsidiary, KTI Corporation, was awarded a purchase order by Snamprogetti Canada to design and supply ten Once Through Steam Generation (OTSG) units for the first phase of the Sunrise Energy Project. The OTSG units are an integral part of the Steam-Assisted Gravity Drainage (SAGD) process being applied at Sunrise for the extraction of bitumen.

Sunrise is a SAGD oil sands project being constructed approximately 60 kilometers northeast of Fort McMurray, Alberta, Canada and operated by Husky Energy. Upon completion of Phase 1 of the project, the facility is expected to produce approximately 60,000 barrels per day of bitumen.

Also in Canada, Technip was awarded an engineering, procurement and construction support services contract by Canadian Natural Resources Ltd worth approximately €100 million for the Horizon project in Fort Mc Murray, Canada. The contract provides for the expansion of the existing delayed coking unit, completed by Technip in 2008. It confirms Technip's leading position in the refining of non-conventional hydrocarbons.

In May, Technip won a reimbursable contract for the engineering work and services related to procurement and construction management for the Macedon gas project, located 17 kilometers of Onslow in northwest Australia. The contract provides for the onshore facilities, consisting of a gas plant and pipelines works.

In a year of worldwide contract wins, Technip was awarded an Engineering Partner Umbrella Service Contract by BASF for chemical and petrochemical projects. Both companies are contemplating a long term partnership that will give BASF access to Technip's extensive engineering resources for its capital investments, notably in Europe, but also in other regions. The scope of work encompasses various services, from studies, basic and detail engineering, up to project implementation services. Technip's operating center in Düsseldorf, Germany will coordinate the performance of the services, and several operating centers across the world will provide their expertise and management skills. This is an important milestone for Technip, building upon many years of serving the chemical industry.

In July, Technip was awarded an engineering services contract by Solvay for studying the construction of a greenfield chemical plant in Taixing, Jiangsu Province, China. The plant will be based on Solvay's innovative and patented Epicerol™ technology and will produce 100 kilotons per year of epichlorohydrin from glycerin. This award marks a new step in the longstanding collaboration between Technip and Solvay, which is a global leader in specialty polymers, vinyls, and essential and special chemicals.

In September 2011, Technip won a further two contracts, the first in Africa where Technip was awarded by Gabon Fertilizers Company a strategic engineering contract for a world class grassroots ammonia-urea fertilizer project to be developed at Port-Gentil, Gabon. The proposed project includes a 2,200 metric ton-per-day ammonia plant and a 3,850 metric ton-per-day granulated urea plant.

Under this contract, Technip will perform the front-end engineering design for the project, as well as the detailed cost estimate for the engineering, procurement and construction phases. Upon completion of the front-end engineering and detailed cost estimate, this contract can be converted to a lump sum turnkey contract. Technip will also assist Gabon Fertilizers Company in its project financing efforts. Apart from giving considerable flexibility in the optimal design of the plant, this methodology is expected to result in significant savings in both the capital expenditure cost and project schedule. This is ideally suited for projects in remote locations where the costs and the time schedule are difficult to estimate accurately.

The second Onshore contract of September was awarded within the framework of a cooperation partnership with Haldor Topsoe. The pair were awarded a contract for providing basic and front-end engineering services on a Petrobras grassroots fertilizer complex to be located at Uberaba, State of Minas Gerais, Brazil. The fertilizer complex will comprise of a 1,500 metric tons-per-day ammonia unit based on Haldor Topsoe technology, and the complete utilities and offsite systems necessary for the operation of the complex.

In October, Technip was awarded a contract by ExxonMobil Chemical for a grassroots lubricant base stock facility to be built at ExxonMobil's integrated refinery and chemical plant complex in Baytown, Texas. The project will provide a new synthetic lubricant base stock plant, consisting of the process unit, associated pipe rack and product tanks, as well as pumping and firewater system.

In Asia, Technip won a lump sum turnkey engineering, procurement and construction (EPC) contract awarded by Michelin Siam Co. Ltd for a new elastomer composite plant to be built in Southern Region Industrial Estate, Songkhla Province, Thailand. The contract is in line with Technip's strategy to expand its business base. It provides for preliminary engineering, detailed engineering, project management, procurement, construction, pre-commissioning and commissioning, and start-up assistance. The plant will produce rubber composites.

Also in Asia, Technip was awarded an extension of the existing reimbursable services contract with Uzbekistan GTL LLC for the front-end engineering design of a gas-to-liquids (GTL) plant, located 40 kilometers south of Qarshi in Uzbekistan. This plant will be based on Sasol's world-leading GTL technology and will have a capacity of 1.4 million metric tons per year, a similar capacity of the Oryx GTL facility in Qatar implemented by Technip, with following product slate: GTL diesel, kerosene, naphtha and liquid petroleum gas.

Renewable energies (managed under the Onshore segment)

Technip, in association with Nénuphar, Converteam and EDF Énergies Nouvelles, started the year with the launch of the Vertiwind project to test a pre-industrial prototype of a vertical-axis offshore floating wind turbine. Project partners are Seal Engineering, ISITV, IFP Énergies nouvelles, Arts et Métiers, Bureau Veritas, and Oceanide.

Free of the constraints related to the foundations of fixed wind turbines, the Vertiwind concept opens new perspectives for wind farms offshore numerous countries, notably in the Mediterranean basin, Europe and the United States. Technip is responsible for the design of the floater, mooring system, dynamic electrical connection cable, and turbine integration, as well as on-site installation. The Vertiwind project is among the first beneficiaries of the "Investing for the Future" program, a component of the French 2010 Big Loan *(Grand Emprunt)*, sponsored by the

French Prime Minister through the French Environment and Energy Management Agency (ADEME). Technip continues to contribute to the development of a new and innovative industry and confirms its role as a major player in floating offshore wind turbines.

In the North Sea, Technip announced the acquisition of the assets of Subocean, a UK based subsea cable-installation company working in the marine renewables sector. The acquisition contributes to Technip's strategy of developing a leading position in the renewables market in the coming years, focusing on offshore wind services.

Approximately 300 employees at Subocean joined Technip, accompanied by land-based assets and the operations of some key contracts in backlog, becoming a leading player in offshore wind cable-installation. Technip brings its extensive project management operating expertise.

In August, in yet another groundbreaking move, Technip officially launched its offshore wind business. The launch of this new business underlines Technip's commitment to the sector and represents another milestone in achieving the Group's ambition of becoming a leading player in this market.

During the official event, Technip and Iberdrola signed a memorandum of understanding (MOU) to bid for two of the five offshore areas that the French government has offered for competitive tender in a first phase, totaling 3,000 megawatts. The MOU provides for the design, engineering and construction of the two zones.

Group

Due to the efforts of all of the Group's segments, Technip was awarded a major procurement, installation and operation support contract by Petroleos de Venezuela S.A. (PDVSA), covering subsea, onshore and offshore facilities, for an accelerated production system on the Mariscal Sucre Dragon development, offshore Venezuela. The Mariscal Sucre Dragon field is located approximately 25 miles North of Paria Peninsula, state of Sucre, Venezuela at a water depth of 100 to 130 meters. The project scope encompasses supply and installation of subsea flowlines, supply and installation of gas processing equipment onshore, and operational support for subsea, offshore and onshore facilities.

This project brings together the combined expertise, know-how and skills of all the Group's business segments, demonstrating the strength of Technip's global footprint and of its integrated model covering subsea, offshore and onshore applications.

In a move designed to lay the groundwork for future success in November, Technip signed a three-year strategic partnership agreement for innovation and technology development with the French Alternative Energies and Atomic Energy Commission (*Commissariat à l'énergie atomique et aux énergies alternatives,* or "CEA").

Based at the heart of a very strong scientific, industrial and academic environment, the Technological Research Division at the CEA (DRT) gives Technip access, pursuant to the partnership agreement, to over 4,500 researchers developing new technologies in the fields of energy, transport, health, information and communication. The CEA-DRT, is on the cutting edge of technological research and is very active in the transfer of knowledge to industry.

Technip aims to harness and develop this knowledge to increase the competitiveness of its core businesses and expand and differentiate its business footprint through new technologies.

Technip also announced the formation of a new and enhanced worldwide consultancy, subsea and offshore engineering services company. This new company is a combination of Technip's wholly owned subsidiary, Genesis Oil and Gas Consultants, and the Technip deepwater engineering team in Houston. The newly formed organization called Genesis will aim to be the worldwide leader in early-phase engineering consultancy and full-lifecycle subsea and offshore engineering services. Working independently from Technip, it will provide objective engineering services to the energy sector.

Genesis has major execution centers in Houston, London, Aberdeen, and Perth, with the combined knowledge and expertise of 1,000 talented engineers, including 500 people with a subsea focus and one of the largest flow assurance groups in the world.

6.1.2. MAJOR ACQUISITIONS AND DIVESTMENTS IN 2011

Technip's external growth policy aims at consolidating 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 2011, Technip completed the following transactions:

- On January 24, 2011, Technip acquired Front End Re, a reinsurance company located in Luxembourg;
- On January 26, 2011, Technip acquired all of the assets of the Subocean group, a UK based subsea cable-installation company specialized in marine renewable energies;
- On February 28, 2011, Genesis Oil and Gas Consultants Ltd, a company of the Group, acquired EPD, 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 100% of AETech, a company specialized in non destructive testing by acoustic emission (CND/EA);
- On November 14, 2011, Technip acquired control of Cybernétix through the acquisition of blocks of shares held by reference shareholders, representing about 45.7% of Cybernétix's share capital. Following the cash tender offer, which started on December 16, 2011, and ended on January 20, 2012, Technip owns 98.60% of the share capital and 98.57% of the voting rights of Cybernétix. The squeeze-out of Cybernétix remaining shares was implemented on February 2, 2012;
- On December 1, 2011, Technip acquired 100% of the shares of Global Industries, Ltd ("Global Industries"). Global Industries brings complementary subsea know-how, assets and experience to Technip, in particular including the two newly-built leading edge S-Lay vessels, as well as strong positions in the Gulf of Mexico (US and Mexican waters), Asia Pacific and the Middle East.

6.1.3. EVENTS BETWEEN JANUARY 2012 AND THE REFERENCE DOCUMENT PUBLICATION DATE

The information presented below is taken from Technip's 2012 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 2012

- The Gaiya joint venture (Technip-Ingérop), was awarded a contract by ANDRA (National Agency for the Management of Radioactive Waste) to be the main contractor of the future Industrial Geological Storage Center (CIGEO) planned to be located in Meuse/Haute-Marne (East of France). This contract is in the framework of the French law of June 28, 2006, making ANDRA 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 phases.

  Technip and Ingérop, both leading engineering companies, 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 was awarded the last option for the Statoil frame contract for diving, pipeline repair, contingency and modification services. The frame contract has been held by Technip since January 2007 and is now extended to December 2014. The yearly revenue under the contract is expected to be in the range of €50-80 million.

  This contract is an exclusive agreement for all diving and diver assisted operations offshore for Statoil. This is an important milestone in an expanding diving market.
- Technip was awarded by Nexen Petroleum U.K. Ltd a lump sum contract, worth approximately €135 million, for the Golden Eagle development located 110 kilometers NorthEast of Aberdeen at a water depth of 115 meters.

  This contract is the largest ever awarded to Technip for a project in the United Kingdom Continental Shelf and features the reeling of mechanically lined pipe which provides a cost effective alternative for high temperature, highly corrosive materials.
- 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.
- Technip was awarded by Lukoil Neftochim Burgas ad, subsidiary of OAO Lukoil, a lump sum turnkey contract, worth more than €900 million (Technip share 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.
- Technip has been awarded a contract, worth approximately €90 million, by 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 Technip'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 the Group, which is leading the work and performing over 40% locally in Australia.
- On January 26, 2012, the French Financial Markets Authority (AMF) published the results of the offer made by Technip on the shares of Cybernétix. In the course of this offer, which started 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 SA and Sercel Holding on November 16, 2011 and the 385,755 acquired on the market during the offer period, Technip now holds 1,603,094 shares representing 98.60% of the share capital and 98.57% of the voting rights, on the basis of a share capital of 1,625,791 shares and a total number of voting rights of 1,636,316.

  The Cybernétix shares not held by Technip represent less than 5% of the share capital or voting rights. Therefore, as previously announced, Technip filed with the AMF a request for the implementation of a squeeze-out of the remaining Cybernétix shares within 10 days of the notice of the results of the offer by the AMF, for a price corresponding to the offer price, *i.e.* €19 per share.

  The squeeze-out of Cybernétix remaining shares was implemented on February 2, 2012.

February 2012

- Technip was awarded by Tullow Ghana Ltd two contracts, worth approximately €100 million, for the Phase 1A of the Jubilee project. The Jubilee field is located offshore 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.
- Technip was awarded a five-year frame agreement contract from Petróleo Brasileiro S.A. (Petrobras) for the supply of around 1,400 kilometers of flexible pipes. The 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.

  The scope of the contract includes the manufacture of over 150 types and diameters of risers, flowlines and associated equipment and accessories. Deliveries under this frame agreement will be spread over the contract period and order intake recognition will progress as specific work orders are confirmed.

Flexible pipes for the contract will be produced both at Technip's existing manufacturing site in Vitoria, and also at the new manufacturing facility under construction in Açu, Brazil. Accordingly, this award 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 of the Brazilian market.

- Technip was awarded a contract by Kuwait Gulf Oil Company (KGOC), for the engineering, procurement, construction and commissioning assistance of their 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.

  Offshore installation will use the *Comanche*, one of the vessels which entered the Technip fleet with the acquisition of Global Industries.

  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.

- Technip was awarded a pipeline installation contract by Woodside Energy Ltd for the Greater Western Flank Phase 1 Project located 130 kilometers North West of Karratha in Western Australia.

  The contract scope includes load out, transportation and installation of 16 kilometers of 16" gas flow line from the Tidepole manifold to the GWA platform.

  Offshore installation will be carried out by the *Global 1200* or the *Global 1201,* two flagship vessels that joined Technip's fleet through the recent acquisition of Global Industries.

- Technip was awarded 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.

  Offshore installation is scheduled to be completed with the *Deep Blue,* one of Technip's deepwater pipelay vessel, during the first half of 2013.

- Technip was awarded by Statoil a contract, valued above €150 million, for the 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.

- Genesis was awarded an Enterprise Framework Agreement by Shell Global Solutions International B.V., covering Subsea Umbilical Risers and Flowlines (SURF), engineering and project management services. The contract duration is five years, with the option to extend for an additional five years and will cover the supply of services to support all of Shell's SURF projects on a worldwide basis. The contract will focus on Shell's activities in the Gulf of Mexico and Brazil.

- Technip was awarded by Petrobras a highly technological lump sum contract for the Guara & Lula Nordeste pre-salt field development located in the Santos Basin, offshore Brazil, at a water depth of 2,250 meters.

  The contract covers the manufacture of 24 kilometers of 6" gas injection flexible lines and designed notably with Technip's innovative Teta-Clip pressure vault technology.

  The gas injection lines will be used to re-inject produced gas into the reservoir to respect new Brazilian environmental regulation.

- Technip, in partnership with DSME, was awarded by Dong E&P and Bayerngas, a contract for the Hejre project development, offshore 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 very demanding in terms of health, safety and environment.

- Technip was awarded two subsea contracts under the Diving Frame Contract with Statoil, for the Åsgard and Gudrun & Valemon projects. The total value of the contracts is around €45 million.

  The Åsgard contract includes deep water testing of the PRS remote hot-tap equipment, preparation works, installation of protection structures and the first remote retrofit tee hot-tap operation ever performed. The water depth on the Åsgard field is down to approximately 300 meters.

March 2012

- Technip has been awarded a contract by ExxonMobil Corporation for subsea equipment on the Hadrian South natural gas project in the Gulf of Mexico at a water depth of 2,300 meters.

  The project consists of a subsea tie-back to the planned Anadarko operated Spar platform, Lucius.

- Technip was awarded, by Santos Ltd, a flexible pipe supply contract for the Fletcher Finucane oil field development, in Western Australia. The field is located in the Carnarvon Basin, offshore North Western Australia, at a water depth of 160 meters.

The contract, which includes project management, engineering and the supply of 31 kilometers of production flowlines, along with 22 kilometers of service lines, will start in April 2012, with delivery planned for the second semester of 2012.

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 stengthens the position of Technip as the primary supplier of flexible pipes in Asia Pacific.

- Technip was awarded a lump sum front-end engineering design (FEED) contract by Statoil ASA for the development of the Luva floating platform, offshore 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.
- Technip has been awarded a front-end engineering design (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 to meet the 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 day and will supply naphtha and liquid petroleum gas feedstock for the RAPID petrochemical complex.

6.2. Group business environment

6.2.1. MARKET ENVIRONMENT

2011 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 2011, global E&P expenditures increased by 20% in 2011 with 10% growth anticipated for 2011 (*i.e.,* representing a similar rate of growth level to 2009).

On the Onshore 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 and the United States.

The IFP Énergies nouvelles report titled Investment in Exploration & Production and Refining dated October 2011 provides a similar assessment of the environment, *i.e.,* a rebound in upstream markets and fewer signs of recovery in downstream markets in 2011 where several projects have been postponed due to financing difficulties, with positive forecasts for both markets in 2012.

In both the medium and long term, the factors driving Technip's markets remain robust, including an anticipated increase in future global oil and gas demand, 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 increasingly complex projects (in particular Floating LNG solutions).

6.2.2. GROUP BUSINESS SEGMENTS

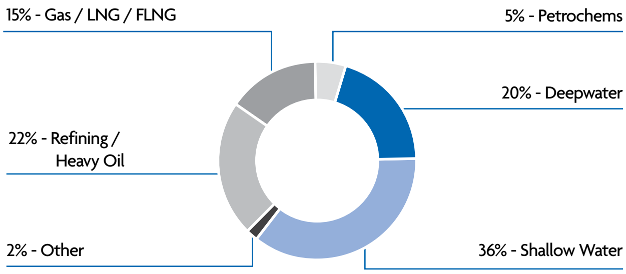
Technip is a world leader in project management, engineering and construction for the oil and gas industry.

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).

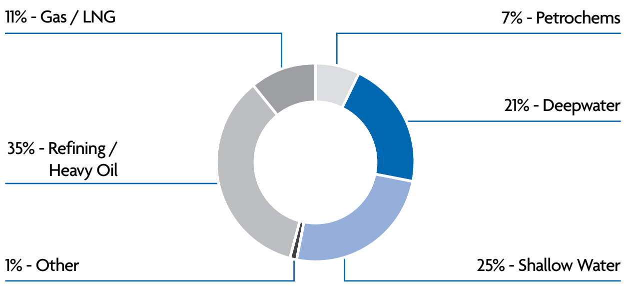
Technip revenues by segment

In millions of Euro	2011	2010
Subsea	2,972	2,732
Offshore	914	773
Onshore	2,927	2,577
TOTAL	**6,813**	**6,082**

Technip backlog as of December 31, 2011



Technip backlog as of December 31, 2010



Subsea

Subsea market environment

The positive trend of 2011 is expected to continue in 2012 and beyond, driven in particular by offshore gas developments, a continuous shift to deeper waters and, in terms of geographies, by Brazil and the Asia Pacific region.

Subsea strategy

Technip aims to strengthen its worldwide leadership in the Subsea market. Its strategy includes 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. The closing of Global Industries acquisition, in early December 2011, expands its potential market in subsea. Global Industries' capabilities, S-lay and offshore heavy lift know-how and assets along with Technip's vertically integrated range of products and services enables Technip to offer complex project execution from deep-water-to-shore.

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, whose acquisition had been finalized by GE on March 4, 2011. With respect to umbilicals, Technip's main competitors include Aker Solutions, Nexans, Oceaneering and Prysmian.

Offshore

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.

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.

Offshore competition

The competition 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.

Onshore

Onshore market environment

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 (North America, Western Europe).

Onshore strategy

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 and LSTK projects);
- investment in its technologies and technical know-how.

Onshore 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.

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 2011:

- Middle East: 22% of Technip's revenues and 17% of its backlog;
- Europe, Russia and Central Asia: 25% and 18%, respectively;
- Americas: 23% and 37%, respectively;
- Asia Pacific: 14% and 16%, respectively;
- Africa: 16% and 12%, 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.

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, in particular, the diversification of the backlog composition, of contractual forms and of 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 BALANCE 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 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 that 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 and Offshore segments on the other hand, 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 or Region 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 by business segment and by Region 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 ET process. At the end of this process, the Management of the Group or of a Region 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 ATT meeting at the end of which the Management of the Group or of a Region, 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 or of a Region during an ATC meeting.

6.3.3. DESCRIPTION OF CONTRACTUAL FORMS

"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 predetermined 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 were not clearly defined at the time proposals were submitted, 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 penalty payment or success fee 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 assumes full responsibility with regards to the completion of a project (*i.e.,* design and engineering activities, supplying of equipment and materials, and construction work) with respect to:

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

(ii) completion deadlines;

(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 each member's respective share of the scope of work 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 three following business segments: Subsea, Onshore and 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 will use 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

In 2011, the Subsea segment generated revenues of €2,972.0 million, representing 43.6% of the Group's consolidated revenues (see Section 9.4 of this Reference Document for a description of the Subsea segment's operating income).

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 a 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 2011, Technip acquired Global Industries, Ltd which brings to the Group its complementary subsea know-how, assets and experience, in particular thanks to its employees and its assets, including two newly-built cutting edge S-lay vessels, as well as strong positions in the Gulf of Mexico (US and Mexican waters), Asia Pacific and the Middle East.

Technip also acquired Cybernétix group, a global leader in providing solutions for remote operation, monitoring/control and measurement in hostile environments applied to nuclear and oil services domains.

These two acquisitions allow to reinforce Technip's installation capacities and also its innovation potential.

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.

Due to its technology and its representation in Canada and Norway, Technip is also present in the new frontier of the Arctic Circle.

In general, subsea work requires the participation of divers and/or Remotely Operated Vehicles ("ROVs") that are operated from diving or construction support vessels. 2011 acquisitions (Global Industries and Cybernétix) are both a complement in terms of deepwater diving and remote intervention technology.

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, Paris, Oslo, Aberdeen, Kuala Lumpur, Perth and Houston;
- its manufacturing units in Vitória (Brazil), in Le Trait (France) and its Asiaflex Products center in Johor Bahru (Malaysia).

The goods are delivered along side the quay of the manufacturing unit and are loaded on a vessel operated by the client.

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

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 (US) and the thermoplastic or steel tube umbilicals manufacturing units in Newcastle (UK), Channel View (US), Lobito (Angola) and at the Asiaflex Products Center in Johor Baru (Malaysia).

Long term charter vessels

This sector of the market is specific to Brazil where Petrobras charters vessels fitted with flexible and umbilical laying equipment. Technip operates 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.

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 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

Technip's Onshore 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.

In 2011 the Onshore segment generated revenues of €2,926.7 million, representing 43.0% of the Group's consolidated revenues. See Section 9.4 of this Reference Document for a description of Onshore operating income.

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 2011, 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. Through the recent achievements, the largest LNG trains in the world located in Qatar (7.8 Mtpa), and medium-sized LNG trains in China (0.4 Mtpa) are present. Technip is the market leader in floating natural gas liquefaction units (FLNG) recorded under the offshore segment, with notably, as of June 2011, the execution by Technip, in consortium with Samsung Heavy Industries, of the contract for the construction of Prelude FLNG for Shell. Technip is also well positioned in the gas-to-Liquids market (GTL) and completed in 2006 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 body of these operations is brought together under the Onshore segment.

Refining

Technip is a world-class player in terms of 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 creation in 1958, Technip has been involved in the design and construction of 30 grassroots refineries, one of the few contractors in the world to have built six refineries said grassroots since 2000. Technip has an extensive experience with any type of technologies relating to the refining and with the realization of more than 840 individual process units, coming from the 100 major expansion or revamp projects implemented in more than 75 countries. Based on decades of cooperation with the most highly renowned technology licensors and catalyst suppliers and thanks 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 at the same time experience and competence in all the technological fields having an impact present and future development in oil refining sector.

Hydrogen

Technip is a leading actor 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 two world largest steam cracking units, two additional plants are currently under design work. In 2011, Technip has confirmed advantage of its technology with a new contract award in Mexico.

Petrochemicals and fertilizers

The fast growing economies, including the "BRIC" (Brazil, Russia, India, China) area, have generated in 2011 a number of important projects in the downstream processing industry aimed at meeting the increasing food and consumer goods demand. Thanks to a sound experience and to an established cooperation with leading technology providers in the petrochemicals and in the fertilizers domains, Technip benefits from an excellent position to tap this emerging market and to best face the new challenges of a widely differentiated market in terms of geography and products. Technip confirmed in 2011 its world leadership in terms 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 grass root petrochemical complexes. This similarly intense level of activities has been experienced also in the fertilizers field where early works contracts and pre-selected contractor position have been achieved for important ammonia/urea and other fertilizers projects in Europe, in the Middle East, in Africa, in Latin America and in India. In both this above domains, and for various projects, we may reasonably expect in 2012 a roll over from the design to the realization phase and therefore to the award of EP or EPC contracts.

Biofuels and renewable energies

In 2011, Technip has been particularly active in developing its footprint in the fast growing renewable energies market:

- Technip ended the Rotterdam Neste Oil project which is today fully operational and is the one and only unit in the world able to produce on an industrial basis a bio-jet fuel that can be used on a commercial basis.
- Technip accelerated its involvement in the wind offshore market through the acquisition of Subocean's assets, company specialized in the inter array cable installation. Moreover, Technip decided to create an entity dedicated to wind offshore that is responsible for the business development of this sector.

- Technip is also developing its activities in two new areas which are geothermal and the area of Concentration Solar Power (so called CSP).
- Renewable energy is now a domain where development of new technologies plays a key role and where Technip can take a leading position from a technology stand point. 2011 has been a particularly successful year since with the setting up of several collaboration scheme: the launch of the Vertiwind project (collaboration with EDF EN and Nénuphar, a French start-up); the signature of a collaboration with Dr. Kalina for the Kalex technology to be applied to the geothermal market; the signature of a collaboration with the CIMV start-up about the construction of their bio refinery concept.

Other Industries

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

6.4.3. OFFSHORE

In 2011, the Offshore segment generated revenues of €914.3 million, *i.e.* 13.4% of the Group's consolidated revenues. See Section 9.4 of this Reference Document for a description of Offshore operating income.

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 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 awarded for FLNG (Floating LNG), 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.

Major developments in 2011 included the following:

Traditional offshore development: in the North Sea area, Technip started engineering on Statoil's Valemon project in the Norwegian sector. Technip was awarded an engineering services contract which foresees detailed design, procurement engineering and follow-on engineering support for the platform topsides.

Gravity Base Platform: for Australian field developments and following the successful completion of Front-End Engineering and Design (FEED) for the offshore processing platform for Chevron Australia Pty Ltd's Wheatstone Project, Technip continued to provide engineering services on the project through DSME. Technip's operating centers in Perth, Australia and Kuala Lumpur, Malaysia are now participating in the execution phase of this major project. The platform topside should be one of the world's largest single integrated floatover installations. The Wheatstone development is one of Australia's largest resource projects, providing greater security of supply and significant economic benefits for this country.

Artificial Island: in the UAE, the Upper Zakum oil field is one of the major offshore field development projects. In March 2011, ZADCO (a joint venture with ADNOC, ExxonMobil and JODCO) awarded Technip an engineering services contract for the following: Front-End Engineering Design for process units on four artificial islands, including gas separation, gas lift compression, booster gas compression, as well as power generation, utilities, interconnecting pipelines and modification of existing facilities.

Floating Production Storage and Offloading unit (FPSO): in Brazil, Technip's office in Rio started engineering of Brazil's first two FPSOs: the P-58 and the P-62. This flagship engineering service contract will be executed with over 90% of local content.

Technip also continued to develop a unique logistics and industrial complex to serve the Subsea, Offshore, Flexible and Drilling markets and for future FPSO integration projects in Brazil at Angra Port.

Floating LNG installation: Technip is now strongly positioned in the FLNG market. Shell Development (Australia) Pty Ltd (Shell) gave notice to the Technip Samsung Consortium (TSC) to proceed with the construction of the first floating liquefied natural gas (FLNG) facility in the world. TSC is performing engineering, procurement, construction and installation for the FLNG facility that Shell will deploy at its Prelude gas field off the Northwest coast of Australia. Moored far out at sea, about 200 kilometers from the nearest land, the Prelude FLNG facility will produce gas from offshore fields and liquefy it onboard by cooling.

The Shell Prelude FLNG facility will be the largest floating offshore structure in the world, with 488 meters from bow to stern. This concept represents a technological breakthrough for the energy industry. FLNG will help to open up new offshore natural gas fields that are currently too costly or difficult to develop.

For Brazilian LNG offshore development, Technip presented the most economic proposal to Petrobras and its pre-salt partners BG Group PLC, Galp Energia SGPS S/A and Repsol YPF SA for a Floating LNG facility. This solution is seen as an alternative to building a deepwater pipeline that would stretch about 300 kilometers from the coast to the offshore oil fields known as pre-salt. The final decision on the pre-salt Floating LNG is expected during first semester 2012.

After qualifying aerial cryogenic flexible pipes in 2010, Technip continues to work on the qualification of the next generation of floating LNG offloading systems and to identify new technologies that will optimize the operating product transfer, reduce its cost and increase its safety.

Semi-submersible facilities: in Brazil, after the successful installation of Petrobras P-56 facilities using the method called "floatover", the semi-submersible platform commenced its production in early 2011. This was the third in a series of semi-submersible platform with topsides in excess of 30,000 tons each delivered to Petrobras in consortium with Keppel-Fels.

In South East Asia, Technip and Malaysia Marine and Heavy Engineering Holdings Bhd (MHB) created the Technip MHB Hull Engineering (TMH) joint venture. This joint venture will become the reference company for floating production facilities hull design and engineering by leveraging the capabilities of both partners.

For its global customers, it provides world-class and customer-focused services, delivering robust, safe and fit-for-purpose fabrication-friendly solutions. This also extends Technip's local content capability and reinforces its position in the fast growing Asia Pacific region, in line with its strategic goals.

In 2011, Technip has pursued a broad range in terms of research and development initiatives to improve the cost, as well as safety and environmental performance of its offshore designs.

During the year, three R&D centers of the Group, working in collaboration, continued to develop the design of a novel semi-submersible, called HVS ("Heave Vortex Induced Motion Suppressed"), that minimizes vessel motions and improves riser performance; it is now sufficiently mature to be offered to clients of the Group.

Spar: for the Gulf of Mexico in the US, Technip was awarded a lump sum contract by Anadarko Petroleum Corporation for the engineering, construction and transport of a 23,000 ton truss Spar hull for their Lucius project at a water depth of 2,165 meters, with first oil being scheduled in 2014.

In addition, Technip was awarded a 10-year master agreement by BP Exploration and Production, Inc. The agreement covers the design, procurement and construction of hulls and mooring systems for Spar platforms to be located in the Gulf of Mexico, as well as the design of top tension risers for dry tree units.

Technip continued to develop its Spar design to provide condensate storage for the Statoil deepwater Luva Gas/Condensate field offshore located in Norway. This demonstrates Technip's leadership in Spars, its ability to provide solutions for ultra-deep water developments, and the expertise obtained from the track record of Pori yard to deliver state-of-the-art platforms.

TLP (Tension Leg Platform): Technip and its fabrication partners have been contracted by Shell to take part in the Malikai TLP FEED Design competition for the EPCI phase.

Technip continues to develop its own design of a deepwater Tension Leg Platform (TLP). In collaboration with Shell, Technip performed model testing of a TLP at the University Technology Malaysia (UTM) as part of an initiative to develop a local testing capability in this specialized area. This TLP will be one of the hull-form designs that Technip and its partner MMHE will offer from the new joint venture hull engineering company TMH.

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.

Technip continues to invest in the development of new technologies and tools to analyze ice behavior around, and calculate loads on, fixed and floating platforms and artificial islands in cold environments.

Group experts from different locations innovate together to offer technical solutions for its clients to make Arctic projects possible. Technip draws on its Arctic and harsh environment operational experience to design facilities in cold climates providing solutions for the winterisation of ship superstructures and topsides, and perform effective risk management for ice operations offshore.

Thanks to its mix of capabilities and broad experience, Technip has developed world-class standards and advanced technologies to deliver fit-for-purpose solutions, as well as designed to overcome the challenges of ultra-deep water and harsh environments such as the Arctic.

6.5. Suppliers

Projects managed by Technip as well as Technip's own business 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 2011, General Electric, Kawasaki Heavy Industries, Mitsubishi Heavy Industries, Air Products and Ebara Corporation were among the Group's main suppliers.

In 2011, 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, Arkema, Bekaert, Sumitomo and Tenaris.

In 2011, after an increase in the price of raw materials in the first half of the year, prices returned in the second half of 2011 to levels similar to those at the end of 2010. During 2011, 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 2011, global warming and the effects of natural disasters were major global environmental concerns. The United Nations Climate Change Conference met in Durban, South Africa in November 2011. In what become known as the Durban Platform, negotiators agreed to a legally binding treaty to address global warming. The terms of the treaty are to be defined by 2015, and will come into force in 2020.

This treaty will require commitment in terms of increased energy efficiency, implementation of renewable energy sources, and a reduction of CO_2 emissions. This commitment will present a major challenge in terms of the amount of investment, and genuine international cooperation between States. Within this context, Technip has continued pursuing strategic options in providing clients with "green growth" solutions, energy efficiency solutions, and the development, acquisition and implementation of renewable sources of energy, such as offshore wind turbines.

METHODOLOGY

Environmental perimeter: The environmental perimeter covered in this report are for existing entities of the Group. It does not cover companies acquired during the year (*i.e.* data covered in Global Industries, Cybernétix, AETech). Companies acquired in 2011 shall include environmental data in the 2012 report.

Environmental data compilation: The data are submitted through Technip HSE reporting system – Synergi. Each Group reporting entity is required to register their environmental data performance in Synergi. This data reflects the environmental performance of entities involved in fleet, construction, plant, fabrication and office operations and activities.

The number of reporting entities has increased across Technip as the reporting system matures across the Group, with an increasing number of people involved at Group level in the implementation of this monitoring process.

	Reporting level (Percentage of manhours in a worldwide perimeter)	
	2011	2010
Construction sites	80	75
Plants	95	95
Vessels	92	98
Offices	80	72

The table above indicates the percentage of each business type reporting its environmental performance.

Restrictions to the reporting: The level of reporting does not include activities with a little or no environmental impact as these data would not be reliable enough.

6.6.1. RESOURCE CONSUMPTION

The broad variety of Technip's business operations and locations gives rise to a wide range of water needs (including, drinking and industrial water, hydraulic tests, cleaning) and the implementation of local initiatives for water treatment and reducing consumption (*e.g.*, recycling water at industrial sites).

	Quantity (m^3)	
	2011	2010
Water Consumption	2,480,982	2,946,805

As a consequence, consumption fluctuates as a function of a particular site's activities.

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

Wastewater treatment at onshore facilities is either treated by the local or regional scheme system, or by purpose-built onsite treatment systems. Offshore, Technip's vessels are fitted with MARPOL compliant sewage treatment systems.

	Onsite Treatment	Off-site Treatment	Onsite Treatment	Off-site Treatment
	Quantity (m^3)			
Wastewater Management	**2011**		**2010**	
Construction Sites	192,664		1,218,864	1,218
Plants	56,464			25,292
Vessels	75,632	4,153	85,152	4,676
Offices	-			226,353

Water treatment is conducted at various construction sites and plants, through purpose-built facilities, and also on vessels by onboard treatment systems. The reduction in onsite water treatment is largely due to a decrease of activity on major construction sites in the Middle East.

6.6.2. RAW MATERIALS, ENERGY AND ENERGY EFFICIENCY

In 2011, Technip continued to pursue energy efficient and energy saving initiatives, such as lighting and air-conditioning timers, energy efficient lighting and office designs, aimed at reducing its energy consumption.

Technip offices in Houston have been designed with energy efficiency design. The design takes into consideration the use of natural light and ventilation, thermal insulation to reduce heating and cooling costs. In addition, Technip Rome utilizes solar panels for energy generation and its own consumption

	Natural gas	Fuel-oil, Diesel	Electricity	Natural gas	Fuel-oil, Diesel	Electricity
	MWh					
Heating and electricity consumption for permanent sites	**2011**			**2010**		
Plants	9,638	27,227	32,841	10,999	20,007	33,987
Offices	6,907	2,443	55,900	3,605	1,862	45,555

	Fuel	Electricity	Fuel	Electricity
	MWh			
Fuel and electricity consumption relating to operations made on projects	**2011**		**2010**	
Construction Sites	261,241	2,019	544,809	1,320
Vessels	976,560	-	820,723	-

The decrease of consumption regarding construction sites is due to a decrease of activity on onshore construction sites in the Middle East.

6.6.3. GREENHOUSE GAS EMISSIONS (GGE)

The table below shows the aggregate quantity of CO_2 emitted, in ton CO_2 equivalents, in the form of direct emissions 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.

	Direct Emissions	Indirect Emissions	Direct Emissions	Indirect Emissions
	Quantity (in t CO_2 equiv.)			
Total Greenhouse Gas Emissions	**2011**		**2010**	
Construction Sites	69,401	2,102	145,274	8
Plants	9,462	11,846	7,597	7,724
Vessels	261,142		219,157	
Offices	2,069	22,129	1,228	20,920

Overall, Technip achieved a 6.3% reduction in CO_2 emissions in 2011 compared to 2010.

	Emissions	
	Quantity (in tons)	
Total Direct Greenhouse Gas Emissions	2011	2010
CO_2	342,074	227,982
CO	682	570
NOx	1,575	4,185
SO_2	167	548
CH_4	23	19
VOC	203	170

The increase in CO_2 emissions is due to a strong activity of Technip's fleet of vessels.

6.6.4. WASTE

Technip's waste management policy is based on key points: eliminating the need for the waste as a first option, reducing or limiting waste production, sorting waste to ensure its traceability, and recycling. The increase in waste generation in 2011, is attributed to an increase in pipe manufacturing, increase in pipe size, the number of construction sites and plants, increase accuracy of waste data and in the number of reporting entities across Technip.

	Quantity (in tons)	
Waste Total Waste weight, by type	2011	2010
Non-hazardous waste	55,259	23,005
Hazardous waste	6,190	2,368

6.6.5. NOISE POLLUTION AND OLFACTORY POLLUTION

A large portion of Group's operational and fabrication sites are located in heavy industrial environments and offshore. The noise impact of the Group's activities has been specifically measured, analyzed, and effective systems, controls and procedures have been implemented at yards to mitigate disturbances in accordance with regulatory and occupation health standards.

There were no incidents of olfactory pollution reported in 2011.

6.6.6. BIODIVERSITY PROTECTION

Technip strives to conduct its activities and operations in an environmentally responsible manner. This commitment includes the protection of biodiversity values in the areas of its operations. 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.

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 internal procedures, such as a systemic environmental analysis and risk assessment method (ENVID), to assess the environmental aspects and potential impacts of the proposal at every stage of the project.

In 2011, these measures were implemented on construction sites at which Technip operated. At Macedon Gas plant, located in the North-West of Australia, protection of declared rare flora, as well as cultural heritage sites and weed species, were incorporated into the design and construction of the plant.

6.6.7. LEGAL AND REGULATORY COMPLIANCE

Technip operates and complies within 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, in order to ensure they are met, properly monitored and respected during project execution.

The project manager issues a document that summarizes the legal and other contractual requirements for each work stream of the project. The Quality, HSE and legal departments of each Group entity verify that its operations are in compliance with these regulations, through regular reviews and audits, and continue to monitor regulatory developments.

6.6.8. ENVIRONMENTAL CERTIFICATION POLICY AND PROCESS

Technip continued to adopt a policy of ISO 14001 environmental certification. To meet this commitment, Technip is implementing a robust environmental management framework, and steadily reducing its environmental impact. As of December 31, 2011, 32 Group entities were certified, as well as 10 more entities working towards certification.

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.

A global integrated software solution manages the improvement process, and provides assistance with environmental monitoring of the Group's health, safety and environmental standards and performance. The number of reporting entities has increased across Technip, with more persons at Group level involved in the implementation of this monitoring process.

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

Environmental expenditure for environmental protection, improvements and pollution prevention measures, are mainly related to managing noise, waste, discharges, effluents and energy efficiency systems. These 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 charges related to managing waste and effluents at sites and in offices. All Technip vessels operate to IMO MARPOL standards that require certification for atmospheric emissions and discharge standards.

Annual expenses related to environmental protection (In thousands of Euro)	2011	2010
Total running costs	405	710
Total committed investments	1,846	2,632

The reduction in environmental costs has been largely due to a decrease in large scale construction work and the corresponding environmental protection works. In addition, 2010 saw huge expenses in noise abatement works.

6.6.10. HEALTH, SAFETY AND ENVIRONMENTAL ORGANIZATION

Organization

Environmental policy implementation relies upon management's commitment, the accountability of each Region, ongoing dialogue with parties involved, and cascading responsible for all employees and contractors.

The Sustainable Development Committee, 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, environmental improvements, awareness programs, carbon accounting and eco-design.

Training

In 2011, training continued to focus on leadership with the internally-developed Pulse program. The Pulse program aims at improving the HSE culture, including environment, across the Company.

As part of this program, in June 2011, all Technip entities worldwide participated in the "UN World Environment Day". This year's theme was "Forests – Nature at your service". The goal of this international event is to raise Technip employees and contractors awareness of environmental issues, their day-to-day environmental impact, both in the office and at home, and to be proactive on sustainable development and resource use.

Training and environmental awareness	2011	2010
Hours conventioned under training	44,438	75,025
Number of hours on site	180, 922	355,846

For details of risk management, see Sections 4.4 and 4.8 of this Reference Document.

Environmental incident prevention

Environmental incidents reported across Technip sites and operations continued to decline in all four operational streams. This improvement can be attributed to an increase environmental systems and performance.

In 2011, there were no significant incidents 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).

In 2011, 66 minor incidents linked to chemical, hydrocarbon or lubricant accidental spillage or discharge to the environment were reported.

	Number of incidents	Volume	Number of incidents	Volume
		Quantity (l)		Quantity (l)
Distribution of accidental releases	2011		2010	
Construction Sites	21	1,845	34	2,970
Plants	12	645	35	2,639
Vessels	33	456	6	227
Offices	0	0	0	0

6.6.11. ENVIRONMENTAL PROVISIONS AND GUARANTEES – COMPENSATION PAID DURING THE FINANCIAL YEAR ENDED DECEMBER 31, 2011 STEMMING FROM COURT'S DECISIONS ON ENVIRONMENTAL ISSUES AND SUBSEQUENT ACTIONS DAMAGE REPAIR

In 2011, Technip has not taken any specific provisions for environmental risks and has not been subject to any judicial decisions regarding environmental issues.

6.6.12. TARGETS ASSIGNED TO SUBSIDIARIES OUTSIDE FRANCE

The Group's HSE policy is implemented in all of its entities, regardless of legal status. For details, please refer to Section 17.1.4.5 of this Reference Document.

7 Organizational structure

7.1. Simplified Group organizational structure as of December 31, 2011

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.

Substantially the Company's revenues are fully invoiced to it its subsidiaries.

Becoming operational in 2010, Technip Corporate Services (TCS), a legal structure dedicated to the Group's corporate activities, groups the corporate teams and supports the Group's growth strategy. Its teams serve all Regions and provides an expertise in cross-Group functions such as QHSE, Human Resources, Finance, Legal, Product Lines, Communication, Security and IT.

7.2. Subsidiaries and investments

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

- Technip France is 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 the three segments, Subsea, Offshore and Onshore of the Group. As of December 31, 2011, the Group held 100% of this company's share capital.
- Technip Italy S.p.A. is located at Viale Castello della Magliana, 68 Roma 00148 (Italy). Since 1969, Technip Italy has been a leading international engineering contractor 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, 2011, the Group held 100% of this company's share capital.
- Technip UK Ltd (Aberdeen) is located at Enterprise Drive, Westhill, Aberdeenshire AB32 6TQ (United Kingdom). The company specializes in the subsea segment and provides the delivery of subsea projects (typically fabrication, construction and installation of pipelines and other subsea structures) for oil and gas operators, and provides specialist project support, research and development activities and vessels and associated personnel and equipment for Technip's global subsea business. As of December 31, 2011, the Group held 100% of this company's share capital.
- Technip Geoproduction (M) Sdn Bhd is located at 2nd Floor Wisma Technip 241 Jalan Tun Razak, 50400 Kuala Lumpur (Malaysia). Created in 1982, this company is active in the Subsea, Offshore and Onshore segments. 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, 2011, the Group held 30% of this company's share capital.

- Flexibras Tubos Flexiveis Limitada is a Brazilian company, located at 35 Rua Jurema Barroso, Parte Centro, 29020 490 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, 2011, the Group held 100% of this company's share capital.
- Technip USA, Inc. is a US company, located at 11700 Katy Freeway, Suite 150, Houston, Texas 77079 (United States). It is active in the Subsea, Onshore and Offshore segments, in particular, with the construction of Spars for fields in the Gulf of Mexico. As of December 31, 2011, 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, 2011:

In millions of Euro Consolidated figures (except dividends)	Technip France	Technip Italy	Technip UK Ltd	Technip Geoproduction (M)	Flexibras Tubos Flexiveis	Technip USA, Inc.
Revenues	1,499.6	768.8	833.9	200.2	330.3	464.1
Fixed Assets (excluding Goodwill)	21.1	23.6	331.2	5.0	100.7	38.5
Financial Debts (out of the Group)	-	-	-	-	342.4	-
Cash in Balance Sheet	967.4	402.1	65.2	30.0	368.5	166.6
Dividends Paid during the Year to Technip SA	85.6	76.2	-	-	-	-
Amount Invoiced by Technip SA during the Year	76.7	21.5	20.5	6.1	0.2	13.0

The most significant acquisitions in 2011 are mentioned in the Note 2-(a) "Major Acquisitions" in Section 20.1 of this Reference Document.

On December 1, 2011, Global Industries Ltd was acquired and, with USD643.3 million consolidated net assets, was the main acquisition of the Group in 2011. 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 market positions in the Gulf of Mexico (US and Mexican waters), Asia Pacific and the Middle East.

For a List of Subsidiaries and Investments please refer to Note 7 of the Company's Statutory Accounts as of December 31, 2011, 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

8.1.1. FACILITIES

Technip's main facilities, with the exception of its vessels, comprise offices, operating centers, assembly plants and factories. As of December 31, 2011, Technip owned offices, including sites in Rome and New Delhi, as well as various factories such as the Le Trait plant in Normandy (France). 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. In the Group Consolidated Financial Statements for the financial year ended December 31, 2011, Technip's land, buildings, machines and equipment were recorded at a net amount of €645.9 million, including €165.1 million of land and buildings. A slight increase of Real estate of the Group has been recorded during 2011 financial year (notably in the United States, in Mexico, in Brazil and in the United Arab Emirates) due mainly to the acquisition of Global Industries.

As of December 31, 2011, the Group had access to the following main properties, either owned or leased:

Location	Purpose	Régime juridique
(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
Rouen, France	Offices	Lease
Nîmes, France	Offices	Lease
Toulouse, France	Offices	Lease
Bagnolet, France	Offices	Lease
Marseille, France	Offices and Workshop	Owned
Les Pennes Mirabeau, France	Offices and Workshop	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
Newcastle, United Kingdom	Plant (umbilicals) and Offices	Owned/Lease
Aberdeen (Scotland), United Kingdom	Offices and Warehouses	Owned/Lease
London, United Kingdom	Offices	Lease
Edinburgh (Scotland), United Kingdom	Warehouses	Owned/Lease
Evanton (Scotland), United Kingdom	Plant (spoolbase) and Land	Owned/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	Owned
Chennai, India	Offices	Lease
Mumbai, India	Offices	Lease
Mumbai, India	Project Management Office	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
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

Location	Purpose	Régime juridique
(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 (Louisiana), United States	Shore base /Offices	Owned
Port of Iberia (Louisiana), United States	Research and Development Centre	Lease
St. John's, Canada	Offices	Lease
Calgary, Canada	Offices	Lease
Monterrey, Mexico	Offices	Lease
Mexico City, Mexico	Offices	Lease
Cd. Del Carmen, Mexico	Offices/Workshop	Owned
(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
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	Owned/Lease
Dande, Angola	Plant (spoolbase) and Land	Owned/Lease
Luanda, Angola	Offices	Lease
Johannesburg, South Africa	Offices	Lease
Algiers, Algeria	Offices	Lease
Accra, Ghana	Harbor facilities	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 belongs to any of the Group's executives.

8.1.2. FLEET OF VESSELS

The utilization rate of Technip's fleet amounted to 81% for financial year 2011 –this rate does not take into account Global Industries.

As of December 31, 2011, 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
Chickasaw	PLSV	Reeled pipelay	0	0
Global 1200	PLSV/HCV	Conventional pipelay/Heavy Lift	0	1
Global 1201 (1)	PLSV/HCV	Conventional pipelay/Heavy Lift	0	0
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
Normand Pioneer (2)	LCV	Construction/installation systems	0	2
Subtec 1	LCV	Support vessel	0	0
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
Asiaflex Installer	DSV/HCV	Diver support systems	1	1
Sea Leopard	DSV	Diving Support vessel	0	0
Orion	MSV/LCV	Diver support system and ROV operations	1	1
Normand Commander (3)	MSV/LCV	Diver support system and ROV operations	1	1 (4)
Olympic Challenger (3)	MSV	Construction/installation systems	0	2
Pioneer	MSV	Diver support system	1	0
El Patron	OSV	Support vessel	0	0

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 down to 3,000 meters.

Changes in fleet over 2011 and for 2012

In 2011, Technip continued the strategic program that it started in 2006, which included the following:

- In September 2011, the *Skandi Niterói*, sister-ship to the *Skandi Vitória*, again in partnership with DOF, joined the Technip fleet and began a long-term charter contract with the Brazilian operator, Petrobras. Built in Brazil, this Brazilian-flagged vessel has a Vertical Lay System for installation of flexible lines and umbilicals in deep water. For Technip, the arrival of the *Skandi Niterói* is the latest strategic move in line with the Group's regional positioning and ongoing fleet reinforcement policy.
- Construction of Technip's latest new pipelay vessel *(Deep Energy)* is progressing. In October 2011, the vessel arrived at the STX shipyard in Florø, Norway for the final phase of her construction and equipment installation. The *Deep Energy* will be a dynamically positioned Class III vessel measuring 194 meters 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 down to 3,000 meters.
- During the first quarter of 2011, and consistently with its regional growth strategy, Technip commissioned build of a new subsea construction vessel by the Metalships & Docks shipyard at Vigo, Spain. This vessel, known as *Deep Orient*, will be dedicated to supporting Subsea activities in the Asia-Pacific region. Measuring 135 meters length, she will be equipped with a 250 tons crane. She will also have a Vertical Lay System for installation of flexible lines and umbilicals.

Impact of the integration of Global Industries on the fleet of vessels

Thanks to the acquisition of Global Industries, Technip acquired a fleet of five major construction vessels, one light construction vessel, one diving support vessel, four multi service vessels, and one offshore supply vessel. The major construction vessels include four barges and one ship. In 2010, the *Global 1200,* major construction vessel designed for S-lay has been added to the fleet. In addition, Technip is continuing the expansion of the fleet with the construction of another derrick/pipelay vessel, the *Global 1201,* which was delivered in the first quarter of 2012. The *Global 1201* is similar to the *Global 1200.*

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

The following section presents Technip's consolidated financial results for the two financial years ending December 31, 2011 and December 31, 2010, 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's meeting held on February 14, 2012.

Readers are encouraged to read the presentation below in light of 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, 2011)

Main Acquisitions

Year Ended December 31, 2011

On December 1, 2011, Technip acquired 100% of the shares of Global Industries, Ltd, based in Carlyss (United States of America).

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 sees additional opportunities in the Offshore segment, with Global Industries talent, know-how and leading edge units, particularly in the heavy lift business.

The purchase price was USD936.4 million in cash, with no contingent consideration. As of December 31, 2011 the goodwill recognized amounts to USD293.1 million. Technip will perform the purchase price allocation during the year following the acquisition. This valuation will mainly be led on the fair value of fixed assets and the determination of identifiable assets and liabilities.

In millions of US Dollar	Carrying Amount
Intangible Assets	1.2
Tangible Assets	842.6
Other Fixed Assets	21.5
Construction Contracts, net	8.9
Cash and Cash Equivalents	141.8
Provisions	13.0
Financial Debts	312.1
Other Assets and Liabilities, net	47.6
Net Asset	**643.3**
Temporary Goodwill	293.1
PURCHASE PRICE	**936.4**

Revenues of the company were USD340.8 million in 2011 and USD568.1 million in 2010. Neither revenue nor result related to the company was recognized by Technip since its acquisition.

Other Business Combinations

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, Technip owns 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 consolidated assets 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 owns 98.60% of the share capital and 98.57% of the voting rights of Cybernétix (see Note 35 to the Consolidated Financial Statements).

Year Ended December 31, 2010

In 2010, the Group made the following acquisitions:

- Techdof DA, a company jointly owned by Technip and DOF, acquired 100% ownership of Dofcon Brasil AS (Norway), which held a 99.9% interest in Dofcon Navegaçaõ Limitada, a company located in Brazil and the owner of the vessels *Skandi Vitória* and *Skandi Niterói*. In 2010, Dofcon Navegaçaõ Limitada realized €2.0 million of revenues and a net income of €4.6 million. As of December 31, 2010, the total assets of the company amounted to €145.4 million.
- Technip Italy acquired the remaining 50% interest in Technip India Ltd, a company in which Technip Italy previously held a 50% interest (and consolidated under proportionate method) and which is now wholly-owned (and fully consolidated).
- Technip interest in TPAR (Terminal Portuario de Angra Dos Reis S/A) has been increased to 100%.

REPORTING BY BUSINESS SEGMENT AND BY GEOGRAPHICAL AREA

Operating performance is reported to the main operational decision-maker, the Group Executive Committee, based on the following four segments:

- Subsea segment (“Subsea”), which includes the design, manufacture, supply and installation of subsea equipment;
- Offshore segment (“Offshore”), which includes the design and construction of fixed or floating facilities and surface installations;
- Onshore segment (“Onshore”), which includes the entire engineering and construction business for petrochemical and refining plants as well as facilities for developing onshore oil and gas fields and (including gas treatment units, liquefied natural gas (LNG) units, onshore pipelines), renewable energies, as well as engineering and construction of non-petroleum facilities; and
- Corporate segment (“Corporate”), which includes holding company activities, as well as the different centralized services provided to the Group’s entities, including IT and reinsurance services.

Effective as from January 1, 2012, Group operating performance will be reported using three segments: Subsea segment, Onshore/Offshore segment and Corporate segment.

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;
- 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 on going contracts.

It amounted to €10,416.1 million as of December 31, 2011, compared to €9,227.9 million as of December 31, 2010 (+13%). This increase of approximately €1.2 billion was mainly driven by the Subsea and Offshore segments which offset to a large extent the decrease in the Onshore segment, as shown in the table below:

Backlog by segment

	As of December 31,		
In millions of Euro	2011	2010	Variation
Subsea	4,380.2	3,110.7	41%
Onshore	3,501.5	4,986.3	-30%
Offshore	2,534.4	1,130.9	124%
Onshore/Offshore	6,035.9	6,117.2	-1%
TOTAL BACKLOG	**10,416.1**	**9,227.9**	**13%**

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, 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%
Backlog as of December 31, 2010	1,670.9	18%		1,663.8	18%		2,958.9	32%		680.3	7%		2,254.0	25%		9,227.9	

The increase in backlog for 2011 was very mixed by geographical area. On one hand, the growth in terms of value as well as in terms of relative weight was sharp for the Americas and Asia Pacific areas. On the other hand, the Africa area, and to greater extent the Middle-East area, were slowing down. Therefore, the significant business recovery observed in 2010 in Brazil and in Venezuela was confirmed in 2011; as a result, the Americas area which also included the backlog resulting from the acquisition of Global Industries, has become this year the first contributor to the Group. Concerning the Asia Pacific area, it benefited from the award of the Shell - Prelude FLNG contract.

The main contributors to Group backlog as of December 31, 2011 are summarized by geographical area and by segment in the table below:

Main contributors to backlog as of December 31, 2011	Europe, Russia, Central Asia	Africa	Middle-East	Asia Pacific	Americas
Subsea	■ Goliat (North Sea) ■ Installation of pipelines in the Brynhild's field (North Sea)(*) ■ Installation of pipelines in the Golden Eagle's field (North Sea)(*)	■ Installation of flexibles for Total in Congo and Gabon(*)			■ Installation of pipelines in the Jack St. Malo's field (Gulf of Mexico) ■ Long term lease of flexlay vessels for Petrobras (Brazil) ■ Subsea development of PDVSA Mariscal Sucre APS (Gulf of Mexico)(*)
Offshore		■ Ofon Phase 2 (Nigeria)	■ Khafji Crude related Offshore (United Arab Emirates) ■ Development of the ZADCO's field for Satah (United Arab Emirates)(*)	■ FLNG (Floating Liquified Natural Gas) for Shell (Australia)(*)	■ Development of the platform of Mariscal Sucre for PDVSA (Gulf of Mexico) ■ Offshore Development of PDVSA Mariscal Sucre APS (Gulf of Mexico)(*) ■ Construction of the Lucius Spar for Anadarko (Gulf of Mexico)(*)
Onshore	■ Construction of a petrochemical plant for RusVinyl (Russia) ■ Upgrade of the Burgas refinery for Lukoil (Russia)(*) ■ Construction of an hydrogen plant for Naftan (Byelorussia)(*) ■ Upgrade of an hydrogen plant for Rosneft (Russia)(*)	■ Extension of the Algiers refinery	■ Construction of the Jubail refinery (Saudi Arabia) ■ Upgrade of the Qatargas 1's installations (PMP project/ Qatar)	■ Construction of an elastomer composite plant for Michelin (Thailand)(*)	■ Upgrade of the CNRL's installations at Fort Mac Murray (Canada) ■ Construction of a grassroots lubricant base stock facility at Exxon's integrated and chemical plant complex in Baytown (United States of America)(*) ■ Construction of 5 new process units at the Presidente Bernardes Refinery for Petrobras (Brazil)(*)

(*) New contract.

CHANGES IN ORDER INTAKE

Order intake by segment in 2011, compared to 2010, is shown in the table below:

In millions of Euro	As of December 31, 2011	2010	Variation
Subsea	4,097.1	2,631.7	56%
Onshore	1,507.1	2,920.7	-48%
Offshore	2,370.6	1,405.0	69%
Onshore/Offshore	3,877.7	4,325.7	-10%
TOTAL ORDER INTAKE	**7,974.8**	**6,957.4**	**15%**

The significant increase in order intake between 2010 and 2011 resulted from the dynamism of the Subsea segment, in particular in Latin America, and also from the Offshore segment with the substantial contribution of the Shell - Prelude FLNG contract and, to a lesser extent to the contracts for the Lucius Spar construction for Anadarko and for the production system on the Mariscal Sucre field for PDVSA. The Onshore segment still lagged behind this year, especially due to a lack of new major projects.

The main contributors to order intake for 2011 are presented by geographical area and by segment in the table above ("new contracts" are included within the backlog table as of December 31, 2011).

CHANGES IN REVENUES

Revenues on contracts are measured on the basis of the costs incurred and the margin recognized based on the percentage of completion, which is computed as follows:

- for all contracts which include construction services subject to performance commitments ("lump sum turnkey" contracts), then once their progress is deemed sufficient, the percentage of completion is calculated on the basis of technical milestones that have been defined for the main components of the contracts;
- for the other construction contracts, the percentage of completion recognized is calculated on the basis of the ratio between costs incurred to date and estimated aggregate costs at completion of the contract.

The table below shows consolidated revenues by business segment for the years ended December 31, 2011 and December 31, 2010:

	Subsea			Onshore			Offshore			Onshore / Offshore			Total	
In millions of Euro		%	Var.		%	Var.		%	Var.		%	Var.		Var.
2011 Revenues	2,972.0	44%	9%	2,926.7	43%	14%	914.3	13%	18%	3,841.0	56%	15%	6,813.0	12%
2010 Revenues	2,731.7	45%		2,576.8	42%		773.4	13%		3,350.2	55%		6,081.9	

The increase in revenues in 2011 by €731.1 million compared to 2010 was very homogeneous as it was driven by all three segments, namely Subsea, Onshore and Offshore. As a result, the relative weight of each segment remained quite stable compared to last year.

Moreover, the impact of foreign exchange rates on revenues was negative in 2011 (for € (49.3) million), mainly driven by the depreciation of the US Dollar (-5%) and of the British Pound (-1%) against the Euro, whereas it was positive (for €289.1 million) in 2010.

Revenues by segment

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

Subsea

The increase in revenues compared to 2010 resulted from a good project execution. In a booming activity context, the Subsea segment remained the largest contributor to Group revenues. Lastly, the operational phases of the Pazflor and Block 31 projects in Angola were completed in 2011.

Offshore

The increase in value of the Offshore segment and the confirmation of its relative weight inside the Group resulted among others from the start of the Shell - Prelude FLNG project following the FEED (Front End Engineering Design) performed last year, and from the contribution of the Block 1 project in Turkmenistan.

Onshore

After a fall in 2010 driven by the completion in 2009 of legacy contracts, the increase in value and the relative good resilience in terms of relative weight inside the Group reflected the ramp-up of major projects such as the Jubail refinery, Qatargas PMP, the petrochemical plant for RusVinyl, as well as Asab 3 for which pre-commissioning activities have started.

Revenues by geographical area

The following table shows consolidated revenues by geographical area for the years ended December 31, 2011 and December 31, 2010:

	Europe, Russia, Central Asia			Africa			Middle-East			Asia Pacific			Americas			Total	
In millions of Euro		%	Var.		%	Var.		%	Var.		%	Var.		%	Var.		Var.
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%
2010 Revenues	1,611.8	27%		1,157.7	19%		1,292.9	21%		725.4	12%		1,294.1	21%		6,081.9	

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

Europe, Russia and Central Asia

As for last year, this area remained stable and remained the largest contributor to Group revenues. This year was impacted among others by a good contribution of the Subsea segment, in particular by the North Sea projects.

Africa

The slowdown of the area activity was driven by the non-compensation of the contribution of some major projects completed in 2010, such as Jubilee for the Subsea segment, by new projects during this year.

Middle-East

The increase in the area activity resulted from the progressive ramp-up of new significant projects such as the Jubail refinery, Qatargas PMP and Asab 3 projects.

Asia Pacific

The strong growth of the area was driven by the Subsea and the Offshore segments, in particular by the execution during this year of significant projects such as CWLH Installation for Woodside, Wheatstone DE for Daewoo Shipbuilding and Marine Engineering (DSME) and Greater Gorgon for Chevron, and as well as by the ramp-up of the Shell - Prelude FLNG in Australia.

Americas

The sharp increase in value and in revenues as a percentage of Group revenues was more particularly related to the Onshore segment whose activity was clearly recovering after having suffered from a slowdown in growth for North America since 2009.

Main contributors to 2011 Group revenues split by segment and geographical area

Main contributors to 2011 revenues	Europe, Russia, Central Asia	Africa	Middle-East	Asia Pacific	Americas
Subsea	■ Diving services contract for Hibernia (North Sea) ■ Goliat (North Sea)	■ Pazflor (Angola) ■ Block 31 (Angola) ■ West Delta projects (Egypt)		■ CWLH installation (Australia)	■ Tupi projects (Brazil)
Offshore	■ Block 1 project (Turkmenistan)		■ Khafji Crude related Offshore (United Arab Emirates)	■ Prelude FLNG for Shell (Australia) ■ Wheastone DE (Australia) ■ Greater Gorgon (Australia)	■ P-58, P-62 and P-56 projects for Petrobras (Brazil)
Onshore	■ Construction of a petrochemical plant for RusVinyl (Russia) ■ Construction of a gas treatment plant (Turkmenistan) ■ Development of an offshore windfarm field for Lincs Windfarm Ltd (North Sea)		■ Construction of the Jubail refinery (Saudi Arabia) ■ Upgrade of the Asab's installations (Asab 3 / United Arab Emirates) ■ Upgrade of the Qatargas 1's installations (PMP project / Qatar)	■ Development of Koniambo's mine (New-Caledonia)	

9.3. Presentation of operating costs and income

COST OF SALES

Cost of sales amounted to €5,526.4 million in 2011, an increase from €4,897.0 million in 2010 (+13%). In comparison, revenues increased by 12% between 2010 and 2011.

Gross margin rate was 18.9% in 2011, a slight decrease from 19.5% in 2010.

The main components of cost of sales were as follows:

- Other purchases and external charges: €4,006.6 million, representing 72% of cost of sales. This line item includes equipment purchases and construction subcontracting;
- Payroll expenses: €1,230.6 million, representing 22% of cost of sales;
- Amortization and depreciation of assets: €169.5 million, representing 3% of cost of sales; and
- Long-term rental costs: €119.7 million, representing 2% of cost of sales.

The 2011 cost of sales by segment were as follows:

In millions of Euro	Subsea	Onshore	Offshore	Onshore/ Offshore	Total
2011 Cost of Sales	(2,247.1)	(2,498.8)	(780.5)	(3,279.3)	(5,526.4)
2011 % Gross Margin	24.4%	14.6%	14.6%	14.6%	18.9%

The Onshore segment represented 45% of 2011 aggregate cost of sales, in line with 2010. The Subsea and Offshore segments represented 55% of 2011 aggregate cost of sales, also stable compared to 2010.

The nature of the cost of sales varies from one segment to another. The Subsea and Offshore segments are involved in manufacturing flexible pipes and construction, and therefore require industrial assets (plants, pipelay vessels and assembly yards) and a labor force for production, whereas the Onshore segment is involved in engineering, which requires few industrial assets under Technip's ownership. Its 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 €65.3 million in 2011, compared to €56.6 million in 2010, i.e., an increase of €8.7 million (+15%). 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 €515.7 million (8% of Group revenues) in 2011, compared to €480.0 million (8% of Group revenues) in 2010 (+7%). This increase was driven in particular by the revision of the performance conditions related to stock options, share purchase options and performance share grants, and by the significant efforts made by Technip on bids.

PAYROLL EXPENSES

The income statement discloses expenses by destination. Therefore, payroll expenses are included in the cost line items mentioned above. Payroll expenses represented €1,535.0 million in 2011, compared to €1,345.8 million in 2010 (+14.1%).

OTHER OPERATING INCOME / EXPENSES

Other operating income amounted to €26.4 million in 2011, an increase from €18.1 million in 2010 and other operating expenses amounted to €22.5 million, a decrease from €46.1 million in 2010. The result was a net income of €3.9 million in 2011, compared to a net charge of €28.0 million in 2010. Other operating income comprised mainly insurance premiums, re-insurance premiums and reversals of provisions for charges recognized by Technip's captive re-insurers, which amounted to €20.5 million in 2011, compared to €12.0 million in 2010. Claim charges and provisions for claims booked by Technip's captive re-insurers amounted to €13.1 million in 2011, compared to €8.5 million in 2010. Other operating expenses consisted of net book values of assets sold or disposed, and amounted to €3.8 million in 2011, compared to €18.4 million in 2010.

9.4. Comments on the operating results for the financial year ended December 31, 2011, compared to the financial year ended December 31, 2010

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

OIFRA was €709.5 million in 2011 compared to €620.3 million in 2010 (+14%). The OIFRA margin was 10.4% of revenues, an increase from 10.2% in 2010.

The impact of foreign exchange rates on OIFRA was slightly negative in 2011 (-€0.3 million), driven by the depreciation of the US Dollar (-5%) and the British Pound (-1%), offset by the appreciation of the Australian Dollar (+7%) compared to the Euro. In 2010, the impact was globally positive (+€37.8 million).

OIFRA by segment

In millions of Euro	Subsea	Var.	Onshore	Var.	Offshore	Var.	Onshore / Offshore	Var.	Corporate	Var.	Non Allocable	Total	Var.
2011 OIFRA	497.9	9%	221.1	28%	52.6	52%	273.7	32%	(62.1)	45%	-	709.5	14%
% OIFRA in 2011	**16.8%**		**7.6%**		**5.8%**		**7.1%**					**10.4%**	
2011 Operating Income	497.9	9%	221.1	26%	52.6	52%	273.7	31%	(62.1)	45%	(15.7)	693.8	13%
% Operating Income in 2011	**16.8%**		**7.6%**		**5.8%**		**7.1%**					**10.2%**	
2010 OIFRA	456.5		172.1		34.6		206.7		(42.9)		-	620.3	
% OIFRA in 2010	**16.7%**		**6.7%**		**4.5%**		**6.2%**					**10.2%**	
2010 Operating Income	456.5		175.0		34.6		209.6		(42.9)		(8.5)	614.7	
% Operating Income in 2010	**16.7%**		**6.8%**		**4.5%**		**6.3%**					**10.1%**	

The Subsea segment confirmed its leadership as largest contributor to Group OIFRA. This performance was mainly driven by Technip's leading position in terms of market share and technology. It also reflected a good utilization of Group assets (vessels, flexible plants) and very satisfactory project executions worldwide.

The Onshore segment was the second-biggest contributor to Group OIFRA. It is a very large market, with projects that can reach very high prices. Yet, it is now a mature and extremely competitive market with a large number of players, many of them coming from Asia. As a result, pressure on contract prices is still high.

The Offshore segment remained the third contributor to Group OIFRA. Margin rate progressively recovered its 2009 level after a temporary fall in 2010, mainly driven by the good contribution of engineering projects and by the satisfactory completion of some projects.

The Corporate segment recorded an operating loss of €62.1 million in 2011, compared to a loss of €42.9 million in 2010. It included in particular costs related to share purchase options and share subscription options, and to grants of performance share.

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.
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%**	
2010 OIFRA	124.3		187.2		86.6		107.8		157.3		(42.9)	620.3	
% OIFRA in 2010	**7.7%**		**16.2%**		**6.7%**		**14.9%**		**12.2%**			**10.2%**	
2010 Operating Income	124.3		187.2		86.6		110.7		157.3		(51.4)	614.7	
% Operating Income in 2010	**7.7%**		**16.2%**		**6.7%**		**15.3%**		**12.2%**			**10.1%**	

The main contributors split by geographical area are summarized below.

Europe, Russia and Central Asia

The significant decrease in OIFRA margin was mainly driven by the Subsea segment. The very bad weather conditions in the North Sea have delayed the project execution in the area, which had a negative impact on OIFRA and to a lesser extent, on revenues.

Africa

The increase in OIFRA margin was mainly driven by a sharp margin increase in the Subsea segment resulting from the satisfactory completion of major projects such as Pazflor and Block 31.

Middle-East

Changes in OIFRA margin resulted mainly from the Onshore segment which is by far the largest contributor of the area in terms of activities and margin and which benefited from the end of warranty periods of some projects without major incidents.

Asia Pacific

Although OIFRA remained quite stable in value, OIFRA margin shrank in 2011.

As a reminder, the Subsea segment benefited from insurance proceeds in 2010.

Moreover, the Shell - Prelude LNG project did not contribute to OIFRA, even if it has already contributed to revenues, as it was still ramping-up progressively.

Americas

The OIFRA decrease in value and in margin rate resulted from the Subsea segment which was impacted by the sharp fall in the number of large OIFRA contributors in 2011.

This decrease was partially offset by satisfactory completions of projects in the Onshore and Offshore segments.

Main contributors to 2011 Group OIFRA split by segment and geographical area

Main contributors to 2011 OIFRA	Europe, Russia, Central Asia	Africa	Middle-East	Asia Pacific	Americas
Subsea	■ Goliat (North Sea)	■ Pazflor (Angola) ■ Jubilee (Ghana) ■ West Delta projects (Egypt) ■ Block 31 (Angola)		■ MAD6 phases 1 & 2 (India) ■ CWLH installation (Australia) ■ Benchamas installation (Thailand)	■ Flowlines installation (Gulf of Mexico) ■ Tupi projects (Brazil) ■ P-56 flexible export for Petrobras (Brazil)
Offshore	■ Block 1 project (Turkmenistan)		■ ZADCO Artificial Island (United Arab Emirates) ■ Zakum GPF project (United Arab Emirates)	■ FLNG FEEDs for Shell (Australia) ■ Wheastone phase 2 FEED (Australia) ■ Wheatstone DE (Australia)	■ P-51 and P-56 projects for Petrobras (Brazil)
Onshore	■ Construction of a petrochemical plant for RusVinyl (Russia) ■ Construction of a gas treatment plant (Turkmenistan)		■ Upgrade of the Asab's installations (Asab 3/United Arab Emirates) ■ Upgrade of the Qatargas 1's installations (PMP project / Qatar)	■ Development of a biodiesel plant for Neste Oil (Singapore)	■ Upgrade of the CNRL's installations at Fort Mac Murray (Canada)

RESULT FROM SALE OF ACTIVITIES

In 2011, the Group did not make any sale of activities.

In 2010, the result from sale of activities amounted to €16.5 million of which €5.5 million was related to the write-off of a provision for risk booked on an old contract and €11.0 million profit on the share disposal of the company Technip KTI Spa.

RESULT FROM NON-CURRENT ACTIVITIES

In 2011, non-current expenses related to the acquisitions of Global Industries and Cybernétix were recognized for a total amount of €15.7 million over the period.

In 2010, non-current expenses amounted to €22.1 million including a charge of €25.0 million related to a fine and costs paid to the Federal Government of Nigeria and an income of €2.9 million on the valuation at fair value of the former share in Technip India Ltd following the acquisition of the remaining 50% interest in March 2010.

OPERATING INCOME

Operating income amounted to €693.8 million in 2011 (10.2% of revenues), compared to €614.7 million in 2010 (10.1% of revenues), *i.e.*, a €79.1 million increase (+13%). The split by segment can be detailed as follows:

- Subsea: €497.9 million (compared to €456.5 million in 2010), *i.e.*, an operating margin of 16.8% (compared to 16.7% in 2010);
- Offshore: €52.6 million (compared to €34.6 million in 2010), *i.e.*, an operating margin of 5.8% (compared to 4.5% in 2010);
- Onshore: €221.1 million (compared to €175.0 million in 2010), *i.e.*, an operating margin of 7.6% (compared to 6.8% in 2010); and
- Corporate: a negative contribution of €77.8 million in 2011, compared to a negative contribution of €42.9 million in 2010 (see Note 3 to the Consolidated Financial Statements for the financial year ended December 31, 2011).

FINANCIAL RESULT

Net financial result was an income of €17.4 million in 2011, compared to a loss of €20.1 million in 2010. This variation was mainly driven by the positive impact of net foreign exchange: the net foreign exchange gain amounted to €32.8 million in 2011, compared to €9.3 million in 2010, a net €8.5 million profit on derivative instrument valuation was accounted for in 2011 financial year, compared to a net loss of €25.6 million recognized in 2010.

Financial expenses amounted to €332.4 million and included interests on bond loans for €38.6 million, financial charges relating to other loans and bank overdrafts for €36.6 million and financial expenses relating to employee benefits for €14.6 million.

Financial income globally amounted to €349.8 million and included interests from treasury management for €62.3 million (primarily proceeds from the disposal of marketable securities and interest on term deposits) and financial income relating to employee benefits for €7.7 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 €16.5 million in 2011, compared to €19.6 million in 2010.

INCOME TAX

Income tax expense amounted to €208.7 million in 2011, compared to €179.4 million in 2010, for pre-tax earnings of €711.2 million. Technip's effective tax rate in 2011 was 29.3%, while applicable French tax rate was 36.10% in 2011.

NET INCOME FROM DISCONTINUED ACTIVITIES

As in 2010, no activity was closed or discontinued in 2011.

NET INCOME ATTRIBUTABLE TO MINORITY INTERESTS

Net income attributable to minority interests was a €4.8 million loss in 2011, compared to a €2.4 million profit in 2010.

Net income from affiliates accounted for using the equity method was nil in 2011 and 2010, as the company Technip KTI Spa was sold in 2010.

NET INCOME

Net income attributable to shareholders of the parent company amounted to €507.3 million in 2011, compared to 417.6 million in 2010, *i.e.*, an increase of €89.7 million (+21.5%). It represented 7.4% of Group revenues, compared to 6.9% in 2010.

EARNINGS PER SHARE

Earnings per share calculated on a diluted basis amounted to €4.41 in 2011, compared to €3.81 in 2010. The average number of shares calculated on a diluted basis increased by 7%, from 109,839,190 shares taken into account in the 2010 calculation to 117,498,889 shares in the 2011 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 or purchase option plans and performance shares plans.

Basic earnings per share were €4.69 in 2011, compared to €3.92 in 2010.

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, 2011.

9.5. Changes in the balance sheet and financial position between the year ended December 31, 2011 and the year ended December 31, 2010

NON-CURRENT ASSETS

Fixed assets

Net intangible assets amounted to €2,714.2 million as of December 31, 2011, compared to €2,434.5 million as of December 31, 2010. They primarily consisted of €2,652.4 million in net goodwill. As of December 31, 2011, impairment tests performed on the net book value of goodwill did not result in the accounting of an impairment loss. In 2011, the amount of goodwill recognized mainly increased from the acquisition of Global Industries, Ltd (temporary goodwill of €226.6 million) and the acquisition of Cybernétix (goodwill of €18.6 million). In 2010, the goodwill had increased by €9.8 million as a result of the acquisition of the remaining 50% interest in Technip India Ltd. Other net intangible assets amounted to €61.8 million as of December 31, 2011, compared to €55.4 million as of December 31, 2010. 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, 2011).

Net tangible assets amounted to €2,308.3 million as of December 31, 2011, compared to €1,472.0 million as of December 31, 2010 (+57%). They mainly included the vessels used in Subsea operations, with a carrying value of €922.6 million, the assets under construction, with a carrying value of €582.7 million, and machinery and equipment for €480.8 million. The increase in net value of €836.3 million in 2011 was mainly driven by the acquisition of Global Industries, Ltd for €630.6 million and new investments made in the financial year for €348.5 million, reduced primarily by yearly amortization and depreciation expenses of €162.1 million (see Note 9 to the Consolidated Financial Statements for the financial year ended December 31, 2010).

Capital expenditures amounted to €357.2 million in 2011, compared to €388.9 million in 2010 (-8%).

These investments were primarily related to machinery and equipment (€98.2 million), vessels (€70.9 million), plus assets under construction (€116.9 million, mainly vessels under construction). The Group has decided to continue its policy of high investment levels, in particular in order to expand its vessel fleet. In 2011, a newly-built vessel, the *Skandi Niterói*, was delivered. As of December 31, 2011, the principal vessels recorded as "Assets under Construction" were as follows:

- the *Deep Energy*, a pipelay vessel dedicated to deepwater, for which a total amount of €235.8 million of cumulative investments was accounted for;
- the *Deep Orient*, a flexlay construction vessel dedicated to Asian markets, for which a total amount of €34.1 million of cumulative investments was accounted for;
- two flexible pipeline installation vessels in joint venture with Odebrecht Oil & Gas, dedicated to Brazilian markets, for which a total amount of €13.7 million of cumulative investments was accounted for;
- following the acquisition of Global Industries, the *Global 1201*, a rigid pipe construction vessel, for which a total amount of €241.6 million of cumulative investments was accounted for.

In addition, the Group continues its investments in flexible and umbilical plants in Malaysia, France, United Kingdom and Brazil, for which a total amount of €54.3 million was recognized as "Assets under Construction" as of December 31, 2011.

Pledged fixed assets amounted to €203.1 million as of December 31, 2011 and mainly consisted of mortgages related to the *Skandi Vitória*, the *Skandi Arctic* and the *Skandi Niterói*.

Other non-current assets

Other non-current assets included mainly deferred tax assets for €306.3 million in 2011, compared to €324.6 million in 2010, i.e., a €18.3 million decrease (-6%) and investments in Malaysia Marine and Heavy Engineering Holdings Berhad (MHB), recognized as "Available-for-Sale Financial Assets" for an amount of €184.1 million.

CURRENT ASSETS

Entries under the line item "Construction contracts" include accumulated costs incurred, 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 €588.0 million as of December 31, 2011, compared to 378.6 million as of December 31, 2010 (+55%). The line item "Construction Contracts – Amounts in Liabilities" amounted to €644.5 million as of December 31, 2011, compared to €694.9 million as of December 31, 2010, representing a decrease of 7%. 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, 2011).

Inventories, trade receivables and other receivables amounted to €2,411.8 million in 2011, compared to €2,267.1 million in 2010 (+6%).

The cash and cash equivalent position amounted to €2,808.7 million in 2011, compared to €3,105.7 million in 2011 (-10%). 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 €651.6 million in 2011, compared to €38.3 million in 2010.

PROVISIONS

Provisions amounted to €483.8 million in 2011, compared to €346.9 million in 2010 (+39%). As of December 31, 2011, these amounts consisted of provisions for contract risks (€132.3 million compared to €94.0 million in 2010), provisions for employee benefits (€109.8 million compared to €98.0 million in 2010), provisions for taxes (€54.6 million compared to €26.7 million in 2010) and provisions for claims recorded by Technip's captive reinsurers (€9.7 million compared to €15.0 million in 2010) (see Note 23 to the Consolidated Financial Statements for the financial year ended December 31, 2011).

FINANCIAL DEBTS

As of December 31, 2011, Technip's consolidated financial debts amounted to €2,087.9 million, of which €544.4 million were current financial debts (see Note 21 to the Consolidated Financial Statements for the financial year ended December 31, 2011). Consolidated debt increased by €314.5 million (+18%) from €1,773.4 million in 2010, mainly driven by the issue of a bond with an option for conversion and/or exchangeable for new or existing shares (OCEANE) on December 15, 2011, recognized at amortized cost for an initial amount of €420.4 million, net from its share of issuing costs.

As of December 31, 2011, the non-current financial debt amounted to €1,543.5 million, mainly comprising the two convertible bonds for €916.1 million (respectively €495.1 million for the 2010 OCEANE and €421.0 million for the 2011 OCEANE), the private placement for €197.4 million and bank borrowings for €393.7 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, 2011).

As of December 31, 2011, the current financial debt amounted to €544.4 million, mainly comprising the €197.6 million senior convertible debentures by Global Industries, the €170 million commercial papers and the €158.5 million short term credit lines and bank overdrafts.

10 Capital resources

10.1. Changes in net cash position and in cash flows for the financial year ended December 31, 2011 and the financial year ended December 31, 2010

(See Note 18 to the Consolidated Financial Statements for the financial year ended December 31, 2011)

Technip's net cash position as of December 31, 2011 and as of December 31, 2010 was as follows:

In millions of Euro	2011	2010
Cash	918.6	778.9
Cash Equivalents	1,890.1	2,326.8
Total Cash and Cash Equivalents	**2,808.7**	**3,105.7**
Bond Loans	39.3	650.0
Convertible Bonds	1,113.7	482.4
Private Placement	197.4	197.1
Commercial Papers	170.0	-
Other Financial Debts	567.5	443.9
Total Financial Debts	**2,087.9**	**1,773.4**
NET TREASURY	**720.8**	**1,332.3**

Technip's net cash position amounted to €720.8 million as of December 31, 2011, compared to €1,332.3 million as of December 31, 2010, i.e., a €611.5 million decrease (-46%), which mainly resulted from investments and acquisitions made during the year (see below).

There is no significant restriction on cash transfers between Technip SA and its subsidiaries.

NET CASH GENERATED FROM OPERATING ACTIVITIES

Net cash generated from operating activities amounted to €651.6 million in 2011, compared to €38.3 million in 2010. This increase resulted mainly from the change between 2010 and 2011 in working capital needs.

Free cash flow amounted to €782.5 million in 2011, compared to €539.2 million (+45%). This significant increase can be explained by the following items:

- 2011 net income (including minority interests) rose sharply year-on-year (+€87.3 million);
- amortization and depreciation of property, plant and equipment, and intangible assets increased by €28.4 million, from €145.6 million in 2010 to €174.0 million in 2011. This change was mainly driven by a vessel's delivery and the impairment losses on vessels booked in 2011.

The change in working capital needs amounted to €(130.9) million in 2011, compared to €(500.9) million in 2010.

NET CASH USED IN INVESTING ACTIVITIES

Net cash used in investing activities increased by €449.9 million from €(507.8) million in 2010 to €(957.7) million in 2011:

- in 2011, capital expenditures relating to property, plant and equipment and intangible assets amounted to €357.2 million, compared to €388.9 million in 2010. 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 €13.3 million, mainly resulting from the acquisition of a stake in CIMV and the acquisition of additional interest in Malaysia Marine and Heavy Engineering Holdings Berhad (MHB);
- in 2011, proceeds from sales of assets amounted to €3.8 million, compared to €22.3 million in 2010. It mainly stemmed in 2010 from the €20.0 million sale of Technip's 25% interest in Technip KTI Spa;
- the decrease in net cash position from acquisition costs of consolidated companies represents the aggregate purchase price or disposal price of the company in question, less the net cash position of purchased or sold companies, measured on the purchase or disposal date, i.e., a decrease of €591.0 million in 2011, compared to €26.5 million in 2010. It mainly resulted in 2011 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 SA. It resulted in 2010 primarily from the buyout of minority shareholders in TPAR (Terminal Portuario de Angra dos Reis S/A) and Technip India Ltd.

NET CASH GENERATED FROM FINANCING ACTIVITIES

In 2011, net cash generated from financing activities amounted to €11.6 million, compared to €788.8 million in 2010. Debt increased in 2011 by €888.1 million resulting primarily from the issue of the OCEANE convertible bond issue (net amount of €497.6 million), the commercial papers (€170.0 million) and the financing increase in Brazil.

Dividend paid amounted to €156.1 million, compared to €143.6 million in 2010. Capital increases in 2011 amounted to €34.4 million (compared to €40.4 million in 2010), mainly as a result of the exercise of share subscription options.

10.2. Changes in shareholders' equity and financing between the financial year ended December 31, 2011 and the financial year ended December 31, 2010

SHAREHOLDERS' EQUITY

(See Note 20 to the Consolidated Financial Statements for the financial year ended December 31, 2011)

Equity attributable to the Group amounted to €3,651.6 million as of December 31, 2011, compared to €3,179.8 million in 2010. This increase primarily resulted from the net income realized over the period (€507.3 million), the capital increase (€34.4 million), the treasury shares granted in 2011 (€28.6 million), the equity component of the convertible bond issued in December 2011 (€46.5 million, net of deferred taxes) and the change in reserves relating to share subscription options and performance shares (€36.9 million), partly offset by the dividend paid in 2011 (€156.1 million, €1.45 per share), the decrease in foreign currency translation reserve (€17.8 million) and the decrease in fair value reserve (€21.1 million).

As of the date of this Reference Document, there are no restrictions on the use of capital that had any impact over the 2011 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, 2011)

The amount of credit facilities confirmed available to Technip and unused as of December 31, 2011 amounted to €1,978.1 million, including €1,500.1 million available beyond December 31, 2012. This amount represented an increase of 35% year-on-year. It still had authorization from the National Bank of France *(Banque de France)* for a maximum amount of €600 million. Technip believes that these credit lines, together with the cash and securities on hand, provide Technip with the necessary resources to finance its operational needs.

With respect to borrowing conditions, Technip's floating rate indebtedness amounted to €34.0 million compared to an aggregate indebtedness of €2,087.9 million. The convertible bonds issued in November 2010 and December 2011 recognized at amortized cost for a total amount of €916.1 million, the €197.4 million private placement issued in July 2010 and the €170 million commercial papers as well as the €197.6 million convertible bond issued by Global Industries represented the largest portion of financial debts as of December 31, 2011.

The 2011 average rate of the fixed-rate debt was 4.62% per year, compared to 4.87% in 2010. Over the same period, the average rate of the Group's aggregate debt (both floating and fixed rates) amounted to 4.58%, a decrease from 4.94% in 2010. The average rate of debt is calculated by dividing the amount of financial costs 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

Research and Development (R&D) 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 production (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 Research and Development conducted by its teams; (ii) external growth through the acquisition of specialized companies; and (iii) mixed organic and external growth through research partnerships.

Technip has Research and Development sites in the Group's main centers: Le Trait, Aberdeen, Paris, Rome, Houston, Claremont, Kuala Lumpur and Rio de Janeiro. As of December 31, 2011, these teams comprised approximately 300 employees. They helped Technip file 36 patents in 2011, 35 patents in 2010 and 44 patents in 2009.

Technip also contracts with external Research and Development teams to develop strategic technological partnerships that are intended to facilitate its commercial development in certain identified sectors.

In financial years 2011 and 2010, Technip's Research and Development expenditures amounted to €65.3 million and €56.6 million, respectively. However, most of its Research and Development activities and engineering operations are focused on specific projects, which are not taken into account in these figures.

SUBSEA

Historically Research and Development activities in the Subsea segment have primarily concentrated on improving the quality of the products and services provided to its clients and developing new flexible pipes and "reeled" pipes technologies. These remain the focus of Technip Subsea R&D activities with a view, on one hand, to harnessing and developing its knowledge to increase the competitiveness of its core businesses and, on the other hand, to expand and differentiate its business footprint through new technologies, new initiatives have been taken and are detailed below.

Subsea market growth generally raises new technological challenges on constantly increasing extreme water depths, pressures and temperatures. Accordingly, Technip's technological priorities include finding solutions to:

- allow risers to be installed at depths beyond 3,000 meters;
- develop "smart" riser systems that allow a monitoring of their integrity and production parameters;

- develop isolation and active heating techniques;
- develop flexible pipes for extreme pressure, temperature and corrosive fluid conditions.

In 2010 and 2011, the major achievements and associated commercialization of subsea Research and Development activities within these priority areas have been the following:

- the qualification of flexible pipes suitable for installation in water depths down to 3,000 meters, which allowed the supply of flexible pipe for the Marine Well Containment System in the Gulf of Mexico;
- the completion of the technology qualification of a world first electrically trace heated reeled Pipe-in-Pipe, which was subsequently fabricated for the Islay Project with Total in the North Sea;
- the qualification and commercialization of the Mechanically Lined Pipe technology for reeled pipe;
- the conception, qualification and commercialization of an umbilical dedicated to works on the subsea well heads;
- the development of subsea items related to our products such as stab plates for umbilicals;
- the successful achievement of the flexible carbon fiber armors test program and potential interest for *in situ* offshore tests.

In the meantime, two new R&D entities dedicated to remote intervention technologies and innovation have been created with the following objectives:

- to strengthen the development and implementation of emerging technologies in order to provide Technip with competitive differentiators in subsea remote intervention hardware and methodologies; and
- to expand the offer and to improve Technip's competeveness in the Subsea market by providing a global, cross-disciplinary and multi-disciplinary approach to innovation and R&D initiatives in current and emerging areas of activity, complementing existing R&D groups.

The other major initiatives contributing to increase the Group technological knowledge are:

- the establishment of R&D strategic partnership agreement with the French Alternative Energies and Atomic Energy Commission (*Commissariat à l'énergie atomique et aux énergies alternatives*, or "CEA");
- the acquisition of AETech and Cybernétix, two companies with a strong technological content.

ONSHORE

In 2011 and 2010, Onshore Research and Development programs were 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 LNG and the enhancement of natural gas value, by extending the use of high efficiency Wieland heat exchange tubes, improving the design of sulfur recovery units, as well as improving efficiency in LNG recovery;
- for ethylene, by the development of more selective cracking coils that increase production yields and better energy efficiency in the separation sections including the use of heat exchangers equipped with Wieland tubes, these initiatives reduce the environmental impact by reducing emissions of NOx and CO_2. In addition, Technip has created an alternative process to increase propylene production;
- for hydrogen, by developing new steam reforming catalytic reactor arrangements, such as ART and Zone Flow, as well as developing a cost-effective two-compartment process gas boiler and bringing to maturity the NOx post-processor, a new furnace design tool that rigorously calculates NOx emissions based on CFD combustion modeling;
- for petrochemicals, by enlarging the portfolio of Technological Alliances and Cooperation with special attention to the current industry trends such as, for example, refining/petrochemicals integration and "green chemistry";
- for fertilizers, by rejuvenating the proprietary Phosphoric Acid technology and the adjustment of its design to cope with the market demand for larger capacities, as well as coming back into fieds such as Nitric and Ammonium Nitrate through new partnerships;
- for refining, by the development of a method to apply dynamic simulation to flare system sizing and an in-house tool for the benchmarking of the energy efficiency of refineries;
- for renewable energies, Technip has been developing a vertical axis wind turbine for offshore applications in partnership with Nénuphar and EDF Énergies Nouvelles and joined a program for the development of second generation biofuel technologies.

OFFSHORE

Technip remains committed in 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 2011, the major achievements and highlights of the Offshore Research and Development activities can be summarized as follows:

- Development of a new HVS (Heave & VIM Suppressed) semi-submersible platform design that minimizes vessel motions and improves riser performance, has reached sufficient maturity to be offered to the Group clients;
- Design of a deep water Tension Leg Platform (TLP) concept that enables the placement of wellheads on the floating platform itself rather than on the seabed;

- To make future Arctic projects possible, Technip continues to invest in the development of new technologies and tools to analyze the ice canopy and calculate its ability to support fixed & floating platforms and artificial islands;
- After qualifying the aerial cryogenic flexible flowlines in 2010, Technip continues to work on the qualification of the next generation of floating/submerged LNG offloading systems, and to identify new technologies to reduce product transfer costs and increase its safety;
- Technip created a Spar concept that provides gas production and on board condensed storage facilities, suitable for remote gas fields and harsh environments including the North Sea.

In seeking innovation and external knowledge, research partners are critical to success. For "bridging" ideas from different offshore domains, Technip increasingly enters into Research and Development (R&D) alliances to combine complementary competencies in the pursuit of new innovative technologies.

Major offshore R&D alliances in 2011 included:

- Working jointly with Bluewater on the Spiral Stacked Turret (SST), a turret flow transfer system component intended for floating units using flexible flowlines instead of a traditional mechanical swivel stack. The SST is best suited for high pressure and large capacity flow transfer systems and the flexible flowlines can be manufactured in Technip's own facilities;
- Working with the owners of the Dalian Developer (DD) drillship, for the development of the conceptual design of a topside production system to function as an oil spill response unit to receive, process and stabilize up to 100,000 barrels per day of crude and store up to a million barrels. The system can also function as an extended well test unit, capable of processing 30,000 barrels per day of heavy crude oil.

The Group's Research and Development activities are coordinated on a global basis to ensure a broad benefit from their results. In 2012, 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 29, 2012, Technip held approximately 485 patent families (*i.e.,* approximately 3,735 patents in force in more than 80 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 the Onshore segment, 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 Dow Chemicals for ethylene furnaces), or by establishing exclusive or privileged relationships with key technology providers in their respective fields such as: BP Chemicals for PTA; Ineos for linear low-density polyethylene, high-density polyethylene, polystyrene and polypropylene; Sabtec for low-density polyethylene; HaldorTopsöe 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 the Offshore segment, Technip and Bluewater entered into an exclusive global agreement to jointly market the SST, a turret system component designed for floating units. The SST is a flexible-hose-based alternative to the traditional mechanical swivel stack that acts to transfer flow from the moored turret of a floating unit to its topside deck, which rotates in the prevailing weather conditions. The SST allows each flexible pipe to wind and unwind onto and off a conical tray, giving significant rotational freedom and extended service life. The SST is best suited for high pressure and large capacity flow transfer systems.

In the Asia-Pacific region, as an extension of its long-term strategic collaboration agreements with MISC Berhad and Malaysia Marine and Heavy Engineering Holdings Berhad (MHB), Technip set up a joint venture, TMH, to perform hull engineering in Kuala Lumpur.

In 2011, in the Subsea segment, Technip signed a strategic partnership agreement for innovation and technology development with the Technology Research Department (*Direction de la Recherche Technologique,* or "DRT") of the CEA, which is on the cutting edge of technological research and has a very active role in the transfer of knowledge to industry. The agreement is valid for an initial period of three years.

2011 was particularly significant in terms of technological partnership in the renewable energy field. Three collaboration agreements were signed between Technip and "start-ups".

In the geothermal field, Technip committed to market Kalex's innovation in respect of the application of the thermodynamic cycle. This initiative reinforces the agreement between Technip and Mannvit an Icelandic engineering company specializing in the field of geothermal energy.

In the field of green chemistry, Technip signed a collaboration agreement with a start-up called CIMV which covers the construction of factories that decompose lignocellulostic vegetable material into "monomer" keys using a method developed by CIMV.

In the field of renewable marine energy, Technip entered into a collaboration agreement with Nenuphar for the Vertiwind project. Nenuphar is a startup that has developed a concept for floating vertical axis wind turbines.

11.4. Acquisitions

In 2011, within the Subsea segment, two acquisitions were completed within the policy of technological differentiation that has been adopted by Technip as a key feature of its growth strategy. In 2011, Technip acquired AETech to reinforce its technology portfolio within the subsea business. AETech uses acoustic non-destructive technology to monitor underwater structures, such as subsea risers. This technology is based on leading-edge research into the use of acoustic emissions for measuring the health of industrial materials and structures. Technip was the main customer of AETech and thus acquired a valuable skill. In 2011, Technip acquired Cybernétix, which will enable the Group to benefit from the know-how and technological expertise of Cybernétix, particularly in the design, manufacture and deployment of robotic systems in hostile environments. Cybernétix has long been established in the industry as a provider of "smart" remote technology adapted to asset integrity management and IRM related to oil and gas installations. Cybernétix has a wide range of qualified and emerging technologies that are fully complementary to Technip's current and potential subsea business activities.

In March 2011, Genesis, a Technip Group Company, acquired EPD 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.

For a description of the Group's main acquisitions in 2011, please refer to Section 6.1.2 of this Reference Document.

12 Information on trends

12.1. Prospects

Looking ahead to 2012, the Group's clients show confidence in oil and gas prices and continue investing to meet challenging production targets. Success in their exploration programs, notably in apparently mature areas, is stimulating fast-track offshore developments and requirements for new technology solutions.

In the North Sea, the market remains very active with increasingly large and complex projects, whilst the Gulf of Mexico is catching up after two years of slow activity, creating subsea and platform opportunities. Brazil continues to grow steadily whilst large new subsea developments are planned in West and East Africa, the Mediterranean and Asia, markets where Technip has a strong presence. The low gas price in North America is creating downstream opportunities including petrochemicals whilst in Asia the high gas price and sustained long-term demand are strong drivers for traditional or floating LNG projects.

In spite of the general economic and political uncertainties, Technip continues to see opportunities in nearly all the markets in which it operates.

One of the Group's main objectives for 2012 is to integrate Global Industries into its organization, a process which is well underway. The clients and teams of Technip have welcomed the expansion of the Group's offer, as reflected by the first project wins involving Global Industries' assets. Although Technip will bear costs in the first year of operations, for the medium term Technip has already identified more opportunities utilizing Global Industries' flagship assets than originally anticipated.

The financial objectives set out in the September 2011 announcement of the acquisition of Global Industries are reaffirmed, notably:

- 2013: accretive to Technip's earnings per share by 5% to 7% and implementation of at least USD30 million in cost synergies from public company costs, real estate, fleet optimization and purchasing.
- Thereafter: further accretion and overall return in line with Technip's subsea hurdle rate of 15% ROCE over a business cycle.

In 2012, using its strong balance sheet, Technip will sustain its investments in key assets and local content to meet growing demand. Technip targets revenues between €7.65 and 8.00 billion with Subsea revenues between €3.35 and 3.50 billion with operating margin around 15% both including Global Industries and Onshore/Offshore revenues between €4.3 and €4.5 billion, with operating margin between 6% and 7%, while the total amount of the industrial investments expected for 2012 should be between €350 and €400 million.

Thanks to its teams, technologies, assets and market positions, Technip enters 2012 well-placed to take Technip further. The Group remains confident that it can deliver successful projects to its clients and that its shareholders can see another year of profitable and sustainable growth.

In 2012, Global Industries is expected to generate revenues of over €300 million, with an operating loss between €(30) and €(40) million, including restructuring costs.

12.2. Financial communications agenda

The 2012 financial communications agenda is as follows:

April 26, 2012	2012 First Quarter Results
April 26, 2012	Annual Shareholders' Meeting
July 26, 2012	2012 Second Quarter and First Six Months' Results
October 25, 2012	2012 Third Quarter Results

13 Profit estimates and forecasts

None.

14 Administrative, management, supervisory bodies and senior management

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, France Proxy, 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 29, 2012, the Board of Directors was comprised of 11 members. It does not include any directors representing employees or employee shareholders. Four of the directors are not of French nationality.

The average age of directors is 58.

The term of office of Board members is set at four years, which is consistent with the recommendations made in the AFEP-MEDEF Code (Article 12).

In accordance with the recommendations made in 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.

Technip has complied with the first objective, in terms of diversity, *i.e.*, a minimum of 20% of women in the Board of Directors, set to be reached since the end of the Shareholders' Meeting of April 28, 2011 held to approve the financial statements for the year ending December 31, 2013, in accordance with the law dated January 27, 2011 on the fair representation of women and men within Board of Directors' meetings. This law sets the conditions for a more balanced representation of men and women within the governing bodies of large companies.

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 13, 2012, 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 14, 2012.

As of February 29, 2012, 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).

As of February 29, 2012, the Board of Directors was comprised of the following members:

Name Main position Professional address Age – Nationality	Position within the Board of Directors	Term
Thierry Pilenko Technip's Chairman and Chief Executive Officer 89, avenue de la Grande Armée – 75116 Paris 54 – French	Technip's Chairman and Chief Executive Officer	Date of first appointment: April 27, 2007. Date of last appointment: April 28, 2011. 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 Chairman of IFP Énergies nouvelles Institut Français du Pétrole – 1 et 4, avenue de Bois-Préau – 92852 Rueil-Malmaison Cedex 62 – French	Director	Date of first appointment: May 21, 2003. Date of last appointment: April 28, 2011. 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 Chairman of the Board of Directors of Valeo 44, rue de Lisbonne – 75008 Paris 66 – French	Senior Independent Director Independent Director	Date of first appointment: April 27, 2007. Date of last appointment: April 28, 2011. 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 Partner in Prada Assessoria Av. Brigadeiro Faria Lima, 1744, 1 andar – 01451-021 – Sao Paulo – SP – Brazil 51 – Brazilian	Independent Director	Date of first appointment: April 28, 2011. 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 Corporate Secretary of Suez Environnement Tour CB21 – 16, place de l'Iris – 92040 Paris La Défense Cedex 46 – French	Director	Date of first appointment: July 20, 2010. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2012.
C. Maury Devine 1219 35th Street NW Washington – DC 20007 – USA 61 – American	Independent Director	Date of first appointment: April 28, 2011. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2014.
Gérard Hauser 89, avenue de la Grande Armée – 75116 Paris 70 – French	Independent Director	Date of first appointment: April 30, 2009. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2012.
Marwan Lahoud Chief Strategy & Marketing Officer of EADS 37, boulevard de Montmorency – 75781 Paris Cedex 16 45 – French	Independent Director	Date of first appointment: April 30, 2009. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2012.
Daniel Lebègue Chairman of the Institut Français des Administrateurs Institut Français des Administrateurs – 7, rue Balzac – 75008 Paris 68 – French	Independent Director	Date of first appointment: April 11, 2003. Date of last appointment: April 30, 2009. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2012.
John O'Leary Chairman and Chief Executive Officer of Strand Energy Strand Energy – PO Box 28717 – Dubai Industrial Park – Dubai – United Arab Emirates 56 – Irish	Independent Director	Date of first appointment: April 27, 2007. Date of last appointment: April 28, 2011. 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 Partner in Davis Polk & Wardwell Davis Polk & Wardwell – 450 Lexington Avenue – New York NY 10017 – United States 54 – Australian and Italian	Independent Director	Date of first appointment: April 30, 2009. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2012.

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.

Olivier Appert has been Chairman of IFP Énergies nouvelles since April 2003. Previously, he has been 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 for the Center of Strategy Research at Insper since 2010. In May 2011, she also became the Dean for Graduate Programs at Insper. Also in 2011, she became a Director of the Automotive Engineers Association in Brazil (AEA). She currently serves as Board member of Localiza, the largest car rental company in Brazil and Gafisa, one of the main construction companies 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 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.

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).

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.

Marwan Lahoud has been Chief Strategy and Marketing Officer of EADS since June 2007. He ran previously 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.

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*).

Daniel Lebègue has been Chairman of the Study Center for Corporate Social Responsibility since October 2008 and has chaired the *Institut Français des Administrateurs* ("IFA"), a professional association of directors of companies exercising their duties in France since July 2003. From 1998 to 2002, he held the post of Chief Executive Officer of the Caisse des Dépôts et Consignations. He is also Chairman of the *Institut du Développement Durable et des Relations Internationales*, Chairman of the French section of Transparency International. In 1987, he joined the Banque Nationale de Paris as Managing Director, and then became Vice Chairman in 1996.

Daniel Lebègue held the post of Treasury Director from 1984 to 1987 after becoming Deputy Director to the Treasury Management in 1983. In 1981, he was appointed Technical Advisor to the Prime Minister's Cabinet, in charge of economic and financial affairs. He held various posts at the Treasury Department from 1976 to 1981 after being a Financial Attaché at the French Embassy in Japan from 1974 to 1976. He began his career in 1969 at the Ministry of Economy and Finances as a Civil Director for the Treasury Department.

Daniel Lebègue is a graduate of the *Institut d'Études Politiques* in Lyon and is also a former student of the French *École Nationale d'Administration*.

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. A recommendation was made at this Shareholders' Meeting to renew 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 28, 2011, 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 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.

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 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.

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 29, 2012, the Audit Committee's members were as follows:

Member	Title	Date of first appointment
Daniel Lebègue	Chairman	May 21, 2003
Marie-Ange Debon	Member	October 26, 2010
C. Maury Devine	Member	April 28, 2011
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 29, 2012, due to their education and professional experience, qualifications in financial and accounting matters, all of the Audit Committee members surpassed 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. Independent directors comprise 80% of the Audit Committee, *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

According to the AFEP-MEDEF Code, the remunerations policy and the nominations of directors and officers *(mandataires sociaux)* depend of a unique committee, the Nominations and Remunerations Committee (Article 15).

As of February 29, 2012, 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 designated 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 29, 2012, 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 29, 2012, 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 designated by the Board of Directors.

As of February 29, 2012, 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 29, 2012, 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 29, 2012, 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 for 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

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 10 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 2010 and 2011 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	2010 financial year	2011 financial year
Thierry Pilenko, Chairman and Chief Executive Officer [(a)]		
Compensation due in respect of the financial year	2,166,711	2,034,520
Valuation of the stock options awarded during the financial year [(b)]	1,094,659	719,734
Valuation of the performance shares awarded during the financial year [(c)]	1,073,511	1,011,139
TOTAL	**4,334,881**	**3,765,394**

(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 2010 and 2011 is as follows:

2. Summary table of the compensation of Thierry Pilenko, Chairman and Chief Executive Officer

	2010 financial year		2011 financial year	
Thierry Pilenko, Chairman and Chief Executive Officer	Due	Paid	Due	Paid
Fixed compensation [a]	828,000	828,000	876,000	876,000
Variable compensation [b]	1,331,700	1,331,700	1,151,509	1,151,509
Extraordinary compensation	-	-	-	-
Directors' fees [c]	-	-	-	-
Fringe benefits (car) [d]	7,011	7,011	7,011	7,011
TOTAL	**2,166,711**	**2,166,711**	**2,034,520**	**2,034,520**

(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 2010, which were paid in January 2011, and for financial year 2011, which were paid in January 2012 to each Board member were as follows:

3. Directors' fees table

Board members	Directors' fees paid for the 2010 fiscal year (in Euro)	Directors' fees paid for the 2011 fiscal year (in Euro)
Olivier Appert	41,500	41,500
Pascal Colombani	64,166	70,500
Leticia Costa	N/A	35,332 [1]
Marie-Ange Debon	19,083	48,000
C. Maury Devine	N/A	41,332 [1]
Germaine Gibara†	12,582 [1]	N/A
Gérard Hauser	54,833	66,000
Marwan Lahoud	32,500	35,500
Jean-Pierre Lamoure	22,541	N/A
Daniel Lebègue	56,000	64,000
John O'Leary	57,500 [1]	60,500 [1]
Joseph Rinaldi	54,000 [1]	64,000 [1]
Bruno Weymuller	63,166	21,333
Thierry Pilenko	0	0
TOTAL	**477,871**	**547,997**

(1) Before the 25% withholding applicable to directors' fees paid to Board members residing outside of France.

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 2011 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 2011 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	2011 Plan - Tranche 1 06/17/2011	subscription	€719,734	70,000 [(a)]	€72.95	06/17/2015 until 06/17/2018

(a) The number of share subscription options granted by the Board of Directors on June 17, 2011, is subject to the satisfactory performance by Technip of a Reference Performance to be measured on the periods 2011, 2012 and 2013 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 2011 by the Chairman and Chief Executive Officer, as executive director are as follows:

Thierry Pilenko, the Company's only executive director, did not exercise any share purchase options or share subscription options in financial year 2011.

5. Share subscription or purchase options exercised during financial year 2011 by the executive director

Options exercised by the executive director	Number and date of the plan	Number of options exercised during the financial year	Exercise price	Award year
NA	NA	NA	NA	NA

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 2011 is as follows:

6. Performance shares granted during the 2011 financial year to the executive director

Name of the executive director	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	2011 Plan – Tranche 1 06/17/2011	20,000	€1,011,139	06/17/2014	06/17/2016	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 17, 2011 is subject to the satisfactory performance by Technip of a Reference Performance to be measured on the periods 2011, 2012 and 2013 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 2011 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	30,000*	€74	07/01/2008	07/01/2011	2008 Plan (Tranche 1)

* The number of performance shares acquired under the allotted plan of July 1, 2008 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. In accordance with the plan's regulations, 100% of the shares have been acquired.

Thierry Pilenko, the Company's only 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 Subs-cription 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	2009 Plan Subs-cription options	2010 Plan Tranche 1 Subs-cription options	2010 Plan Tranche 2 Subscription options	2010 Plan Tranche 3 Subs-cription options	**2011 Plan Tranche 1 Subs-cription options**	**2011 Plan Tranche 2 Subscription options**
Date of Shareholders' Meeting	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
Date of Board of Directors' meeting	March 12, 2007	December 12, 2007	June 12, 2008	July 1, 2008	June 15, 2009	June 23, 2010	December 15, 2010	March 4, 2011	June 17, 2011	December 14, 2011
Number of options granted	965,214 (1)	85,000 (1)	106,858 (1)	953,100 (2)	1,093,175 (3)	1,102,300 (4)	19,400 (4)	81,300 (5)	339,400 (6)	53,900 (6)
Subscription/purchase price per option	€49.1705	€55.6727	€59.96	€58.15	€34.70	€51.45	€63.23	€72.19	€72.69	€66.94
Option exercise start date	March 12, 2011	December 12, 2011	June 12, 2012	July 1, 2012	June 15, 2013	June 23, 2014	December 15, 2014	March 4, 2015	June 17, 2015	December 14, 2015
Expiry date**	March 12, 2013	December 12, 2013	June 12, 2014	July 1, 2014	June 15, 2015	June 23, 2016	December 15, 2016	March 4, 2017	June 17, 2018	December 14, 2018
Total number of options available for subscription/purchase as of December 31, 2011	578,703	62,244	97,858	899,460	1,046,200	1,078,400	19,400	79,500	339,400	53,900
Number of options that may be subscribed/purchased as of December 31, 2011 by the Chairman and Chief Executive Officer, corporate officer*	256,607	0	0	80,000	109,000	109,000	0	0	70,000	0
Number of options subscribed / purchased as of December 31, 2011	327,564	16,058	0	150	525	300	0	0	0	0
Options cancelled as of December 31, 2011	84,591	7,027	9,000	53,490	46,450	23,600	0	1,800	0	0
Number of options subscribed / purchased as of February 29, 2012	584,170	41,154	0	150	525	300	0	0	0	0

* The other *mandataires sociaux* of the Company 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 1, 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 is measured by the progression in the Company's fully diluted earnings 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 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 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. 50% of the granted options are subject to the level of achievement of the aforementioned performance recorded at the option exercise start date.

(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 options 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.

(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 for its shareholders over 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 options 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 representation 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 satisfactory performance over the period 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%.

8 *bis.* History of share subscription and share purchase options and information on share subscription and share purchase options

Share subscription option plans	CSO 11 Plan Subscription options
Date of the Shareholders' Meeting [(1)]	May 30, 2000
Date of the Board of Directors' meeting [(2)]	March 20, 2001
Number of options granted	720,000 [(3)]
Total number of shares available for subscription as of March 20, 2011	0
Number of shares that may be subscribed as of March 20, 2011 by:	
■ the Chairman and Chief Executive Officer, corporate officer	0
■ the 10 employees having the largest number of options granted	0
Option exercise start date	March 21, 2003
Expiry date	March 20, 2011
Subscription price per option after adjustment [(4)]	€33.3998
Number of options subscribed as of March 20, 2011	460,125
Options cancelled as of March 20, 2011	265,829
Number of beneficiaries	144

(1) Date of Coflexip's Shareholders' Meeting that authorized the grant of Coflexip's share purchase and share subscription option plans.
(2) Date of Coflexip's Board of Directors' meeting granting the option plans.
(3) The Board of Directors of November 15, 2006 decided to substitute to the ratio of one option giving right to four shares, a ratio of one option giving right to one share.
(4) 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 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.

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 2011 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 the largest number of options	Total number of granted options/ of options 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)	143,000	€72.29	06/17/2011 [(a)] 12/14/2011 [(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)	133,340	€46.29563	03/21/2001 12/14/2005 03/12/2007 12/12/2007

(a) The number of shares resulting from the exercise of share purchase or share subscription options granted by the Boards of Directors on June 17, 2011, and of 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 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 2011 was €547,997. 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 2010 and 2011, 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 14, 2011, approved the following distribution of directors' fees for 2011:

- 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 €40,000 divided equally among the four directors residing outside of France, *i.e.*, €10,000 for each of these four directors, adjusted, if needed, on a prorata basis;
- an additional amount for 2011 divided among directors (other than the Chairman and Chief Executive Officer), depending on the attendance rate of the Board members as from January 1, 2011, 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.

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 2011, the aggregate amount of compensation paid by the Company to Thierry Pilenko amounted to €2,034,520 (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 2011 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 2011: the share of the variable portion is (i) nil if real performance is below 80% of the budgeted amount (minimum level), (ii) between 50% and 100% for a performance equal to 90% 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 50% and 100% for a performance equal to 90% 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 2011 final variable share, which is capped at 200% of the target variable portion.

The variable portion due to Thierry Pilenko for the financial year 2011 is €1,151,509 and will be paid in 2012.

Furthermore, on June 17, 2011, 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 2014 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 2011, 2012 and 2013, 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 2011 amounted to €22,625.

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.

70,000 share subscription options and 20,000 performance shares were granted to Thierry Pilenko over financial year 2011 (see Section 15.1.1, Tables 4 and 6, for further details). Thierry Pilenko did not exercise any Technip share subscription or share purchase options during financial year 2011 (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. In its meeting, the Board of Directors resolved to calculate this non-compete indemnity on the gross annual compensation paid (gross fixed and variable compensation). This calculation is based on the best gross annual compensation paid during the last three years.

15.2. Compensation and retirement commitments of the Group's principal executives

15.2.1. COMPENSATION OF THE GROUP'S PRINCIPAL EXECUTIVES

In 2011, 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 2011 (*i.e.*, the eight members of the Excom of the Group and including charges resulting from the departure of two of them) amounted to €6,232,560. The variable portion represented 40.1% 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 2011, amounted to €4.5 million.

15.2.2. RETIREMENT COMMITMENTS

In 2011, 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 €1.2 million in 2011.

As of December 31, 2011, the amount for retirement commitments for Executive Committee members amounted to €2.9 million.

16 Board and management practices

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 14, 2011). 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 December 9, 2008) 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 the communication and use of privileged information 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 three-week period prior to the public announcement of the consolidated annual and half-year results and during the two-week period prior to the public announcement of the consolidated results for the first and third quarters and ending at the close of the second 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). In 2011 after their appointment to the Board of Directors, Leticia Costa and C. Maury Devine received a training session in order to familiarize themselves with the activities and practices of the Group.

Excerpt from the Board of Directors' internal rules, as updated by the Board of Directors on December 14, 2011:

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 one-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,
  - 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,
  - 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.

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 2011

During financial year 2011, the Board of Directors met ten times. The attendance rate for all directors was 93%. With the exception of the Board Meeting held on April 5, and 6, 2011 in a two-day Strategic Seminar. 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 2011*
Thierry Pilenko	100%
Olivier Appert	80%
Pascal Colombani	100%
Leticia Costa**	83%
Marie-Ange Debon	100%
C. Maury Devine**	100%
Gérard Hauser	100%
Marwan Lahoud	60%
Daniel Lebègue	100%
John O'Leary	90%
Joseph Rinaldi	100%
Bruno Weymuller***	100%

* The attendance rate is calculated on a prorata basis taking into account the meetings when the directors were in office.
** In office since April 28, 2011.
*** In office until April 28, 2011.

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, 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, that 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. From the end of 2011 the directors have received, in a secure manner, all the documents relating to a Board meeting on an electronic tablet provided by the Company.

Each Board meeting is minuted, 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 2011, 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 financial year 2010, the half-year Consolidated Financial Statements and quarterly information for financial year 2011, upon the Audit Committee's recommendation and the Statutory Auditors' observations;
  - review of draft press releases announcing the financial results over the period examined;
  - review of the half-year financial report and 2011 interim financial information;
  - review of the 2012 budget and the investment plan;
  - review of the treasury forecasts;
  - assessment of the provisional management accounts.
- Preparation of the Annual Shareholders' Meeting:
  - the notice of the meeting, determination of agenda and draft resolutions;
  - review of the Reference Document including the Board report and the Financial Report and the Chairman's Report on internal control.
- Decisions, in particular, regarding:
  - the appointment of the Chairman, the determination of his powers and the type of executive management namely the combination of the offices of Chairman and Chief Executive Officer;
  - the determination of the Chairman and Chief Executive Officer's compensation and other compensation elements relating to his replacement;
  - 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 renewal of Pascal Colombani as Senior Independent Director;
  - the update of the Board of Directors and Ethics and Governance Committee internal rules;
  - the implementation of a share capital increase in favor of employees;
  - the submission of bids for several acquisition projects, the final approval for the acquisition of Global Industries and associated financings;
  - the approval of a share subscription option plan and the grant of three tranches of this plan; the approval of a performance share plan and the grant of three tranches of this option plan; finalization of the share capital increase resulting from the exercise of share subscription options;
  - the implementation procedures relating to the issue of parent guarantees;
  - the authorization to issue parent company guarantees.
- Review, in particular, of:
  - Group's strategy policy during a two-day seminar;
  - Board of Directors valuation and recommendations relating to it;
  - the report of the Monitor, who was appointed pursuant to the Deferred Prosecution Agreement that was signed on June 2010 with the US Department of Justice ("DOJ"), to improve Technip's compliance initiatives and to make recommendations;
  - information on the Group's operations;
  - the compensation of the Chairman of the Board and the Chief Executive Officer and of his performance targets for financial year 2011.

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 29, 2012, 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 23 times in 2011.

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,
  - 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,
  - 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 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,
  - 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 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 2011, the Committee met six times with an attendance rate of 93%.

In 2011, the Audit Committee's work included the review of the following main matters:

- the 2011 audit budget;
- the Statutory Auditors' fees;
- the results of the Internal Control works in 2010;
- the results of the Internal Audit works in 2010;
- the 2011 Internal Audit Plan;
- the results of the Internal Audit works performed during the 1st half of 2011;
- the annual financial statements for 2010 and the financial information for the 4th quarter of 2010;
- financial information for the 1st quarter of 2011;
- financial information for the 1st quarter of 2011 and of the Consolidated Financial Statements for the 1st half of 2011;
- financial information for the 3rd quarter of 2011;
- the review of the presentation of accounting standards evolution;
- the conditions of the acquisition of the US company Global Industries;
- the monitoring of tax risks;
- the status of specific contracts to be monitored;
- the strategy and progress status of the Jubail Refinery project in Saudi Arabia;
- the Information Technology policy of the Group, and the ERP project; and
- the internal processes related to:
  - the Group's risk management policy,
  - the budget preparation and the preparation of financial forecasts.

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, where applicable, (ii) compensation and pension income for work previously performed for the Company, but not dependent on future services.

Directors' fees paid in 2011 and 2010 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, 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;
   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 General Meeting of Shareholders 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 to 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 2011, the Committee met three times with an attendance rate of 100%.

In 2011, 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 2010.
- With respect to appointments:
  - list of directors qualified as "independent" directors;
  - renewal of four directors (including the Chairman of the Board), appointment of two new woman directors and ratification of the previous appointment by the Board of a third female director, in anticipation of the coming into force of the law No. 2011-10 of January 27, 2011 relating to the balanced representation of women and men on Boards of Directors and Article 6.3 of the AFEP-MEDEF Code;
  - corresponding changes in the special Committees' staffing.
- With respect to compensation:
  - compensation for the Chairman and Chief Executive Officer;
  - compensation for the members of the Executive Committee (variable portion for 2010 and base compensation for 2011, and criteria for determining the variable portion for criteria for 2011);
  - draft text for inclusion in the Reference Document with respect to the compensation of executives;
  - renewal of the commitments of the Company vis-à-vis the Chairman and Chief Executive Officer, in the event of his departure;
  - revision of the incentive plan structure: Technip Incentive & Reward Plan (TIRP 2011);
  - award of subscription and/or purchase share option plans and performance share plans;
  - results of the performance conditions for incentive plans effective in 2011;
  - review of the capital increase project dedicated to employees in 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 2011 and 2010 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;
- 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 2011, the Committee met twice with an attendance rate of 83%.

In 2011, the Strategic Committee's work mainly focused on the following matters:

- the Group's external growth policy;
- the implementation of key initiatives from the three-year outlook; and
- the 2012 budget and the investment 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 2011 and 2010 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;
- 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 2011, the Committee met twice with an attendance rate of 86%.

In 2011, the Ethics and Governance Committee's work mainly focused on his proposals to the Board of Directors on the following matters:

- Appraisal of the Committee's operation and its work in 2010;
- Three-year appraisal of the practices of the Board of Directors and its committees and choice of the consultant for this exercise;
- Action plan proposed based on the appraisal report on the Board of Directors' practice;
- Double voting rights and accumulation of the functions of Chairman and Chief Executive Officer, in reply to a letter of an institutional shareholder and considering the proposed renewal of the terms of Thierry Pilenko respectively by the 2011 Shareholder's Meeting as director and then by the Board of Directors as Chief Executive Officer;
- Compliance: work program of the Monitor appointed pursuant to the Deferred Prosecution Agreement;
- Compliance: report of the Group Compliance Officer;
- Compliance: report of the Monitor on his first year of activity;
- Compliance: action plan based on the Monitor's report;
- Transfer to the Committee of a duty to propose a candidate to the function of Senior Independent Director;
- Programmed trading mandate.

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 2011 and 2010 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 provisions of its Internal Rules and with the provisions of the AFEP-MEDEF Code (Article 9), the Board of Directors formally evaluates, at no more than three-year intervals, its operating policies, in order to:

- review its operating methods;
- verify that any significant issues are appropriately prepared and discussed;
- assess the contribution of each director to the Board's work through his or her expertise and involvement in discussions.

The purpose of this evaluation is to ensure adherence to the operating policies of the Board of Directors and of its Committees, as well as to identify ways to improve its performance and effectiveness.

On February 15, 2011, the Board of Directors conducted a global review of its own operating policies as well as those of its specialized committees and concluded that they were operating properly.

Further to the last comprehensive assessment in 2008, a new comprehensive assessment was conducted in 2011 with the help of an outside consultant, the firm NB Lemercier.

On October 25, 2011, the Board of Directors took note of the findings in the consultant's report which portrays a very positive assessment of the functioning of the Board of Directors with a collegial atmosphere of complete trust and transparency in relations with the Company's senior management.

The report identifies some areas for improvement which led the Board of Directors to adopt on December 14, 2011, a program of measures to be implemented concerning:

- the structure and composition of the Board: a further diversity effort (increased women representation and geographic diversity), building financial skills, formalization of the Directors' training program;
- the dynamics of meetings: availability of committee documents for all Directors, upgrading communication equipment (telephone, videoconferencing);
- operating processes: further work on the transverse subjects (ethics, human resources and environmental risks), and a succession plan for the Chairman and Chief Executive Officer.

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[(1)]

17.1.1. EVOLUTION AND DEVELOPMENT

Social data of companies integrated in 2011 (Global Industries, AETech and Cybernétix) are not consolidated when sections cover the whole year.

17.1.1.1. Evolution and breakdown

	December 31,	
Breakdown of employees by geographical area	**2011**	2010
Europe	11,491	10,026
Americas	7,491	5,406
Asia Pacific	6,528	5,501
Middle East	1,833	1,569
Africa	675	581
Russia & Central Asia	201	194
Regular workforce (employees on payroll, contracted workers in fleet, plants, yard)	28,219	23,277
Other contracted workforce	2,873	2,515
TOTAL	**31,092**	**25,792**

At the end of 2011, the workforce increased significantly (+21%) due to:

- a higher amount of new hires compared to 2010 (+44%);
- the acquisition of several companies during 2011 (1,581 persons): Subocean in the United Kingdom, Cybernétix and AETech in France, Global Industries mainly in the United States;
- the creation of a subsidiary in Portugal (32 persons).

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

The total workforce includes employees on the payroll, as well as personnel contracted from outside the Group to either work in various industrial sites, such as for the 34-vessel fleet, the six plants throughout the world, the yard as well as externally contracted workers (*e.g.* subcontractors and agency personnel).

The latter category works at Technip's operating centers when there is a spike in workload and accordingly the number of workers may vary significantly depending on the Group's needs and the projects undertaken.

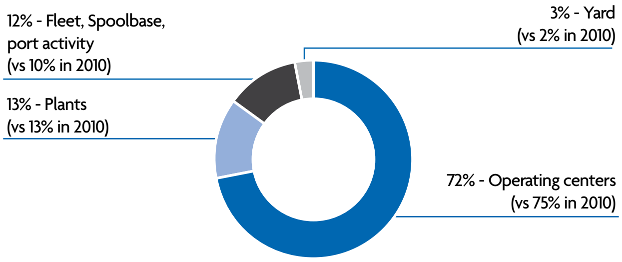
	December 31,	
Breakdown of employees by category	2011	2010
Employees on payroll	**25,717**	**21,137**
Permanent contracts	22,390	18,981
Temporary contracts (fixed-term)	3,327	2,156
Contracted workforce	**5,375**	**4,655**
Contracted workers in fleet, plants and yard	2,502	2,140
Other contracted workforce	2,873	2,515
TOTAL	**31,092**	**25,792**

Of particular note in 2011 was the significant increase of employees on the payroll (+22%). They account for 83% of the total workforce in the Group. The permanent contracts have increased by 18%, *i.e.*, 3,400 more employees compared to 2010. The percentage of fixed-term employees accounts for 11% of the workforce and remains stable (compared to 10% in 2010). This trend is confirmed in France where the fixed-term contracts only account for 1.6% of the payroll in 2011 (compared to 1.2% in 2010).

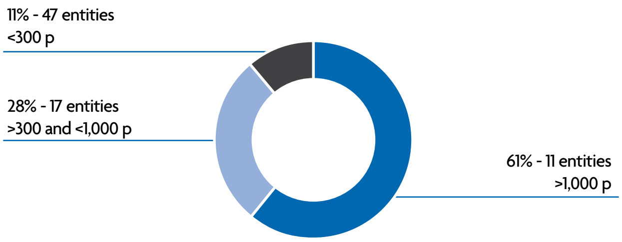
The contracted workforce which is working at the Group's industrial sites (fleet, plants, yard) has increased by 17%. It remains essential to the activity of the Group in all segments (Subsea, Offshore, Onshore). This specific contracted workforce is mainly present in the fleet in the UK (for performing installation work at sea), in the flexible and umbilical plants (France, USA, UK and Malaysia) and at the Pori yard in Finland.

Headcount Structure (December 31, 2011)

Activities (% of total workforce)



Size of entities (% of total workforce)



17.1.1.2. Arrivals and Departures

Payroll employees: Arrivals & Departures	2011	2010
Arrivals	**5,862**	**4,077**
Permanent contracts	3,717	2,643
Temporary contracts (fixed-term)	2,145	1,434
Departures	**3,277**	**3,094**
Permanent contracts	2,261	2,077
Temporary contracts (fixed-term)	1,016	1,017
Of which economic lay-offs (According to article L. 1233-3 of French Labor Code)		
Renewal rate of permanent positions (1)	1,64	1,27

(1) Start/termination of permanent positions.

The global turnover of permanent and temporary staff (excluding companies acquired in 2011) has remained stable compared to 2010, while the number of arrivals has increased by 44%.

In 2011, 63% of employees on the payroll were hired under permanent contracts (compared to 65% in 2010). In addition, 17% of the average number of fixed-term contracts were converted to permanent contracts in 2011. Overall, the 4,147 new hires prove that the Group is willing to retain talents and is able to anticipate generation gaps.

Technip is adapting to its international growth and the shortage of qualified personnel in certain highly-specialized disciplines in its traditional recruitment zones by recruiting in countries where human resources are most available.

Recruitment in the Group is following the market trend towards the South and East: new hires in the Group entities located in non-OECD countries reached close to two thirds of the Group's total new hires.

Within the framework of the "Human Resources without borders" program, an internal online Job Portal is used by all Group entities to publish job opportunities and to enable employees to access real-time information about open job positions. Approximately 1,000 job announcements have been published on this intranet and generate a permanent flow of 10,000 applications per month.

Technip and its IFP School partner (IFP Énergies nouvelles), sponsor 20 students from France, Brazil, India, Malaysia, Saudi Arabia and Russia. The selected candidates undergo practical training within Technip entities and are given high priority to join Technip upon their graduation.

17.1.1.3. Mobility

Breakdown of expatriates by geographic origin	December 31, 2011	2010
Europe	591	603
Asia Pacific	278	303
Middle East	166	127
Americas	136	114
Africa	1	4
Russia & Central Asia	1	0
TOTAL	**1,173**	**1,151**

In 2011, the Group's expatriate employees represent 56 nationalities (no change from 2010) and work in 81% of its companies (compared to 72% in 2010).

The development of internal mobility is one of the five main projects launched in 2009 within the framework of "Human Resources without borders", a program that was part of the three-year strategic plan. 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 the feeling of belonging to the Group.

The Group mobility is defined through different policies and according to three guiding principles:

- the geographic mobility (a move from one country to the other);
- the functional mobility (a move from one activity or job position or function to the other); and
- the cross-segment mobility (a move from one segment to the other: Subsea, Offshore and Onshore).

The geographic or international mobility is the assignment of an employee outside his/her home country, for the completion of projects or to hold a job position in one of the entities of the Group (assignment "in structure"). The Group International assignment policy has been reviewed as part of the "Human Resources without borders" and was implemented on June 1, 2011.

Expatriates comprise, on an average annual basis, 5% of the employees on the payroll (compared to 6% in 2010).

Close to two thirds of these employees are assigned for the purposes of completion of a project.

The remaining third are assigned to activities outside projects, such as procurement, finance, information technology, legal and human resources departments. This mobility "in structure" has continued to increase since 2008 (+60% over the last three years). This confirms the commitment of the Group to develop its talents and to ensure the succession of certain key positions which require a larger experience of the existing jobs and functions in the Group.

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 interest and submit their applications online.

17.1.1.4. Diversity

Breakdown by gender	December 31, 2011	2010
Executive Committee	7	8
Women	0%	0%
Men	100%	100%
Managers*	2,825	2,588
Women	17%	18%
Men	83%	82%
Others	22,892	18,541
Women	25%	26%
Men	75%	74%
TOTAL	**25,717**	**21,137**
Women	24%	25%
Men	76%	75%

* Employees playing towards subordinates a hierarchical role in accordance with the "Human Resources without borders" program.

Women comprise 24% of the employees on payroll (compared to 25% in 2010). The decrease in the number of women staff primarily results from the Global Industries acquisition, where the fleet is composed of a majority of men and who comprise approximately 50% of the integrated headcount.

105 different nationalities are represented in the Group (compared to 104 in 2010). The French, Brazilians and Indians are among the most represented nationalities in the Group.

The Group's four main entities count at least 35 nationalities among their employees (in the United Arab Emirates, USA, France and UK).

The Group accordingly capitalizes on a 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.

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 requires offering all employees of equivalent capability, 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.

Equal opportunity

In the Group, the proportion of employees over the age of 50 remains stable (20% in 2010 and 2011) and 11% of seniors were recruited (no change from 2010).

Disabled workers represent 1.4% of employees in Europe (no change from 2010). This figure does not include subcontracted services.

In France, several initiatives were carried out to support the inclusion of disabled personnel:

- In July 2010, Technip France signed a two-year national agreement with Agefiph (a French association that works to support the professional integration of disabled people) to encourage the employment of disabled people. The resulting *"Mission Handicap"* initiative is reporting to the Human Resources

Department and is composed of a Steering Committee, a full time Manager assisted by two part-time representatives for disabled personnel *(Référents Handicap Locaux).*

- Qualitative and quantitative objectives were defined at different levels: recruitment of disabled employees, an increase in the number of simultaneous work and study contracts *(contrats en alternance),* job security and partnership with disability employment agencies (10 contracts in 2011).
- Sessions designed to raise awareness are organized for all employees by the Group Internal Communication Department *via* e-learning sessions, workshops with external disabled workers and the creation of an intranet site *"Mission Handicap".*
- Training sessions organized by *"Mission Handicap"* were carried out by ADAPT professionals (a French association that works to support the social and professional integration of disabled people) to develop best practices in this matter. An e-learning training program about disability is available in the intranet for all the employees. In 2011, five disabled employees were hired with a permanent contract or through apprenticeship and three additional disabled persons were recruited as school trainees. Furthermore, initiatives have been carried out to keep four persons in their job and 11 other persons informed the Company that they were officially recognized as disabled by the competent authorities (by way of an "RQTH" or *Reconnaissance de la Qualité de Travailleur Handicapé).*

17.1.1.5. Organization of working hours

	December 31,	
Working time	2011	2010
Full-time employees	> 25,000	>20,000
Part-time employees	< 600	< 500
Employees working in teams	< 2,500	< 1,500
Overtime (France and Regional headquarters)	773,394	750,966

The proportion of part-time employees remains stable at 2% of the employees on payroll.

The number of employees working within a flexible working hour scheme represents 72% of the employees on payroll (no change from 2010).

17.1.1.6. Absenteeism

Absenteeism	2011	2010
Total rate of absenteeism (sickness/accident)	2.15%	2.13%
Number of days lost due to strikes	165	403

The number of days lost due to strikes has decreased compared to 2010.

The rate of absenteeism is stable compared to 2010. Regarding absenteeism for health reasons, most of the days off involved non-work related sickness and injury (2.11% in 2011 compared to 2.09% in 2010),

9,385 medical examinations for pre-employment fitness to work were carried out, among which 4,430 examinations were for newly hired employees (47%) particularly in new entities (Angra Porto in Brazil). Other entities such as in Malaysia for example had to apply new rules that have had an impact on the number of medical examinations. Obligations in terms of medical examinations vary depending on the country. Following a period of sick leave, 283 employees had a medical evaluation, in particular in France, Brazil and the United Kingdom. Regular medical evaluations are carried out in any country where it is required by law.

Systematic pre-expatriation medical evaluations and follow-ups are carried for the duration of the expatriate assignment. The objective is to avoid exposing employees who suffer from chronic illness to challenging living conditions that may aggravate their illness or may make it difficult to obtain the appropriate medical treatment locally.

Specific measures have been implemented to guarantee the protection of the health of all employees. They essentially comprise two parts:

The first part is dedicated to informing employees:

- health warnings are communicated to all regions in which Technip operates. There is a Group intranet site that covers relevant medical information by country and advises travelers and expatriates on the vaccinations that they need as well as on how to prevent diseases before they leave their home country;
- a link to country information of destination is sent to the travelers and expatriates who filled an electronic travel request;
- every year, Technip organizes a Group-wide international information and prevention day. In 2011, the theme was sleep disorders and their prevention.

The second part defines the procedures:

- mandatory standards are in place throughout the Group and require minimum repatriation assistance coverage for everyone. The requirement for the medical monitoring of all Group expatriates throughout their service abroad was added to these standards, together with a requirement that their families be supplied with all the information they need to accurately assess whether or not they are able to adapt to a move abroad;
- mandatory malaria prevention standards are also applied to all projects in regions where malaria is endemic, requiring preventive steps to be taken by all employees that could potentially be exposed to the disease;
- Group standards regarding Health Management were established this year. They will be implemented in 2012 and will globally improve the health of our employees, particularly those exposed to health risks. Assessments will be done systematically on each site within the scope of professional risk assessments. Their objectives will be to continue developing at the beginning of new operations a primary prevention and doing a follow-up on these risks, and to increase regular health surveillance in order to early detect indications of risks to the employee health and to take appropriate actions.

A training on post-traumatic stress was organized for the crisis committee members in order to allow them to detect the first symptoms in affected employees, to improve the quality of the messages transmitted to the colleagues and families, as well as to better understand and manage their own stress due to the traumatic event.

17.1.2. PEOPLE DEVELOPMENT

Training of employees on payroll	2011	2010
TRAINING HOURS	**842,879**	**591,564**
Technical training	360,043	199,993
Non technical training (including management, cross disciplines)	295,084	195,065
Health, Safety, Security	84,376	131,025
Languages	68,794	52,206
Human rights, Ethics and Technip Values awareness training	34,582	13,275
NUMBER OF EMPLOYEES ON PAYROLL WHO BENEFITED FROM AT LEAST ONE TRAINING DURING THE YEAR	**19,495**	**16,362**
Women	4,514	4,010
Men	14,981	12,352
Average hours of training per payroll employee	35	25

Of particular note in 2011 is the high increase (+42%) in the number of training hours, particularly due to:

- a significant training effort (approximately 150,000 hours) dedicated to the employees working in the new plant for the construction of flexibles in Malaysia;
- a widespread campaign launched in early 2011 dedicated to the training and awareness of ethics and compliance. This training which represents 15,000 hours was directed at all the employees throughout the Group and was mandatory for the management; and
- a number of training sessions postponed to 2011.

81% of the employees attended training sessions (compared to 77% in 2010) with an average of 43 hours per trained employee. Training is open to all employees.

In order to share knowledge across the entities of the Group, Technip University works with local and regional teams to ensure that the training and development programs meet both individual and Group requirements. The objective is to implement a training management tool to centralize all the training on offer within the Group.

Technip University plays an essential part in every employee's career path. It focuses on a few, carefully targeted subjects that closely match the Group's functions and business objectives. It also works as a tool to inform employees about Group priorities. In 2011, approximately 600 employees took part in classroom sessions and more than 3,500 e-learning modules were delivered.

In 2011, Technip University delivered close to 20,000 hours of training to over 2,000 employees.

Annual performance reviews	2011	2010
Percentage of employees assessed during the year	92%	92%

The global performance appraisal process, part of the "Human Resources without borders" program, has been running for the third consecutive year. This process is based on an annual performance review that is constructive for both the employee and the manager. The annual performance reviews are performed through an information system that can be accessed by all Technip employees. In addition, a similar process has been implemented for the employees who cannot have access to this information system (*i.e.*, workers in plants, yard or spoolbase). The campaign is open from November to February of the following year.

Between April and July of each year, the Leadership teams from all entities, Regions or Corporate conduct Employee Reviews. In coordination with the Human Resources Department, these teams evaluate the career opportunities of High Potential employees and Management teams. This process allows the Leadership teams to better identify and know the talents and future Technip leaders. It also gives a better understanding of their current potential with a focus of development in the short and longer term.

17.1.3. COMPENSATION AND BENEFITS

17.1.3.1. Compensation and its evolution, social security costs

The Group's payroll expenses increased from €1,001.2 million in 2010 to €1,147.2 million in 2011. The Group's social security costs increased from €204 million in 2010 to €220.1 million in 2011.

17.1.3.2. Profit sharing

Profit sharing In thousands of Euro	December, 31 2011	 2010
Amounts allocated to incentive profit sharing (France, Spain, Italy)	8,062	12,127
Amounts allocated to mandatory profit sharing (France)	6,052	14,655

More detailed information on profit sharing is available in Section 17.3 of this Reference Document.

17.1.4. OTHER SOCIAL INFORMATION

17.1.4.1. Labor relations and collective agreements

Collective or individual labor relations are governed by legislation, by collective agreements, by the Golden Book or by GOPS (Group Operating Principles and Standards) issued at Group level.

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 15 employee representatives of 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.

During 2011, 175 collective agreements were in force, among which 81 new agreements were signed during the year. These agreements relate mainly to compensation, working conditions, health and safety, equal opportunity and training.

The percentage of employees in the Group who are governed by mandatory collective agreements varies according to countries. In the countries that have signed the ILO convention No. 98 (1), 63% of the employees benefit from this agreement. In all the entities of the Group including the countries that have not signed this convention, the percentage is 46%.

Group processes for keeping employees informed are in place so that everyone receives the same level of information at the same time. The Group's quarterly "Horizons" magazine is dedicated to all women and men employed by the Group. 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.

A Group 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. In addition to the "Human Resources without borders" program described above (see Section 17.1.2 of this Reference Document), 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.

17.1.4.2. Civic responsibility

Undertaking initiatives to support and ensure that local communities gain economic and social benefits from its projects is part of Technip's commitment to encouraging a fair return for all.

Promoting local employment and regional development

Local content is a reality at Technip. The Group policy is to establish a sustainable presence wherever Technip conducts business and stays for the long-term. Moreover, Technip is a multi-local company. Technip needs to be close to its customers, to ensure that their projects contribute to local development and have a keen understanding of all strategic markets. Local content is therefore the key to delivering these benefits.

CONTRIBUTING TO ECONOMIC ACTIVITY

Due to the Group's presence in 48 countries, the positioning of production assets on every continent and its extensive network of suppliers, Technip has the capability to undertake projects involving a very high level of local content. This in turn, links host country economies with Technip's own growth. In 2011, for example, the engineering contract that was started on the first two Brazilian-built FPSOs, P-58 and P-62, for Petrobras will be executed with over 90% local content. In the Subsea business, the Group strategy consists of locating plants in dynamic markets like Brazil or Malaysia and helps to strengthen the manufacturing bases of the countries in which Technip operates.

Through technical or commercial partnerships with local companies, such Crestech in Nigeria or MHB in Malaysia, Technip is further enhancing the local content of its offering.

Finally, as soon as it is possible, Technip works with its customers to source materials and equipment from local industries. This was one of the drivers, along with reducing procurement costs, behind a program launched in 2010 to support the qualification of more suppliers from emerging countries.

PROMOTING EMPLOYMENT AND SKILLS TRANSFER

Technip plays a key role as a local employer by giving priority to on-site hiring. For example, 100% of the staff at the Dande spoolbase in Angola are Angolan. This "act local" policy strengthens the multicultural identity of Technip and contributes to building an international company with a strong local presence. The projects and activities of the Group also create indirect jobs in the housing, medical, transportation and catering sectors.

Recruiting locally is an opportunity to access local talent pools and widen the expertise of the Group. This policy relies on the transfer of skills between the Technip operating centers and the training of local talents. In 2011, Technip launched the Growing Together Program at its logistic base in Angra dos Reis, Brazil. 90 people from the city were selected for training in welding, industrial electrical installations and mechanical assembling. Lectures were held to raise awareness of other job opportunities in Angra. The initiative will be renewed in 2012.

In almost every region of the world, Technip is working to encourage the emergence of a new generation of oil and gas professionals by introducing its business and activities to students and sponsoring their studies. The Ghanaian operating center, for instance, entered into an agreement with the University of Kumasi, Ghana. In addition to providing scholarships to attend a master's program and internships in France, Technip is holding regular workshops and lectures at the university to inform students about the oil and gas industry. Technip is also supporting the Kumasi business incubator for entrepreneurship.

Developing relationships with local associations and populations

Obtaining the support of local people is an integral part of a project's success for Technip and its clients. Technip is strongly committed to respecting local cultures and works continually to improve the wellbeing of communities. Historically, action taken to support local communities has generally been managed at a project level, where the link between Technip and the population is the closest. In 2011, Technip created a Relief and Development Fund to be able to launch Group-level actions.

(1) In countries that have signed ILO convention No. 98: Right to Organize and Collective Bargaining Convention.

■ UNDERSTANDING AND RESPECTING LOCAL CULTURES

Technip adopts an approach of dialogue and consideration when working with local communities.

The Macedon Gas project that we are building for BHP Billiton in Western Australia involves the construction of an onshore gas pipeline and a gas plant in a region where Aboriginal people, the Thalanyji, have lived for more than 30,000 years. The area is rich in rock art and has places of cultural significance. Therefore, management of cultural heritage issues has naturally become a key focus of the project. Local people have been engaged by BHP Billiton to assist with the project's indigenous cultural heritage surveys. Prior to any ground disturbance associated with construction, Thalanyji heritage monitors survey the land to identify significant sites. The Macedon project team has also developed several initiatives and resources to promote the importance of heritage management and to encourage an appreciation for the Thalanyji's history in the area. Technip also communicates regularly and transparently with the local community regarding the project's progress.

■ IMPROVING THE WELL-BEING OF COMMUNITY

The health checks provided to Technip employees working on its construction sites have been extended to include local subcontractor personnel. This allows improved access to healthcare and enables the identification of any medical issues that could potentially cause accidents.

In and around project sites and operating centers, Technip conducts preventive health initiatives and awareness campaigns to alert employees and local communities of public health issues. Technip also regularly carries out other healthcare initiatives, including supporting medical research or hosting blood drives.

In some projects, health, safety and environment (HSE) and local communities are even more closely linked. In 2011, an initiative was developed on the main sites of the Pazflor project in Angola to provide funding for social programs if the staff reached HSE targets. The teams successfully met the challenge, allowing the funding to provide for furniture and school supplies to the Musseque Cabele School, near Barra do Dande.

■ FOSTERING SOLIDARITY INITIATIVES

Technip employees are passionate about their jobs and generous in their charitable actions, and the Group encourages and supports this sense of solidarity. For example, Technip in Italy allows non-governmental organizations and charities to promote their work on the Company's premises. Also, a Social Initiatives Committee organizes and encourages employee contributions to social programs.

Across the globe, Technip backs a wide range of social causes, with particular emphasis on issues related to children, education and scholarship, disabled persons and humanitarian projects. The Group has carried out actions in favor of local communities in 32 countries in 2011. Technip's policy is to encourage long-term engagement rather than one-shot initiatives. This is illustrated, for instance, by the sponsorship of 50 needy families from Pasir Gudang, Malaysia, who are receiving regular income support from Technip over a two-year period. Technip in Scotland is also committed to a long-standing partnership with the Cornerstone charity, providing services for people with learning disabilities.

When the situation calls for it, Technip is also capable of rallying significant resources quickly. In 2011, Technip donated €280,000 to help the staff affected by the flooding that was devastating Thailand at the time. The Thai operating center, as well as regional and corporate crisis teams, were fully mobilized during this crisis to limit the negative impact on the quality of life of the victims and the activity of the Company.

■ TECHNIP RELIEF AND DEVELOPMENT FUND

At the end of 2011, Technip established the Technip Relief and Development Fund. This endowment fund reflects the Group's willingness to strengthen its social corporate responsibility and is consistent with its strategy of enhancing its local presence in the countries where Technip operates.

The purpose of the Fund is to support non-profit social and general interest projects, particularly those that focus on health and education and that benefit underprivileged communities. In the event of natural disasters, emergency missions are also considered on a case-by-case basis.

The Fund's goals are entirely consistent with Technip's values. It was built on the principles of transparency and ethics, which are guaranteed by operational and governance rules. It is guided by a Board of Directors composed of Executive Committee members and representatives from human resources and HSE.

Every employee of the Group can make a personal contribution to the Fund's activities by submitting project proposals. In 2011, the Fund supported two projects initiated by the teams in Ghana: one related to a library and another one with a local association that helps orphans and vulnerable children.

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

The subcontractors' services are regulated by contractual obligations, in particular in regards to sustainable development. The construction companies are thus obliged to adhere to defined rules relating to the management of environmental risk, guarantee working conditions that comply with legislation in force as well as the Values defended by Technip and its clients.

During the execution of a contract, charters outlining common values applicable to the project sites are jointly established by Technip, its clients and subcontractors. A common environmental and risk prevention management model is also defined. Finally, during the formalization of feedback, the construction companies are evaluated in terms of quality and HSE.

17.1.4.5. Health, Safety and Environmental conditions

HSE is a core value at Technip and the focus on its importance continues to be stressed at all levels of the Group and in the interface with Technip's stakeholders such as clients, joint venture partners and subcontractors/suppliers. Continuous communication and feedback on improvement is key.

Overall safety performance has declined from the previous year in terms of Total Recordable Case Frequency (TRCF) which was 0.26 in 2011 (compared to 0.22 for 2010). TRCF is an industry standard calculated using the total number of incident cases that have occurred for every 200,000 man-hours worked. In reviewing HSE performance that has traditionally focused on lagging indicators such as TRCF, which identify what incidents have occurred, the focus has now transitioned to the use of leading indicators within Technip. Leading indicators are those positive actions that have been taken on HSE to improve and prevent the potential for an HSE incident. These include, for example the number of management site visits, audits conducted, training man-hours and closure of actions related to follow up on HSE incidents.

Increased focus on HSE Reviews has been undertaken at all levels of the Group to ensure that hazards are identified and mitigation plans prepared.

The Pulse program, Technip's HSE leadership program continues to be deployed and developed further with a specific focus on "Pulse for the workforce" addressing site/facility and vessel workers and "Pulse for Engineers" to address the HSE issues in design. The overall program maintains the focus on HSE through specific workshop/training events and allows individuals to consider their own leadership style and communication on HSE within the environment in which they work.

During 2011, a total of 5,000 people have attended Pulse Program sessions. The attendees continue to come from all segments of the business including clients and subcontractors.

Over 250,000 man-hours have been recorded for other site and office based training that has covered a diverse range of subjects about health and safety, as well as skills and trade training at project sites of the Group. This year has seen the introduction of the Mobile Training Unit which is based on a portable cabin with extendable and specialized equipment such as a 17-meter tower, platforms and an internal walkway which allows participants to practice working at height, as well as confined space entry and rescue activities. It has been developed in-house and was deployed to support a vessel dry-docking in a shipyard.

In 2011, Technip has developed a series of environmental indicators which are being monitored and will allow a focus in the future on improvement strategies in this area.

17.1.4.6. Security Conditions and Crisis Management

Technip continues to spread the Security Culture among the Group through high-quality security systems, awareness raising and tailor made training, with a single overarching priority: guaranteeing a secure working environment for all personnel, irrespective of their nationality or origin.

In 2011, a focus has been placed on extending the availability of the personal security training courses for travelling employees and crew members, as well as the continuous improvement of Technip's travel Security Database that will enable the Group to locate its staff in case of need.

2011 was a challenging year for the Group's security teams worldwide, with major and sudden changes occurring in several countries where Technip operates.

Technip Security's robust Emergency Response system has proven its full efficiency through the relevant management of the "Arab Spring" events, the tsunami in Japan and the flooding in Thailand.

The continuous Emergency Response training program (with regular live exercises coordinated by the Corporate Security Division) ensures that Technip has the relevant capacity to respond to an incident. In complement to Emergency Response, Technip has also launched its groupwide Business Continuity program which is aimed at enabling the Company to resume its critical activities immediately after a major incident. Dedicated software was developed to efficiently create Business Continuity strategies and Plans, which includes a Virtual Crisis Management Center that is activated during any incident.

An internal dedicated interface makes it possible to locate Technip vessels in real time and identify maritime areas that pose the highest potential risk so that necessary protection measures can be taken under the coordination of a single decision-making center. Dedicated maritime security processes include awareness-raising training for the crews, anti-piracy exercises are implemented to ensure the protection of crews and the fleet and the smooth conduct of Offshore and Subsea operations all around the world, in particular in sensitive areas.

In order to improve as best as possible the security of Technip IT network, a CISA (Chief Information Security Auditor) has been nominated within Technip Security. The CISA and his team are in charge of auditing on a permanent basis all Technip's entities, including Projects and vessels. This approach ensures the neutrality and the independence of internal audits and provides the full capacity to perform audits "at random", as well as to detect the principal areas of potential vulnerability on a permanent basis, in full coordination with the CISA and his team.

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 IN ARTICLE L. 621-18-2 OF THE FRENCH MONETARY AND FINANCIAL CODE DURING FINANCIAL YEAR 2011

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)* during financial year 2011 as referenced under Article L. 621-18-2 of the French Monetary and Financial Code during financial year 2011:

Name and Surname	Position	Financial Instrument	Date and place of transaction	Type of transaction	Quantity	Unit price	Amount of the transaction
C. Maury Devine	Director	Share	5/12/2011 Paris	Purchase	400	€69.808	€27,923.20
Leticia Costa	Director	Share	5/20/2011 New York	Purchase	400	USD104	USD41,600
Olivier Appert	Director	Share	6/17/2011 Paris	Purchase	71	€70	€4,970
Gérard Hauser	Director	Share	8/4/2011 Paris	Purchase	300	€65	€19,617

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 29, 2012, 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 02/29/2012
Thierry Pilenko	44,900
Olivier Appert	904
Pascal Colombani	400
Leticia Costa	400
Marie-Ange Debon	400
C. Maury Devine	400
Gérard Hauser	1,700
Marwan Lahoud	400
Daniel Lebègue	400
John O'Leary	800
Joseph Rinaldi	400
TOTAL	**51,104**

17.2.3. COMPANY SHARE SUBSCRIPTION OPTIONS OR SHARE PURCHASE OPTIONS

The table below presents an overview of the information related to share subscription options and share purchase options granted by the Company and outstanding as of December 31, 2011.

History of share subscription and share purchase options granted and related information

	2005 Plan Tranche 1 Subscription options	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
Date of Shareholders' Meeting	April 29, 2005	April 29, 2005	April 29, 2005	April 29, 2005
Date of Board of Directors' meeting	December 14, 2005	July 26, 2006	March 12, 2007	December 12, 2007
Number of options granted	965,213 (1)	965,213 (1)	965,214 (1)	85,000 (1)
Subscription/purchase price per option	€46.9395	€41.3862	€49.1705	€55.6727
Option exercise start date	December 14, 2009	July 26, 2010	March 12, 2011	December 12, 2011
Expiry date**	December 14, 2011	July 26, 2012	March 12, 2013	December 12, 2013
Total number of options available for subscription/purchase as of December 31, 2011	N/A	89,361	578,703	62,244
Number of options that may be subscribed/purchased as of December 31, 2011 by:				
■ the Chairman and Chief Executive Officer, corporate officer*	N/A	N/A	256,607	0
■ the 10 employees having the largest number of options granted	N/A	16,426	52,496	46,176
Number of options subscribed/purchased as of December 31, 2011	875,150	332,100	327,564	16,058
Options cancelled as of December 31, 2011	114,851	569,267	84,591	7,027
Number of options subscribed/purchased as of February 29, 2012	N/A	363,088	584,170	41,154
Number of beneficiaries	59	323	252	24
Number of directors and senior management	N/A	0	2	1

* 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 1, 2, 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 earnings 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 1 of 2005 Plan, the performance calculation over the period 2005-2008 amounted to 99.1%. Consequently, as provided for by the options plan rules, 100% of the granted options can be subscribed.

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 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 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 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 Operating 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.

2nd additional grant to Tranches 1, 2 and 3 of the 2005 Plan Subscription options	2008 Plan Purchase options	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**
April 29, 2005	May 6, 2008	April 30, 2009	April 29, 2010	April 29, 2010	April 29, 2010	April 28, 2011	April 28, 2011
June 12, 2008	July 1, 2008	June 15, 2009	June 23, 2010	December 15, 2010	March 4, 2011	June 17, 2011	December 14, 2011
106,858 [1]	953,100 [2]	1,093,175 [3]	1,102,300 [4]	19,400 [4]	81,300 [5]	339,400 [6]	53,900 [6]
€59.96	€58.15	€34.70	€51.45	€63.23	€72.19	€72.69	€66.94
June 12, 2012	July 1, 2012	June 15, 2013	June 23, 2014	December 15, 2014	March 4, 2015	June 17, 2015	December 14, 2015
June 12, 2014	July 1, 2014	June 15, 2015	June 23, 2016	December 15, 2016	March 4, 2017	June 17, 2018	December 14, 2018
97,858	899,460	1,046,200	1,078,400	19,400	79,500	339,400	53,900
0	80,000	109,000	109,000	0	0	70,000	0
69,000	98,000	114,000	158,000	18,900	9,000	140,000	32,000
0	150	525	300	0	0	0	0
9,000	53,490	46,450	23,600	0	1,800	0	0
0	150	525	300	0	0	0	0
21	542	1,569	2,174	11	313	126	36
1	9	12	12	1	0	13	1

(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 Operating 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.

(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 Operating 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 Operating 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 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%.

The table below summarizes information related to share subscription options granted by the Company after December 31, 2011:

Share subscription options granted and related information

	2011 Plan Tranche 3 Subscription options
Date of Shareholders' Meeting	April 28, 2011
Date of Board of Directors' meeting	March 2, 2012
Number of options granted	49,007 (1)
Number of options that may be subscribed by:	
▪ the Chairman and Chief Executive Officer	
▪ the 10 employees having the largest number of options granted	11,407(1)
Option exercise start date	March 2, 2016
Expiry date*	March 2, 2019
Subscription price per option	€78.39
Number of beneficiaries	92
Number of directors and senior management	

* 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) The number of purchase 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).

Takeover of Coflexip's undertakings

Following Coflexip's merger with and into Technip, the Company's Combined Shareholders' Meeting of July 11, 2003 approved the takeover of Coflexip's undertakings resulting from share subscription options and share purchase options Coflexip granted to its employees and directors and officers *(mandataires sociaux)*, as well as those of its affiliates.

Pursuant to the merger, shares obtained from the exercise of share purchase options or issued upon exercise of share subscription options will be Technip shares rather than Coflexip shares.

Given the merger exchange ratio (nine Technip shares for every eight Coflexip shares), the new bases for exercising Coflexip's share purchase options and share subscription options were calculated for each of the options granted and not yet exercised as of the date of the merger.

Taking into account the elements above, the table below presents information relating to the remaining share subscription options previously granted by Coflexip, which were outstanding as of December 31, 2011 or had expired during the financial year ended December 31, 2011:

History of share subscription and share purchase options and related information

Share subscription option plans	CSO 11 Plan Subscription options
Date of the Shareholders' Meeting (1)	May 30, 2000
Date of the Board of Directors' meeting (2)	March 20, 2001
Number of options granted	720,000 (3)
Total number of shares available for subscription as of March 20, 2011	0
Number of shares that may be subscribed as of March 20, 2011 by:	
■ the Chairman and Chief Executive Officer, corporate officer	0
■ the 10 employees having the largest number of options granted	0
Option exercise start date	March 21, 2003
Expiry date	March 20, 2011
Subscription price per option after adjustment (4)	€33.3998
Number of options subscribed as of March 20, 2011	460,125
Options cancelled as of March 20, 2011	265,829
Number of beneficiaries	144

(1) Date of Coflexip's Shareholders' Meeting that authorized the grant of Coflexip's share purchase and share subscription option plans.
(2) Date of Coflexip's Board of Directors' meeting granting the option plans.
(3) The Board of Directors of November 15, 2006 decided to substitute to the ratio of one option giving right to four shares, a ratio of one option giving right to one share.
(4) 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 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.

As of the date of this Reference Document, no share subscription options or share purchase options granted by Coflexip remain outstanding.

Potential dilution

As of December 31, 2011, the total number of shares that may be issued pursuant to the exercise of outstanding share subscription options described in the tables above is 3,444,966 shares having a par value of €0.7625 per share, representing approximately 3.10% of the Company's share capital as of that date and assuming the performance criteria have been satisfied in full.

As of February 29, 2012, the potential dilutive effect of the outstanding share subscription options amounts to 2.80% 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 2011 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 2011 are detailed in Table 9 in Section 15.1.1 of this Reference Document.

17.2.4. AWARDS OF PERFORMANCE SHARES PURSUANT TO ARTICLES L. 225-197-1 *ET SEQ.* OF THE FRENCH COMMERCIAL CODE

The following table sets forth information relating to performance share grants outstanding as of December 31, 2011:

Performance share grant	2007 Plan List 1	2007 Plan List 2	2007 Plan 1st additional grant to list 1	2007 Plan 1st additional grant to list 2	2007 Plan 2nd additional grant to list 1	2007 Plan 2nd additional grant to list 2	2008 Plan List 1 Tranche 1	2008 Plan List 2 Tranche 1	2008 Plan List 1 Tranche 2	2008 Plan List 2 Tranche 2	2008 Plan List 1 Tranche 3	2008 Plan List 2 Tranche 3
Date of Shareholders' Meeting	April 28, 2006	April 28, 2006	April 28, 2006	April 28, 2006	April 28, 2006	April 28, 2006	May 6, 2008	May 6, 2008	May 6, 2008	May 6, 2008	May 6, 2008	May 6, 2008
Date of Board of Directors' meeting	March 12, 2007	March 12, 2007	December 12, 2007	December 12, 2007	July 1, 2008	July 1, 2008	July 1, 2008	July 1, 2008	December 9, 2008	December 9, 2008	February 18, 2009	February 18, 2009
Number of shares granted	398,800 (1)	711,870 (1)	25,300 (1)	19,200 (1)	8,800 (2)	11,500 (2)	371,450 (3)	487,600 (3)	18,300 (3)	1,800 (3)	85,642 (4)	105,900 (4)
Share acquisition date	March 12, 2010	March 12, 2011	December 12, 2010	December 12, 2011	July 1, 2011	July 1, 2012	July 1, 2011	July 1, 2012	December 9, 2011	December 9, 2012	February 18, 2012	February 18, 2013
Expiry date of the conservation period (conversion of shares)	March 12, 2012	March 12, 2011	December 12, 2012	December 12, 2011	July 1, 2013	July 1, 2012	July 1, 2013	July 1, 2012	December 9, 2013	December 9, 2012	February 18, 2014	February 18, 2013
Shares remaining available for acquisition as of December 31, 2011	0	0	0	0	0	10,750	0	432,170	0	0	82,542	98,500
Number of shares that may be acquired as of December 31, 2011 by:												
■ the Chairman and Chief Executive Officer	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A
■ the top 10 employees	N/A	N/A	N/A	N/A	N/A	4,000	N/A	36,200	N/A	N/A	13,600	12,300
Number of shares acquired as of December 31, 2011	178,650	280,393	10,250	7,900	8,400	0	354,733	300	18,300	0	16	0
Grants cancelled as of December 31, 2011	220,150	431,477	15,050	11,300	400	750	16,717	55,130	0	1,800	3,084	7,400
Number of shares acquired as of February 29, 2012	N/A	N/A	N/A	N/A	N/A	0	N/A	1,000	N/A	N/A	58,358	0
Number of beneficiaries	514	1,199	34	29	21	51	455	1,084	1	1	137	452
Number of directors and senior management concerned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8	N/A	N/A	4	7

(1) The number of performance shares granted by the Boards of Directors of March 12, 2007 and December 12, 2007 is subject to a satisfactory performance for its shareholders over the period 2006/2009. This performance will be measured by the change in the Company's net earnings per share compared with the average of that of a representative sample of Group's competitors. 50% of the granted shares are subject to the level of achievement of the aforementioned performance recorded at the share acquisition start date.

With respect to List 1 of 2007 Plan, first grant to List 1 of 2007 Plan, List 2 of 2007 Plan and first grant to List 2 of 2007 Plan, the performance calculation over the period 2006/2009 amounted to 61.3%. Consequently, as provided for by the rules of the performance shares plans, 50% of the shares were acquired.

With respect to List 2 of 2007 Plan, the performance calculation over the period 2007/2010 amounted to 57.60%. Consequently, as provided for by the rules of the performance shares plans, 50% of the shares were acquired.

(2) The number of performance shares definitively acquired by the Boards of Directors of July 1, 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 Company's net earnings per share compared with the average of a representative sample of Group's competitors. 50% of the granted shares are subject to the level of achievement of the aforementioned performance recorded at the share acquisition start date.

With respect to second grant to List 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.

(3) The number of performance shares definitively acquired 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 sample of Group's competitors. 50% of the granted shares are subject to the level of achievement of the aforementioned performance recorded at the share acquisition start date.

With respect to tranches 1 and 2 to List 1 of 2008 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.

(4) 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 of the Group's Consolidated Operating Income in relation to a representative sample of Group's competitors. 50% of the granted shares 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.

2009 Plan	2009 Plan	2009 Plan	2009 Plan	2009 Plan	2010 Plan	2010 Plan	Plan 2010	Plan 2010	Plan 2010	Plan 2010	Plan 2011	Plan 2011	Plan 2011	Plan 2011
List 1 Tranche 1	List 2 Tranche 1	List 1 Tranche 2	List 1 Tranche 3	List 2 Tranche 3	List 1 Tranche 1	List 2 Tranche 1	List 1 Tranche 2	List 2 Tranche 2	List 1 Tranche 3	List 2 Tranche 3	List 1 Tranche 1	List 2 Tranche 1	List 1 Tranche 2	List 2 Tranche 2
April 30, 2009	April 30, 2009	April 30, 2009	April 30, 2009	April 30, 2009	April 29, 2010	April 29, 2010	April 29, 2010	April 29, 2010	April 29, 2010	April 29, 2010	April 28, 2011	April 28, 2011	April 28, 2011	April 28, 2011
June 15, 2009	June 15, 2009	October 25, 2009	February 16, 2010	February 16, 2010	June 23, 2010	June 23, 2010	December 15, 2010	December 15, 2010	March 4, 2011	March 4, 2011	June 17, 2011	June 17, 2011	December 14, 2011	December 14, 2011
429,575 (5)	551,600 (5)	12,000 (5)	43,200 (6)	56,800 (6)	324,500 (7)	559,400 (7)	3,000 (7)	10,800 (7)	24,700 (8)	61,600 (8)	140,150 (9)	216,750 (9)	7,000 (9)	30,050 (9)
June 15, 2012	June 15, 2013	October 25, 2012	February 16, 2013	February 16, 2014	June 23, 2013	June 23, 2014	December 15, 2013	December 15, 2014	March 4, 2014	March 4, 2015	June 17, 2014	June 17, 2015	December 14, 2014	December 14, 2015
June 15, 2014	June 15, 2013	October 25, 2014	February 16, 2015	February 16, 2014	June 23, 2015	June 23, 2014	December 15, 2015	December 15, 2014	March 4, 2016	March 4, 2015	June 17, 2016	June 17, 2015	December 14, 2016	December 14, 2015
421,100	519,400	12,000	42,450	55,100	320,100	539,700	3,000	10,800	24,700	59,800	134,750	218,600	7,000	30,500
32,000	N/A	0	0	N/A	30,000	N/A	0	N/A	0	N/A	20,000	N/A	0	N/A
58,800	65,700	12,000	11,000	8,200	46,000	36,900	3,000	10,800	6,700	8,800	35,000	37,000	7,000	13,000
400	100	0	0	100	0	300	0	0	0	0	0	0	0	0
8,475	32,100	0	750	1,600	4,400	19,700	0	0	0	1,800	5,400	2,250	0	0
400	100	0	0	100	0	900	0	0	0	0	0	100	0	0
450	1,119	3	80	226	588	1,586	4	7	71	246	339	857	339	857
5	7	2	0	0	5	7	0	1	0	0	6	7	0	1

(5) The number of performance shares granted by the Boards of Directors of June 15, 2009 and October 25, 2009 is subject to a satisfactory performance for its shareholders over the period 2008/2011 of the Group's Consolidated Operating Income in relation to a representative sample of Group's competitors. 50% of the granted shares 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.

(6) 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 of the Group's Consolidated Operating Income in relation to a representative sample of Group's competitors. 50% of the granted shares are subject to the level of achievement of the aforementioned performance recorded at the share acquisition start date.

(7) 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 of the Group's Consolidated Operating Income in relation to a representative sample of Group's competitors. 50% of the granted shares 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.

(8) 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 of the Group Consolidated Operating Income in relation to a representative sample of Group's competitors. 50% of the granted shares are subject to the satisfaction of the aforementioned performance condition at the share acquisition date.

(9) The number of performance shares granted by the Board of Directors in their meetings on June 17 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.

The table below provides an overview of the information related to the performance shares granted by the Company after December 31, 2011:

Performance share grant	2011 Plan List 1 Tranche 3	2011 Plan List 2 Tranche 3
Date of Shareholders' Meeting	April 28, 2011	April 28, 2011
Date of Board of Directors' meeting	March 2, 2012	March 2, 2012
Number of shares granted	13,850 (1)	35,507 (1)
Share acquisition date	March 2, 2015	March 2, 2016
Expiry date of the conservation period (conversion of shares)	March 2, 2017	March 2, 2016
Number of shares that may be acquired by:		
■ the Chairman and Chief Executive Officer	0	N/A
■ the top ten employees	5,150	5,500
Number of beneficiaries	49	172
Number of directors and senior management concerned	0	0

(1) 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.

Technip performance shares granted to, and acquired by, the Company's directors and officers *(mandataires sociaux)* during the financial year 2011 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 Company's 10 employees of the Group (other than directors and officers *(mandataires sociaux))* who were granted the largest number of performance shares during the year 2011 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)	57,000*	€70.87	June 17, 2011 December 14, 2011	June 17, 2014 June 17, 2015 December 14, 2015	2011 Plan Tranche 1 2011 Plan 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)	54,800	€71.48	July 1, 2008 December 9, 2008	July 1, 2011 December 9, 2011	2008 Plan Tranche 1 2008 Plan Tranche 2

* The number of performance shares granted by the Board 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.

17.3. Employee incentive and profit-sharing schemes

17.3.1. PROFIT SHARING

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 2011, the total profit-sharing amount to be paid in France was estimated at €17.4 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").

17.3.2. INCENTIVE PROFIT SHARING

For financial year 2011, 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 and Setudi. 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 of the Italian and Spanish companies, Technip Iberia and Technip Italy, also benefit from a similar profit-sharing mechanism.

For financial year 2011, the total amount of incentive profit-sharing paid in the Group's subsidiaries was approximately €8 million.

17.3.3. GROUP SAVING 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 February 10, 2011.

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, 2011, the total amount invested in the PEG amounted to €137 million, including €96.8 million in the form of employee shareholding.

At any time during the year, members may invest assets 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.

17.3.4. GROUP PENSION SAVINGS PLAN

The Group Pension Savings Plan (PERCO) was implemented in 2006. 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, 2011, the total amount invested in the PERCO was €17.8 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.

18 Major shareholders

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, 2011

As of December 31, 2011, to the Company's knowledge and based on notices and documents received by the Company, 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
BLACKROCK INC.	6,889,052	6.20%	6,889,052	6.00%
CAISSE DES DÉPÔTS ET CONSIGNATIONS (indirectly *via* the Fonds Stratégique d'investissement)	5,929,398	5.35%	5,929,398	5.20%
CAPITAL RESEARCH AND MANAGEMENT	5,824,511	5.25%	5,824,511	5.10%
AMUNDI ASSET MANAGEMENT	3,545,168	3.20%	3,545,168	3.10%
NATIXIS	3,361,789	3.00%	3,361,789	2.95%
OPPENHEIMER FUNDS INC.	3,219,635	2.90%	3,219,635	2.80%
IFP ÉNERGIES NOUVELLES	2,830,917	2.55%	5,661,834	4.95%
NORGES BANK INVESTMENT MANAGEMENT	2,750,873	2.50%	2,750,873	2.40%
BNP PARIBAS	2,648,761	2.35%	2,648,761	2.30%
AXA INVESTMENT MANAGERS	1,673,439	1.50%	1,673,439	1.45%
CAUSEWAY CAPITAL MANAGEMENT	1,596,029	1.45%	1,596,029	1.40%
CRÉDIT SUISSE	1,326,090	1.20%	1,326,090	1.15%
T.ROWE PRICE ASSOCIATES INC.	1,259,670	1.15%	1,259,670	1.10%
ALLIANCEBERNSTEIN	1,190,548	1.10%	1,190,548	1.05%
GRYPHON	1,132,066	1.05%	1,132,066	1.00%
Treasury shares [2]	2,242,718	2.00%	0	0.00%
Group employees [3]	2,237,872 [4]	2.00%	4,475,744	3.90%
Public	61,329,222	55.25%	61,836,924	54.15%
TOTAL	**110,987,758**	**100%**	**114,321,531**	**100%**

(1) Including double voting rights (Article 12 of the Company's Articles of Association). As of December 31, 2011, 5,576,491 shares carried double voting rights. As of December 31, 2011, 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 116,564,249.

(2) As of December 31, 2011, 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 2,054,065 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 and documents received by the Company, the following shareholders held 1% or more of the Company's share capital and voting rights:

	December 31					
	2009		2010		2011	
	Share capital	Voting rights (1)	Share capital	Voting rights (1)	Share capital	Voting rights (1)
BLACKROCK INC.	5.60%	5.50%	6.25%	6.10%	6.20%	6.00%
CAISSE DES DÉPÔTS ET CONSIGNATIONS (indirectly *via* the Fonds Stratégique d'investissement)	5.00%	4.90%	5.40%	5.25%	5.35%	5.20%
CAPITAL RESEARCH AND MANAGEMENT	–	–	–	–	5.25%	5.10%
AMUNDI ASSET MANAGEMENT	2.40%	2.40%	2.90%	2.80%	3.20%	3.10%
NATIXIS	4.25%	4.15%	4.20%	4.10%	3.00%	2.95%
OPPENHEIMER FUNDS INC.	3.55%	3.50%	3.50%	3.45%	2.90%	2.80%
IFP ÉNERGIES NOUVELLES	2.80%	5.55%	2.70%	5.20%	2.55%	4.95%
NORGES BANK INVESTMENT MANAGEMENT	–	–	–	–	2.50%	2.40%
BNP PARIBAS	1.50%	1.50%	2.15%	2.10%	2.35%	2.30%
AXA INVESTMENT MANAGERS	1.10%	1.05%	1.30%	1.25%	1.50%	1.45%
CAUSEWAY CAPITAL MANAGEMENT	4.35%	4.25%	4.30%	4.20%	1.45%	1.40%
CRÉDIT SUISSE	–	–	1.00%	0.95%	1.20%	1.15%
T. ROWE PRICE ASSOCIATES INC.	1.20%	1.15%	1.10%	1.10%	1.15%	1.10%
ALLIANCEBERNSTEIN	1.20%	1.15%	1.15%	1.15%	1.10%	1.05%
GRYPHON	–	–	–	–	1.05%	1.00%
TRADEWINDS NWQ	5.00%	4.95%	–	–	–	–
Treasury Shares (2)	2.80%	0.00%	2.65%	0.00%	2.00%	0.00%
Group employees (3)	2.35%	3.60%	2.20%	4.25%	2.00%	3.90%
Public	56.90%	56.35%	59.20%	58.10%	55.25%	54.15%
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

(1) Including double voting rights.
The total number of Company shares at the end of financial years 2009, 2010 and 2011 amounted to, respectively, 109,335,930 shares, 110,249,352 and 110,987,758 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, 2011 and December 31, 2011, the Company received the following notices from its shareholders, relating to the crossing of thresholds as provided by law or by its Articles of Association and all other statements:

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]
BNP PARIBAS ASSET MANAGEMENT	1/12/2011	1/12/2011	2,106,429	1.6046%			(d)
BNP PARIBAS ASSET MANAGEMENT	1/20/2011	1/18/2011	2,413,856	2.1895%	2,168,379	1.8669%	(u)
AMUNDI ASSET MANAGEMENT	1/21/2011	12/31/2010	3,207,992	2.92%			(d)
IFP ÉNERGIES NOUVELLES	1/25/2011	1/25/2011	2,830,917	2.57%	5,661,834	4.99%	(d)
AXA INVESTMENT MANAGERS	1/28/2011	12/31/2010	1,421,397				
GRYPHON	2/4/2011	2/3/2011	1,164,378	1.05%			(u)
UBS	2/7/2011	2/3/2011	1,504,612	1.36%	1,504,612	1.30%	(u)
OPPENHEIMER FUNDS INC.	2/14/2011	12/31/2010	3,227,190				
CAUSEWAY CAPITAL MANAGEMENT	2/22/2011	12/31/2010	2,044,344				
UBS	2/24/2011	2/22/2011	836,418	0.75%	836,418	0.72%	(d)
CRÉDIT SUISSE	3/8/2011	3/8/2011	2,209,568	2.01%			(u)
CRÉDIT SUISSE	3/9/2011	3/9/2011	2,186,759	1.99%			(d)
CRÉDIT SUISSE	3/14/2011	3/14/2011	2,408,856	2.19%			(u)
CRÉDIT SUISSE	3/15/2011	3/15/2011	1,700,342	1.55%			(d)
CRÉDIT AGRICOLE	3/15/2011	3/11/2011	1,127,248	1.02%	1,127,248	0.97%	(u)
UBS	4/6/2011	4/4/2011	1,285,899	1.17%	1,285,899	1.11%	(u)
NORGES BANK INVESTMENT MANAGEMENT	4/8/2011	4/5/2011	2,256,358	2.05%	2,256,358	1.94%	(u)
CRÉDIT SUISSE	4/12/2011	4/12/2011	2,271,351	2.06%			(u)
IFP ÉNERGIES NOUVELLES	4/13/2011	4/13/2011	2,830,917	2.56%	5,661,834	4.99%	(d)
CRÉDIT AGRICOLE	4/18/2011	4/13/2011	1,192,260	1.08%	1,192,260	1.03%	(u)
CAPITAL RESEARCH AND MANAGEMENT	4/19/2011	4/19/2011	5,527,386	5.0038%	5,527,386	4.8668%	(u)
UBS	4/19/2011	4/15/2011	1,032,380	0.93%	1,032,380	0.89%	(d)
CRÉDIT AGRICOLE	4/26/2011	4/21/2011	1,035,381	0.94%	1,035,381	0.89%	(d)
CAPITAL RESEARCH AND MANAGEMENT	4/28/2011	4/27/2011	5,824,511	5.27%	5,824,511	5.01%	(u)
AMUNDI ASSET MANAGEMENT	4/28/2011	4/27/2011	3,461,468	3.13%			(u)
AMUNDI ASSET MANAGEMENT	5/3/2011	5/2/2011	4,450,116	4.02%	4,450,116	3.80%	(u)
AMUNDI ASSET MANAGEMENT	5/6/2011	5/5/2011	5,198,142	4.47%			(u)
NATIXIS	5/10/2011	5/9/2011	2,170,058	1.968%			(d)
AMUNDI ASSET MANAGEMENT	5/10/2011	5/9/2011	4,208,036	3.62%	4,208,036	3.81%	(d)
UBS	5/12/2011	5/10/2011	1,301,791	1.18%	1,301,791	1.12%	(u)
AMUNDI ASSET MANAGEMENT	5/16/2011	5/13/2011	3,455,251	2.97%			(d)
UBS	5/19/2011	5/17/2011	1,080,539	0.98%	1,080,539	0.93%	(d)
AMUNDI ASSET MANAGEMENT	5/23/2011	5/20/2011	2,967,273	2.68%			(d)
CRÉDIT SUISSE	5/24/2011	5/24/2011	1,867,043	1.6935%			(d)
BNP PARIS ASSET MANAGEMENT	7/18/2011	7/18/2011	3,080,385	2.7832%	3,080,385	2.3506%	(u)
BNP PARIS ASSET MANAGEMENT	7/19/2011	7/19/2011	2,797,502	2.5276%	2,797,502	2.1096%	(d)
NATIXIS	7/25/2011	7/20/2011	2,213,118	2.007%			(u)
BNP PARIS ASSET MANAGEMENT	7/25/2011	7/25/2011	3,081,570	2.7834%	3,081,570	2.3479%	(u)
BNP PARIS ASSET MANAGEMENT	8/1/2011	8/1/2011	2,846,191	2.5708%	2,846,191	2.1417%	(d)
NATIXIS	8/10/2011	8/8/2011	2,142,785	1.944%			(d)
CRÉDIT SUISSE	8/10/2011	8/10/2011	1,074,834	0.97%			(d)
CRÉDIT AGRICOLE	8/23/2011	8/17/2011	1,413,179	1.28%	1,413,179	1.21%	(u)
AMUNDI ASSET MANAGEMENT	9/8/2011	9/8/2011	3,332,990	3%			(u)
AXA INVESTMENT MANAGERS	9/13/2011	9/9/2011	1,648,410	1.49%	1,648,410	1.42%	(u)
AMUNDI ASSET MANAGEMENT	9/15/2011	9/9/2011	3,296,266	2.97%			(d)
AMUNDI ASSET MANAGEMENT	9/15/2011	9/14/2011	3,325,181	3%			(u)
BNP PARIBAS ASSET MANAGEMENT	9/27/2011	9/23/2011	2,797,449	2.5247%	2,797,449	2.0982%	(d)
CRÉDIT AGRICOLE	10/6/2011	9/29/2011	1,067,509	0.96%	1,067,509	0.92%	(d)
AMUNDI ASSET MANAGEMENT	10/11/2011	10/10/2011	3,494,040	3.001%	3,494,040	3%	(u)
BNP PARIBAS ASSET MANAGEMENT	11/2/2011	11/1/2011	2,645,784	2.3876%	2,645,784	2.27%	(d)
ALLIANCEBERNSTEIN	12/12/2011	12/5/2011	1,112,568	1.004%	1,112,568	0.955%	(d)
BNP PARIBAS ASSET MANAGEMENT	12/14/2011	12/13/2011	2,590,951	2.3370%	2,590,951	2.22%	(d)
ALLIANCEBERNSTEIN	12/16/2011	12/12/2011	1,190,548	1.07%	1,190,548	1.02%	(u)
CRÉDIT SUISSE	12/20/2011	12/20/2011	1,326,090	1.198%			(u)

(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 under the bearer form *(titres au porteur identifiable)* dated November 30, 2011 (the "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 97.3% of Technip's share capital and listed 6,374 shareholders that hold shares in the bearer form.

The survey also showed that 82.2% of the shares are held by institutional investors. These investors are geographically distributed as follows: 24.9% in France, 30.9% in North America, 10.3% in the United Kingdom and Ireland, 9.7% in Continental Europe and 6.4% throughout the rest of the world.

As of the date of this survey, individuals held 6.6% of Technip's share capital.

As of December 31, 2011, 2,437 shareholders held their shares in registered form in their name *(inscrit au nominatif pur)* and 185 in administered registered form. Furthermore, nine shareholders held their shares in both the registered form and the administered registered form.

Between January 1, 2012 and February 24, 2012, the Company received the following notices from its shareholders, relating to the crossing of thresholds as provided by law or by its Articles of Association, and all other statements:

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	1/11/2012	1/10/2012	3,476,336	2.98%			(d)
CNP ASSURANCES	1/11/2012	1/11/2012	1,160,502	1.05%	1,160,502		(d)
CAPITAL RESEARCH	1/12/2012	12/31/2011	5,824,511		5,824,511		
GRYPHON	1/12/2012	12/31/2011	1,132,066		1,132,066		
CAUSEWAY CAPITAL MANAGEMENT	1/12/2012	12/31/2011	1,596,029		1,596,029		
BNP PARIBAS ASSET MANAGEMENT	1/12/2012	12/31/2011	2,648,761		2,648,761		
IFP ÉNERGIES NOUVELLES	1/12/2012	12/31/2011	2,830,917		5,661,834		
AMUNDI ASSET MANAGEMENT	1/13/2012	12/31/2011	3,545,168		3,545,168		
CAISSE DES DÉPÔTS ET CONSIGNATIONS (indirectly through the Fonds Stratégique d'Investissement)	1/13/2012	12/31/2011	5,929,398		5,929,398		
NORGES BANK INVESTMENT MANAGEMENT	1/13/2012	12/31/2011	2,750,873		2,750,873		
AMUNDI ASSET MANAGEMENT	1/16/2012	1/13/2012	3,260,535	2.93%			(d)
NATIXIS	1/17/2012	12/31/2011	3,361,789		3,361,789		
AXA INVESTMENT MANAGERS	1/19/2012	12/31/2011	1,673,439		1,673,439		
OPPENHEIMER FUNDS INC.	1/19/2012	12/31/2011	3,219,635		3,219,635		
CRÉDIT SUISSE	1/19/2012	1/19/2012	1,014,521	0.916%			(d)
MFS INVESTMENT MANAGEMENT	1/23/2012	1/19/2012	1,119,858	1.01%			(u)
CRÉDIT AGRICOLE	1/30/2012	1/24/2012	1,115,099	1%	1,115,099		(u)
CRÉDIT AGRICOLE	1/30/2012	1/25/2012	1,173,297	1.06%	1,173,297		(u)
AMUNDI ASSET MANAGEMENT	2/8/2012	2/7/2012	4,176,295	3.75%			(u)
CAPITAL WORLD INVESTORS	2/8/2012	12/31/2011	8,783,250	8%	6,548,250		(u)
BLACKROCK INC.	2/14/2012	2/8/2012	5,496,065	4.94%	5,496,065		(d)
CNP ASSURANCES	2/14/2012	2/14/2012	1,094,732	0.99%	1,094,732		(d)
BLACKROCK INC.	2/21/2012	2/14/2012	5,575,086	5.01%	5,575,086		(u)
MFS INVESTMENT MANAGEMENT	2/23/2012	2/21/2012	1,106,779	0.995%	879,537		(d)
AXA INVESTMENT MANAGERS	2/24/2012	2/23/2012	3,899,352				

(1) d = crossing of threshold downwards/ u = crossing of threshold upwards.
This table only includes information provided in the notices and statements 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, only IFP Énergies nouvelles holds double voting rights, with the exception of the Company mutual funds (Fonds Communs de Placement d'Entreprise, or FCPEs) representing the Group's employees.

18.3. Controlling interest

As of the date of this Reference Document and to the Company's knowledge, none of the shareholders held more than 8% (Capital World Investors) 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

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, 2011, 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, 2011

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 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, 2011

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

Agreements and commitments authorized during the year

In accordance with Article R. 225-40 of the French Commercial Code *(Code de commerce)*, we have been advised of certain related party agreements and commitments which received prior authorization from your Board of Directors on April 28, 2011 following the renewal of Mr. Thierry Pilenko, Chief Executive Officer:

- Non-compete agreement (renewal with modifications)

A worldwide non-compete agreement for a two-year period has been set up between Technip and Mr. Pilenko.

In case of departure and whatever the reason thereof, Technip is committed to pay Mr. 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 (renewal without modifications)

Mr. Pilenko will continue to benefit 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 €283,000 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 2011, the contribution paid by your company for the supplementary pension plan of Mr. Pilenko amounted to €22,625.

Agreements and commitments already approved by the General Meeting of Shareholders

We hereby inform you that we have not been advised of any agreements or commitments already approved by the General Meeting of Shareholders, whose implementation continued during the year.

Neuilly-sur-Seine and Paris-La Défense, March 15, 2012

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	Ernst & Young et Autres
Edouard Sattler	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, 2011

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, 2011

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, 2011, 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, 2011 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 Notes 1-C (a) and 1-C (b) to the consolidated financial statements, your Company uses significant accounting estimates 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, and compared the accounting estimates of the previous periods with the corresponding actual figures.
- As indicated in Notes 1-C (a) and 1-C (d) to the consolidated financial statements, your Company annually carries out an impairment test for the goodwill by using the discounted future cash flows method, as determined on the basis of "Business plans" drawn up by your Company and authorized by the Board of Directors. We have examined the implementation of this impairment test, the assumptions made, and the calculations performed by your Company, and we have ensured that Note 10 provided adequate information in this regard.
- The recoverability of deferred income tax assets recognized as at December 31, 2011, and more specifically those arisen from unused tax losses carried-forward, have been evaluated by Technip on the basis of the forecast data derived from the strategic plans of each fiscal perimeter and prepared under the control of the Group. We have reviewed the recoverability analyses on those tax assets performed by Technip and described in Note 1-C (v).
- 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 32.

We carried out an assessment of the reasonableness of these estimates. As described in Note 1-C (a) 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 15, 2012

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

In millions of Euro	Notes	12 months 2011	12 months 2010
Revenues	4 (a)	**6,813.0**	**6,081.9**
Cost of Sales	4 (b)	(5,526.4)	(4,897.0)
Gross Margin		**1,286.6**	**1,184.9**
Research and Development Costs	4 (c)	(65.3)	(56.6)
Selling Costs		(184.6)	(179.1)
Administrative Costs	4 (d)	(331.1)	(300.9)
Other Operating Income	4 (e)	26.4	18.1
Other Operating Expenses	4 (f)	(22.5)	(46.1)
Operating Income/(Loss) from Recurring Activities		**709.5**	**620.3**
Income from Sale of Activities	4 (g)	-	16.5
Charges from Non-Current Activities	4 (h)	(15.7)	(22.1)
Operating Income/(Loss)		**693.8**	**614.7**
Financial Income	5 (a)	349.8	409.4
Financial Expenses	5 (b)	(332.4)	(429.5)
Share of Income/(Loss) of Equity Affiliates	11	-	-
Income/(Loss) before Tax		**711.2**	**594.6**
Income Tax Expense	6	(208.7)	(179.4)
Income/(Loss) from Continuing Operations		**502.5**	**415.2**
Income/(Loss) from Discontinued Operations	7	-	-
NET INCOME/(LOSS) FOR THE YEAR		**502.5**	**415.2**
Attributable to:			
Shareholders of the Parent Company		507.3	417.6
Non-Controlling Interests		(4.8)	(2.4)
Earnings per Share (in Euro)	8	4.69	3.92
Diluted Earnings per Share (in Euro)	8	4.41	3.81

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In millions of Euro	12 months 2011	12 months 2010
Net Income/(Loss) for the Year	**502.5**	**415.2**
Exchange Differences on Translating Entities Operating in Foreign Currency	(10.6)	73.8
Fair Value Adjustment on Available-For-Sale Financial Assets	(6.4)	74.6
Cash Flow Hedging	(18.9)	(49.0)
Other	(0.2)	(1.0)
Taxes	4.4	13.6
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**470.8**	**527.2**
Attributable to:		
Shareholders of the Parent Company	479.5	526.6
Non-Controlling Interests	(8.7)	0.6

3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

In millions of Euro	Notes	As of December 31, 2011	2010
Property, Plant and Equipment, Net	9	2,308.3	1,472.0
Intangible Assets, Net	10	2,714.2	2,434.5
Investments in Equity Affiliates	11	-	-
Other Financial Assets	12	92.8	38.4
Deferred Tax Assets	6 (c)	306.3	324.6
Available-For-Sale Financial Assets	13	201.9	201.1
Total Non-Current Assets		5,623.5	4,470.6
Inventories	14	254.6	221.5
Construction Contracts – Amounts in Assets	15	588.0	378.6
Advances Paid to Suppliers		204.2	195.4
Derivative Financial Instruments	26	35.6	40.6
Trade Receivables	16	1,279.9	1,276.6
Current Income Tax Receivables		149.6	148.7
Other Current Receivables	17	487.9	384.3
Cash and Cash Equivalents	18	2,808.7	3,105.7
Total Current Assets		5,808.5	5,751.4
Assets Classified as Held for Sale	19	-	-
TOTAL ASSETS		**11,432.0**	**10,222.0**

Equity and Liabilities

In millions of Euro	Notes	As of December 31, 2011	2010
Share Capital	20 (a)	84.6	84.1
Share Premium		1,784.0	1,750.1
Retained Earnings		1,371.6	1,013.6
Treasury Shares	20 (c)	(109.3)	(137.9)
Foreign Currency Translation Reserves		(6.3)	11.5
Fair Value Reserves	20 (d)	19.7	40.8
Net Income		507.3	417.6
Total Equity Attributable to Shareholders of the Parent Company		3,651.6	3,179.8
Non-Controlling Interests		21.7	22.3
Total Equity		3,673.3	3,202.1
Non-Current Financial Debts	21	1,543.5	1,092.1
Non-Current Provisions	23	139.2	110.2
Deferred Tax Liabilities	6 (c)	172.0	93.4
Other Non-Current Liabilities	25	93.0	51.3
Total Non-Current Liabilities		1,947.7	1,347.0
Current Financial Debts	21	544.4	681.3
Trade Payables	24	2,135.0	1,862.1
Construction Contracts – Amounts in Liabilities	15	644.5	694.9
Derivative Financial Instruments	26	104.0	98.7
Current Provisions	23	344.6	236.7
Current Income Tax Payables		173.1	145.2
Other Current Liabilities	25	1,865.4	1,954.0
Total Current Liabilities		5,811.0	5,672.9
Total Liabilities		7,758.7	7,019.9
Liabilities Directly Associated with the Assets Classified as Held for Sale	19	-	-
TOTAL EQUITY AND LIABILITIES		**11,432.0**	**10,222.0**

4. CONSOLIDATED STATEMENT OF CASH FLOWS

		12 months	
In millions of Euro	Notes	2011	2010
Net Income for the Year (including Non-Controlling Interests)		502.5	415.2
Adjustments for:			
Amortization and Depreciation of Property, Plant and Equipment	9	162.1	133.0
Amortization and Depreciation of Intangible Assets	10	11.9	12.6
Non-Cash Convertible Bond Expense		13.3	-
Charge related to Share Subscription or Purchase Option and Performance Share Plans	4 (i)	46.0	27.0
Non-Current Provisions (including Employee Benefits)		18.4	(0.3)
Share of Income/(Loss) of Equity Affiliates		-	-
Net (Gains)/Losses on Disposal of Assets and Investments		0.8	2.5
Deferred Tax	6 (a)	27.5	(50.8)
		782.5	**539.2**
(Increase)/Decrease in Working Capital Requirement		(130.9)	(500.9)
Net Cash Generated from Operating Activities		**651.6**	**38.3**
Purchases of Property, Plant and Equipment	9	(339.2)	(361.2)
Proceeds from Disposal of Property, Plant and Equipment	4 (e)	2.9	2.3
Purchases of Intangible Assets	10	(18.0)	(27.7)
Proceeds from Disposal of Intangible Assets		0.2	-
Acquisitions of Financial Assets		(13.3)	(114.7)
Proceeds from Disposal of Financial Assets	4 (g)	0.7	20.0
Acquisition Costs of Consolidated Companies, net of Cash Acquired		(591.0)	(26.5)
Net Cash Used in Investing Activities		**(957.7)**	**(507.8)**
Increase in Borrowings (*)		888.1	968.6
Decrease in Borrowings		(755.2)	(74.4)
Capital Increase		34.4	40.4
Share Buy-Back	20 (c)	0.4	(2.2)
Dividends Paid	20 (g)	(156.1)	(143.6)
Net Cash Generated from Financing Activities		**11.6**	**788.8**
Net Effects of Foreign Exchange Rate Changes		(2.5)	131.2
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(297.0)**	**450.5**
Cash and Cash Equivalents as of January 1	18	3,105.7	2,656.3
Bank Overdrafts as of January 1		(0.1)	(1.2)
Cash and Cash Equivalents as of December 31	18	2,808.7	3,105.7
Bank Overdrafts as of December 31		(0.1)	(0.1)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(297.0)**	**450.5**

(*) Includes the equity component of convertible bonds corresponding to conversion options of €73.1 million in 2011 and €63.3 million in 2010 (see Note 21 – Financial Debts).

Interest paid in 2011 amounted to €54.5 million compared to €52.4 million in 2010.

Interest received in 2011 amounted to €64.1 million compared to 59.0 million in 2010.

Income taxes paid in 2011 amounted to €195.7 million compared to €311.7 million in 2010.

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, 2010	83.4	1,710.4	902.9	(143.8)	(38.5)	1.9	170.4	2,686.7	30.4	2,717.1
Net Income 2010	-	-	-	-	-	-	417.6	417.6	(2.4)	415.2
Other Comprehensive Income	-	-	-	-	70.8	38.2	-	109.0	3.0	112.0
Total Comprehensive Income 2010	-	-	-	-	70.8	38.2	417.6	526.6	0.6	527.2
Capital Increase	0.7	39.7	-	-	-	-	-	40.4	-	40.4
Appropriation of Net Income 2009	-	-	170.4	-	-	-	(170.4)	-	-	-
Dividends	-	-	(143.6)	-	-	-	-	(143.6)	-	(143.6)
Treasury Shares	-	-	-	5.9	-	-	-	5.9	-	5.9
Convertible Bond OCEANE	-	-	41.3	-	-	-	-	41.3	-	41.3
Valuation of Share Subscription or Purchase Options and Performance Shares	-	-	23.9	-	-	-	-	23.9	-	23.9
Other (*)	-	-	18.7	-	(20.8)	0.7	-	(1.4)	(8.7)	(10.1)
As of December 31, 2010	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 Subscription or Purchase Options and Performance Shares	-	-	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**

(*) 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, 2011 were approved by the Board of Directors on February 14, 2012.

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 SA ("the Group") for financial year 2011 were prepared as of December 31, 2011 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 14, 2012, 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 and interpretations that had mandatory application for periods starting after January 1, 2011 had no significant impact on the financial situation and performance of the Group.

- **IAS 24 (amended)** "Related Parties Disclosures":

  The amendment clarifies the definition of a related party.
- **IAS 32 (amended)** "Financial Instruments: Presentation":

  Classification of some rights issues as equity.

IFRS IMPROVEMENTS (MAY 2010)

The IASB issued amendments to its standards in order to improve consistency and provide clarifications.

These amendments applied for the first time to 2011 financial year, but had no significant impact upon the financial situation or the performance of the Group.

- IFRS 3 "Business Combination":
  - Transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised IFRS,
  - Measurement of non-controlling interests,
  - Un-replaced and voluntarily replaced share-based payment awards;
- IFRS 7 "Financial Instruments: Disclosures":
  - Clarifications of disclosures;
- IAS 1 "Presentation of Financial Statements":
  - Clarification of statement of changes in equity;
- IAS 27 "Consolidated and Separate Financial Statements":
  - Transition requirements for amendments made to IAS 21 "The Effects of Changes in Foreign Exchange Rates", IAS 28 "Investments in Associates" and IAS 31 "Interests in Joint Ventures" as a result of amended IAS 27.

Standards to be endorsed by European Union effective after December 31, 2011, that apply to the Group

Technip's financial statements as of December 31, 2011 do not include the possible impact of standards published as of December 31, 2011, but which application is mandatory as from financial years subsequent to the current year.

- IFRS 10 and IFRS 12 "Consolidated Financial Statements/ Disclosure of Interests in Other Entities":

  These standards modify IAS 27 "Separate Financial Statements" and replaces 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. The standard distinguishes two types of joint arrangements, joint ventures and joint operations, by assessing its rights and obligations in the joint arrangement.
- **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.

The Group is currently assessing the potential financial impacts of the standards mentioned above.

- IFRS 13 "Fair Value":

  Guidance on fair value measurement and disclosures to financial statements.

The standards mentioned above are applicable to annual reporting periods beginning on or after January 1, 2013 with possible application to an earlier accounting period, provided they are endorsed by the European Union.

- IAS 1 "Presentation of financial statements" (Presentation of items of other comprehensive income):

  Applicable to annual reporting periods beginning on or after January 1, 2012, with possible application to an earlier accounting period.

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, 2011.

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 recoverable goodwill and 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 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 Group's business segments, which generate 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 would be 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 progress is deemed sufficient and that estimates of costs 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. 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 shareholders' equity 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 equity, 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.

The goodwill is posted on the "Goodwill" line item when significant, under the "Intangible Assets" category. Goodwill is no longer amortized as per IFRS 3.

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 business segments 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 business segment that have been approved by the Board of Directors.

The goodwill and corresponding assets and liabilities are allocated to the appropriate business segment (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.

Operating performance reports to the main operating decision maker, the Group Executive Committee, are organized into four segments:

- the Subsea segment, which includes the design, manufacture, procurement and installation of subsea equipment;
- the Offshore segment, which includes the design and construction of fixed or floating facilities and surface installations;
- the Onshore segment, which 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; and
- the Corporate segment, which 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 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 at the closing date of the 2011 financial statements, 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 equity 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, the benefit granted to employees in the form of a price discount on share capital increases reserved for employees is recorded by the Group as an expense.

(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

Employee benefits: 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, 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 equity 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, 2011

On December 1, 2011, Technip acquired 100% of the shares of Global Industries, Ltd, based in Carlyss (United States of America).

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 sees additional opportunities in the Offshore segment, with Global Industries talent, know-how and leading edge units, particularly in the heavy lift business.

The purchase price was USD936.4 million in cash, with no contingent consideration. The goodwill recognized amounts to USD293.1 million. Technip will perform the purchase price allocation during the year following the acquisition. This valuation will mainly be led on the fair value of fixed assets and the determination of identifiable assets and liabilities.

In millions of US Dollar	Carrying amount
Intangible Assets	1.2
Tangible Assets	842.6
Other Fixed Assets	21.5
Construction Contracts, Net	8.9
Cash and Cash Equivalents	141.8
Provisions	13.0
Financial Debts	312.1
Other Assets and Liabilities, Net	47.6
Net Asset	**643.3**
Temporary Goodwill	293.1
PURCHASE PRICE	**936.4**

Revenues of the company were USD340.8 million in 2011 and USD568.1 million in 2010. Neither revenue nor result related to the company was recognized by Technip since its acquisition.

(b) Other business combinations

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, Technip owns 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 consolidated assets 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 owns 98.60% of the share capital and 98.57% of the voting rights of Cybernétix (see Note 35 – Subsequent Events).

Year Ended December 31, 2010

In 2010, the Group made the following acquisitions:

- Techdof DA, a company jointly owned by Technip and DOF, acquired 100% ownership of Dofcon Brasil AS (Norway), which held a 99.9% interest in Dofcon Navegaçaõ Limitada, a company located in Brazil and the owner of the vessels *Skandi Vitória* and *Skandi Niterói*. In 2010, Dofcon Navegaçaõ Limitada realized €2.0 million of revenues and a net income of €4.6 million. As of December 31, 2010, the total assets of the company amounted to €145.4 million.

- Technip Italy acquired the remaining 50% interest in Technip India Ltd, a company in which Technip Italy previously held a 50% interest (and consolidated under proportionate method) and which is now wholly-owned (and fully consolidated).
- Technip interest in TPAR (Terminal Portuario de Angra Dos Reis S/A) has been increased to 100%.

(c) Scope of Consolidation as of December 31, 2011

Fully Consolidated Companies	Country	December 31, 2011 % Control
Technip	France	Consolidating Company
Technip France	France	100%
Technip Eurocash SNC	France	100%
Technip TPS	France	100%
Eurobatch	France	100%
SNPE Ingénierie Défense	France	100%
Seal Engineering	France	100%
Cofri	France	100%
Clecel	France	100%
Technipnet	France	100%
Technip Nouvelle-Calédonie	France	100%
Technip Offshore International	France	100%
Flexi France	France	100%
Middle East Projects International (Technip Mepi)	France	100%
Technip Marine	France	100%
Angoflex	France	100%
Technip Mines	France	100%
Setudi	France	100%
Safrel	France	100%
Technip Corporate Services	France	100%
Eurodim	France	100%
AETech	France	100%
Cybernétix	France	64.05%
Cybernétix Microélectronique	France	64.05%
SCI Les Bessons	France	64.05%
CyXplus	France	64.05%
Technip Angola	Angola	60%
Angoflex Lda.	Angola	70%
Technip Oceania (Pty) Ltd	Australia	100%
Technip CSO Australia (Pty) Ltd	Australia	100%
Genesis Oil & Gas Consultants (Pty) Ltd	Australia	100%
Technip Maritime Overseas	Bahamas	100%
AMC Angola Offshore	Bahamas	100%
Technip Benelux NV	Belgium	100%
Technip Brasil Engenharia	Brazil	100%
Technip Operadora Portuaria S/A	Brazil	100%
TPAR – Terminal Portuario de Angra dos Reis S/A	Brazil	100%
Flexibras Tubos Flexiveis	Brazil	100%
Cybernetix Produtos e Servicos do Brasil Ltda	Brazil	64.05%
Genesis Brasil Oil & Gas Engenharia Ltda	Brazil	100%
Brasflex Overseas	British Virgin Island	100%
Genesis Oil & Gas Consultants (Canada) Ltd	Canada	100%
Technip Canada	Canada	100%
Sea Oil Marine Services	Cayman Islands, British West-Indies	100%
CSO Oil & Gas Technology (West Africa)	Channel Islands	100%
Stena Offshore (Jersey)	Channel Islands	100%
Technip Engineering Consultant (Shanghai)	China	100%
Technip Tianchen Chemical Engineering	China	100%
Technip Offshore Finland OY	Finland	100%

Fully Consolidated Companies	Country	December 31, 2011 % Control
Technip Germany	Germany	100%
Technip Seiffert	Germany	100%
ProTek Germany	Germany	100%
Technipetrol Hellas SA	Greece	99%
Technip KT India	India	100%
SEAMEC	India	75%
Technip India	India	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%
Front End Re	Luxembourg	100%
Technip Far East	Malaysia	100%
Technip Geoproduction (M)	Malaysia	100%
Asiaflex Products	Malaysia	100%
FlexiAsia Sdn Bhd	Malaysia	100%
Technip Marine (M) Sdn Bhd	Malaysia	100%
Coflexip Stena Offshore (Mauritius)	Mauritius	100%
Technip de Mexico S. de R. L. de C.V.	Mexico	60%
Technip Servicios de Mexico S.C.	Mexico	100%
Technip Benelux BV	Netherlands	100%
Technip Holding Benelux BV	Netherlands	100%
Technip E.P.G. BV	Netherlands	100%
Technip Ships (Netherlands) BV	Netherlands	100%
Technip Oil & Gas BV	Netherlands	100%
TSLP BV	Netherlands	100%
Technip Offshore NV	Netherlands	100%
Technip Offshore Contracting BV	Netherlands	100%
Halon Capital BV	Netherlands	100%
Flexservice N.V.	Netherlands Antilles	100%
Sunflex Offshore N.V.	Netherlands Antilles	100%
Technip Offshore (Nigeria)	Nigeria	100%
Neptune Maritime Nigeria	Nigeria	100%
Crestech Engineering	Nigeria	66.91%
North Ocean III KS	Norway	39%
Technip Norge AS	Norway	100%
Technip Coflexip Norge AS	Norway	100%
Technip Ships Norge AS	Norway	100%
Genesis Oil & Gas Consultants Norway AS	Norway	100%
Technip Overseas	Panama	100%
Technip Polska	Poland	100%
Lusotechnip Engenharia	Portugal	100%
Technip RUS	Russia	99%
Technip Saudi Arabia	Saudi Arabia	76%
TPL Arabia	Saudi Arabia	90%
Coflexip Singapore Pte Ltd	Singapore	100%
Technip Singapore	Singapore	100%
TP-NPV Singapore	Singapore	100%
Technip Iberia	Spain	100%
Technip International AG	Switzerland	100%
Engineering Re	Switzerland	100%
Technip Engineering (Thailand)	Thailand	74%
Seamec International FZE	United Arab Emirates	75%
Technip Middle East	United Arab Emirates	100%
Technip Offshore Wind Limited Ltd	United Kingdom	100%
Technip Offshore Holdings Ltd	United Kingdom	100%

Fully Consolidated Companies	Country	December 31, 2011 % Control
Technip UK Ltd	United Kingdom	100%
Technip Ships One Ltd	United Kingdom	100%
Technip-Coflexip UK Holding Ltd	United Kingdom	100%
Coflexip UK Ltd	United Kingdom	100%
DUCO Ltd	United Kingdom	100%
Genesis Oil & Gas Consultants Ltd	United Kingdom	100%
Spoolbase UK Ltd	United Kingdom	100%
Genesis Oil & Gas Ltd	United Kingdom	100%
Technip Maritime UK Ltd	United Kingdom	100%
Technip Offshore Manning Services Ltd	United Kingdom	100%
Subsea Integrity Group Ltd	United Kingdom	100%
Energy Projects Development Ltd	United Kingdom	100%
Technip USA Inc.	United States of America	100%
Technip USA Holdings Inc.	United States of America	100%
DUCO Inc.	United States of America	100%
Genesis Oil & Gas Consultants Inc.	United States of America	100%
Deepwater Technologies Inc.	United States of America	75%
Global Industries Ltd & its subsidiaries	United States of America	100%
Cybernetix of America	United States of America	64.05%
Technip Bolivar	Venezuela	100%

Consolidated Companies under Proportionate Method	Country	December 31, 2011 % Control
Consorcio Intep SNC	France	90%
Dalia Floater Angola SNC	France	55%
Saibos Akogep SNC	France	30%
Yemen Project Coordination Services SNC	France	33.33%
TSU Projects	France	60%
Uranium Mining Services	France	60%
Eletech	France	30%
SPF-TKP Omifpro SNC/SP-TKP Fertilizer	France/Italy	50%
Consorcio Contrina SNC	France/Venezuela	34.40%
Technip Subsea 7 Asia Pacific (Pty) Ltd	Australia	55%
Petrolinvest	Bosnia	33%
FSTP Brasil Ltda.	Brazil	25%
Dofcon Navegacao Ltda	Brazil	50%
Tipiel	Colombia	44.10%
Consorzio Overseas Bechtel/Technip Italy	Italy	50%
Technip Subsea 7 Asia Pacific BV	Netherlands	55%
Technip Odebrecht PLSV BV	Netherlands	50%
Technip Odebrecht PLSV CV	Netherlands	50%
TSU Niger SARL	Niger	60%
Nigetecsa Free Zone Enterprise	Nigeria	50%
Doftech DA	Norway	50%
Techdof DA	Norway	50%
Dofcon Brasil AS	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/U.S.A./Italy/ Nigeria	25%
Technip South Africa Pty Ltd	South Africa	51%
FSTP Pte Ltd	Singapore	25%
Technip Subsea 7 Asia Pacific Singapore Pte Ltd	Singapore	55%
Technip Thailand Ltd	Thailand	49%
Yemgas FZCO	United Arab Emirates	33.33%
CTEP FZCO	United Arab Emirates	40%
Technip Subsea 7 Asia Pacific UK Ltd	United Kingdom	55%
Technip Zachry-Saipem LNG LP.	United States of America	43%
Deep Oil Technology	United States of America	50%
Spars International	United States of America	50%

The Group does not own company accounted for under equity method. During 2010, the Group sold its participation into Technip KTI Spa, formerly 25% owned by Technip Italy and consolidated by equity method.

All consolidated companies close their accounts as of December 31 except Technip KT India, SEAMEC and Technip India 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

	2011							
In millions of Euro	Subsea	Offshore	Onshore	Corporate	Non Allocable and Eliminations	Total Continuing Operations	Discontinued Operations	Total
Revenues	2,972.0	914.3	2,926.7	-	-	6,813.0	-	6,813.0
Gross Margin	724.9	133.8	427.9	-	-	1,286.6	-	1,286.6
Operating Income/(Loss) from Recurring Activities	**497.9**	**52.6**	**221.1**	**(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**	**52.6**	**221.1**	**(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**	**NA**	**502.5**	**-**	**502.5**
Segment Assets	7,607.5	841.3	2,900.3	(334.6)	-	11,014.5	-	11,014.5
Investments in Equity Affiliates	-	-	-	-	-	-	-	-
Unallocated Assets	-	-	-	-	417.5	417.5	-	417.5
TOTAL ASSETS	**7,607.5**	**841.3**	**2,900.3**	**(334.6)**	**417.5**	**11,432.0**	**-**	**11,432.0**
Segment Liabilities (1)	2,876.1	338.5	2,726.1	1,442.0	23.9	7,406.6	-	7,406.6
Unallocated Liabilities (2)	-	-	-	-	4,025.4	4,025.4	-	4,025.4
TOTAL LIABILITIES	**2,876.1**	**338.5**	**2,726.1**	**1,442.0**	**4,049.3**	**11,432.0**	**-**	**11,432.0**
Other Segment Information								
Backlog (3)	4,380.2	2,534.4	3,501.5	-	-	10,416.1	-	10,416.1
Order Intake (4)	4,097.1	2,370.6	1,507.1	-	-	7,974.8	-	7,974.8
Capital Expenditures:								
Property, Plant and Equipment	306.4	6.8	26.0	-	-	339.2	-	339.2
Intangible Assets	8.1	1.8	8.1	-	-	18.0	-	18.0
Amortization:								
Property, Plant and Equipment	(113.4)	(9.7)	(12.7)	-	-	(135.8)	-	(135.8)
Intangible Assets	(7.5)	(0.8)	(3.6)	-	-	(11.9)	-	(11.9)
Impairment of Assets	(26.3)	-	-	-	-	(26.3)	-	(26.3)

(1) Includes financial debts such as bond loans and other borrowings.
(2) Includes 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.

	2010							
In millions of Euro	Subsea	Offshore	Onshore	Corporate	Non Allocable and Eliminations	Total Continuing Operations	Discontinued Operations	Total
Revenues	2,731.7	773.4	2,576.8	-	-	6,081.9	-	6,081.9
Gross Margin	684.9	106.9	393.1	-	-	1,184.9	-	1,184.9
Operating Income/(Loss) from Recurring Activities	456.5	34.6	172.1	(42.9)	-	620.3	-	620.3
Result from Sale of Activities	-	-	-	-	16.5	16.5	-	16.5
Result from Non-Current Activities	-	-	2.9	-	(25.0)	(22.1)	-	(22.1)
Operating Income/(Loss)	456.5	34.6	175.0	(42.9)	(8.5)	614.7	-	614.7
Financial Income/(Expenses)	-	-	-	-	(20.1)	(20.1)	-	(20.1)
Share of Income/(Loss) of Equity Affiliates	-	-	-	-	-	-	-	-
Income Tax Expense	-	-	-	-	(179.4)	(179.4)	-	(179.4)
Discontinued Operations	-	-	-	-	-	-	-	-
NET INCOME/(LOSS) FOR THE YEAR	**NA**	**NA**	**NA**	**NA**	**NA**	**415.2**	**-**	**415.2**
Segment Assets	5,542.8	784.2	2,904.9	516.8	-	9,748.7	-	9,748.7
Investments in Equity Affiliates	-	-	-	-	-	-	-	-
Unallocated Assets	-	-	-	-	473.3	473.3	-	473.3
TOTAL ASSETS	**5,542.8**	**784.2**	**2,904.9**	**516.8**	**473.3**	**10,222.0**	**-**	**10,222.0**
Segment Liabilities (1)	2,175.0	432.7	2,496.8	1,564.4	112.3	6,781.2	-	6,781.2
Unallocated Liabilities (2)	-	-	-	-	3,440.8	3,440.8	-	3,440.8
TOTAL LIABILITIES	**2,175.0**	**432.7**	**2,496.8**	**1,564.4**	**3,553.1**	**10,222.0**	**-**	**10,222.0**
Other Segment Information								
Backlog (3)	3,110.7	1,130.9	4,986.3	-	-	9,227.9	-	9,227.9
Order Intake (4)	2,631.7	1,405.0	2,920.7	-	-	6,957.4	-	6,957.4
Capital Expenditures:								
Property, Plant and Equipment	341.9	6.7	12.6	-	-	361.2	-	361.2
Intangible Assets	13.2	3.3	11.2	-	-	27.7		27.7
Amortization:								
Property, Plant and Equipment	(108.4)	(9.4)	(15.1)	(0.1)	-	(133.0)	-	(133.0)
Intangible Assets	(9.2)	(1.3)	(2.0)	(0.1)	-	(12.6)	-	(12.6)
Impairment of Assets	-	-	-	-	-	-	-	-

(1) Includes financial debts such as bond loans and other borrowings.

(2) Includes 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

	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), in Brazil (€710.0 million) and in Saudi Arabia (€858.4 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).

	2010						
In millions of Euro	Europe, Russia, Central Asia	Africa	Middle East	Asia Pacific	Americas	Non Allocable	Total
Revenues (1)	1,611.8	1,157.7	1,292.9	725.4	1,294.1	-	6,081.9
Operating Income/(Loss) from Recurring Activities	124.3	187.2	86.6	107.8	157.3	(42.9)	620.3
OPERATING INCOME/(LOSS)	**124.3**	**187.2**	**86.6**	**110.7**	**157.3**	**(51.4)**	**614.7**
Intangible Assets (excluding Goodwill) (2)	40.4	0.5	-	0.6	13.9	-	55.4
Property, Plant and Equipment (3)	308.2	36.5	2.5	90.2	152.9	881.7	1,472.0
Financial Assets (4)	211.1	3.1	0.1	5.1	20.1	-	239.5

(1) Includes revenues earned in France (€97.6 million), in Brazil (€673.0 million) and in Saudi Arabia (€669.1 million).
(2) Includes intangible assets in France (€39.3 million) and in Brazil (€13.3 million).
(3) Includes tangible assets in France of €249.7 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 of €205.9 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	2011	2010
Rendering of Services	6,752.7	6,036.9
Sales of Goods	43.8	25.4
Financial Result on Contracts (1)	16.5	19.6
REVENUES	**6,813.0**	**6,081.9**

(1) Financial income and expenses arising from the cash position of ongoing contracts are included in revenues for €16.5 million in 2011 compared to €19.6 million in 2010.

In 2011, one single customer of the Group represented more than 10% of Group consolidated revenues (12.1% in 2011 and 8.8% in 2010).

(b) Cost of Sales by Nature

Cost of Sales comprises the following items:

In millions of Euro	2011	2010
Employee Benefit Expenses	(1,230.6)	(1,122.1)
Operating Leases	(119.7)	(84.5)
Amortization and Depreciation of Property, Plant and Equipment	(157.7)	(127.1)
Amortization of Intangible Assets	(11.8)	(12.6)
Purchases, External Charges and Other Expenses	(4,006.6)	(3,550.7)
TOTAL COST OF SALES	**(5,526.4)**	**(4,897.0)**

(c) Research and Development Costs

Research and development costs amounted to €65.3 million in 2011 compared to €56.6 million in 2010. 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	2011	2010
Employee Benefit Expenses (1)	(202.0)	(177.4)
Operating Leases	(41.4)	(35.3)
Amortization and Depreciation of Property, Plant and Equipment	(4.4)	(5.6)
Amortization of Intangible Assets	(0.1)	-
Purchases, External Charges and Other Expenses	(83.2)	(82.6)
TOTAL ADMINISTRATIVE COSTS	**(331.1)**	**(300.9)**

(1) Includes charges for share subscription and share purchase options and performance share grants: €46.0 million in 2011 compared to €27.0 million in 2010.

(e) Other Operating Income

Other Operating Income breaks down as follows:

In millions of Euro	2011	2010
Proceeds from Disposal of Property, Plant and Equipment	2.9	2.3
Proceeds from Disposal of Financial Assets	0.7	-
Reinsurance Income	20.5	12.0
Other	2.3	3.8
TOTAL OTHER OPERATING INCOME	**26.4**	**18.1**

(f) Other Operating Expenses

Other Operating Expenses break down as follows:

In millions of Euro	2011	2010
Net Book Value of Disposed/Written-off Assets	(3.8)	(18.4)
Reinsurance Costs	(13.1)	(8.5)
Other	(5.6)	(19.2)
TOTAL OTHER OPERATING EXPENSES	**(22.5)**	**(46.1)**

(g) Result from Sale of Activities

In 2011, the Group did not make any sale of activities.

In 2010, the result from sale of activities amounted to €16.5 million of which €5.5 million was related to the write-off of a provision for risk booked on an old contract and €11.0 million profit on the share disposal of the company Technip KTI Spa, which was sold for €20.0 million.

(h) Other Non-Current Income and Expenses

In 2011, non-current expenses related to the acquisitions of Global Industries and Cybernétix were recognized for a total amount of €15.7 million over the period.

In 2010, non-current expenses amounted to €22.1 million including a charge of €25.0 million related to a fine and costs paid to the Federal Government of Nigeria (see Note 32 – Litigation and Contingent Liabilities) and an income of €2.9 million on the valuation at fair value of the former share in Technip India Ltd. The acquisition of a 50% interest Technip India Ltd in March 2010 was analyzed as a step acquisition under the revised IFRS 3.

(i) Employee Benefit Expenses

Employee benefit expenses break down as follows:

In millions of Euro	2011	2010
Wages and Salaries	(1,147.2)	(1,001.2)
Social Security Costs	(220.1)	(204.0)
Pension Costs – Defined Contribution Plans	(27.7)	(23.3)
Pension Costs – Defined Benefit Plans	(16.1)	(11.0)
Share Subscription or Purchase Options and Performance Shares	(46.0)	(27.0)
Other	(77.9)	(79.3)
EMPLOYEE BENEFIT EXPENSES	**(1,535.0)**	**(1,345.8)**

Employee benefit 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	2011	2010
Interest Income from Treasury Management (1)	62.3	60.1
Dividends from Non-Consolidated Investments	2.3	0.1
Financial Income related to Employee Benefits	7.7	5.1
Foreign Currency Translation Gains	269.0	344.1
Changes in Derivative Fair Value, Net	6.9	-
Inefficient Part of Derivative Instruments, Net	1.6	-
Total Financial Income	349.8	409.4

(1) Mainly results from interest income from short-term security deposits.

(b) Financial Expenses

In millions of Euro	2011	2010
Interest Expense on Bonds	(12.2)	(29.9)
Interest Expense on Private Placements	(10.3)	(4.4)
Interest Expense on Convertible Bonds	(16.1)	(1.8)
Fees Related to Credit Facilities	(8.5)	(2.0)
Financial Expenses related to Employee Benefits	(14.6)	(11.1)
Interest Expenses on Bank Borrowings and Overdrafts	(28.1)	(16.0)
Depreciation on Financial Assets, Net	(0.3)	(0.3)
Foreign Currency Translation Losses	(236.2)	(334.8)
Changes in Derivative Fair Value, Net	-	(21.1)
Inefficient Part of Derivative Instruments, Net	-	(4.5)
Other	(6.1)	(3.6)
Total Financial Expenses	(332.4)	(429.5)
NET FINANCIAL RESULT	**17.4**	**(20.1)**

Note 6 – Income Tax

(a) Income Tax Expense

The income tax expense breaks down as follows:

In millions of Euro	2011	2010
Current Income Tax Credit/(Expense)	(181.2)	(230.2)
Deferred Income Tax Credit/(Expense)	(27.5)	50.8
INCOME TAX CREDIT/(EXPENSE) AS RECOGNIZED IN STATEMENT OF INCOME	**(208.7)**	**(179.4)**
Deferred Income Tax related to Items Booked Directly to Opening Equity	18.8	16.8
Deferred Income Tax related to Items Booked to Equity during the Year	(33.9)	2.0
INCOME TAX CREDIT/(EXPENSE) AS REPORTED IN EQUITY	**(15.1)**	**18.8**

(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	2011	2010
Net Income from Continuing Operations	502.5	415.2
Income Tax Credit/(Expense) on Continuing Operations	(208.7)	(179.4)
Income Before Tax	711.2	594.6
At Parent Company Statutory Income Tax Rate of 36.10% in 2011/34.43% in 2010	(256.7)	(204.7)
Differences between Parent Company and Foreign Income Tax Rates	51.8	50.8
Share of Income/(Loss) of Equity Affiliates	-	-
Additional Local Income Tax and Foreign Tax	(1.3)	(20.6)
Gains/(Losses) Taxable at a Particular Rate	3.4	5.9
Other Non-Deductible Expenses	(6.4)	(17.4)
Deferred Tax Assets not Recognized on Tax Loss of the Year	(10.6)	(11.8)
Adjustments on Prior Year Current Taxes	9.2	8.1
Deferred Tax relating to Changes in Tax Rates	0.1	0.8
Adjustments on Prior Year Deferred Taxes	4.7	11.7
Consolidation Adjustments with no Tax Impact	(5.2)	(4.2)
Other	2.3	2.0
Effective Income Tax Credit/(Expense)	(208.7)	(179.4)
Tax Rate	*29.3%*	*30.2%*
INCOME TAX CREDIT/(EXPENSE) AS REPORTED IN THE CONSOLIDATED STATEMENT OF INCOME	**(208.7)**	**(179.4)**

(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	2011	2010
Tax Losses Carried Forward	47.0	56.1
Margin Recognition on Construction Contracts	40.3	34.3
Provisions for Employee Benefits	57.9	52.8
Contingencies related to Contracts	135.5	169.2
Other Contingencies	13.4	51.5
Temporarily Non-Deductible Expenses	13.2	2.9
Fair Value Losses	19.4	45.7
Other Temporary Differences	-	1.0
Total Deferred Income Tax Assets	326.7	413.5
Differences between Taxable and Accounting Depreciation	140.3	114.6
Margin Recognition on Construction Contracts	49.5	40.6
Fair Value Gains	1.6	27.1
Other Temporary Differences	1.0	-
Total Deferred Income Tax Liabilities	192.4	182.3
NET DEFERRED INCOME TAX ASSETS/(LIABILITIES)	**134.3**	**231.2**

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 €134.3 as of December 31, 2011 is broken down into a deferred tax asset of €306.3 million and a deferred tax liability of €172.0 million, as recorded in the statement of financial position. The net deferred tax asset of €231.2 as of December 31, 2010 is broken down into a deferred tax asset of €324.6 million and a deferred tax liability of €93.4 million.

(d) Tax Loss Carry-Forwards and Tax Credits

Tax loss carry-forwards not yet recognized as source of deferred tax assets amounted to €100.2 million as of December 31, 2011, compared to €105.0 million as of December 31, 2010. The majority of these came from a Finnish entity for €75 million and from a German entity for €25 million. Deferred income tax assets corresponding to these tax loss carry-forwards and not recorded as of December 31, 2011 amounted to €28.6 million. All of these tax loss carry-forwards are reportable over an unlimited period of time, except in Finland where there is a 10-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 2011 and 2010, no activity was discontinued or 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	2011	2010
Net Income Attributable to Shareholders of the Parent Company	507.3	417.6
Financial Expense on Convertible Bonds, Net of Tax	10.3	1.2
ADJUSTED NET INCOME FOR DILUTED EARNINGS PER SHARE	**517.6**	**418.8**
In thousands		
Weighted Average Number of Outstanding Shares during the Period (excluding Treasury Shares) used for Basic Earnings per Share	108,077	106,475
Effect of Dilution:		
■ Share Subscription Options	810	870
■ Performance Shares	1,766	1,694
■ Convertible Bond	6,846	800
WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES DURING THE PERIOD (EXCLUDING TREASURY SHARES) ADJUSTED FOR DILUTED EARNINGS PER SHARE	**117,499**	**109,839**
In Euro		
Basic Earnings per Share	4.69	3.92
DILUTED EARNINGS PER SHARE	**4.41**	**3.81**

During the financial years 2011 and 2010, 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.

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.

In 2010, considering the increase in the average annual share price (€56.42) and a closing price of €69.10, no plan 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	11.4	243.0	1,142.4	716.3	195.4	315.9	153.0	2,777.4
Accumulated Amortization	-	(117.4)	(468.5)	(390.0)	(147.7)	-	(88.6)	(1,212.2)
Accumulated Impairment Losses	(0.9)	-	(70.8)	(15.9)	-	(5.6)	-	(93.2)
Net Book Value as of December 31, 2010	10.5	125.6	603.1	310.4	47.7	310.3	64.4	1,472.0
Costs	19.4	285.0	1,624.4	923.1	201.5	582.7	206.6	3,842.7
Accumulated Amortization	-	(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	**18.6**	**146.5**	**922.6**	**480.8**	**53.5**	**582.7**	**103.6**	**2,308.3**

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, 2010	9.9	99.4	414.9	204.8	47.9	370.9	46.7	1,194.5
Additions – Acquisitions – Internal Developments	-	6.7	99.6	80.2	20.9	133.8	20.0	361.2
Additions – Business Combinations	-	-	-	-	-	-	-	-
Disposals – Write-off	-	(5.6)	(5.1)	(13.6)	(2.6)	7.4	(0.9)	(20.4)
Depreciation Expense for the Year	-	(5.1)	(51.2)	(45.5)	(21.5)	(0.6)	(9.1)	(133.0)
Impairment Losses	-	-	-	-	-	-	-	-
Net Foreign Exchange Differences	0.6	12.8	21.7	24.7	(0.4)	22.7	(17.4)	64.7
Other (1)	-	17.4	123.2	59.8	3.4	(223.9)	25.1	5.0
Net Book Value as of December 31, 2010	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	4.7	12.6	267.6	88.1	2.5	241.6	13.5	630.6
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	**18.6**	**146.5**	**922.6**	**480.8**	**53.5**	**582.7**	**103.6**	**2,308.3**

(1) Includes the reclassification of assets under construction into the corresponding line items upon their delivery.

No assets are subject to a capital lease.

The amount of pledged assets amounted to €203.1 million as of December 31, 2011, including mortgages on *Skandi Vitória, Skandi Arctic* and *Skandi Niterói* vessels.

The Group has decided to continue its policy of high investment levels, in particular in order to expand its vessel fleet. As of December 31, 2011, the principal vessels recorded as "Assets under Construction" for a total amount of €582.7 million were as follows:

- the *Deep Energy,* a pipelay vessel dedicated to deepwater, for which a total amount of €235.8 million of cumulative investments was accounted for;
- the *Deep Orient,* a flexlay construction vessel dedicated to Asian markets, for which a total amount of €34.1 million of cumulative investments was accounted for;
- two flexible pipeline installation vessels in joint venture with Odebrecht Oil & Gas, dedicated to Brazilian markets, for which a total amount of €13.7 million of cumulative investments was accounted for;
- following the acquisition of Global Industries, the *Global 1201,* a rigid pipe construction vessel, for which a total amount of €241.6 million of cumulative investments was accounted for.

In addition, the Group pursues its investments in flexible and umbilical plants in Malaysia, France, United Kingdom and Brazil, for which a total amount of €54.3 million was recognized as "Assets under Construction" as of December 31, 2011.

Besides, the increase in the "Vessels" item mainly relates to the delivery of the *Skandi Niterói,* and to the vessels owned by Global Industries for an amount of €267.6 million.

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	2,379.1	115.0	68.1	3.0	2,565.2
Accumulated Amortization	-	(91.0)	(37.2)	(2.5)	(130.7)
Accumulated Impairment Losses	-	-	-	-	-
Net Book Value as of December 31, 2010	2,379.1	24.0	30.9	0.5	2,434.5
Costs	2,652.4	115.3	85.3	3.8	2,856.8
Accumulated Amortization	-	(96.6)	(43.4)	(2.6)	(142.6)
Accumulated Impairment Losses	-	-	-	-	-
NET BOOK VALUE AS OF DECEMBER 31, 2011	**2,652.4**	**18.7**	**41.9**	**1.2**	**2,714.2**

(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, 2010	2,369.3	27.9	5.4	5.6	2,408.2
Additions – Acquisitions – Internal Developments	-	3.1	24.6	-	27.7
Additions – Business Combinations	9.7	-	-	-	9.7
Disposals – Write-off	-	-	-	(0.1)	(0.1)
Amortization Charge for the Year	-	(8.4)	(4.2)	-	(12.6)
Impairment Losses	-	-	-	-	-
Net Foreign Exchange Differences	0.1	1.4	0.1	-	1.6
Other	-	-	5.0	(5.0)	-
Net Book Value as of December 31, 2010	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	257.5	-	0.9	-	258.4
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	15.8	(1.0)	0.3	-	15.1
Other	-	-	-	0.3	0.3
NET BOOK VALUE AS OF DECEMBER 31, 2011	**2,652.4**	**18.7**	**41.9**	**1.2**	**2,714.2**

(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).

In 2011, the goodwill allocated to the Subsea segment increased by €256.1 million, primarily due to the acquisition of Global Industries, Ltd (temporary goodwill of €226.6 million) and the acquisition of Cybernétix (goodwill of €18.6 million) (see Note 2 – Scope of Consolidation).

In 2010, the goodwill allocated to the Onshore segment increased by €9.7 million due to the acquisition of the remaining 50% interest in Technip India (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, 2011	2010
Subsea [(1)]	2,184.7	1,928.6
Offshore [(1)]	315.9	310.8
Onshore	151.8	139.7
TOTAL GOODWILL	**2,652.4**	**2,379.1**

(1) The goodwill on Coflexip resulting from the two-step acquisition was assigned – after allocation to identifiable items – to the following business segments: Subsea and Offshore.

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 2011 relied on the business plans covering years 2012 to 2014 for each business segment (corresponding to the Cash-Generating Units). Beyond 2014, 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 2011 are unchanged compared to 2010.

As of December 31, 2011, 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 2014 operating margin relative to the business plan estimates, the use of a 2.0% growth rate, 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 2010.

Note 11 – Investments in Equity Affiliates

In June 2010, Technip Italy sold its 25% share in Technip KTI Spa, the only company then consolidated under the equity method.

Changes in investments in the equity affiliates break down as follows:

In millions of Euro	2011	2010
Carrying Amount of Investments as of January 1	-	9,3
Additions	-	-
Disposals	-	(9,3)
Share of Income/(Loss) of Equity Affiliates	-	-
Distributed Dividends	-	-
CARRYING AMOUNT OF INVESTMENTS AS OF DECEMBER 31	**-**	**-**

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, 2011, 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,			
	2011		2010	
In millions of Euro	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Non-Consolidated Investments	8.5	8.5	3.6	3.6
Valuation Allowance	(1.1)	(1.1)	(1.3)	(1.3)
Net Value of Non-Consolidated Investments	**7.4**	**7.4**	**2.3**	**2.3**
Loans	11.9	11.9	14.0	14.0
Valuation Allowance	-	-	-	-
Net Value of Loans	**11.9**	**11.9**	**14.0**	**14.0**
Liquidity Contract	10.9	10.9	9.9	9.9
Net Value of Liquidity Contract	**10.9**	**10.9**	**9.9**	**9.9**
Security Deposits and Other	66.1	66.1	16.0	16.0
Valuation Allowance	(3.5)	(3.5)	(3.8)	(3.8)
Net Value of Security Deposits and Other	**62.6**	**62.6**	**12.2**	**12.2**
TOTAL OTHER FINANCIAL ASSETS, NET	**92.8**	**92.8**	**38.4**	**38.4**

Note 13 – Available-For-Sale Financial Assets

As of December 31, 2011 and 2010, 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). As of December 31, 2011, Technip's stake in MHB increased by 0.35% for €7.1 million (*i.e.* 5,555,000 additional shares). This company is listed in Malaysia (Bursa Malaysia Securities Berhad).

	As of December 31,			
	2011		2010	
In millions of Euro	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Share – Unlisted	-	-	-	-
Share – Listed	201.9	201.9	201.1	201.1
TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS	**201.9**	**201.9**	**201.1**	**201.1**

In the financial year 2011, a loss was recognized in shareholders' equity for €6.4 million.

In 2010, an appreciation of €74.6 million had been recorded through shareholders 'equity.

Note 14 – Inventories

The breakdown of inventories is as follows:

	As of December 31,	
In millions of Euro	2011	2010
Raw Materials	202.3	139.3
Work in Progress	17.7	45.7
Finished Goods and Merchandise	57.0	49.5
Valuation Allowance	(22.4)	(13.0)
TOTAL NET INVENTORIES	**254.6**	**221.5**

As of December 31, 2011, inventories that had a maturity of less than 12 months amounted to €253.6 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, or 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	2011	2010
Construction Contracts – Amounts in Assets	588.0	378.6
Construction Contracts – Amounts in Liabilities	(644.5)	(694.9)
TOTAL NET CONSTRUCTION CONTRACTS	**(56.5)**	**(316.3)**
Costs and Margins Recognized at the Percentage of Completion	4,966.7	4,236.6
Payments Received from Clients	(4,835.3)	(4,498.7)
Losses at Completion	(187.9)	(54.2)
TOTAL NET CONSTRUCTION CONTRACTS	**(56.5)**	**(316.3)**

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	2011	2010
Trade Receivables	976.4	1,048.4
Contracts – To be invoiced [(1)]	303.5	228.2
Doubtful Accounts	33.8	45.1
Provisions for Doubtful Accounts	(33.8)	(45.1)
TOTAL NET TRADE RECEIVABLES	**1,279.9**	**1,276.6**

(1) Amounts to be invoiced on contracts other than construction contracts.

Trade receivables are non-interest bearing. Their maturities are linked to the operating cycle of contracts. As of December 31, 2011, the portion of trade receivables that had a maturity of less than 12 months amounted to €1,236.3 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	2011	2010
Provisions for Doubtful Accounts as of January 1	(45.1)	(58.6)
Increase	(17.6)	(0.2)
Used Provision Reversals	25.0	9.2
Unused Provision Reversals	3.9	4.5
PROVISIONS FOR DOUBTFUL ACCOUNTS AS OF DECEMBER 31	**(33.8)**	**(45.1)**

Note 17 – Other Current Receivables

Other current receivables break down as follows:

	As of December 31,	
In millions of Euro	2011	2010
Value Added Tax Receivables	101.8	89.8
Other Tax Receivables	61.2	50.7
Receivables from Employees	6.0	11.5
Prepaid Expenses	128.0	78.3
Insurance Indemnities to be Received	0.5	11.7
Other	190.4	142.3
TOTAL NET OTHER CURRENT RECEIVABLES	**487.9**	**384.3**

As of December 31, 2011, the portion of other current receivables with a maturity of less than 12 months amounted to €479.2 million. Other current receivables are non-interest bearing.

Note 18 – Cash and Cash Equivalents

Cash and cash equivalents break down as follows:

	As of December 31,	
In millions of Euro	2011	2010
Cash at Bank and in Hand	918.6	778.9
Cash Equivalents	1,890.1	2,326.8
TOTAL CASH AND CASH EQUIVALENTS	**2,808.7**	**3,105.7**
Euro	999.7	1,555.5
US Dollar	812.2	665.4
Pound Sterling	72.5	58.4
Japanese Yen	43.6	62.2
Canadian Dollar	55.4	21.3
Australian Dollar	101.0	71.5
Brazilian Real	399.8	360.3
Norwegian Krone	108.6	82.6
Other	215.9	228.5
TOTAL CASH AND CASH EQUIVALENTS BY CURRENCY	**2,808.7**	**3,105.7**
Certificates of Deposits	533.0	726.9
Fixed Term Deposits	1,220.4	1,462.5
Floating Rate Notes	127.0	130.6
Other	9.7	6.8
TOTAL CASH EQUIVALENTS BY NATURE	**1,890.1**	**2,326.8**

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, 2011 and 2010, 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, 2011, Technip share capital consisted of 110,987,758 outstanding shares with a par value of €0.7625 each. Changes since January 1, 2010 break down as follows:

	Number of Shares	Share Capital (In millions of Euro)
Share Capital as of January 1, 2010	**109,343,294**	**83.4**
Capital Increase due to Share Subscription Options Exercised	906,058	0.7
Share Capital as of December 31, 2010	**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**

(b) Technip's Shareholders as of December 31

Technip's principal shareholders are as follows:

	As of December 31,	
	2011	2010
Blackrock Inc.	6.20%	6.25%
Fonds Stratégique d'Investissement	5.35%	5.40%
Causeway Capital Management	1.45%	4.30%
Natixis	3.00%	4.20%
Oppenheimer Funds Inc.	2.90%	3.50%
Amundi Asset Management	3.20%	2.90%
IFP Énergies nouvelles	2.55%	2.70%
Treasury Shares	2.00%	2.65%
Group Employees	2.00%	2.20%
Other	71.35%	65.90%
TOTAL	**100.00%**	**100.00%**

Percentages relate to the disclosure of major holdings as reported to the AMF and/or to the Company.

(c) Treasury Shares

	Number of Shares	Treasury Shares (In millions of Euro)
Treasury Shares as of January 1, 2010	**3,065,910**	**(143.8)**
Shares Acquired pursuant to Liquidity Contract	584,267	(33.7)
Shares Sold pursuant to Liquidity Contract	(553,267)	31.6
Shares Granted to Employees	(189,449)	8.0
Treasury Shares as of December 31, 2010	**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)**

Treasury shares are held in order to serve performance share plans that were granted to employees in 2007, 2008, 2009, 2010 and 2011 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
As of January 1, 2010	0.8	4.3	(3.2)	1.9
Net Gains/(Losses) on Cash Flow Hedges (IAS 32/39)	(49.0)	-	-	(49.0)
Tax Effect on Net Gains/(Losses) on Cash Flow Hedges	16.4	-	-	16.4
Fair Value Changes on Available-For-Sale Financial Assets (IAS 39)	-	74.6	-	74.6
Tax Effect on Fair Value Changes on Available-For-Sale Financial Assets	-	(2.8)	-	(2.8)
Other	-	-	(0.3)	(0.3)
As of December 31, 2010	(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)
AS OF DECEMBER 31, 2011	**(45.8)**	**69.2**	**(3.7)**	**19.7**

(1) Recorded under this heading is the portion of a gain or loss realized on cash flow hedging that is considered as efficient (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, 2011, distributable retained earnings of the parent company amounted to €622.5 million.

(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, 2011, the statutory legal reserve amounted to €9.8 million.

(g) Dividends Paid and Proposed

In 2011, the dividend paid in respect of 2010 amounted to €156.1 million (*i.e.*, €1.45 per share).

The recommended dividend in respect of 2011 is €1.58 per share and will be submitted for approval at the Shareholders' General Meeting to be held on April 26, 2012. Given that no decision was taken as of December 31, 2011, no impact was recorded in the 2011 financials.

In 2010, the dividend paid in respect of 2009 amounted to €143.6 million (*i.e.*, €1.35 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 2011 and 2010 are as follows:

Technip Plans Number of Options	Plan 2005					Plan 2008	Plan 2009	Plan 2010			Plan 2011		Total
	Part 1 [1]	Part 2 [1]	Part 3 [1]	Part 1, 2 Re-Granted [1]	Part 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]	
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	
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	
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)
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**
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	

(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 plan, the performance will be measured over the 2011-2013 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.

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 are in place for 2011 and 2010:

Coflexip Plans 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 €13.7 million in 2011 compared to €8.3 million in 2010.

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	
	Part 1	Part 2	Part 3	Part 1 and 2 Re-Granted	Part 1, 2 and 3 Re-Granted	Part 1	Part 1	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
Exercise Price (in Euro)	48.19	42.48	50.47	55.88	59.96	58.15	34.70	51.45	63.23	72.19	72.69	66.94
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%
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%
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%
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 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%
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%
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%
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%
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
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

Average share price amounted to €69.74 in 2011 and €56.42 in 2010.

(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 2011 and 2010:

	Plan 2007		Plan 2008			Plan 2009			Plan 2010			Plan 2011		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	
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	
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	
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**

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 plan. For the latter, the performance is measured over the 2011-2013 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.

IFRS 2 Accounting Charge

IFRS 2 applies to the valuation of performance share grants. Consequently, the Group recorded a charge of €32.3 million in 2011 compared to €18.7 million in 2010.

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	
	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
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
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%
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%
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
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 15, 2013/14	Oct. 25, 2014	March 4, 2015/16	June 17, 2015/16	Dec. 14, 2015/16

(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 €69.74 in 2011, compared to €56.42 in 2010.

(j) Capital Management

Group shareholders' equity amounted to €3,651.6 million and financial debts to €2,087.9 million. Net cash position of the Group amounted to €720.8 million and confirmed but not used credit facilities amounted to €1,978.1 million. The Company had available distributable earnings of €622.5 million.

Note 21 – Financial Debts (Current and Non-Current)

(a) Financial Debts, Breakdown by Nature

Financial Debts break down as follows:

	As of December 31,	
In millions of Euro	2011	2010
Bond Issue [1]	36.3	-
Convertible Bond [2]	916.1	482.4
Private Placement [3]	197.4	197.1
Bank Borrowings and Credit Lines [4]	393.7	412.6
Total Non-Current Financial Debts	1,543.5	1,092.1
Bond Issue [1]	3.0	650.0
Convertible Bond [5]	197.6	-
Commercial Papers	170.0	-
Bank Borrowings	158.5	14.2
Accrued Interests Payables	15.3	17.1
Total Current Financial Debts	544.4	681.3
TOTAL FINANCIAL DEBTS	**2,087.9**	**1,773.4**

(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 USD51 million (recorded for €39.3 million), net of issue charges. A total amount of USD47 million (recorded for €36.3 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 have a final maturity of February 15, 2025.
Classified as current financial debts in 2010, the €650 million bond issued on May 26, 2004, that had led on May 31, 2010 to an interest rate swap from fixed rate of 4.625% to 3-month EURIBOR plus a 3.645% margin was fully repaid at the maturity date of May 26, 2011.

(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).

(3) On July 27, 2010, Technip achieved a private placement for €200 million (recorded for €197.4 million as of December 31, 2011). The maturity is 10 years; the annual coupon rate is 5%.

(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 €197.6 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, 2010, the debt component amounted to €421.0 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, 2010, the debt component amounted to €495.1 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,			
	2011		2010	
In millions of Euro	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Bond Issue	36.3	36.3	-	-
Convertible Bond	916.1	938.4	482.4	481.9
Private Placement	197.4	210.9	197.1	207.2
Bank Borrowings and Credit Lines	393.7	393.7	412.6	412.6
Total Non-Current Financial Debts	1,543.5	1,579.3	1,092.1	1,101.7
Bond Issue	3.0	3.1	650.0	657.5
Convertible Bond	197.6	197.6	-	-
Commercial Papers	170.0	170.0	-	-
Bank Borrowings	158.5	158.5	14.2	14.2
Accrued Interests Payables	15.3	15.3	17.1	17.1
Total Current Financial Debts	544.4	544.5	681.3	688.8
TOTAL FINANCIAL DEBTS	**2,087.9**	**2,123.8**	**1,773.4**	**1,790.5**

(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	2011	2010
Fixed Rate	2,053.9	1,403.2
Floating Rate	34.0	370.2
TOTAL FINANCIAL DEBTS	**2,087.9**	**1,773.4**

As of December 31, 2011, the debt is essentially issued at fixed rate. The fixed rate debt mainly comprises the two convertible bonds, the private placement, 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, the convertible bond issue and the United States Government guaranteed bonds from the acquisition of Global Industries and finally the commercial paper issue by Technip.

Over the financial year 2011, the average rate of the fixed rate debt was 4.62% compared to 4.87% in 2010. Over the same period, the average rate of the Group's overall debt (fixed and floating rate) was 4.58% compared to 4.94% per year in 2010. 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	2011	2010
Euro	1,293.1	1,345.0
US Dollar	396.0	113.9
Brazilian Real	342.3	254.0
Norwegian Krone	53.9	59.0
Other	2.6	1.5
TOTAL FINANCIAL DEBTS	**2,087.9**	**1,773.4**

(f) Schedule of Financial Debts

The schedule of financial debts is as follows:

In millions of Euro	2012	2013	2014	2015	2016	2017 and beyond	Total
Fixed Rate	524.4	225.2	17.1	16.6	511.6	759.0	2,053.9
Floating Rate	20.0	1.8	1.6	1.6	1.6	7.4	34.0
TOTAL FINANCIAL DEBTS AS OF DECEMBER 31, 2011	**544.4**	**227.0**	**18.7**	**18.2**	**513.2**	**766.4**	**2,087.9**

In millions of Euro	2011	2012	2013	2014	2015	2016 and beyond	Total
Fixed Rate	350.0	145.2	123.0	10.1	9.6	765.3	1,403.2
Floating Rate	331.3	25.3	1.6	1.6	1.6	8.8	370.2
TOTAL FINANCIAL DEBTS AS OF DECEMBER 31, 2010	**681.3**	**170.5**	**124.6**	**11.7**	**11.2**	**774.1**	**1,773.4**

(g) Secured Financial Debts

Secured financial debts are as follows:

	As of December 31,					
	2011			2010		
In millions of Euro	Guarantee	Without Guarantee	Total	Guarantee	Without Guarantee	Total
Bank Overdrafts, Current Facilities and Other	1.2	191.2	192.4	0.9	16.2	17.1
Short Term Part of Long Term Debts	27.2	324.8	352.0	12.7	651.5	664.2
Total Current Financial Debts	28.4	516.0	544.4	13.6	667.7	681.3
Total Non-Current Financial Debts	185.4	1,358.1	1,543.5	142.0	950.1	1,092.1
TOTAL FINANCIAL DEBTS	**213.8**	**1,874.1**	**2,087.9**	**155.6**	**1,617.8**	**1,773.4**

Note 22 – Pensions and other Long Term 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.

(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 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 (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. There is also a multi-employer benefit plan providing employees of the mercantile marine with pensions on retirement and protection on death.

(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	2011	2010
Current Service Cost [(1)]	18.4	8.8
IFRIC 14 Impact	(1.7)	1.7
Financial Cost of Benefit Obligation	14.6	11.1
Expected Return on Plan Assets	(7.7)	(5.1)
Net Actuarial Gain/(Loss) Recognized	3.4	(0.1)
Past Service Cost	0.6	0.6
Special Events (Curtailment)	-	-
NET BENEFIT EXPENSE AS RECORDED IN THE STATEMENT OF INCOME	**27.6**	**17.0**

(1) Including the 2011 expense relating to the cash incentive plan.

In addition to the defined benefit pension plan expense shown in the above table, defined contribution plan expenses amounted to €27.7 million in 2011, compared to €23.3 million in 2010.

The expected defined benefit plan expense for 2012 calculated on an estimated basis amounts to €29.7 million.

Defined contribution plan expenses expected for 2012 amount to €8.7 million.

(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	2011	2010
Provisions	(109.8)	(98.0)
Accrued Expenses	-	-
Asset/(Liability) as Recorded in the Statement of Financial Position	(109.8)	(98.0)
Defined Benefit Obligation	(299.1)	(243.1)
Fair Value of Plan Assets	126.4	103.5
Net Defined Benefit Obligation	(172.7)	(139.6)
Unrecognized Actuarial (Gains)/Losses	53.7	33.5
Unrecognized Past Service Costs	9.2	9.8
IFRIC 14 Impact	-	(1.7)
ASSET/(LIABILITY) AS RECORDED IN THE STATEMENT OF FINANCIAL POSITION	**(109.8)**	**(98.0)**

The discounted defined benefit obligation includes €189.1 million for funded plans and €110.0 million for unfunded plan assets.

Changes in unrecognized actuarial gains and losses are as follows:

In millions of Euro	2011	2010
Unrecognized Actuarial (Gains)/Losses as of January 1	33.5	10.1
Amortized during the Year	(3.4)	(0.1)
Amounts Generated during the Year due to Experience	(4.0)	6.2
Amounts Generated on Assets	(12.6)	-
Amounts Generated during the Year due to Changes in Assumptions	39.4	17.0
Exchange Difference	0.8	0.3
UNRECOGNIZED ACTUARIAL (GAINS)/LOSSES AS OF DECEMBER 31	**53.7**	**33.5**

Changes in the net benefit asset/(liability) of pension plans and other post-employment benefits are presented below:

In millions of Euro	2011	2010
Net Benefit Asset/(Liability) as of January 1	(98.0)	(96.1)
Exchange Differences on Foreign Plans	0.1	(0.7)
Expenses Charged in the Income Statement	(27.6)	(17.0)
Contributions Paid	15.9	20.4
Disposals of Subsidiaries/Changes in Scope of Consolidation	(0.5)	-
Other	0.3	(4.6)
NET BENEFIT ASSET/(LIABILITY) AS OF DECEMBER 31	**(109.8)**	**(98.0)**

The change in the DBO (Defined Benefit Obligation) is as follows:

In millions of Euro	2011	2010
Defined Benefit Obligation as of January 1	(243.1)	(206.9)
Current Service Cost	(18.4)	(8.8)
Contributions by Employee	(0.1)	(0.1)
Financial Cost on Benefit Obligation	(14.6)	(11.1)
Benefits Paid	15.5	14.6
Actuarial Gains/(Losses)	(35.4)	(23.2)
Curtailment	-	(1.2)
Exchange Difference	(3.0)	(3.1)
Other	-	(3.3)
DEFINED BENEFIT OBLIGATION AS OF DECEMBER 31	**(299.1)**	**(243.1)**

Changes in fair value of plan assets are as follows:

In millions of Euro	2011	2010
Fair Value of Plan Assets as of January 1	103.5	91.5
Expected Return	7.7	5.1
Contributions by Employer	8.2	11.7
Contributions by Employee	0.1	0.1
Benefits Paid	(7.9)	(5.9)
Actuarial Gains/(Losses)	12.6	-
Exchange Differences on Foreign Plans	2.2	2.4
Other	-	(1.4)
FAIR VALUE OF PLAN ASSETS AS OF DECEMBER 31	**126.4**	**103.5**

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	49%	16%	16%	19%	100%
Netherlands	80%	20%	-	-	100%
United Kingdom	17%	70%	3%	10%	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 3.40%.

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	2.40%	5.40%	5.40%	1.40%
Netherlands	5.50%	8.50%	-	-
United Kingdom	4.80%	7.80%	4.80%	4.80%

(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,			
	2011		2010	
	Euroland	Other	Euroland	Other
Discount Rate	4.70%	2.40% to 9.70%	5.1%	3.95% to 10.40%
Expected Return on Plan Assets	3.40% to 8.50%	4.80% to 7.80%	1.00% to 7.00%	2.25% to 8.00%
Future Salary Increase (above Inflation Rate)	0.25% to 4.00%	1.00% to 2.10%	1.00% to 4.00%	0.70% to 2.10%
Healthcare Cost Increase	3.00%	NA	3.00%	N/A
Inflation Rate	2.00%	2.40% to 4.50%	2.00%	2.30% to 4.30%

A 0.25% decrease in the discount rate would increase the defined benefit obligation by approximately €14.1 million. 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, 2011.

A 1.00% decrease in the expected return on plan assets would increase the benefit expense for 2011 by around €1.6 million.

The effect of a one percentage point increase or decrease in the assumed health care cost trend rate is not material, as it results in a change of plus or minus €0.2 million 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 2011 break down as follows:

In millions of Euro	As of January 1, 2011	Increase	Used Reversals	Unused Reversals	Foreign Exchange Adjustments	Other	As of December 31, 2011
Employee Benefits (1)	94.0	25.0	(13.4)	(0.8)	(0.1)	0.3	105.0
Tax	0.1	0.5	(0.1)	-	0.3	9.7	10.5
Litigation	0.3	-	-	-	(0.1)	-	0.2
Provisions for Claims Incurred but not Reported (2)	8.6	-	(0.9)	-	0.2	-	7.9
Other Non-Current Provisions	7.2	(10.8)	25.8	(7.0)	0.1	0.3	15.6
Total Non-Current Provisions	**110.2**	**14.7**	**11.4**	**(7.8)**	**0.4**	**10.3**	**139.2**
Employee Benefits (1)	4.0	2.6	(1.7)	-	(0.1)	-	4.8
Contingencies related to Contracts	94.0	86.3	(25.4)	(28.5)	(1.9)	7.8	132.3
Restructuring	1.1	-	-	(1.0)	-	-	0.1
Tax	26.6	6.1	(5.8)	(6.0)	(0.9)	24.1	44.1
Litigation (3)	-	-	(0.1)	0.1	-	0.1	0.1
Provisions for Claims (2)	6.4	1.1	(5.3)	(0.6)	0.2	-	1.8
Other Current Provisions	104.6	67.6	(17.5)	(18.0)	0.3	24.4	161.4
Total Current Provisions	**236.7**	**163.7**	**(55.8)**	**(54.0)**	**(2.4)**	**56.4**	**344.6**
TOTAL PROVISIONS	**346.9**	**178.4**	**(44.4)**	**(61.8)**	**(2.0)**	**66.7**	**483.8**

(1) See Note 22 – Pensions and other Long Term Benefit Plans.
(2) Provisions for Reinsurance are recorded at the level of the Group's captive reinsurance companies as per IFRS 4.
(3) See Note 32 – Litigation and Contingent Liabilities.

(b) Schedule of Provisions

The following table shows the maturity of provisions forecast as of December 31, 2011:

In millions of Euro	As of December 31, 2011	2012	2013	2014	2015	2016	2017	2018 and beyond
Employee Benefits	105.0	-	9.3	9.9	10.2	12.1	17.1	46.4
Tax	10.5	-	0.5	-	10.0	-	-	-
Litigation	0.2	-	0.2	-	-	-	-	-
Provisions for Claims Incurred but not Reported	7.9	-	-	-	-	-	-	7.9
Other Non-Current Provisions	15.6	-	5.5	1.5	1.5	1.5	2.5	3.1
Total Non-Current Provisions	139.2	-	15.5	11.4	21.7	13.6	19.6	57.4
Employee Benefits	4.8	4.8	-	-	-	-	-	-
Contingencies related to Contracts	132.3	75.0	19.7	1.8	-	-	-	35.8
Restructuring	0.1	0.1	-	-	-	-	-	-
Tax	44.1	44.1	-	-	-	-	-	-
Litigation	0.1	0.1	-	-	-	-	-	-
Provisions for Claims	1.8	1.8	-	-	-	-	-	-
Other Current Provisions	161.4	161.4	-	-	-	-	-	-
Total Current Provisions	344.6	287.3	19.7	1.8	-	-	-	35.8
TOTAL PROVISIONS	**483.8**	**287.3**	**35.2**	**13.2**	**21.7**	**13.6**	**19.6**	**93.2**

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 €2,135.0 million as of December 31, 2011 as compared to €1,862.1 million as of December 31, 2010.

Trade payables are non-interest bearing liabilities. Their maturities are linked to the operating cycle of contracts. As of December 31, 2011, trade payables with a maturity of less than 12 months amounted to €1,947.1 million.

Note 25 – Other Liabilities (Current and Non-Current)

Other current and non-current liabilities are as follows:

In millions of Euro	As of December 31, 2011	2010
Payroll Costs	260.7	210.7
Social Security Charges	51.1	55.6
Other Tax Payables	93.6	77.8
Deferred Income	42.3	29.0
Accruals on Completed Contracts (1)	735.5	840.5
Current Accounts on Joint Ventures Contracts	23.4	26.2
Advances Received (2)	529.5	461.4
Other (3)	129.3	252.8
Total Other Current Liabilities	1,865.4	1,954.0
Payables on Fixed Assets	61.9	26.7
Subsidies	11.4	13.9
Other	19.7	10.7
Total Other Non-Current Liabilities	93.0	51.3
TOTAL OTHER LIABILITIES	**1,958.4**	**2,005.3**

(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 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, compared to €112.3 million in 2010.

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 €1,797.2 million as of December 31, 2011.

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, 2011						
	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	1,279.9	-	1,279.9	-	-	-	1,279.9
Current Income Tax Receivables	149.6	-	149.6	-	-	-	149.6
Other Current Receivables	487.9	-	487.9	-	-	-	487.9
Cash and Cash Equivalents	2,808.7	2,808.7	-	-	-	-	2,808.7
TOTAL ASSETS	**5,056.4**	**2,832.9**	**1,986.0**	**201.9**	**-**	**35.6**	**5,056.4**
Non-Current Financial Debts	1,543.5	-	-	-	1,543.5	-	1,579.3
Other Non-Current Liabilities	93.0	-	-	-	93.0	-	93.0
Current Financial Debts	544.4	-	-	-	544.4	-	544.5
Trade Payables	2,135.0	-	2,135.0	-	-	-	2,135.0
Derivative Financial Instruments	104.0	-	-	-	-	104.0	104.0
Current Income Tax Payables	173.1	-	173.1	-	-	-	173.1
Other Current Liabilities	1,865.4	-	1,865.4	-	-	-	1,865.4
TOTAL LIABILITIES	**6,458.4**	**-**	**4,173.5**	**-**	**2,180.9**	**104.0**	**6,494.3**

	As of December 31, 2010						
	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	2.3	2.3	-	-	-	-	2.3
Other Financial Assets	36.1	-	36.1	-	-	-	36.1
Available-for-Sale Financial Assets	201.1	-	-	201.1	-	-	201.1
Derivative Financial Instruments	40.6	-	-	-	-	40.6	40.6
Trade Receivables	1,276.6	-	1,276.6	-	-	-	1,276.6
Current Income Tax Receivables	148.7	-	148.7	-	-	-	148.7
Other Current Receivables	384.3	-	384.3	-	-	-	384.3
Cash and Cash Equivalents	3,105.7	3,105.7	-	-	-	-	3,105.7
TOTAL ASSETS	**5,195.4**	**3,108.0**	**1,845.7**	**201.1**	**-**	**40.6**	**5,195.4**
Non-Current Financial Debts	1,092.1	-	-	-	1,092.1	-	1,101.6
Other Non-Current Liabilities	51.3	-	-	-	51.3	-	51.3
Current Financial Debts	681.3	-	-	-	681.3	-	688.8
Trade Payables	1,862.1	-	1,862.1	-	-	-	1,862.1
Derivative Financial Instruments	98.7	-	-	-	-	98.7	98.7
Current Income Tax Payables	145.2	-	145.2	-	-	-	145.2
Other Current Liabilities	1,954.0	-	1,954.0	-	-	-	1,954.0
TOTAL LIABILITIES	**5,884.7**	**-**	**3,961.3**	**-**	**1,824.7**	**98.7**	**5,901.7**

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:

	As of December 31, 2011			
In millions of Euro	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**

	As of December 31, 2010			
In millions of Euro	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value through P&L	-	38.4	-	38.4
Derivative Financial Instruments	-	40.6	-	40.6
Available-for-Sale Financial Assets	201.1	-	-	201.1
ASSETS	**201.1**	**79.0**	**-**	**280.1**
Financial Liabilities at Fair Value through P&L	-	9.5	-	9.5
Derivative Financial Instruments	-	98.7	-	98.7
LIABILITIES	**-**	**108.2**	**-**	**108.2**

During the financial year 2011, 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:

	2011					
		From Subsequent Valuation				
In millions of Euro	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)**

	2010					
		From Subsequent Valuation				
In millions of Euro	Interest	At Fair Value	Currency Translation	Impairment /Reversal of Impairment	Derecognition	Net Gains/ (Losses)
Categories of Financial Instruments						
At Fair Value through P&L	60.1	-	-	-	-	60.1
Loans and Receivables	-	-	-	-	-	-
Available-for-Sale Financial Assets	-	-	-	-	-	-
Liabilities at Amortized Cost	(54.1)	-	-	-	-	(54.1)
Derivative Financial Instruments	-	(21.1)	-	(4.5)	-	(25.6)
TOTAL NET GAINS/(LOSSES)	**6.0**	**(21.1)**	**-**	**(4.5)**	**-**	**(19.6)**

(c) Derivative Financial Instruments

The breakdown by category of derivative financial instruments is as follows:

In millions of Euro	2011 Asset	2011 Liability	2010 Asset	2010 Liability
Forward Foreign Exchange Contracts – Fair Value Hedge	0.1	6.2	8.1	10.5
Forward Foreign Exchange Contracts – Cash Flow Hedge	34.8	96.4	31.5	88.1
Forward Foreign Exchange Contracts – not Designated as Hedges for Accounting Purposes	0.8	1.3	1.0	0.1
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS	**35.6**	**104.0**	**40.6**	**98.7**

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	2011	2010
Total Gains/(Losses) on Derivative Financial Instruments as Reported in Equity as of January 1	(48.5)	(0.1)
Fair Value Gains/(Expenses) on Derivative Financial Instruments – Cash Flow Hedge	(18.2)	(48.4)
TOTAL GAINS/(LOSSES) ON DERIVATIVE FINANCIAL INSTRUMENTS AS REPORTED IN EQUITY AS OF DECEMBER 31	**(66.7)**	**(48.5)**

Analysis of gains and losses on derivative financial instruments that affect the statement of income is as follows:

In millions of Euro	2011	2010
Effectiveness Gains/(Losses) on Fair Value Hedge	(4.0)	(9.3)
Ineffectiveness Gains/(Losses) on Fair Value Hedge	0.2	(0.5)
Ineffectiveness Gains/(Losses) on Cash Flow Hedge	1.3	(4.0)
Gains/(Losses) on Economic Hedge not Designated as Hedges for Accounting Purposes	(1.5)	0.2
TOTAL GAINS/(LOSSES) ON DERIVATIVE INSTRUMENTS AS RECOGNIZED IN STATEMENT OF INCOME	**(3.9)**	**(13.6)**

Note 27 – Payroll Staff

Technip has a regular workforce of 28,000 people (employees on payroll and contracted workers in plants, yards and fleet). In addition, 3,000 external staff reinforces the operating teams, bringing the total headcount close to 31,000.

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 2.55% as of December 31, 2011 and 2.70% as of December 31, 2010.

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 €5.2 million in 2011 and €2.8 million in 2010, the recorded expense amounted to €3.6 million in 2011 and €3.3 million in 2010.

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:

In millions of Euro	As of December 31, 2011	2010
Trade Receivables	16.8	5.6
Trade Payables	9.2	72.4
NET TRADE RECEIVABLES/ (PAYABLES)	**7.6**	**(66.8)**

Income and expenses generated with associates in joint ventures are as follows:

In millions of Euro	2011	2010
Income	10.0	56.6
Expenses	(54.7)	(71.4)

(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 2011, the aggregate amount of compensation paid by the Company to Thierry Pilenko amounted to €2,034,520 (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 2011 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.

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 2011: the share of the variable portion is (i) nil if real performance is below 80% of the budgeted amount (minimum level), (ii) between 50% and 100% for a performance equal to 90% 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 50% and 100% for a performance equal to 90% 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 2011 final variable share, which is capped at 200% of the target variable portion.

The variable portion due to Thierry Pilenko for the financial year 2011 is €1,151,509 and be paid in 2012.

Furthermore, on June 17, 2011, 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 2014 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 2011, 2012 and 2013, 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 income bracket 3, i.e., eight times the annual French Social Security ceiling. The contribution for 2011 amounted to €22,625.

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 income 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 (f*aute grave* or *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.

70,000 share subscription options and 20,000 performance shares were granted to Thierry Pilenko over financial year 2011 (see Section 15.1.1, Tables 4 and 6, for further details). Thierry Pilenko did not exercise any Technip share subscription or share purchase options during financial year 2011 (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. In its meeting, the Board of Directors resolved to calculate this non-compete indemnity on the gross annual compensation paid (gross fixed and variable compensation). This calculation is based on the best gross annual compensation paid during the last three years.

(d) Compensation and Retirement Commitments of the Group's Principal Executives

In 2011, 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 2011 (i.e., the eight members of the Excom of the Group and including charges resulting from the departure of two of them) amounted to €6,232,560. The variable portion represented 40.1% 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 2011, amounted to €4.5 million.

In 2011, payment made by Group companies under supplementary retirement plans applicable to the principal executives discussed above amounted to €0.2 million. In 2011, the recorded expense related to the retirement income guarantee plan for Executive Committee members amounted to €1.2 million.

As of December 31, 2011, the amount for retirement commitments for Executive Committee members amounted to €2.9 million.

Note 29 – Board of Directors Compensation

The Combined Shareholders' Meeting of April 28, 2011 set the amount of Directors' fees allocated to members of the Board of Directors for the financial year 2011 at €600,000. During 2011, the gross amount of compensation and benefits of all kinds paid by Technip to the members of the Board of Directors was €2,306,711.

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 and Technip Thailand. In addition, joint venture's operations are conducted by Technip France (in partnership with Chiyoda), Technip Oceania (in partnership with Subsea 7) and Technip Geoproduction (M) (in partnership with JGC).

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	2011	2010
Non-Current Assets	143.3	26.9
Current Assets	367.6	717.5
Total Assets	**510.9**	**744.4**
Non-Current Liabilities	180.0	51.8
Current Liabilities	325.3	626.5
Total Liabilities	**505.3**	**678.3**
NET ASSETS	**5.6**	**66.1**

In millions of Euro	2011	2010
Income	149.1	380.7
Expenses	(94.5)	(316.8)
NET INCOME AFTER TAX	**54.6**	**63.9**

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,				
	2011				2010
	Amounts of Commitments by Maturity Date				
In millions of Euro	Less than 1 year	1 to 5 years	More than 5 years	Total	Total
Operating Leases	143.7	367.9	243.9	755.5	700.2
TOTAL CONTRACTUAL COMMITMENTS	**143.7**	**367.9**	**243.9**	**755.5**	**700.2**

	As of December 31,				
	2011				2010
	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	931.2	2,837.9	146.5	3,915.6	3,050.8
Parent Company Guarantees	21,477.3	15,367.7	908.8	37,753.8	35,724.5
TOTAL COMMITMENTS GIVEN RELATED TO OPERATING ACTIVITIES	**22,408.5**	**18,205.6**	**1,055.3**	**41,669.4**	**38,775.3**

	As of December 31,				
	2011				2010
	Amounts of Commitments by Maturity Date				
In millions of Euro	Less than 1 year	1 to 5 years	More than 5 years	Total	Total
Other Commitments Received related to Operating Activities	255.1	201.5	49.0	505.6	625.7
TOTAL COMMITMENTS RECEIVED RELATED TO OPERATING ACTIVITIES	**255.1**	**201.5**	**49.0**	**505.6**	**625.7**

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 2011, the rental expense amounted to €153.0 million compared to €118.3 million in 2010.

As of December 31, 2011, the Group's commitments related to operating leases break down as follows:

	As of December 31,	
In millions of Euro	2011	2010
2011	-	105.3
2012	143.7	88.9
2013	122.1	85.9
2014	104.8	78.9
2015	77.4	66.6
2016	63.6	53.7
2017 and beyond	243.9	220.9
TOTAL NET VALUE OF OPERATING LEASES	**755.5**	**700.2**

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.

Parent company guarantees given by Technip SA 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 €37,753.8 million as of December 31, 2011 include the portion of contract allocated to the Group's joint ventures partners and are not reduced according to the percentage of completion of the projects. They are not reduced by the amount of parent company guarantees received from Technip's partners in these joint ventures, whereas Technip issues parent company guarantees to these same joint ventures partners.

As of December 31, 2011, the parent company guarantees issued by Technip for contracts outside the scope of a joint venture amount to €15,350.4 million.

The following table illustrates the breakdown of €22,403.4 million of parent company guarantees issued by Technip as of December 31, 2011, in respect of joint venture contracts, according to the Group's percentage of ownership in these joint ventures.

	As of December 31,				
	2011				2010
	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	4,447.8	13,118.2	4,837.4	22,403.4	21,052.5

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,				
	2011				2010
	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	33.0	11.6	288.0	332.6	362.5
TOTAL COMMITMENTS GIVEN RELATED TO FINANCING	**33.0**	**11.6**	**288.0**	**332.6**	**362.5**

	As of December 31,				
	2011				2010
	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	478.0	1,472.9	27.2	1,978.1	1,465.6
TOTAL COMMITMENTS RECEIVED RELATED TO FINANCING	**478.0**	**1,472.9**	**27.2**	**1,978.1**	**1,465.6**

(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

On December 21, 2001, Interpipe SA (ITP), a French company, filed a lawsuit with a French Commercial Court *(Tribunal de commerce)* against three subsidiaries of Technip seeking damages based on alleged breaches of confidentiality agreements related to "pipe-in-pipe" technology.

This dispute relates to contractual relationships among the companies between 1993 and 1998. ITP worked on certain subsea pipeline installation projects managed subsequently by Coflexip (and later Technip).

On May 16, 2006, the Commercial Court of Paris *(Tribunal de commerce)* rendered a ruling partially in favor of ITP, imposing damages of €48,930,000 on Technip. The Court's decision was not, however, automatically enforceable.

On June 28, 2006, Technip filed an appeal of this ruling. ITP then amended its complaint by adding grounds of unfair commercial practices and tort liability.

On March 18, 2009, the Appeals Court of Paris *(Cour d'appel)* ruled in favor of Technip by overruling the Commercial Court's decision.

An appeal with the highest court *(Cour de cassation)* was lodged by ITP against this decision. On July 13, 2010, the highest court *(Cour de cassation)* partially quashed the Appeals Court of Paris decision of March 18, 2009; ITP's condemnation for damages relating to acts of defamation against Technip being confirmed.

Following the highest court's *(Cour de cassation)* decision of July 13, 2010 Technip appealed to the Appeals Court of Paris *(Cour d'appel)* in December 2010.

On September 27, 2011, at ITP's request, the Appeals Court of Paris *(Cour d'appel)* designated a mediator from the Mediation and Arbitration Center in Paris *(Centre de médiation et d'arbitrage de Paris)* in order to mediate the dispute. The Appeals Court of Paris decided that the end of the mediation period would be January 27, 2012. This period was extended until April 19, 2012. If the mediation has not come to a conclusion at this date, the appeal procedure will resume as before.

Technip still believes ITP's complaints to be unfounded and that its exposure to this litigation is weak.

ITP had also brought an action against Technip before the Scottish and US courts for infringement of a patent relating to pipe-in-pipe technology. In the meantime, the disputed patent was revoked by the European Patent Office on February 17, 2004, which rendered ITP's claim on British territory invalid. As a result, the Appeals Court of Edinburgh terminated the proceedings before it on November 19, 2004. In addition, a settlement agreement that was reached in October 2007, requiring no financial compensation, terminated the proceedings before the US court in Alabama.

However, even though the revocation of ITP's European patent terminated its rights to the patent, it had no effect on the French patent obtained to protect the "pipe-in-pipe" technology. As a result, on April 27, 2007, Technip brought an action against ITP to nullify its French patent. Technip's claim was rejected by the Paris Court of first instance *(Tribunal de grande instance)* on January 28, 2009 and Technip appealed this decision. In September 2010, the Appeals Court of Paris *(Cour d'appel)* rendered a ruling in favor of ITP. As a result, an appeal with the highest court *(Cour de cassation)* was lodged by Technip in December 2010 and rejected on December 13, 2011, sentencing Technip to pay ITP legal fees in the amount of €2,500.

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 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") conducted formal investigations into certain payments made in connection with the construction by TSKJ of a natural gas liquefaction complex for NLNG. In line with Technip's announcement in February 2010 of an exceptional 4th quarter charge for 2009, the investigations led by the DOJ and SEC were resolved by the signature on June 28, 2010 of a final agreement to fully resolve all potential claims arising from Technip's participation in the TSKJ joint venture between 1994 and 2004. The agreements with the DOJ and the SEC called for the Company to pay a total of USD338 million (USD240 million to the DOJ and USD98 million to the SEC) over a two year period. The DOJ investigation of Technip was resolved through a deferred prosecution agreement, 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. Technip agreed to pay USD240 million to the DOJ in eight equal installments of USD30 million over the next two years, of which USD210 million was paid as of December 31, 2011. The last USD30 million installment was paid on February 1, 2012.

Technip has retained a French national, approved by the DOJ, to serve as an independent corporate monitor, who is chiefly responsible for reviewing Technip's compliance initiatives and recommending improvements. Technip agreed with the SEC to the entry of a final judgment that permanently enjoins Technip from violating the anti-bribery, books and records, and internal control provisions of the United States Foreign Corrupt Practices Act. The consent judgment fully resolves a civil complaint which was filed by the SEC, to which Technip neither admits nor denies liability. Technip also paid the SEC USD98 million in disgorgement, relating to the TSKJ joint venture.

A similar investigation in France which also commenced in 2004 was concluded in 2010 with no prosecution of Technip.

On December 17, 2010 Technip entered into an agreement with the Federal Government of Nigeria ("FGN") fully resolving all potential claims by the FGN or any public or private corporation owned or controlled by FGN relating to Technip's participation in the TSKJ joint venture. Technip agreed to undertake certain steps during the mentioned two year period, including instituting a compliance and monitoring program with respect to its business in Nigeria and paid a fine and costs totaling USD32.5 million.

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 2011, 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 250,000 hours as of December 31, 2011.

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, 55% 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 as a cash pooling central 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, 2011, the Group had multiple financing sources for financing its general corporate needs, or for financing new assets or certain operations.

2004-2011 Bond issue

Technip's €650 million bond issued in May 2004 was fully repaid at the maturity date of May 26, 2011.

Private placement notes with a deferred issue date

On July 27, 2010, Technip received the proceeds of €200 million private placement notes. The purpose of this private placement was a partial refinancing of the 2004-2011 bond issue. The notes have a 10-year term starting 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 has been 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, 2011, the amount of the bond booked as non-current financial debt in the statement of financial position amounted to €495.1 million; the amount booked as shareholders' equity amounted to €63.3 million (See Note 21 (b) – Financial Debts).

Deep Energy financing

The USD213 million credit facility agreements entered into in 2009 for the financing of the *Deep Energy* which is currently under construction include:

- a credit facility in the amount of USD125 million granted to Technip, to be reimbursed in a single final instalment on the maturity date of December 15, 2012;
- a 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), to be reimbursed in 15 equal semi-annual installments from July 15, 2012 until July 15, 2019.

These floating interest rate credit agreements include the usual covenants and default provisions applicable to Technip and the subsidiaries of the Group that are standard for this type of credit agreement, and do not include any financial ratios or any asset mortgage.

As of December 31, 2011, none of these credit facilities was used.

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 until March 16, 2021. As of December 31, 2011, the facility, fully drawn, amounted to NOK791.7 million following the first semi-annual payments 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% *p.a.* 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 50% 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 (B*anco 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% *p.a.* which 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, 2011, the facility amounted to USD230.1 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, 2011, the facilities amounted to USD134.8 million following successive installments paid since July 2011 and due to capitalization of interests on the loan tranche repayable starting January 2012.

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

Flexibras Tubos Flexiveis, a Group Brazilian subsidiary, entered into the following credit facilities, on behalf of BNDES in connection with BNDES financing, each credit agreement including the standard covenants and default provisions for such a facility with BNDES and excluding any financial ratios:

- In September 2009, three separate credit facilities for a total amount of BRL300 million, dedicated to sustain the pre-financing of its export operations. Each facility was entered into with a different commercial bank and for different amounts (BRL140 million, BRL90 million and BRL70 million, respectively). As of December 31, 2011, each of these loans was fully drawn. The three facilities are at fixed rate with the single redemption date of August 15, 2012.
- In June 2010, four separate credit facilities for a total amount of BRL250 million, dedicated to sustain the pre-financing of its export operations. Each facility was entered into with a different commercial bank, and for different amounts (BRL90 million, BRL70 million, BRL55 million and BRL35 million, respectively). As of December 31, 2011, each of these loans was fully drawn. The three facilities are at a fixed rate with the single redemption date of June 15, 2013.
- In April 2011, five separate credit facilities for a total amount of BRL200 million, dedicated to sustain the pre-financing of its export operations. Each facility of BRL40 million was entered into with a different commercial bank. As of December 31, 2011, all these loans were fully drawn. The five facilities are at fixed rate with the single redemption date of April 15, 2013.
- In December 2011, a new BRL50 million credit facility, dedicated to sustain the pre-financing of its export operations. As of December 31, 2011, this fixed rate loan with the single redemption date of July 15, 2013 was fully drawn.

Bank facility

On November 18, 2011, Technip signed the documentation for a USD1.1 billion one-year bank facility to be used in Euros or US dollars with one-year extension at Technip's exclusive option which provides additional financial flexibility. This facility originally included a revolving credit facility up to 60% and a term loan up to 40% but was reduced to a USD455 million revolving credit facility on December 15, 2011 following a convertible bond issue.

The facility, unused to date, is not secured by any of the Group's assets. It includes covenants from Technip that are standard for such financing, and does not include any financial ratios.

The facility agreement does not include early payment provision in the case of deterioration of the borrower's credit rating. The term loan and credit include, when used, floating interest rates increased by higher margins every three months, as well as standard default provisions.

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 cash payment of USD936.4 million as the acquisition price of the Global Industries group.

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, 2011, the amount of the bond booked as non-current financial debt in the statement of financial position amounted to €421 million; the amount booked as shareholders' equity amounted to €73.1 million (See Note 21 (b) – Financial Debts).

Global Industries external financing

BANK FACILITY

On December 1, 2011, acquisition date of the group Global Industries, by Technip, Global Industries, Ltd cancelled the USD150 million banking facilities it had signed with several banks. This credit was not available to Global Industries, Ltd as it had not met the established covenants for several quarters. A Technip corporate guarantee was issued to cover the remaining outstanding amount of bonds and letters of credit under this facility which amounted to USD2.1 million and MYR20 million as of December 31, 2011. In exchange, the cash pledged by Global Industries to the benefit of the banks was released to Global Industries.

CONVERTIBLE BOND

Following the acquisition of the company Global Industries, Ltd by Technip and its delisting from the NASDAQ (New York), Global Industries, Ltd filed a tender offer with the US Securities Exchange Commission (SEC), that remained valid from December 6, 2011 until January 9, 2012, for its 2.75% USD325 million Senior Convertible Debentures, issued on July 27, 2007 and due on August 1, 2027, to comply with the conditions set out in the original offering memorandum, at their nominal price plus accrued interest (until the fixed purchase date on January 10, 2012).

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 the bondholders. As of January 11, 2012, the non-tendered bonds amounted to USD2.4 million.

OBLIGATIONS GUARANTEED BY THE UNITED STATES GOVERNMENT

As of December 31, 2011, the bonds guaranteed by the US Government under Title XI of the Federal Ship Financing Program amounted to USD51 million, net of issuing charges.

These bonds bear an interest of 7.71% *p.a.* and are secured by a mortgage on the Hercules vessel. They are reimbursed semi-annually with equal principal installments of USD2.0 million each and have a final maturity date of February 15, 2025.

If the covenants attached to these bonds are not met, among which there is a minimal working capital requirement and a minimum net position, Global Industries, Ltd may suffer operating constraints and some dividend distribution restrictions. As of December 31, 2011, Global Industries, Ltd met these requirements. An early redemption of the bonds would trigger the payment of an additional premium.

Syndicated credit facility and bilateral facilities

As of December 31, 2011, the Group had various unutilized financing sources that allow it to meet its general financing needs:

1. A credit facility in the amount of €1 billion was put in place on July 21, 2011 in substitution of the credit facility, which was entered into in 2004 with a maturity date of June 20, 2012. This new credit facility, which may be drawn in Euros, in US dollars or in Pounds Sterling, is fully redeemable with a final maturity date of July 21, 2016. It includes two one-year extensions at the borrowers' hand subject to lenders' approval. It is not secured by any of the Group's assets. It contains covenants from Technip, and those of its affiliates that are entitled to draw on the facility, that are standard for such financing and does not include any financial ratios.

   The credit agreement does not include early payment provisions in case of deterioration of the borrower's credit rating. The credit agreement, 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, as well as standard default provisions.
2. Two credit facilities in the amount of €125 million each, which may be drawn in Euros or in US dollars were granted to Technip. Following bilateral negotiations, the dates of maturity are May 26, 2012, and June 27, 2012 respectively. They have the same covenants as the credit facility described above excluding any financial ratios.
3. Two credit facilities in the amount of €80 million and €90 million, respectively, which may be drawn in Euros or in US dollars were granted to Technip. The maturity date for the €80 million facility is May 7, 2013 after a first installment of €40 million on May 7, 2012. Repayment under the €90 million facility is due to commence on May 13, 2012 until May 13, 2015. Both facilities have the same covenants as those described in paragraph 2 above.
4. Various unutilized credit facilities amounting to €39.7 million were granted to Technip.

   The credit agreements that provide for these financing arrangements do not include early repayment provisions in case of deterioration of the borrower's credit rating. 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, 2011, the credit facilities confirmed and available to the Group amounted to €1,978.1 million, of which €1,500.1 million is available after December 31, 2012. Out of this total of €1,978.1 million, €206.5 million is reserved for the financing of certain assets or for certain subsidiaries.

As of December 31, 2011, the outstanding commercial papers amounted to €170 million. The Group retains an authorization from the *Banque de France* for a maximum amount of €600 million.

As of December 31, 2011, debt falling due in 2012 and 2013 amounted to €771.4 million including €15.3 million of accrued interest and fees and €756.1 million of principal.

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, 2011.

	As of December 31, 2011				
In millions of Euro	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Bond Loan	-	2.9	8.8	26.5	38.2
Convertible Bond	-	-	495.1	421.0	916.1
Private Placement	-	-	-	197.4	197.4
Bank Borrowings and Credit Lines	-	224.3	46.6	122.8	393.7
Interest Payables on Bond Loan	-	14.1	42.2	41.7	98.0
Other Interest Payables	-	15.3	24.8	32.0	72.1
TOTAL NON-CURRENT LIABILITIES	**-**	**256.6**	**617.5**	**841.4**	**1,715.5**
Bond Loan	3.0	-	-	-	3.0
Convertible Bond	197.6	-	-	-	197.6
Commercial Paper	170.0	-	-	-	170.0
Bank Overdrafts	0.1	-	-	-	0.1
Interest Payables on Bond Loan	17.1	-	-	-	17.1
Interest Payables	28.6	-	-	-	28.6
Current Financial Debts	158.4	-	-	-	158.4
Derivative Financial Instruments	87.5	15.2	1.3	-	104.0
TOTAL CURRENT LIABILITIES	**662.3**	**15.2**	**1.3**	**-**	**678.8**

	As of December 31, 2010				
In millions of Euro	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Bond Loan	-	-	-	-	-
Convertible Bond	-	-	-	482.4	482.4
Private Placement	-	-	-	197.1	197.1
Bank Borrowings and Credit Lines	-	170.5	147.6	94.5	412.6
Interest Payables on Bond Loan	-	12.8	38.3	52.5	103.6
Other Interest Payables	-	15.7	16.2	17.2	49.1
TOTAL NON-CURRENT LIABILITIES	**-**	**199.0**	**202.1**	**843.7**	**1,244.8**
Bond Loan	650.0	-	-	-	650.0
Commercial Paper	-	-	-	-	-
Bank Overdrafts	0.3	-	-	-	0.3
Interest Payables on Bond Loan	33.2	-	-	-	33.2
Interest Payables	17.7	-	-	-	17.7
Current Financial Debts	14.2	-	-	-	14.2
Derivative Financial Instruments	91.0	6.4	1.3	-	98.7
TOTAL CURRENT LIABILITIES	**806.4**	**6.4**	**1.3**	**-**	**814.1**

(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,			
	2011			2010
	Maturity		Nominal value	Nominal Value
In millions of Euro	2012	2013 and beyond		
Buy Foreign Currencies/Sell Euros	183.4	11.1	194.5	215.7
Sell Foreign Currencies/Buy Euros	1,071.9	164.4	1,236.3	1,526.2
Buy/Sell Foreign Currencies	577.1	169.7	746.8	475.6
TOTAL HEDGING INSTRUMENTS	**1,832.4**	**345.2**	**2,177.6**	**2,217.5**

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 €19.4 million in the result before tax (because of financial instruments held for economic hedging but not qualified for hedging accounting) and plus or minus €113.8 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 €1.2 million in the result before tax and plus or minus €7.5 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 €34.0 million compared to a total net debt of €2,087.9 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 €2,264.3 million.

As of December 31, 2011, a 1% (100 bp) increase in interest rates would lower the fair value of the fixed rate convertible bond and private placement by €42.3 million before tax; a 1% (100 bp) decrease in interest rates would raise the fair value by €44.2 million before tax.

A 1% (100 bp) increase in interest rates would generate an additional profit of €22.5 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, 2011, Technip did not enter into any derivative interest rate instrument. In portfolio as of December 31, 2010, the interest rate swap (receiving fixed rate of 4.6250%, paying floating rate of 3-month EURIBOR plus a margin of 3.645%) for a nominal value of €325 million expired at maturity on May 26, 2011.

(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, 2011				
	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, 2010				
	Not impaired on the Reporting Date and Past Due in the Following Periods				
	Less than 3 months	3 to 12 months	Over 1 year	Total	Total Trade Receivables
Trade Receivables	215.8	105.6	20.8	342.2	1,276.6

As of December 31, 2011, the main counterparty for cash and cash equivalents represents 16.3% of total net cash position. The principal counterparty for derivative financial instruments represents 13.8% 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.

Note 34 – Auditors' Fees and Services

Auditors' fees and services break down as follows:

	Ernst & Young				PricewaterhouseCoopers			
	2011		2010		2011		2010	
In thousands of Euro	Amount	%	Amount	%	Amount	%	Amount	%
Audit								
Auditing, certification of financial statements, examination of statutory and consolidated financial statements:								
■ Technip	535	14%	538	14%	535	19%	565	22%
■ Subsidiaries	1,887	49%	1,981	52%	2,019	71%	1,784	69%
Other work and services directly related to the responsibilities of Statutory Auditors:								
■ Technip	810	21%	272	8%	190	7%	73	3%
■ Subsidiaries	72	2%	76	2%	7	-	12	-
Sub-total	3,304	86%	2,867	76%	2,751	97%	2,434	94%
Other services								
Legal and tax:								
■ Technip	-	-	-	-	-	-	-	-
■ Subsidiaries	526	14%	943	24%	75	3%	149	6%
Sub-total	526	14%	943	24%	75	3%	149	6%
TOTAL	**3,830**	**100%**	**3,810**	**100%**	**2,826**	**100%**	**2,583**	**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

Settlement of the cash tender offer on Cybernétix

On January 20, 2012, following the settlement of the cash tender offer made by Technip on the shares of Cybernétix, the Group held 1,603,094 shares of Cybernétix representing 98.60% of the share capital and 98.57% of the voting rights. As previously announced during the offer, Technip 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.

As of the date of this Reference Document, the Company holds 100% of the share capital and the voting rights of Cybernétix.

Reimbursement of the convertible bond issued by Global Industries

Following the acquisition of the company Global Industries by Technip and its delisting from the NASDAQ (New York), Global Industries filed at the Securities Exchange Commission (SEC) a tender offer, in December 2011, for its Senior Convertible Debentures, in order to comply with the conditions set out in the original Offering Memorandum, at their nominal price plus accrued interest until the fixed purchase date on January 10, 2012.

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. As of January 11, 2012, the non-tendered bonds amounted to USD2.4 million.

20.2. Statutory Financial Statements as of December 31, 2011

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, 2011

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, 2011, 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, 2011 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 shareholders' equity and the forecast future cash flows. 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 15, 2012

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	Ernst & Young et Autres
Edouard Sattler	Nour-Eddine Zanouda

20.2.2. STATUTORY FINANCIAL STATEMENTS

1. BALANCE SHEET

Assets

In millions of Euro	Notes	As of December 31, 2011	2010
Intangible Assets		-	-
Intangible Assets under Construction		-	-
Total Intangible Assets		-	-
Other Tangible Assets		0.1	0.9
Advances Paid to Suppliers		-	-
Total Tangible Assets		0.1	0.9
Investments	6.1	3,708.4	3,572.1
Loans Related to Investments	6.1	1,348.6	254.0
Other Financial Assets	6.1	105.0	128.7
Total Financial Assets		5,162.0	3,954.8
Total Fixed Assets (I)	6.1	5,162.1	3,955.7
Advances Paid to Suppliers		-	-
Trade Receivables	6.2	214.2	195.2
Other Current Receivables	6.2	37.8	92.1
Receivables from Group Companies	6.2	25.1	5.1
Marketable Securities	6.3	15.2	19.7
Cash at Bank and in Hand		10.1	3.1
Total Current Assets, Cash and Cash Equivalents (II)		302.4	315.2
Accrued Assets (III)	6.4	25.7	9.5
Redemption Premiums on Bonds (IV)	6.4	2.6	3.1
Unrealized Exchange Losses (V)		1.0	3.8
TOTAL ASSETS (I TO V)		**5,493.8**	**4,287.3**

Equity and Liabilities

In millions of Euro	Notes	As of December 31, 2011	2010
Issued Capital		84.6	84.1
Share Capital Premiums		1,891.2	1,857.3
Reserves:			
■ Legal Reserves		9.8	9.8
■ Regulated Reserves		40.8	40.8
■ Other Reserves		119.0	119.0
Retained Earnings		145.8	25.3
Net Income		357.7	275.9
Interim Dividends		-	-
Net equity	6.5	2,648.9	2,412.2
Regulated Provisions	6.6	-	-
Total Shareholder's Equity (I)		2,648.9	2,412.2
Provisions for Risks		136.7	123.5
Provisions for Charges		1.3	0.3
Total Provisions for Risks and Charges (II)	6.6	138.0	123.8
Bonds		1,247.6	1,400.0
Bank Borrowings and Credit Lines		7.8	37.9
Other Financial Debts and Liabilities		-	-
Financial Debts towards Group Companies		1,278.2	127.1
Advances Received from Clients		-	-
Accounts Payables and Related Accounts		66.5	46.6
Tax and Social Security Liabilities		68.5	16.5
Payable on Assets		-	-
Other Liabilities		24.7	119.5
Total Liabilities (III)	6.8	2,693.3	1,747.6
Unrealized Exchange Gains (IV)		13.6	3.7
TOTAL EQUITY AND LIABILITIES (I TO IV)		**5,493.8**	**4,287.3**

2. STATEMENT OF INCOME

In millions of Euro	Notes	12 months 2011	2010
Sales of Goods: Rendering of Services		156.9	137.4
Revenues	6.10	**156.9**	**137.4**
Capitalized Expenses		-	-
Provision Reversals and Transferred Expenses		5.6	7.9
Other Operating Income		-	-
Total Operating Income		**162.5**	**145.3**
General and Administrative Costs		(194.1)	(162.5)
Taxes		(2.0)	(1.7)
Wages and Salaries, Social Security Costs		(15.8)	(10.1)
Allowances for Provisions and Amortization			
■ on Fixed Assets	6.1	(0.8)	(1.4)
■ on Other Current Assets		-	-
■ for Risks and Charges		(1.4)	(0.9)
Other Operating Expenses		(0.5)	(0.5)
Total Operating Expenses		**(214.6)**	**(177.1)**
Income from Operating Activities (I)		**(52.1)**	**(31.8)**
Dividends and Interim Dividends		420.5	373.9
Other Financial Income related to Financial Assets and Marketable Securities		8.5	1.8
Financial Interests		39.2	23.1
Reversals of Provisions and Charges Transferred		31.9	22.3
Exchange Gains Realized		31.0	16.0
Net Gain on Disposal of Marketable Securities		-	-
Total Financial Income		**531.1**	**437.1**
Allowance for Provisions and Amortization		(58.7)	(42.2)
Interest Charges		(42.3)	(50.5)
Exchange Loss Realized		(42.0)	(17.1)
Net Loss on Disposal of Marketable Securities		-	-
Total Financial Expenses		**(143.0)**	**(109.8)**
Financial Result (II)	6.11	**388.1**	**327.3**
Current Income before Tax (I-II)		**336.0**	**295.5**
Extraordinary Income from Operating Activities		2.0	-
Extraordinary Income from Financing Activities		2.8	1.6
Reversals of Provisions and Charges Transferred		4.5	245.0
Total Extraordinary Incomes		**9.3**	**246.6**
Extraordinary Expenses from Operating Activities		(0.1)	(295.8)
Extraordinary Expenses from Financing Activities		(31.2)	(9.4)
Allowance for Extraordinary Provisions		(0.3)	-
Total Extraordinary Expenses		**(31.6)**	**(305.2)**
Extraordinary Result (III)	6.12	**(22.3)**	**(58.6)**
Profit Sharing (IV)		-	-
Income Tax (V)	6.13	44.0	39.0
Income		702.9	829.0
Expenses		(345.2)	(553.1)
NET INCOME (I TO V)		**357.7**	**275.9**

3. STATEMENT OF CASH FLOWS

	12 months	
In millions of Euro	2011	2010
Net Income	357.7	275.9
Amortization and Depreciation of Fixed Assets and Prepaid Expenses	0.8	1.4
Increase/(Decrease) in Provisions (1)	26.6	(225.7)
Net (Gains)/Losses on Disposal of Assets and Investments (2)	35.7	8.6
Cash Flow from Operations	420.8	60.2
Changes in Working Capital	(32.6)	(18.3)
Net Cash Generated from Operating Activities	388.2	41.9
(Purchases)/Disposals of Intangible Assets	-	-
(Purchases)/Disposals of Tangible Assets	-	-
(Purchases)/Disposals of Financial Assets (3)	(148.4)	(131.1)
Net Cash Used in Investing Activities	(148.4)	(131.1)
(Increase)/Decrease in Long-Term Receivables (subsidiaries loans) (4)	(1,094.7)	(191.5)
Increase/(Decrease) in Current Account Cash Pooling	1,162.8	(350.5)
Increase/(Decrease) in Short-Term Debts (Credit Facilities)	(30.5)	(1.3)
Increase/(Decrease) in Long-Term Debts (Bond) (5)	(152.4)	750.0
(Increase)/Decrease in Liquidity Contract	3.2	(12.0)
Capital Increase and Issuance Premium (6)	34.5	40.4
Dividends Paid (7)	(156.1)	(143.6)
Net Cash (Used in)/Generated from Financing Activities	(233.2)	91.5
Net Increase in Cash and Cash Equivalents	6.6	2.3
Cash and Cash Equivalents as of January 1	3.1	0.8
CASH AND CASH EQUIVALENTS AS OF DECEMBER 31	**9.7**	**3.1**
Cash and Cash Equivalents	10.1	3.1
Bank Overdrafts	(0.4)	-
CASH AND CASH EQUIVALENTS AS OF DECEMBER 31	**9.7**	**3.1**

(1) 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).
In 2010, including provision and reversal for risks regarding performance share plans (€18.9 million), reversal of provision on litigation (€245.0 million).
(2) In 2011, including the result on treasury shares sold related with performance shares vested for €27.9 million.
(3) In 2011, including mainly acquisition of shares of Cybernétix and Front End Re and acquisition of additional MHB shares.
In 2010, including mainly acquisition of shares and recapitalization of a Malaysian subsidiary, and the acquisition of MHB shares.
(4) In 2011, including mainly increase of a French subsidiary loan (€982 million) for the purpose of Global Industries Group acquisition.
In 2010, including mainly increase of the Malaysia subsidiaries loans.
(5) In 2011, OCEANE bond Issuance and reimbursement of corporate bond issued in 2004.
In 2010, OCEANE and private placement bonds issuance.
(6) In 2011 and 2010, capital increase linked to share subscription options exercised.
(7) In 2011, 2010 dividends for €156.1 million.
In 2010, 2009 dividends for €143.6 million.

4. NOTES ON ACCOUNTING PRINCIPLES

The accounting principles used by Technip in preparing the financial statements for financial year 2011 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, 2011, were approved by the Board of Directors on February 14, 2012.

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 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 share purchase option plans and performance share plans are classified under other financial assets plans.

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

Intangible Assets and Property, Plant and Equipment

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

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

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

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

Trade Receivables

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

5. MAIN EVENTS OF THE YEAR

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

- On January 24, 2011, the Company acquired Front End Re, reinsurance company based in Luxembourg for €117.4 million.
- In May 2011, the Company paid a dividend of €1.45 per share, which represented a global distribution of €156.1 million.
- To strengthen the links between Technip and the Malaysia's national oil corporation Petroliam Nasional Berhad (Petronas):
  - the Company took additional stake in Malaysia Marine and Heavy Engineering Holdings Berhad (MHB) for €7.1 million, *i.e.* a total 8.35% stake in MHB share capital as of December 31, 2011, compared to 8% as of December 31, 2010;
  - on July 7, 2011, the Company announced the establishment of a jointly controlled entity with MHB, to be known as Technip MHB Hull Engineering (TMH). The joint venture's objective is to become a leader for floating production facilities hull design and engineering in South East Asia.
- On November 14, 2011, the Company entered into an agreement with the reference shareholders of Cybernétix, for the acquisition of all of their interests in Cybernétix S.A., representing approximately 45.70% of Cybernétix's share capital, at purchase price of €19 per share. In accordance with the General Regulations of the French *Autorité des marchés financiers* (AMF), the Company registered a cash tender offer to purchase the remaining shares on November 17, 2011, at a purchase price of €19 per share. On December 5, 2011, Cybernétix filled the offer in response. These documents received the AMF visa dated December 13, 2011. As per the calendar released by the AMF, the offer started on December 16, 2011 and ended on January 20, 2012 included (see Note 8 on acquisition completion).

  As of December 31, 2011, the Company acquired 64.05% of Cybernétix S.A., for a total amount to €19.8 million.
- On November 25, 2011, the Company granted a loan to its subsidiary Technip Offshore International for a total amount of €982 million, dedicated to the acquisition of Global Industries, Ltd investments.
- On November 18, 2011, the Company signed the documentation for a USD1.1 billion one year bank facility to be used in Euros or US Dollars with the option of a one year extension at the Company's hand only which provides additional financial flexibility. This facility originally included a revolving credit facility up to 60% and a term loan up to 40% but was reduced to a USD455 million revolving credit facility on December 15, 2011 following a convertible bond issue. The facility, unused to date, is not secured by any of the Group's assets. It includes covenants from the Company that are standard for such financing, and does not include any financial ratio. The facility agreement does not include early payment provision in the case of deterioration of the borrower's credit rating. The term loan and credit include, when used, a floating interest rate increased by margins growing every three months, as well as standard default provisions.
- On December 15, 2011, the Company 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 the 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 number of treasury shares is 2,242,718 as of December 31, 2011. 354,200 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; 1,850,518 shares are allocated to performance share plans granted to Group subsidiaries' employees; 38,000 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, 2010	11.9	12.8	3,636.0	3,660.7
Acquisitions	-	-	369.4	369.4
Disposals	-	-	(45.8)	(45.8)
Gross Value as of December 31, 2010	11.9	12.8	3,959.6	3,984.3
Acquisitions (1)	-	-	1,372.6	1,372.6
Disposals (2)	-	-	(153.2)	(153.2)
Gross Value as of December 31, 2011	11.9	12.8	5,179.0	5,203.7
Amortization and Depreciation as of January 1, 2010	(11.8)	(10.6)	(4.9)	(27.3)
Allowance	-	-	0.1	0.1
Reversals	(0.1)	(1.3)	-	(1.4)
Amortization and Depreciation as of December 31, 2010	(11.9)	(11.9)	(4.8)	(28.6)
Allowance (3)	-	-	(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)
NET VALUE AS OF DECEMBER 31, 2011	**-**	**0.1**	**5,162.0**	**5,162.1**

(1) Increase in financial assets due to mainly acquisitions of Cybernétix (€19.8 million) and Front End Re (€117.4 million) and share capital increases of subsidiaries (€11.8 million), and to increases in loans granted to subsidiaries (€1,094.7 million Including mainly the loan granted to Technip Offshore International for the purpose of Global Industries acquisition), and to increases in treasury shares on liquidity contract (€64.5 million).

(2) Decrease in financial assets due to disposals of shares in subsidiaries (€0.6 million), decreases in treasury shares due to performance shares vested €24.5 million) and decreases in treasury shares on liquidity contract (€64.0 million).

(3) Provisions on investments for €12.2 million.

(b) Financial Assets

Financial assets break down as follows:

	As of December 31,			
	2011			2010
In millions of Euro	Gross Value	Provisions for Depreciation	Net Value	Net Value
Investments	3,724.4	(16.0)	3,708.4	3,572.1
Loans Related to Investments	1,349.6	(1.0)	1,348.6	254.0
Treasury Shares	94.1	-	94.1	118.2
Liquidity Contract	10.9	-	10.9	10.5
TOTAL FINANCIAL ASSETS	**5,179.0**	**(17.0)**	**5,162.0**	**3,954.8**

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 Global Industries acquisition (€982 million).

In 2011, Technip sold 568,643 treasury shares for performance shares vested to subsidiaries' employees. As of December 31, 2011, the balance of treasury shares (1,888,518) included shares bought from 2006 to 2008 and allocated to performance share plans granted to subsidiaries employees, included also 38,000 shares bought from the liquidity contract in 2011.

6.2. Current Assets

Current assets break down as follows:

	As of December 31,			
	2011			2010
In millions of Euro	Gross Value	Provisions for Depreciation	Net Value	Net Value
Trade Receivables	214.3	(0.1)	214.2	195.2
Other Receivables, Income Tax and VAT	26.9	-	26.9	75.6
Other Current Receivables, Sundry Debtors	11.0	(0.1)	10.9	16.5
Total Other Current Receivables	37.9	(0.1)	37.8	92.1
Current Accounts with subsidiaries	28.5	(3.4)	25.1	5.1

The trade receivables consist mainly in invoices to subsidiaries.

6.3. Marketable Securities

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

	As of December 31,	
In millions of Euro	2011	2010
Gross Value as of January 1	19.7	16.5
Transfer from Financial Assets	-	3.2
Decrease in Treasury Shares	(4.5)	-
Gross Value as of December 31	15.2	19.7
Depreciation as of January 1	-	-
Allowance	-	-
Reversal	-	-
Depreciation as of December 31	-	-
NET VALUE AS OF DECEMBER 31	**15.2**	**19.7**

As of December 31, 2011, the balance of treasury shares (354,200 shares) included shares that were bought in 2006.

6.4. Accrued Assets and Redemption Premium

Accrued Assets (€17.7 million as of December 31, 2011)

They mostly include insurance costs.

Deferred Charges (€8.0 million as of December 31, 2011)

They include:

- issuing fees (for a gross amount of €2.2 million) related to the €650 million corporate bond issued in May 2004, to be amortized over seven years. Annual amortization amounted to €0.1 million in 2011. These issuing fees were fully amortized as of December 31, 2011;
- 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 €1.1 million in 2011, and net value was €3.9 million as of December 2011;
- 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 €0.1 million in 2011, and net value was €4.1 million as of December 31, 2011.

Redemption Premium (€2.6 million as of December 31, 2011)

This exclusively corresponds to the 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 €2.6 million as of December 31, 2011.

The redemption premium (for a gross amount of €1.9 million) related to a €650 million bond issued in May 2004 was fully amortized as of December 31, 2011. Annual amortization amounted to €0.1 million in 2011.

6.5. Shareholders' Equity

(a) Changes in Shareholders' Equity

Changes in shareholders' equity are as follows:

	As of December 31,	
In millions of Euro	2011	2010
Shareholders' Equity as of January 1	2,412.2	2,239.5
Share Subscription Options Exercised	34.5	40.4
Net Income	357.7	275.9
Other [1]	0.6	-
Dividends	(156.1)	(143.6)
SHAREHOLDERS' EQUITY AS OF DECEMBER 31	**2,648.9**	**2,412.2**

(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,	
	2011	2010
Number of Shares as of January 1	110,249,352	109,343,294
Increase due to Share Subscription Options Exercised	738,406	906,058
NUMBER OF SHARES AS OF DECEMBER 31	**110,987,758**	**110,249,352**
Share Nominal Value (in Euros)	0.7625	0.7625
Common Stock as of December 31 (in millions of Euro)	84.6	84.1

The number of shares that carry double voting rights is 5,576,491 as of December 31, 2011.

(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 Part 1 and 2	Re-Granted Part 1, 2 and 3
Date of the Shareholders' Meeting	April 29, 2005	April 29, 2005	April 29, 2005	April 29, 2005	April 29, 2005
Date of the Board of Directors Meeting	Dec. 14, 2005	July 26, 2006	March 12, 2007	Dec. 12, 2007	June 12, 2008
Term	6 years	6 years	6 years	6 years	6 years
Remaining Number of Options to be Exercised	-	89,361	578,703	62,244	97,858
Current Exercise Price (in Euros)	46.9	41.4	49.2	55.7	60.0

Part 1 of the 2005 plan expired in December 2011. A total number of 263,183 options were exercised in the financial year. 96,354 options of Part 2 were exercised during the financial year. 323,970 options of Part 3 were exercised in the financial year and 13,350 were cancelled.

	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	1,046,200
Current Exercise Price (in Euros)	34.7

	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	1,078,400	19,400	79,500
Current Exercise Price (in Euros)	51.5	63.2	72.2

	2011	
Year of the Plan	Part 1	Part 2
Date of the Shareholders' Meeting	April 28, 2011	April 28, 2011
Date of the Board of Directors Meeting	June 17, 2011	Dec. 14, 2011
Term	7 years	7 years
Remaining Number of Options to be Exercised	339,400	53,900
Current Exercise Price (in Euros)	72.7	66.9

The 2011 and the 2010 Part 3 share subscription option plans were granted in the financial year.

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 plan, the performance will be measured over the 2011-2013 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/ Coflexip Share Subscription Option Plans

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

	11
Plan Number	Part 1
Date of the Shareholders' Meeting	May 30, 2000
Date of the Board of Directors Meeting	March 20, 2001
Term	10 years
Remaining Number of Options to be Exercised	-
Current Exercise Price (in Euros)	33.4

This plan expired in March 2011. A total number of 38,016 options were exercised in the financial year and 46,078 were cancelled.

3/ 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	899,460
Current Exercise Price (in Euros)	58.2

These share purchase option plans were granted subject to certain performance targets. For the 2008 share purchase option plan, performance will be based on Group's consolidated result relative to the average consolidated result of a panel of competitors.

As of December 31, 2011, the charge related to share purchase option plans granted to the Company's employees amounted to €1.7 million.

4/ Performance Share Plans

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

	2007		
Year of the Plan	List 2	Re-Granting	Re-Granting
Date of the Shareholders' Meeting	April 28, 2006	April 28, 2006	April 28, 2006
Date of the Board of Directors Meeting	March 12, 2007	December 12, 2007	July 1, 2008
Term	4 years	4 or 5 years	4 or 5 years
Number of Outstanding Shares	-	-	10,750

The performance shares related to the 2007 plan List 2 were vested in March 2011 (280,393 shares finally vested and 285,692 cancelled due to the achievement percentage of performance targets), as well as List 1 re-granting of December 2007 (7,900 shares finally vested and 9,100 cancelled) and July 2008 (8,400 shares finally vested and 450 cancelled).

	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	-	432,170	-	-	82,542	98,500

The performance shares related to the 2008 plan Part 1 List 1 were vested in July 2011 (354,200 shares finally vested and 6,200 cancelled) and those of Part 2 List 1 in December 2011 (18,300 shares finally vested). Performance shares of Part 2 List 2 were cancelled (1,800 shares).

	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	421,100	519,400	12,000	42,450	55,100

	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	320,100	539,700	3,000	10,800	24,700	59,800

	2011			
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 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
Term	5 years	4 years	5 years	4 years
Number of Shares Granted	134,750	218,600	7,000	30,050

The 2011 and 2010 Part 3 performance share plans were granted in the financial year.

Performance shares were granted contingent upon the same performance conditions. For the 2007 plan, performance will be measured based on the Company's earnings per share relative to the average earnings per share of a panel of competitors. 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 plan, the performance is measured over the 2011-2013 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, 2011, the charge related to performance share plans granted to the Company's employees amounted to €4.5 million.

(d) Distributable Retained Earnings

As of December 31, 2011, the distributable retained earnings of Technip amount to €622.5 million after estimated due taxes.

6.6. Provisions

(a) Nature of Provisions for Risks and Charges

As of December 31, 2011, provisions for risks mostly include €1.0 million of provisions for foreign exchange losses, €134.9 million of provisions for risks on treasury shares allocated to performance share plans granted to Company's employees (booked as marketable securities) and granted to subsidiaries' employees (booked as financial assets), and €1.3 million of provisions for retirement indemnities.

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

- discount rate: 4.7%;
- inflation rate: 2.0%;
- future salary increase: 2.5%;
- employee turnover: between 0.0% and 4.0% according to age;
- return on assets: 3.4%.

(b) Changes in Provisions

Changes in provisions are as follows:

In millions of Euro	As of January 1, 2011	Allowance	Used Reversals	Unused Reversals	As of December 31, 2011
Regulated Provisions	-	-	-	-	-
Provisions for Risks	123.5	45.1	31.9	-	136.7
Provisions for Charges	0.3	1.4	0.4	-	1.3
Total Provisions in Liabilities	**123.8**	**46.5**	**32.3**	**-**	**138.0**
Provisions on Investments	3.8	12.2	-	-	16.0
Provisions on Loans	1.0	-	-	-	1.0
Provisions on Current Assets	0.1	-	-	-	0.1
Provisions on other Current Assets	0.1	-	-	-	0.1
Provisions on Current Accounts	3.2	0.2	-	-	3.4
Total Provisions on Assets	**8.2**	**12.4**	**-**	**-**	**20.6**
TOTAL PROVISIONS	**132.0**	**58.9**	**32.3**	**-**	**158.6**

The main variation is attributable to provisions for risks on treasury shares allocated to performance shares plans: allowance on provision on plans implemented in 2011 amounted to €43.9 million and reversal of provisions on plans vested in 2011 amounted to €28.1 million.

(c) Breakdown of Provision Changes

Allowances and reversals of provisions break down as follows:

In millions of Euro	2011	2010
Operating Allowances	1.4	0.8
Financial Allowances (1)	57.2	41.3
Extraordinary Allowances	0.3	-
TOTAL PROVISION ALLOWANCES	**58.9**	**42.1**
Operating Reversals	0.4	0.5
Financial Reversals	31.9	22.3
Extraordinary Reversals	-	245.0
Total Provision Reversals	**32.3**	**267.8**
Operating Charges Transferred (2)	5.2	7.3
Financial Charges Transferred (3)	4.5	-
TOTAL PROVISION REVERSALS AND CHARGES TRANSFERRED	**42.0**	**275.1**

(1) Excluding amortization of deferred charges and redemption premiums on bonds (€1.5 million).
(2) Including the reclassification of issuing fees related to the 2011 OCEANE convertible bonds as deferred charges (€3.6 million) and 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 €194.6 million as of December 31, 2011, against €168.5 million as of December 31, 2010.

Accrued charges included in liabilities amount to €112.0 million as of December 31, 2011, and €47.6 million as of December 31, 2010.

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, 2011	Less than 1 Year	More than 1 Year
Financial Assets [1]	1,348.6	4.3	1,344.3
Trade Receivables	214.2	214.2	-
Receivables from Group Companies	25.1	25.1	-
Other Current Receivables	37.8	37.8	-
Accrued Assets	25.7	1.7	24.0
TOTAL ASSETS	**1,651.4**	**283.1**	**1,368.3**

(1) Without investments, treasury shares and liquidity contract.

In millions of Euro	As of December 31, 2011	Less than 1 Year	Between 1 Year and 5 Years	More than 5 Years
Bond [1]	1,247.6	-	550.0	697.6
Bank Borrowings / Credit Lines	7.8	7.8	-	-
Other Financial Debts and Liabilities				
Financial Debts and Liabilities with Group Companies [2]	1,278.2	-	1,278.2	-
Accounts Payables	66.5	66.5	-	-
Tax and Social Security Liabilities	68.5	68.5	-	-
Payable on Assets	-	-	-	-
Other Liabilities	24.7	24.7	-	-
TOTAL LIABILITIES	**2,693.3**	**167.5**	**1,828.2**	**697.6**

(1) The Company issued three 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 (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.
- 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 (the first coupon payment on January 31, 2012 amounted to approximately €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.

(2) Including current account with the Group cash pooling entity: €1,278.2 million.

Invoices due dates break down as follows:

In millions of Euro	As of December 31, 2011	Not Due	Due 0-60 days	Due > 60 days
French Suppliers	13.2	0.4	12.8	-
Foreign Suppliers	0.8	0.2	0.6	-
Accruals	52.5	NA	NA	NA
TOTAL ACCOUNTS PAYABLES	**66.5**	**0.6**	**13.4**	**-**

6.9. Trade Bills Included in Assets and Liabilities

Technip does not have any outstanding trade bills as of December 31, 2011 and 2010.

6.10. Revenues

Revenues amounted to €156.9 million in 2011 as compared to €137.4 million in 2010. In 2011, a total amount of €65.2 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	2011	2010
Dividend Income	420.5	374.0
Allowance of Provisions on Investments	(12.2)	-
Allowance of Provisions on Current Accounts	(0.2)	(0.2)
Allowance of Provisions on Treasury Shares	-	-
Allowance of Provisions on Free Shares	(15.8)	(18.9)
Amortization of Redemption Premium Related to Bond	(0.4)	(0.4)
(Allowance)/Reversal of Provision on Exchange Losses	2.8	-
Interest Income from Loans	8.5	1.8
Financial Income from Stock Incentive Plan Recharge	39.1	23.1
Interest Expense on Bond	(25.0)	(34.5)
Interest Expense on Credit Line	(2.2)	(2.0)
Interest on Cash Pooling Current Account	(8.7)	(4.2)
Other financial expenses on Swap	(6.3)	(9.7)
Foreign Exchange (Loss)/Gain	(11.0)	(1.1)
Other	(1.0)	(0.6)
FINANCIAL RESULT	**388.1**	**327.3**

6.12. Extraordinary Result

Extraordinary result breaks down as follows:

In millions of Euro	2011	2010
Penalties (including TSKJ)	-	(219.6)
Extraordinary expenses penalties on TSKJ SEC	-	(76.2)
Allowance for Litigation	(0.3)	-
Reversal of Provisions	4.5	245.0
Gains and Losses on Sales of Investments	1.4	(0.3)
Result on treasury shares sold	(27.9)	(7.5)
EXTRAORDINARY RESULT	**(22.3)**	**(58.6)**

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

In 2010, the extraordinary result is mainly attributable to:

- the extraordinary expenses related with the agreement signed between Technip and SEC and DOJ for €270.8 million (see Note 6.21);
- the extraordinary expenses related with the agreement signed between Technip and the Federal Government of Nigeria ("FGN") for €25.0 million (see Note 6.21);
- the reversal of provision for litigation for €245.0 million;
- the result on treasury shares sold related with performance shares vested for €8.1 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 2011 is 36.10% (including additional taxes).

The impact on the 2011 income statement is a tax credit of €43.9 million that breaks down as follows:

- tax credit generated by Technip: €21.4 million;
- tax credit generated by the tax group: €22.5 million.

Tax credit generated by Technip for €21.4 million consists of €13.5 million attributable to tax credit from current operations and €7.9 million related to the extraordinary result.

Temporary Differences: as of December 31, 2011, 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	2011	2010
Financial Assets	4,929.9	3,709.3
Current Assets, Receivables from Group Companies	241.8	196.1
TOTAL ASSETS	**5,171.7**	**3,905.4**
Financial Debts (Group and Affiliates)	1,278.2	127.1
Current Liabilities	45.0	39.9
TOTAL LIABILITIES	**1,323.2**	**167.0**
Financial Charges	468.0	395.9
Financial Income	(8.7)	(4.2)

6.15. Off-Balance Sheet Commitments

Off-balance sheet commitments break down as follows:

	As of December 31,	
In millions of Euro	2011	2010
Parent Company Guarantees (1)	34,605.5	34,552.3
Commitments Given (2)	1,207.0	924.3
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.

Moreover, Technip has the following commitments:

- In 2007, Technip granted a €37.6 million subsidy to Technip Saudi Arabia, with a conditional clause under which Technip Saudi Arabia will reimburse Technip, if its results are positive, until the subsidy is totally reimbursed.

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	2011
2012	29.0
2013	29.0
2014	29.0
2015	29.0
2016 and beyond	152.3
TOTAL ADRIA TOWER LEASE (1)	**268.3**

(1) Provisional amount, as the rent amount varies according to the INSEE Construction cost index.

Technip did not enter into any leasing contracts in 2011 and 2010.

6.16. Financial Instruments

Technip held no financial instruments as of December 31, 2011.

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 8 people in 2011 like in 2010.

6.19. Board of Directors Compensation

In 2011, the amount of Directors' fees paid by Technip to the members of the Board of Directors amounted to €547,997.

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 2011, the aggregate amount of compensation paid by the Company to Thierry Pilenko amounted to €2,034,520 (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 2011 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.

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 2011: the share of the variable portion is (i) nil if real performance is below 80% of the budgeted amount (minimum level), (ii) between 50% and 100% for a performance equal to 90% 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 50% and 100% for a performance equal to 90% 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 2011 final variable share, which is capped at 200% of the target variable portion.

The variable portion due to Thierry Pilenko for the financial year 2011 is €1,151,509 and be paid in 2012.

Furthermore, on June 17, 2011, 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 2014 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 2011, 2012 and 2013, of satisfactory performance in relation to Health/Security/Environment (HSE), Operating Income from Recurring Activities (OIFRA) and Order Intakes.

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 income bracket 3, i.e., eight times the annual French Social Security ceiling. The contribution for 2011 amounted to €22,625.

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 income 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 *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.

70,000 share subscription options and 20,000 performance shares were granted to Thierry Pilenko over financial year 2011 (see Section 15.1.1, Tables 4 and 6, for further details). Thierry Pilenko did not exercise any Technip share subscription or share purchase options during financial year 2011 (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. In its meeting, the Board of Directors resolved to calculate this non-compete indemnity on the gross annual compensation paid (gross fixed and variable compensation). This calculation is based on the best gross annual compensation paid during the last three years.

6.20. Auditors' fees

The Auditors' fees break down as follows:

	Ernst & Young		PricewaterhouseCoopers	
In thousands of Euro	2011	2010	2011	2010
Auditing, certification of financial statements, examination of Company and Consolidated Financial Statements	535	538	535	565
Other work and services directly related to the responsibilities of Statutory Auditors	810	272	190	73
TOTAL FEES	**1,345**	**810**	**725**	**638**

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.

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 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") conducted formal investigations into certain payments made in connection with the construction by TSKJ of a natural gas liquefaction complex for NLNG. In line with Technip's announcement in February 2010 of an exceptional 4th quarter charge for 2009, the investigations led by the DOJ and SEC were resolved by the signature on June 28, 2010 of a final agreement to fully resolve all potential claims arising from Technip's participation in the TSKJ joint venture between 1994 and 2004. The agreements with the DOJ and the SEC called for the company to pay a total of USD338 million (USD240 million to the DOJ and USD98 million to the SEC) over a two year period. The DOJ investigation of Technip was resolved through a deferred prosecution agreement, 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. Technip agreed to pay USD240 million to the DOJ in eight equal installments of USD30 million over the next two years, of which USD210 million was paid as of December 31, 2011. The last USD30 million installment was paid on February 1, 2012.

Technip has retained a French national, approved by the DOJ, to serve as an independent corporate monitor, who is chiefly responsible for reviewing Technip's compliance initiatives and recommending improvements. Technip agreed with the SEC to the entry of a final judgment that permanently enjoins Technip from violating the anti-bribery, books and records, and internal control provisions of the United States Foreign Corrupt Practices Act. The consent judgment fully resolves a civil complaint which was filed by the SEC, to which Technip neither admits nor denies liability. Technip also paid the SEC USD98 million in disgorgement, relating to the TSKJ joint venture.

A similar investigation in France which also commenced in 2004 was concluded in 2010 with no prosecution of Technip.

On December 17, 2010 Technip entered into an agreement with the Federal Government of Nigeria ("FGN") fully resolving all potential claims by the FGN or any public or private corporation owned or controlled by FGN relating to Technip's participation in the TSKJ joint venture. Technip agreed to undertake certain steps during the mentioned two year period, including instituting a compliance and monitoring program with respect to its business in Nigeria and paid a fine and costs totaling USD32.5 million.

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 Gross Value	Share Book Value Net Value	Outstanding Loans and Advances	Bonds Posted and Guarantees Issued	Revenues 2011	Net Income 2011	Dividends Received in 2011
A. DETAILED INFORMATION CONCERNING INVESTMENTS FOR WHICH GROSS-VALUE EXCEEDS 1% OF TECHNIP'S SHARE CAPITAL											
Technip France	France	77.79%	22.7	(85.4)	42.7	42.7	-	13,537.1	1,660.6	196.8	85.6
Technip Offshore International	France	100.00%	7.8	1,384.3	3,120.5	3,120.5	997.3	-	-	189.6	233.2
Technipnet	France	100.00%	2.0	(19.7)	2.0	2.0	-	2.2	-	(24.9)	-
Seal Engineering	France	100.00%	0.1	1.3	1.1	1.1	-	-	5.5	1.2	1.4
Eurodim	France	100.00%	0.2	1.4	11.5	-	-	-	2.2	0.3	0.5
Technip Corporate Services	France	77.97%	6.1	7.4	0.9	0.9	-	-	115.3	0.6	-
Technip International AG	Switzerland	99.94%	4.1	(2.9)	3.1	-	-	-	-	(0.4)	-
Engineering Re	Switzerland	100.00%	1.7	13.3	1.7	1.7	-	3.1	-	6.1	-
Technip Italy	Italy	100.00%	68.0	13.7	22.1	22.1	-	4,437.9	836.0	94.0	76.2
TPL – Tecnologie Progetti Lavori	Italy	100.00%	9.0	0.1	7.8	7.8	-	-	-	(0.2)	1.9
Technip Iberia	Spain	99.99%	0.6	3.4	0.8	0.8	-	-	31.2	2.4	-
Technip Benelux NV	Belgium	100.00%	89.2	0.9	89.3	89.3	-	15.4	7.9	1.1	-
Technip Far East	Malaysia	100.00%	7.0	(4.3)	5.9	5.9	-	9.4	66.9	4.9	1.6
Technip Holding Benelux BV	Netherlands	100.00%	9.1	0.5	26.7	26.7	-	-	-	17.6	4.0
Technip Germany	Germany	100.00%	12.8	4.8	100.2	100.2	-	205.3	55.1	3.3	0.2
Technip Tianchen	China	100.00%	1.0	8.9	3.3	3.3	-	-	19.8	1.8	-
Asiaflex Products	Malaysia	33.00%	46.2	(5.7)	16.7	16.7	70.2	-	27.2	(10.4)	-
Cybernétix SA	France	64.05%	5.0	7.1	19.8	19.8	-	-	-	-	-
Front End Re SA	Luxembourg	100.00%	3.1	13.9	117.4	117.4	-	-	-	(0.6)	-
Technip RUS	Russia	99.96%	0.2	10.1	0.9	0.1	-	-	32.8	8.5	-
MHB	Malaysia	8.35%	4.1 (*)	NC (*)	121.7	121.7	-	-	1,031.9 (*)	104.8(*)	1.5
B. OTHER SUBSIDIARIES AND INVESTMENTS											
Other Subsidiaries of which share capital is more than 50% owned by Technip											
French Subsidiaries		NA	NA	NA	2.0	1.6	1.1	-	NA	NA	4.3
Foreign Subsidiaries		NA	NA	NA	0.3	0.1	1.7	-	NA	NA	1.7
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	7.5
TOTAL		**NA**	**NA**	**NA**	**3,719.6**	**3,703.5**	**1,070.3**	**18,210.4**	**NA**	**NA**	**419.6**

(*) Based on yearly financial statements audited as of March 31, 2011.

8. SUBSEQUENT EVENTS

On January 20, 2012, following the settlement of the cash tender offer made by Technip on the shares of Cybernétix, the Group held 1,603,094 shares of Cybernétix representing 98.60% of the share capital and 98.57% of the voting rights. As previously announced during the offer, Technip 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.

As of the date of this Reference Document, the Company holds 100% of the share capital and voting rights of the company.

There have been no other significant events since December31, 2011.

20.3. Dividend distribution policy

The Combined Shareholders' Meeting of April 28, 2011 approved the payment to shareholders of a dividend of €1.45 per share for the year ended December 31, 2010, which represented a global distribution of €156,071,596.80 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
2008	€1.20	€1.20
2009	€1.35	€1.35
2010	€1.45	€1.45

Being confident in Technip's ability to create long-term shareholder value in a challenging environment, the Board of Directors resolved to propose for approval by the Combined Shareholders' Meeting to be held on April 26, 2012, an increase in the 2011 dividend of 13 Euro-cents equal to a total dividend of €1.58 per share.

This dividend would be paid in cash on May 11, 2012.

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

On December 21, 2001, Interpipe SA (ITP), a French company, filed a lawsuit with a French Commercial Court *(Tribunal de commerce)* against three subsidiaries of Technip seeking damages based on alleged breaches of confidentiality agreements related to "pipe-in-pipe" technology.

This dispute relates to contractual relationships among the companies between 1993 and 1998. ITP worked on certain subsea pipeline installation projects managed subsequently by Coflexip (and later Technip).

On May 16, 2006, the Commercial Court of Paris *(Tribunal de commerce)* rendered a ruling partially in favor of ITP, awarding damages of €48,930,000 against Technip. The Court's decision was not, however, automatically enforceable.

On June 28, 2006, Technip filed an appeal of this ruling. ITP then amended its complaint by adding grounds of unfair commercial practices and tort liability.

On March 18, 2009, the Appeals Court of Paris *(Cour d'appel)* ruled in favor of Technip by overruling the Commercial Court's decision.

An appeal with the France's highest court *(Cour de cassation)* was lodged by ITP against this decision. On July 13, 2010, the France's highest court *(Cour de cassation)* partially overturned the Appeals Court of Paris decision of March 18, 2009; ITP's condemnation for damages relating to acts of defamation against Technip being confirmed.

Following the highest court's *(Cour de cassation)* decision of July 13, 2010 Technip appealed to the Appeals Court of Paris *(Cour d'appel)* in December 2010.

On September 27, 2011, at ITP's request, the Appeals Court of Paris *(Cour d'appel)* designated a mediator from the Mediation and Arbitration Center in Paris *(Centre de médiation et d'arbitrage de Paris)* in order to the mediate the dispute. The Appeals Court of Paris decided that mediation period would end January 27, 2012. This period was extended until April 19, 2012. If the mediation has not come to a conclusion at this date, the appeal procedure will resume as before.

Technip still believes ITP's complaints to be unfounded and that its exposure to this litigation is weak.

ITP had also brought an action against Technip before the Scottish and US courts for infringement of a patent relating to pipe-in-pipe technology. In the meantime, the disputed patent was revoked by the European Patent Office on February 17, 2004, which rendered ITP's claim invalid with respect to British territory. As a result, the Appeals Court of Edinburgh terminated the proceedings before it on November 19, 2004. In addition, a settlement agreement that was reached in October 2007, requiring no financial compensation, terminated the proceedings before the US court in Alabama.

However, even though the revocation of the European patent terminated ITP's purported rights pursuant that patent, it had no effect on the ITP's French patent that was obtained to protect the "pipe-in-pipe" technology. As a result, on April 27, 2007, Technip brought an action against ITP to nullify its French patent. Technip's claim was rejected by the Paris Court of first instance *(Tribunal de grande instance)* on January 28, 2009 and Technip appealed this decision. In September 2010, the Appeals Court of Paris *(Cour d'appel)* rendered a ruling in favor of ITP. As a result, an appeal with the France's highest court *(Cour de cassation)* was lodged by Technip in December 2010 and rejected on December 13, 2011, with Technip ordered to pay ITP's legal fees in the amount of €2,500.

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 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") conducted formal investigations into certain payments made in connection with the construction by TSKJ of a natural gas liquefaction complex for NLNG. In line with Technip's announcement in February 2010 of an exceptional 4th quarter charge for 2009, the investigations led by the DOJ and SEC were resolved by the signature on June 28, 2010 of a final agreement to fully resolve all potential claims arising from Technip's participation in the TSKJ joint venture between 1994 and 2004. The agreements with the DOJ and the SEC called for the company to pay a total of USD338 million (USD240 million to the DOJ and USD98 million to the SEC) over a two year period. The DOJ investigation of Technip was resolved through a deferred prosecution agreement, 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. Technip agreed to pay USD240 million to the DOJ in eight equal installments of USD30 million over the next two years, of which USD210 million was paid as of December 31, 2011. The last USD30 million installment was paid on February 1, 2012.

Technip has retained a French national, approved by the DOJ, to serve as an independent corporate monitor, who is chiefly responsible for reviewing Technip's compliance initiatives and recommending improvements. Technip agreed with the SEC to the entry of a final judgment that permanently enjoins Technip from violating the anti-bribery, books and records, and internal control provisions of the United States Foreign Corrupt Practices Act. The consent judgment fully resolved a civil complaint which was filed by the SEC, to which Technip neither admitted nor denied liability. In 2010, Technip also paid the SEC USD98 million in disgorgement, relating to the TSKJ joint venture.

A similar investigation in France which also commenced in 2004 was concluded in 2010 with no prosecution of Technip

On December 17, 2010 Technip entered into an agreement with the Federal Government of Nigeria ("FGN") fully resolving all potential claims by the FGN or any public or private corporation owned or controlled by FGN relating to Technip's participation in the TSKJ joint venture. Technip agreed to undertake certain steps during the mentioned two year period, including instituting a compliance and monitoring program with respect to its business in Nigeria and paid a fine and costs totaling USD32.5 million.

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

21.1.1. AMOUNT OF SHARE CAPITAL

As of February 28, 2011 and February 29, 2012, Technip's share capital amounted respectively to €84,105,392.43 divided into 110,302,154 shares and €84,866,591.60 divided into 111,300,448 shares.

21.1.2. SHARES NOT REPRESENTING CAPITAL

None.

21.1.3. TREASURY SHARES AND SHARE REPURCHASE PROGRAMS

During financial year 2011, 957,023 shares were purchased and 950,023 were sold under the terms and conditions of the Liquidity Contract with transaction fees totaling €100,000 excluding tax.

In addition, 671,743 shares were transferred at no value as performance shares granted during the year, with no transaction fees.

Use of treasury shares

As of February 29, 2012, the Company held 2,169,176 treasury shares. These treasury shares had a par value of €0.7625 each, representing an aggregate value of €105,415, or 1.95% of the share capital of the Company. These treasury shares were held for the following purposes:

1. To serve share option plans or other share plans that were granted to employees or directors or officers *(mandataires sociaux)* of the Company:

   As of February 29, 2012:
   - 10,750 shares were granted under the 2007 performance share plan, by the Board of Directors at its meeting and held on July 1, 2008;
   - 560,570 shares were granted under the 2008 performance share plan by the Board of Directors at its meetings held on July 1, 2008 and February 18, 2009;
   - 898,460 shares were granted under the 2008 share purchase option plan by the Board of Directors at its meeting held on July 1, 2008;
   - 1,051,250 shares were granted under the 2009 performance share plan by the Board of Directors at its meetings held on June 15, and October 24-25, 2009, and February 16, 2010;

- 958,000 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; and
- 390,400 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.

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 ended December 31, 2011, 957,023 shares were purchased and 950,023 shares were sold pursuant to the terms and conditions of the Liquidity Contract.

   Pursuant to this Liquidity Contract, as of December 31, 2011, the following assets were recorded in the liquidity account:

   - 38,000 shares; and
   - €2,759,560.

Renewal of the Company's share repurchase program

A proposal will be submitted to the Shareholders' General Meeting of April 26, 2012 (sixth 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 €105 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 26, 2012 of the proposed sixth resolution (the proposed sixth resolution is included in Annex E 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 26, 2012, and on the basis of the aggregate number of outstanding shares (*i.e.,* 111,300,448 shares) and treasury shares as of February 29, 2012 (*i.e.,* 2,169,176 shares), Technip may repurchase a maximum of 8,960,868 shares, representing a maximum theoretical investment of €940,891,140, assuming a maximum share purchase price of €105.

21.1.4. POTENTIAL CAPITAL

Summary of authorizations granted by the Shareholders' General Meeting, which expired or were in effect in financial year 2011

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 2011:

Purpose	Validity	Limit	Use during the 2011 financial year
Share capital increase with preferential subscription rights	Extraordinary Shareholders' Meeting of April 30, 2009 15th resolution Term: 26 months Expires: June 29, 2011*	Par Value: €37,5 million 2.5 billion for securities representing debt certificates granting access to share capital	None
Share capital increase without preferential subscription rights	Extraordinary Shareholders' Meeting of April 30, 2009 16th resolution Term: 26 months Expires: June 29, 2011*	Par Value: €12 million 2.5 billion for securities representing debt certificates granting access to share capital	None
Authorization to repurchase Company shares	Ordinary Shareholders' Meeting of April 29, 2010 11th resolution Term: 18 months Expires: October 28, 2012**	10% of the share capital	0.28%
Authorization to reduce share capital by cancelling all or part of the shares previously repurchased	Extraordinary Shareholders' Meeting of April 29, 2010 12th resolution Term: 5 years Expires: April 28, 2015	10% of the share capital per 24-month period	None
Grant of performance shares to be issued to eligible employees and directors or officers of the Company or other associated companies	Extraordinary Shareholders' Meeting of April 29, 2010 13th resolution Term: 24 months Expires: April 28, 2012**	0.9% of the share capital	0.08%

Purpose	Validity	Limit	Use during the 2011 financial year
Grant of performance shares to be issued to Chairman and Chief Executive Officer of the Company, executive director of the Company	Extraordinary Shareholders' Meeting of April 29, 2010 14th resolution Term: 24 months Expires: April 28, 2012**	0.03% 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 or other associated companies	Extraordinary Shareholders' Meeting of April 29, 2010 15th resolution Term: 24 months Expires: April 28, 2012**	1.1% of the share capital	0.07%
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	Extraordinary Shareholders' Meeting of April 29, 2010 16th resolution Term: 24 months Expires: April 28, 2012**	0.10% of the share capital	None
Share capital increase in favor of employees adhering to a company savings plan	Extraordinary Shareholders' Meeting of April 29, 2010 17th resolution Term: 26 months Expires: June 28, 2012**	1% of the share capital	None
Authorization to repurchase Company shares	Ordinary Shareholders' Meeting of April 28, 2011 12th resolution Term: 18 months Expires: October 27, 2012	10% of the share capital	0.65%
Share capital increase with preferential subscription rights	Extraordinary Shareholders' Meeting of April 28, 2011 13th resolution Term: 26 months Expires: June 27, 2013	Par Value: €40 million 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 14th resolution Term: 26 months Expires: June 27, 2013	Par Value: €8 million 2.5 billion for securities representing debt certificates granting access to share capital	€497.6 million
Share capital increase without preferential subscription rights and by private placement	Extraordinary Shareholders' Meeting of April 28, 2011 15th resolution Term: 26 months Expires: June 27, 2013	Par Value: €8 million 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 of April 28, 2011 16th resolution Term: 24 months Expires: April 27, 2013	0.4% of the share capital	0.31%
Grant of performance shares to be issued to Chairman and Chief Executive Officer of the Company, executive director of the Company and to the Group principal executives	Extraordinary Shareholders' Meeting of April 28, 2011 17th resolution Term: 24 months Expires: April 27, 2013	0.4% of the share capital	0.05%
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 of April 28, 2011 18th resolution Term: 24 months Expires: April 27, 2013	0.4% of the share capital	0.19%
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 to the Group principal executives	Extraordinary Shareholders' Meeting of April 28, 2011 19th resolution Term: 24 months Expires: April 27, 2013	0.4% of the share capital	0.16%
Share capital increase in favor of employees adhering to a company savings plan	Extraordinary Shareholders' Meeting of April 28, 2011 20th resolution Term: 26 months Expires: June 27, 2013	1% of the share capital	None

* The 15th and 16th resolutions of the Extraordinary Shareholders' Meeting of April 30, 2009 expired at the Extraordinary Shareholders' Meeting of April 28, 2011 which renewed them with the 13th and 14th resolutions.

** The 11th, 13th, 14th, 15th, 16th and 17th resolutions of the Combined Shareholders' Meeting of April 29, 2010 expired at Combined Shareholders' Meeting of April 28, 2011 which renewed them with 12th, 16th, 17th, 18th, 19th and 20th resolutions.

As a number of these authorizations are due to expire, the Combined Shareholders' General Meeting of April 26, 2012, 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 €105 in an amount up to 10% of the share capital (sixth resolution);
- to increase, on one or more occasions over a 26-month period, the Company's share capital in an amount up to €42 million, with preferential subscription rights for shareholders (eighth resolution);
- to increase, on one or more occasions over a 26-month period, the Company's share capital, without preferential subscription rights for shareholders and by way of a public offering, up to a total nominal amount of €8 million, (ninth resolution). The total nominal amount shall be applied toward the total nominal maximum amount of €42 million set forth in the eighth resolution described above;
- to increase, on one or more occasions over a 26-month period, the Company's share capital without preferential subscription rights for shareholders and by way of a private placement up to a total nominal amount of €8 million (tenth resolution). This amount shall be applied toward the total nominal amount of €8 million set forth in the ninth resolution and toward the total nominal maximum amount of €42 million set forth in the eighth resolution, described above;
- to grant, on one or more occasions over a 24-month period, performance shares in an amount of up to 0.5% of the Company's share capital as of the date of the Shareholders' Meeting described above in favor, of (i) Technip's employees, (ii) the employees and directors and officers *(mandataires sociaux)* of the companies related to the Group (eleventh resolution);
- subject to the approval of the eleventh resolution, described above, to grant, on one or more occasions over a 24-month period, performance shares in an amount of up to 0.5% of the Company's share capital as of the date of the Shareholders' Meeting described above to the Company's Chief Executive Officer *(mandataire social)* and to the Group's principal executives (twelfth resolution). This grant shall be applied toward the ceiling of 0.5% of the Company's share capital established pursuant to the eleventh 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 0.3% of the share capital as of the date of the Shareholders' Meeting described above in favor, (i) Technip's employees (ii) the directors and officers *(mandataires sociaux)* of the companies related to the Group (thirteenth 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 0.3% of the Company's share capital on the date of the Shareholders' Meeting described above, to the Technip's Chief Executive Officer *(mandataire social)* and to the Group's principal executives (fourteenth resolution). This grant shall be applied toward the ceiling of 0.3% of the share capital established under the thirteenth resolution described above;
- to increase over a 18-month period, the Company's share capital without preferential subscription rights, reserved for categories of beneficiaries as part of the implementation of an employee share program up to 0.5% of the share capital (fifteenth resolution). This amount shall be applied toward the total nominal maximum amount of €42 million set forth in the eighth 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 (sixteenth 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 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)
02/18/2009	Exercise of share subscription options	108,012	82,359.15	-	83,354,642.55	109,317,564	0.7625
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

Changes in share capital from January 1, 2012 until February 29, 2012

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)
02/14/2012	Exercise of share subscription options	738,406	563,034.58	-	84,628,165.48	110,987,758	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 Company's 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.

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 General Meeting's members.

Attendance

As provided for by law, every shareholder has the right, after proof of identity, to participate in Shareholders' General Meetings, either physically, or by a proxy given to another shareholder or to his or her spouse, or by a proxy given to a natural or legal person of his/her choice, without indication of a mandate, provided the shares are registered in the name of the shareholder or his or her intermediary listed pursuant to Article L. 228-1 of the French Commercial Code as of midnight of the third business day preceding the Shareholders' General 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 forms for any Shareholders' General Meeting either on paper or by electronic means.

The Board of Directors may decide that the shareholders may participate in and vote at any Shareholders' General Meeting by video-conferencing means in the conditions set forth by law. In such a case, any shareholder participating by any of the referred means shall be deemed to be present for the purposes of quorum and majority.

The renewal of this article of the articles of association is proposed to the Shareholders' General Meeting of April 26, 2012 held to approve the financial statements for 2011 (see project of the seventh resolution in Annex E Section 3 of the Reference Document)

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 33%, 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.

The renewal of this article of the articles of association is proposed to the Shareholders' General Meeting of April 26, 2012 held to approve the financial statements for 2011 (see project of the seventh resolution in Annex E Section 3 of the Reference Document)

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

As of December 31, 2011, Technip's credit rating was BBB+/stable/A-2. On September 19, 2011, Standard & Poor's reaffirmed Technip's rating following the announcement of the acquisition of Global Industries, Ltd by Technip.

22.1. 2004-2011 bond issue

On May 26, 2011, the €650 million bond issue subscribed to by Technip in May 2004 was fully repaid at maturity. For a description of this bond issue, please refer to Section 4.6 of this Reference Document.

22.2. 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.

22.3. 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 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).

22.4. *Deep Energy* financing

Technip has put into place credit facilities for an aggregate amount of USD213 million 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.

22.5. *Skandi Arctic* financing

The financing of an initial amount of NOK500 million that corresponds to the 50% interest held by the Group in the *Skandi Arctic* vessel has been reduced to NOK395.8 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, 2011, the two BNDES (*Banco Nacional Desenvolvimento Econômico e Social*) loans for an initial aggregate amount of USD240 million have been reduced to USD230.1 million, with a USD115 million Technip share that corresponds to a 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, 2011, the two BNDES loans for an initial aggregate amount of USD136.5 million have been reduced to USD134.8 million, with a USD67.4 million Technip share that corresponds to a 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 13 different BNDES facility agreements entered into by the Group's Brazilian subsidiary Flexibras Tubos Flexiveis with five different commercial banks on behalf of BNDES are described in Section 4.6 of this Reference Document.

22.9. Revolving credit agreement and bilateral facilities

On July 21, 2011, Technip entered into a €1 billion revolving syndicated agreement that replaced the previous revolving syndicated agreement signed in 2004, as well as four bilateral facility agreements, entered with several banks. For a description of these facilities, please refer to Section 4.6 of this Reference Document.

22.10. Bank facility

On December 15, 2011, the bank facility entered into by Technip on November 18, 2011 amounting to USD1.1 billion was reduced to USD455 million. For a description of this loan, please refer to Section 4.6 of this Reference Document.

22.11. 2011-2017 convertible bond issue

On December 15, 2011, approximately €497.6 million bonds convertible and/or exchangeable into new or existing shares (OCEANE) were issued and are described in Section 4.6 of this Reference Document. The 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).

22.12. External financing of Global Industries

On January 11, 2012, Global Industries' external financing through a bond issue dated July 27, 2007, in an initial amount of USD325 million was reduced to USD2.4 million following completion of a repurchase offer. As of December 31, 2011, bonds issued under Title XI of the Federal Ship Financing Program, which are guaranteed by the US Government, amounted to USD51 million net of issuing charges. For a description of the vessel financing please refer to 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*

Apollinaire Vandier
Phone: +33 (0)1 47 78 60 74
E-mail: *avandier@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, 2011, which is included in Section 20.2 of this Reference Document.

A Annex: Offices held by Board members, current as of December 31, 2011 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)	Director of CGGVeritas* Permanent representative of Technip in Technip France's Board of Directors
Olivier	APPERT	Chairman and Chief Executive Officer of IFP Énergies nouvelles Director of CGGVeritas* Director of the *Institut de Physique du Globe de Paris* Director of Storengy	
Pascal	COLOMBANI	Chairman of the Board of Directors of Valeo* Director of Alstom* Senior Advisor of A.T. Kearney Non Executive Director of Energy Solutions* (United States)	Director of Rhodia* Director of British Energy Group p.l.c. (United Kingdom)
Leticia	COSTA	Director of Insper Instituto de Ensino e Pesquisa (Brazil) Board Member of Gafisa S.A.* (Brazil) Board Member of Localiza S.A.* (Brazil)	President of Booz & Company do Brasil (Brazil) Board Member of the Advisory Board of FAMA* (Brazil) Board Member of Sadia S.A.* (Brazil)
Marie-Ange	DEBON	Director of companies in Suez Environnement Group*: Sita France, Degremont, Sita Waste Services (Hong Kong) and Hisusa (Spain)	
C. Maury	DEVINE	Director of FMC Technologies* (United States) Director of John Bean Technologies* (United States) Director of Aquatic Energy (United States) Member of independent Nominating and Governance Committee of Petroleum Geo Services* (Norway)	Vice-Chairman of the Board of Det Norske (Norway)
Gérard	HAUSER	Director of Alstom* Director of Ipsen* President of the Supervisory Committee of Stromboli Director of Mecaplast (Monaco)	Director of Faurecia* Director of Nexans*
Marwan	LAHOUD	Member of the Supervisory Board of BPCE Permanent Representative of MBDA in Eurotradia International Member of the Supervisory Committee of Eurocopter Member of the Shareholders' Committee of Airbus Vice President and Member of the Board of Directors of CEPS Member of Bureau and of the Board of Directors of GIFAS Member of the Executive Committee of EADS NV (Netherlands) Directors of companies in EADS Group: EADS UK (United Kingdom), EADS CASA (Spain), EADS North America Holdings (United States)	
Daniel	LEBÈGUE	Director of SCOR SE*	Director of Crédit Agricole SA* Director of Alcatel Lucent*
John	O'LEARY	Board Member of Vantage Drilling Company* (United States) Member of the Supervisory Board of Huisman-Itrec (Netherlands) Member of the Supervisory Board of Jumbo Shipping (Netherlands)	Board Member of MIS* (United Arab Emirates)
Joseph	RINALDI	-	-

(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 this Reference Document.

(*) Companies listed on a regulated market.

B Annex: Financial results of the last five years as of December 31, 2011

Financial results of the Company for the last five years as of December 31, 2011

In millions of Euro	December 31, 2007	2008	2009	2010	2011
I. YEAR END FINANCIAL POSITION					
A) Called up Capital	81.9	83.4	83.4	84.1	84.6
B) Outstanding Shares [(a)]	107,353,774	109,317,564	109,343,294	110,249,352	110,987,758
C) Convertible Bonds	–	–	–	6,618,531	11,796,986
II. OVERALL OPERATING RESULT					
A) Net Revenues	113.3	138.7	144.9	137.4	156.9
B) Income before Tax, Depreciation and Amortization	51.4	271.5	195.9	13.5	342.5
C) Income Tax Expense / (Profit)	(31.4)	(64.3)	17.3	(39.0)	(44.0)
D) Net Income	91.5	250.9	45.5	275.9	357.7
E) Dividends Paid	125.1	127.5	143.6	156.1	171.8 [(b)]
III. OPERATING INCOME PER SHARE (IN EURO)					
A) Income before Depreciation and Amortization	0.8	3.1	1.6	0.5	3.5
B) Net Income	0.9	2.3	0.4	2.5	3.2
C) Dividends Paid	1.20	1.20	1.35	1.45	1.58 [(b)]
IV. STAFF					
A) Number of Employees	7	7	8	8	8
B) Wages and Salaries	8.4	8.5	13.0	10.2	15.8

(a) Does not include the exercise of options arising from the current share purchase or share subscription option plans. Includes 2,242,718 treasury shares as of December 31, 2011.

(b) This amount corresponds to the dividend proposed by the Board of Directors at the Shareholders' General Meeting: €1.58 per share based on outstanding shares excluding treasury shares held as of December 31, 2011.

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)

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, 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 year ended December 31, 2011, 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 data 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 13, 2012, and approved by the Board of Directors of the Company on February 14, 2012.

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 Company'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, France Proxy 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, 2011, the Board of Directors was made up of 11 members. It does not include any directors representing employees or employee shareholders. Four directors are of a nationality other than French. As of the date of this Reference Document, it comprises three women, including Leticia Costa and C. Maury Devine, each appointed as a director for a four-year term by the Shareholders' Meeting held on April 28, 2011. 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 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 the AFEP-MEDEF Code (Article 12).

In accordance with the recommendations of the AFEP-MEDEF Code, in order to foster a smooth renewal of the Board and to prevent "renewal en masse" (Article 12), 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 meeting on January 28, 2011, 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 13, 2012.

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 15, 2011.

As of December 31, 2011, 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, 2011, the members of the Board of Directors were as follows:

Name Main position Professional address Age – Nationality	Position within the Board of Directors	Term
Thierry Pilenko Technip's Chairman and Chief Executive Officer 89, avenue de la Grande Armée – 75116 Paris 54 – French	Technip's Chairman and Chief Executive Officer	Date of first appointment: April 27, 2007. Date of last appointment: April 28, 2011. 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 Chairman of IFP Énergies nouvelles IFP Énergies nouvelles – 1 et 4, avenue de Bois-Préau 92852 Rueil-Malmaison Cedex 62 – French	Director	Date of first appointment: May 21, 2003. Date of last appointment: April 28, 2011. 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 Chairman of the Board of Directors of Valeo 44, rue de Lisbonne – 75008 Paris 66 – French	Senior Independent Director Independent Director	Date of first appointment: April 27, 2007. Date of last appointment: April 28, 2011. 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 Partner in Prada Assessoria Av. Brigadeiro Faria Lima, 1744 – 1 andar 01451-021 – São Paulo – SP – Brazil 51 – Brazilian	Independent Director	Date of first appointment: April 28, 2011. 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 Corporate Secretary of Suez Environnement Tour CB21 – 16, place de l'Iris – 92040 Paris-La Défense Cedex 46 – French	Director	Date of first appointment: July 20, 2010. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2012.
C. Maury Devine 1219 35th Street NW Washington – DC 20007 – USA 60 – American	Independent Director	Date of first appointment: April 28, 2011. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2014.
Gérard Hauser 89, avenue de la Grande Armée – 75116 Paris 70 – French	Independent Director	Date of first appointment: April 30, 2009. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2012.
Marwan Lahoud Chief Strategy & Marketing Officer of EADS 37, bd de Montmorency – 75781 Paris Cedex 16 45 – French	Independent Director	Date of first appointment: April 30, 2009. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2012.
Daniel Lebègue Chairman of the Institut Français des Administrateurs IFA – Institut Français des Administrateurs – 7, rue Balzac – 75008 Paris 68 – French	Independent Director	Date of first appointment: April 11, 2003. Date of last appointment: April 30, 2009. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2012.

Name Main position Professional address Age – Nationality	Position within the Board of Directors	Term
John O'Leary Chairman and Chief Executive Officer of Strand Energy (Dubai) – PO Box 28717 – Dubai Industrial Park – Dubai – UAE 56 – Irish	Independent Director	Date of first appointment: April 27, 2007. Date of last appointment: April 28, 2011. 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 Partner in Davis Polk & Wardwell Davis Polk & Wardwell – 450 Lexington Avenue – New York NY 10017 – USA 54 – Australian and Italian	Independent Director	Date of first appointment: April 30, 2009. Expiry of the current term of office: Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2012.

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, 2011.

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, 2011, the four Committees members were as follows:

Audit Committee

Member	Title	Date of first appointment
Daniel Lebègue	Chairman	May 21, 2003
Marie-Ange Debon	Member	October 26, 2010
C. Maury Devine	Member	April 28, 2011
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. The Audit Committee is 80% comprised of 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 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-President	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 ending 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.

As of December 31, 2011, 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, 2011. The Board of Directors appointed Pascal Colombani to this position at the Board meeting of October 26, 2010. It renewed Pascal Colombani in his function for a 12-month term at its meeting held on October 25, 2011.

1.2. COMPANY SHARES HELD BY THE DIRECTORS

Pursuant to Article 14 of the Articles of Association effective as of December 31, 2011, each director is required to hold at least 400 Company shares in registered form.

As of December 31, 2011, 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 at 12/31/2011
Thierry Pilenko	33,400
Olivier Appert	833
Pascal Colombani	400
Leticia Costa	400
Marie-Ange Debon	400
C. Maury Devine	400
Gérard Hauser	1,700
Marwan Lahoud	400
Daniel Lebègue	400
John O'Leary	800
Joseph Rinaldi	400
TOTAL	**39,533**

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 14, 2011).

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, 2011, 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 2011 financial year, the Board met 10 times. The attendance rate for all directors was 93%.

With the exception of the Board Meetings held on April 5 and 6, 2011 in a Strategic Seminar, 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 2011, among others, on the following matters:

- Financial and accounting matters:
  - review of the Statutory and Consolidated Financial Statements for financial year 2010, the half-year Consolidated Financial Statements and quarterly information for financial year 2011, upon the Audit Committee's recommendation and the Statutory Auditors' opinion;

- review of draft press releases announcing the financial results over the period examined;
- review of the half-year financial report and 2011 interim financial information;
- review of the 2012 budget and the investment plan;
- review of the treasury forecasts;
- assessment of the provisional management accounts;

- Preparation of the Annual Shareholders' Meeting:
  - the notice of the Meeting, determination of agenda and draft resolutions;
  - review of the Reference Document including the Board report, the Financial Report and the Chairman's Report on internal control;
- Decisions, in particular, regarding:
  - the appointment of the Chairman, the determining the scope of his authority and the type of executive management, namely the combination of the offices of Chairman and Chief Executive Officer into one office;
  - the determination of the Chairman and Chief Executive Officer's compensation, other compensation elements in case of his departure, and his performance goals for financial year 2011;
  - the list of the members of the Board of Directors Committees;
  - the list of qualified "independent" directors;
  - the distribution of directors' fees;
  - the renewal of Pascal Colombani in his function as Senior Independent Director;
  - the update of the Board of Directors and Ethics and Governance Committee internal rules;
  - the implementation of a share capital increase to employees;
  - the submission of bids for several acquisition projects, the final approval for the acquisition of Global Industries and associated financings;
  - the approval of a share subscription option plan and the grant of three tranches under this plan; the approval of a performance share plan and the grant of three tranches under this option plan; finalization of the share capital increase resulting from the exercise of share subscription options;
  - the implementation procedures relating to the issue of parent guarantees;
  - the authorization to issue parent company guarantees;
- Review, in particular, of:
  - the Group's strategy policy at a two-day seminar;
  - the Board Directors' assessment and recommendations relating to such strategy policy;
  - the report of the Monitor, who was appointed pursuant to the Deferred Prosecution Agreement that was entered into with the US Department of Justice ("DOJ") on June 2010 to improve Technip's compliance initiatives and to make recommendations;
  - information on the Group's operations.

1.3.2.2. Assessment of the Board of Directors

On February 15, 2011, the Board of Directors conducted a global review of its own operating policies as well as those of its Committees and concluded that they were operating properly.

Following the last comprehensive assessment made in 2008, a new comprehensive assessment was conducted in 2011 with the assistance of an outside consultant, the firm NB Lemercier.

On October 25, 2011, the Board of Directors took note of the findings in the consultant's report which portrays a very positive assessment of the functioning of the Board of Directors with a collegial atmosphere of complete trust and transparency in relations with the Company's senior management.

The report identifies some areas for improvement which led the Board of Directors at its meeting held on December 14, 2011, to approve a program of measures to be implemented relating to:

- the structure and composition of the Board: an additional diversity effort (increased women representation and geographic diversity), building financial skills and having a formalized Directors' training program;
- the dynamics of meetings: availability of committee documents to all Directors, upgrading communication equipment (telephone, video conferencing);
- operating processes: additional work on transverse topics (ethics, human resources and environmental risks), and a succession plan for the Chairman and Chief Executive Officer.

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 December 9, 2008, 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 2011, Leticia Costa and C. Maury Devine received a training session to familiarize themselves with the activities and practices of the Group, following their 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)

As provided by law, every shareholder has the right, after proof of identity, to participate in a the Shareholders' Meeting, either personally, *via* an absentee vote, or by proxy given to another shareholder or to his or her spouse, or by sending a proxy to the Company provided the shares are registered in the books in the shareholder's name or in the name of the agent registered on the shareholder's behalf pursuant to Article L. 228-1 of the French Commercial Code as of midnight of the third business day preceding the Shareholders' Meeting in accordance with applicable regulations.

Shareholders that are legal entities are represented at Shareholders' Meetings by their legal representatives or by any person appointed for this purpose by the latter.

Shareholders may, in accordance with applicable laws and regulations, send their proxy and voting forms for any Shareholders' Meeting either on paper or by electronic means.

Any shareholder may also, provided the Board has so decided at the time notification of the meeting is given, take part in the Shareholders' Meeting by videoconference or by telephone, in accordance with applicable regulations. Any shareholder participating through one of the aforementioned means will be deemed to be present for purposes of calculating quorum and majority.

It is proposed that the General Meeting amend this section of the Articles of Association (see text of the draft seventh resolution in the Section 3 of Appendix E of the Reference Document 2011) during the meeting to be held on April 26, 2012 to approve the financial statement for the year ended Decembrer 31, 2011.

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.

Effective May 1, 2011, the fixed portion is composed of a base annual salary paid over 12 months. A fixed travel allowance shall no longer be paid.

The variable portion of the compensation is based on the fixed compensation for the previous year. For 2011 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 variable portion linked with a financial target (70% of the total) is broken down into two objectives:

- Up to 50% on the Group operating income budgeted for 2011: the share of the variable portion is (i) nil if real performance is below 80% of the budgeted amount (minimum level), (ii) between 50% and 100% for a performance equal to 90% 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 50% and 100% for a performance equal to 90% 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 2011 final variable share, which is capped at 200% of the target variable portion.

Furthermore, on June 17, 2011, 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. This deferred compensation can be paid to him in 2014 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 2011, 2012 and 2013, of satisfactory performance in relation to Health/Security/Environment (HSE), Operating Income from Recurring Activities (OIFRA) and Order Intakes.

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 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 income bracket 3, *i.e.,* eight times the annual French Social Security ceiling.

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 income 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.

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 resolved to maintain the existing principles relating to a worldwide non-compete agreement for a 24-month period. In its meeting, the Board of Directors resolved to calculate this non-compete indemnity on the gross annual compensation paid (gross fixed and variable compensation). This calculation is based on the best gross annual compensation paid during the last three years.

The Chairman and Chief Executive Officer has the benefit-in-kind of a company car.

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 2011 as follows:

- both a fixed and variable portions paid according to attendance rate at Board and Committees meetings;
- 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.

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 are reported in the following sections of the Reference Document of the Company for the year ended December 31, 2011: 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, 2011 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 newly acquired Global Industries, Ltd. ("Global Industries") entities are not part of this report. The integration process within Technip started on December 1, 2011 following approval of the merger by a special shareholders meeting of Global Industries held on November 30, 2011. As a Securities Exchange Commission (SEC) reporting company, Global Industries complied with the provisions of Sarbanes-Oxley until its merger.

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. GENERAL ORGANIZATION OF THE 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 to 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, 2011, 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;
- 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 2011 financial year and had an attendance rate of 93% 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 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 three times during financial year 2011. 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 the Chairman and Chief Executive Officer 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 2011. The attendance rate was 83% 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 2011. The attendance rate was 86%.

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 provides 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;
- 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 and a vertically integrated Subsea business unit. 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 the 2011 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 Group Chief Financial Officer, who is responsible for 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 Health and Safety (HSE) and Security departments report to the Chairman and CEO directly. The Quality and Methods department which previously reported to the Chief Operating Officer is now combined with HSE. 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, internal audit, financial communications and investor relations. It also monitors the Strategy and Information Technology Divisions.

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, the 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 liberty 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: Western Europe, Africa, India, Pakistan	Paris	Subsea Onshore Offshore
Region B: Italy, Greece, Eastern Europe, Russia/CIS, South America	Rome	Onshore
Asia Pacific	Kuala Lumpur	Subsea Onshore Offshore
North Sea, Canada	Aberdeen	Subsea Offshore
North America	Houston	Subsea Onshore Offshore
Brazil	Rio de Janeiro	Subsea Onshore Offshore
Middle East: 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.

Risk Management of Projects

Risk assessment is conducted by the Group Divisions 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 and 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).

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 fair, complete and accurate 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 2011.

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 on risk and control matrices for IT-related controls (Information Technologies) and transactions.

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. 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 13 auditors (end of 2011). The Senior Vice President Group Audit 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 six employees, determines the Group's internal control assessment framework. It assists Regions and Corporate Functions in reviewing 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 Region 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 twice in 2011.

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 the 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 Group Controlling Department 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. 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.

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;

- 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. 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 annual information, a full set of financial accounts, including notes is issued and published.

For the preparation of consolidated financial statements, the Group Controlling Department relies foremost on the input of the departments of Group Controlling, Corporate Business Finance, Financial Control of the Subsea Division, Group Tax and Legal Entities and Treasury. The Group Controlling and the Financial Control of the Subsea Division, ensure 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.

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

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

YEAR ENDED DECEMBER 31, 2011,

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, 2011.

It is the Chairman's responsibility to prepare and submit to the Board of Directors' approval a report on the 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 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 15, 2012

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit
Edouard Sattler

Ernst & Young et Autres
Nour-Eddine Zanouda

E Annex: Agenda, presentation of the resolutions and proposed resolutions

1. Agenda

WITHIN THE AUTHORITY OF THE ORDINARY SHAREHOLDERS' MEETING

1. Approval of the statutory financial statements for the fiscal year ended December 31, 2011
2. Allocation of earnings for the fiscal year ended December 31, 2011, setting the dividend amount and the dividend payment date
3. Approval of the consolidated financial statements for the fiscal year ended December 31, 2011
4. Special report of the Statutory Auditors on the regulated agreements and commitments
5. Special report on the Statutory Auditors on the commitments made to the Chairman and Chief Executive Officer with regard to the end of his duties
6. Authorization granted to the Board of Directors for the repurchase of Company shares

WITHIN THE AUTHORITY OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

7. Amendment of the Articles of Association (Crossing the statutory thresholds - Attendance to the Shareholders' Meetings)
8. Authorization granted to the Board of Directors to increase the share capital and to issue securities giving rights to the grant of debt securities, with maintenance of the preferential subscription rights of shareholders
9. Authorization granted to the Board of Directors to increase the share capital and to issue securities giving rights to the grant of debt securities, without the preferential subscription rights of shareholders (with the option to provide a priority period) and by way of a public offering
10. Authorization granted to the Board of Directors to increase the share capital and to issue securities giving rights to the grant of debt securities, without the preferential subscription rights of shareholders and by way of a private placement

11. 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
12. 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 principal executives
13. 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
14. 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
15. Authorization granted to the Board of Directors to increase the share capital without the preferential subscription right, reserved for categories of beneficiaries as part of the implementation of an employee share program
16. Authorization granted to the Board of Directors to increase the share capital in favor of employees adhering to a company savings plan

RESOLUTION WITHIN THE AUTHORITY OF THE COMBINED SHAREHOLDERS' MEETING

17. Powers for formalities

2. Presentation of the Resolutions

2.1. PRESENTATION OF RESOLUTIONS RELEVANT TO 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 2011 fiscal year.

The purpose of the **second resolution** is to determine the allocation of Technip SA's earnings and set the dividend for the 2011 fiscal year at €1.58 per share and the payment date on May 11, 2012. The following dates shall apply for the payment of dividends:

- Ex-Date: May 8, 2012 (morning); and
- Record Date: May 10, 2012, after close of market.

Pursuant to Article 243 *bis* of the French General Tax Code, the distributed dividend is eligible for the 40% deduction in favor 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 2011 fiscal year.

Fourth and fifth resolutions

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 2011.

The **fifth resolution** specifically relates, in accordance with applicable law, to the commitments undertaken by the Company in terms of compensation in the event of departure of the Chairman and Chief Executive Officer. Upon the renewal in April 2011 of the functions of Thierry Pilenko as a Director and then as the Chairman and Chief Executive Officer, the Board of Directors confirmed the previous package decided on these matters. In so doing the Board maintained his preference for a contractual protection of Company's interest based on a non compete agreement that provides for an indemnity capped at two years of gross compensation actually paid (base salary + bonus) according to AFEP-MEDEF Code of Governance. Thus there is no severance payment as such in the commitments undertaken by the Company.

Thierry Pilenko will remain a beneficiary of the Company's existing supplementary retirement plan for Group Executives.

Sixth resolution

Repurchase of Company shares

The **sixth 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 performance shares and stock purchase options available for use.

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 28, 2011, which is due to expire on October 28, 2012.

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 €105 and up to a maximum legal limit of 10% of the total number of shares comprising the share capital.

As of December 31, 2011, the Company's share capital was divided into 110,987,758 shares. On this basis, the maximum number of shares that in theory the Company could repurchase amounts to 8,856,057 shares (taking into account 2,242,718 treasury shares which are to be charged to the 10% referred limit).

2.2. PRESENTATION OF RESOLUTIONS RELEVANT TO THE EXTRAORDINARY SHAREHOLDERS' MEETING

Seventh resolution

Amendments to the Company's Articles of Association

The purpose of the **seventh resolution** is to modify Articles 13 and 23 of the by-laws on the following matters:

Article 13: *Identification of shareholders – Threshold crossing:* on the request of the AMF (French market authority), the amendment consists in lowering the existing threshold of 33% to 30% in order to match the level triggering the compulsory public offering under French law.

Article 23: *General Meeting of Shareholders – Participation:* the proposed update will allow the participation of shareholders *via* internet (representation and vote).

Eighth, ninth and tenth resolutions

Share capital increase with and without preferential subscription rights

A. Description of these three resolutions

1. The purpose of the **eighth, ninth and tenth resolutions** is to renew, for a period of 26 months, the authorizations that were granted to the Board of Directors by the Shareholders' Meeting of April 28, 2011, for the same duration, *i.e.*, with a validity expiring on June 28, 2013.

   These authorizations given last year which are usually proposed each two years are anyhow proposed again this year due to the substantial use of the same (nearly 50%) in December 2011 upon the issuance of a €500 million convertible bond (OCEANE).

   The purpose of this bond issue was to partially compensate the impact on the Company's cash of the acquisition of Global Industries, Ltd (USD936 million).

   The bond nominal value of €96.09 represents a 35% conversion premium and 4% potential dilution on a fully diluted basis.

   The yearly nominal rate of the OCEANE is 0.25% for a maturity slightly above five years. The issue was rated BBB+ by Standard & Poor's.
2. The three authorizations relate to the issuance of shares and securities giving access to the share capital, not to exceed a maximum nominal amount of:
   - €42 million for share capital increases with preferential subscription rights, *i.e.*, an authorization limited to 49.63% of the Company's share capital as of December 31, 2011 (eighth resolution);
   - €8 million for share capital increases without preferential subscription rights, through a public offering, *i.e.*, an authorization limited to 9.45% of the Company's share capital as of December 31, 2011 (ninth resolution); and
   - €8 million for share capital increases without preferential subscription rights, through a private placement, *i.e.*, an authorization limited to 9.45% of the Company's share capital as of December 31, 2011 (tenth resolution),

   it being understood that the aggregate amount of capital increases made pursuant to the eighth, ninth and tenth resolutions may not exceed a maximum amount of €42 million and that the aggregate of the capital increases made pursuant to the ninth and tenth resolutions may not exceed a maximum amount of €8 million.
3. These three authorizations also relate to the issuance of securities representing debt securities or securities giving access to the share capital or to the Company's debt securities:
   - within a maximum amount of €2.5 billion for each of the eighth, ninth and tenth resolutions; and
   - it being understood that the total of the issuances made pursuant to these resolutions may not exceed the maximum amount of €2.5 billion.
4. These three authorizations are provided without an over-allotment option, which would permit an increase of the number of shares to be issued during the subscription period.

   Moreover and in order again to reduce to a minimum the authorizations requested from the shareholders, it has not been proposed that any other forms of capital increase be made including:
   - incorporation of reserves;
   - compensation of contributions in kind;
   - delegation to the Board of Directors (10% per year or accelerated book building); and
   - "Breton Warrants".
5. These three authorizations are granted for a period of 26 months, *i.e.,* until June 26, 2014, and cancel the corresponding authorizations granted by the Shareholders' Meeting of April 28, 2011.

B. Specific comments on the 9th and 10th resolutions

In addition, regarding the authorizations to the Board of Directors to increase the share capital without preferential subscription rights, it is noted that:

1. Two distinct resolutions are submitted to the shareholders in order to comply with the recommendation of the *Autorité des Marchés Financiers* (AMF) of July 6, 2009, not to request a common vote on transactions which are addressed to different types of beneficiaries (either public offering or private placement).
2. Pursuant to Article R. 225-119 of the French Commercial Code, the issuance price of ordinary shares that may be issued pursuant to these resolutions must be at least equal to the weighted average of Technip's share price over the three trading days preceding the determination of the issuance price, which the Board of Directors may reduce by a maximum discount of 5%.
3. Regarding the conditions of placement of new shares or any other new securities giving access to the share capital, it is intended to proceed whether by way of a public offering (ninth resolution) or by way of a private placement (non public offering within the meaning of Article L. 411-2 of the French Monetary and Financial Code, as amended by the ordinance dated January 22, 2009), in particular to qualified institutional investors (tenth resolution).

From a purely formal point of view, the wording of the tenth resolution has been expanded, this year, to follow a request of the AMF so that common provisions to the ninth and tenth resolutions which were last year addressed in the tenth resolution by reference to the ninth resolution, be now fully repeated in the tenth resolution.

Eleventh, twelfth, thirteenth and fourteenth resolutions

Grant of share subscription or purchase options and performance shares

A. Main features of the share subscription or purchase options and performance share plans

Technip made in 2011 an in-depth restructuring of its equity based compensation schemes. The new format is again used this year. The momentum to continuously reduce the dilutive potential is still effective and even accelerating in 2012.

As a matter of fact, the total of the new authorizations proposed this year (0.8%) is more than offset by the reverse level of performance share plan maturing in 2012 (0.86%). In addition, this does not take into account the maturing in 2012 of purchase options which represent also slightly more than 0.8% of the share capital. Both plans reaching maturity this year are eligible to existing share *i.e.* without dilutive effects.

The proposals for 2012 confirm the decrease year on year in absolute and relative value of the equity based compensation scheme in aggregate.

The other features introduced last year remain:

a) 100% of senior management allocations are at risk

Pursuant to the request of shareholders and in line with the most stringent corporate governance recommendations:

- 100% of the long term incentives, not only for the CEO but also for the Executive Committee members, are at risk (the "Comex At Risk Portion");
- 50% of the long term incentives are at risk for all other beneficiaries (the "Other Beneficiaries At Risk Portion").

The Comex At Risk Portion and the Other Beneficiaries At Risk Portion are jointly referred to as the "At Risk Portion of the Plan".

b) A revised balance of incentives distribution

The mapping of incentives redirects:

- options for the top management (0,3% of the share capital);
- performance shares for all beneficiaries (0,5% of the share capital).

c) Diversified Performance metrics

With a view to aligning the targets with shareholders' interests (profitable growth and value creation), the scheme widens 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 share subscription or purchase option plans or performance share plans.

Table of metrics

Share subscription or purchase options plans	Performance shares plans
All metrics are calculated over three years	
1. Total Shareholder Return (TSR): in % Technip TSR yearly average vs. Sample TSR yearly average	1. Total Recordable Case Frequency (TRCF): in % Technip TRCF yearly average vs. Technip TRCF yearly average on a previous period
2. Operating Income From Recurring Activities (OIFRA): in % Actual OIFRA in aggregate vs. An OIFRA target defined in absolute value (*)	2. Operating Income From Recurring Activities (OIFRA): in % Actual OIFRA in aggregate vs. An OIFRA target in absolute value(*)
3. Return On Capital Employed: in % Yearly average of Technip ROCE vs. A ROCE target(*)	3. Net Cash From Operational Activities: in % Actual Net Cash in aggregate vs. 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** shall be conditional upon the Reference Performance obtained by the share subscription or purchase options metrics described in the above table.
- The Reference Performance shall be computed as the arithmetical average of the percentages of the 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 under 25%, the At Risk Portion of the Plan will be lost;
  - if the Reference Performance is at least equal to 25%, 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 Comex At Risk Portion,
    - from 0 to 50% for the Other Beneficiaries At Risk Portion.
- **The definitive grant of performance shares** shall be conditional upon the Reference Performance obtained by the performance shares metrics described in the above table.
- The Reference Performance shall be computed as the arithmetical average of the two best percentages obtained out of the three metrics.
- The Reference Performance shall determine the definitive grant of performance shares, based on the following scale:
  - if the Reference Performance is under 25%, the At Risk Portion of the Plan will be lost;
  - if the Reference Performance is at least equal to 25%, the percentage of the allocated performance shares that will be granted 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 Comex At Risk Portion,
    - from 0 to 50% for the Other Beneficiaries At Risk Portion.

The applicable terms and conditions are distributed between the resolutions of the General Meeting of Shareholders and the actual plans awarding the options/shares.

1) PROVISIONS INCLUDED IN THE RESOLUTIONS

As for previous years, the presented 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)* and for the Executive Committee members that are distinct from that of other beneficiaries; and
- Rigorous performance conditions detailed in each resolution for share subscription or purchase options as well as for performance shares.

2) 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 is updated to reflect changes that occurred since 2008 and include Subsea 7, Amec, Petrofac, Tecnicas Reunidas, Saipem, KBR, Chiyoda, 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.

B. Specific data addressing ISS governance policy criteria

The purpose of the following paragraphs is to account for the updated 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 above mentioned, with respect to Technip, allocations not only to the Chairman and CEO but to all members of the Excom, are 100% conditional upon performance criteria.

As globally restructured last year, the performance criteria are now more diversified (rather financial for options, rather operational for performance shares consistently 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 three 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 7%, 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 1.69%.

Technip here again meets the requirement as the corresponding burn rate for Technip over the period 2009-2011 is 1.60% (2+2+0.8 = 4.8/3).

Fifteenth and sixteenth resolutions

Share capital increase reserved for employees

The purpose of the **fifteenth resolution** is to allow the implementation in certain countries like USA, Spain, Thailand and Australia of the share capital increase reserved for employees (Technip Capital 2012) as approved by the Board of Directors on December 14, 2011.

The specific measure is to propose an alternate scheme to the standard employee shareholding scheme applicable in France.

The maximum nominal value of such increase of capital is 0.5% of capital will be applied against the maximum nominal amount of €42 million set forth in the eighth resolution.

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 **sixteenth 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.

The authorization thus granted is valid for a period of 26 months, expiring on June 26, 2014, and cancels the corresponding authorization granted by the Shareholders' Meeting of April 28, 2011.

3. Proposed Resolutions

WITHIN THE AUTHORITY OF THE ORDINARY SHAREHOLDERS' MEETING

First resolution

Approval of the statutory financial statements for the fiscal year ended December 31, 2011

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 2011 fiscal year and the report of the Statutory Auditors on the performance of their mission over the course of the 2011 fiscal year hereby approves the statutory financial statements for the fiscal year ended December 31, 2011, as presented, showing profits of €357,654,241.09. 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, 2011, 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, 2011, amount to €357,654,241.09, 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 €503,432,756.96, taking into account the available retained earnings of €145,778,515.87.

The Shareholders' Meeting therefore decides to allocate as a dividend an amount of €1.58 per share, representing a total amount of €175,360,657.64, 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 110,987,758 shares comprising the share capital as of December 31, 2011, 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 11, 2012, 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
2008	€1.20	€1.20
2009	€1.35	€1.35
2010	€1.45	€1.45

Third resolution

Approval of the consolidated financial statements for the fiscal year ended December 31, 2011

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 2011 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, 2011, 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 and commitments

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 stating that no new agreement and commitments were entered into in 2011.

Fifth resolution

Special report on the Statutory Auditors on the commitments made to the Chairman and Chief Executive Officer with regard to the end of his duties

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 the Article L. 225-38 *et seq.* of the French Commercial Code, hereby approves this report and the commitments reported in this report.

Sixth 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 share subscription or purchase options 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 €105 (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 twelfth resolution of the Ordinary Shareholders' Meeting of April 28, 2011. 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

Seventh resolution

Amendments to the Company's Articles of Association (Crossing the statutory thresholds - Attendance to the Shareholders' Meetings)

The Shareholders' Meeting, under the conditions of quorum and majority required for extraordinary shareholders' meetings, after having reviewed the report of the Board of Directors, modifies:

1. The second paragraph of Article 13 of the Company's Articles of Association *(statuts)*, concerning the declaration that a threshold has been crossed, as follows. The rest of the Article remains unchanged:

   "Article 13. – Identification of shareholders – Notification of threshold crossing

   [...]

   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 percentages 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 and securities giving rights to the Company's share capital, which it holds, directly or indirectly, alone or in concert (de concert).

   [...]"

2. The paragraph 3 (*Attendance*) of Article 23 of the Company's Articles of Association, concerning Shareholders' Meetings, as follows. The rest of the Article remains unchanged:

   "Article 23. – General rules

   [...]

   3. – 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 a.m. (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."*

Eighth resolution

Authorization granted to the Board of Directors to increase the share capital and to issue securities giving rights to the grant of debt securities, with maintenance of the preferential subscription rights of 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 Articles L. 225-129 to L. 225-129-6, L. 228-91 to L. 228-93 of the French Commercial Code:

1. Authorizes the Board of Directors to issue, on one or more occasions, at such time or times and in the amounts that it shall decide, in France or abroad, with maintenance of the preferential subscription rights of shareholders, shares as well as any other securities giving rights to the Company's share capital, such shares to have the same rights as older shares, subject to dividend entitlement dates; it being specified that

the Board of Directors may delegate to the Chief Executive Officer or, with the Chief Executive Officer's agreement, to one or more Executive Vice Presidents *(Directeurs Généraux Délégués)*, in accordance with applicable law, all powers necessary to decide the share capital increase.

2. Decides to expressly exclude any issuance of preference shares or securities giving rights to preference shares.
3. Decides that the nominal amount of the share capital increases that may be carried out either immediately and/or in the future pursuant to this resolution may not exceed a total nominal amount of €42 million, it being specified that this total nominal amount does not take into account any adjustments that may be carried out pursuant to applicable law or regulations and, as applicable, any contractual provisions providing for other cases of adjustment, to preserve the rights of holders of securities or other rights giving access to the share capital.
4. Also authorizes the Board of Directors to issue securities giving rights to debt securities.
5. Decides that the total amount of securities representing debt securities, or which give access to the share capital or to debt securities of the Company, which may be issued pursuant to this resolution is limited to a maximum of €2.5 billion or its equivalent in the event of issuances in foreign currency or units set in reference to multiple currencies.
6. Authorizes the Board of Directors to take all measures designed to protect the rights of holders of securities giving access to the share capital existing as of the date of the share capital increase.
7. Decides that the shareholders may exercise, in accordance with the conditions provided for by law, irreducible preferential subscription rights based on the number of shares they hold *(à titre irréductible)*. Furthermore, the Board of Directors shall have the power to allow shareholders to subscribe additional shares *(à titre réductible)*, in proportion to the subscription rights they hold and, in any case, subject to their request.

   In the event irreducible preferential subscription rights and, as applicable, prorata additional subscription rights, are less than the number of shares offered, the Board of Directors may use the following possibilities, in the order that it shall so decide:

   - limit the issuance to the amount of subscriptions received, provided that such issuance is for an amount that is at least three-quarters of the issuance decided;
   - freely re-allocate all or part of the irreducible preferential subscription rights and, as applicable, pro-rata additional shares not subscribed;
   - offer to the public all or part of the non-subscribed shares.
8. Acknowledges that this resolution automatically acts, in favor of the holders of securities issued pursuant to this resolution and giving access to the Company's share capital, as a waiver by the shareholders of their preferential subscription rights with respect to the shares to which such securities give right.
9. Decides that the amount that must be received by the Company for each share issued pursuant to this resolution must equal, at a minimum, the nominal value of the share as of the date of issuance of such securities.
10. Decides that this resolution voids the authorization granted by the Extraordinary Shareholders' Meeting of April 28, 2011, in its thirteenth 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.

Ninth resolution

Authorization granted to the Board of Directors to increase the share capital and to issue securities giving rights to the grant of debt securities, without the preferential subscription rights of shareholders (with the option to provide a priority period) and by way of a public offering

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. 225-129 to L. 225-129-6, L. 225-135, L. 225-136, L. 225-148, L. 228-91 to L. 228-93 of the French Commercial Code:

1. Authorizes the Board of Directors to issue, without the preferential subscription rights of shareholders by way of a public offering, on one or more occasions, in the amounts and at the times that it shall decide, in France or abroad, shares as well as any other securities giving access to the Company's share capital, such shares to have the same rights as older shares, subject to dividend entitlement dates; it being specified that the Board of Directors may delegate to the Chief Executive Officer or, with the Chief Executive Officer's agreement, to one or more Executive Vice Presidents *(Directeurs Généraux Délégués)*, in accordance with applicable law, all powers necessary to decide the share capital increase.
2. Authorizes the Board of Directors to decide (1) the issuance of the Company's shares or any other securities giving access to the Company's share capital, following the issuance by a company in which the Company holds, directly or indirectly, more than one-half of the capital, of securities giving access to the Company's share capital, and (2) the issuance of shares or securities by the Company giving access to the share capital of a company in which the Company holds, directly or indirectly, more than one-half of the capital.
3. Decides to expressly exclude any issuance of preference shares or securities giving rights to preference shares.
4. Decides that the nominal amount of the share capital increases that may be carried out either immediately or in the future pursuant to this resolution may not exceed a total nominal amount of €8 million, it being specified that this amount shall be applied toward the total nominal maximum amount of €42 million provided for in the eighth resolution of this Shareholders' Meeting and that this amount does not take into account any adjustments that may be carried out pursuant to applicable law or regulations and, as applicable, any contractual provisions providing for other cases of adjustment, to preserve the rights of holders of securities or other rights giving access to the share capital.
5. Also authorizes the Board of Directors to issue securities giving rights to the Company's debt securities.

6. Decides that the total amount of securities representing debt securities, or which give access to the share capital or to debt securities of the Company, which may be issued pursuant to this resolution is limited to a maximum of €2.5 billion or its equivalent in the event of issuances in foreign currency or units set in reference to multiple currencies, it being specified that this amount shall be applied toward the limit of €2.5 billion provided for in the eighth resolution of this Shareholders' Meeting.
7. Decides to eliminate the preferential subscription rights of shareholders with respect to the securities to be issued pursuant to this resolution. The Board of Directors may, however, grant the shareholders a priority period regarding all or part of the issuance for a length and subject to the conditions that it shall determine in accordance with the provisions of subsection 2 of Article L. 225-135 of the French Commercial Code. This priority period will not give rise to the creation of negotiable rights.
8. Acknowledges that this resolution automatically acts, in favor of the holders of securities issued pursuant to this resolution and giving access to the Company's share capital, as a waiver by the shareholders of their preferential subscription rights with respect to the shares to which such securities give right.
9. Decides that:
   - the issuance price of the shares will be at least equal to the minimum provided for by the regulations applicable as of the day of issuance, *i.e.,* as of today, to the weighted average of the share prices over the three trading days preceding the determination of the issuance price, with the possibility of being reduced by a maximum discount of 5%, after correcting for, as applicable, any difference in dividend entitlement dates;
   - the issuance price of the securities giving access to the Company's share capital will be such that the amount immediately received by the Company, increased, as applicable, by such amount as may be received subsequently by the Company, will be equal, for each share issued as a result of the issuance of these securities, to at least the minimum issuance price described in the paragraph above.
10. Decides that the Board of Directors may use this authorization for the purposes of compensating securities tendered to a public exchange offer initiated by the Company, within the limits and subject to the conditions provided for in Article L. 225-148 of the French Commercial Code.
11. Decides that this resolution voids the authorization granted by the Extraordinary Shareholders' Meeting of April 28, 2011, in its fourteenth 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.

Tenth resolution

Authorization granted to the Board of Directors to increase the share capital and to issue securities giving rights to the grant of debt securities, without the preferential subscription rights for shareholders and by way of private placement

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, in accordance with Articles L. 225-129 to L. 225-129-6, L. 225-135, L. 225-136, L. 228-91 to L. 228-93 of the French Commercial Code:

1. Authorizes the Board of Directors to issue, without preferential subscription rights, by way of an offering pursuant to section II of Article L. 411-2 of the French Monetary and Financial Code, on one or more occasions, in the proportions and at the time which it deems appropriate, either in France or abroad, shares and any other securities giving access to the Company's share capital, such shares conferring the same rights as existing shares, subject to dividend entitlement dates; it being specified that the Board of Directors may delegate to the Chief Executive Officer *(Directeur Général),* or, with the Chief Executive Officer's agreement, to one or more Executive Vice Presidents *(Directeurs Généraux Délégués),* in accordance with applicable law, all powers necessary to decide the share capital increase.
2. Authorizes the Board of Directors to decide (1) the issuance of the Company's shares or any other securities giving access to the Company's share capital, following the issuance by a company in which the Company holds, directly or indirectly, more than one-half of the capital, of securities giving access to the Company's share capital, and (2) the issuance of share or securities by the Company giving access to the share capital of a company in which the Company holds, directly or indirectly, more than one-half of the capital.
3. Decides to expressly exclude any issuance of preference shares or securities giving rights to preference shares.
4. Decides that the nominal amount of share capital increases that may be carried out either immediately or in the future pursuant to this resolution may not exceed an aggregate nominal amount of €8 million, it being specified that this amount shall be applied toward the total nominal amount of €8 million provided for in the ninth resolution and to the maximum total nominal amount of €42 million provided for in the eighth resolution of this Shareholders' Meeting and that this amount does not take into account any adjustments that may be carried out pursuant to applicable law or regulations and, as applicable, any contractual provisions providing for other cases of adjustment, to preserve the rights of holders of securities or other rights giving access to the share capital.
5. Also authorizes the Board of Directors to issue securities giving rights to the Company's debt securities.
6. Decides that the total amount of securities representing debt securities, or which give access to the share capital or to debt securities of the Company, which may be issued pursuant to this resolution is limited to a maximum of €2.5 billion or its equivalent in the event of issuances in foreign currency or units set in reference to multiple currencies, it being specified that this amount shall be applied toward the limit of €2.5 billion provided for in the eighth resolution of this Shareholders' Meeting.
7. Decides to eliminate the preferential subscription rights of shareholders with respect to the securities to be issued pursuant to this resolution.
8. Acknowledges that this resolution automatically acts in favor of the holders of the securities issued pursuant to this resolution and giving access to the Company's share capital, as a waiver by the shareholders of their preferential subscription rights with respect to the shares to which such securities give right.

9. Decides that:
   - the issuance price of the shares will be at least equal to the minimum provided for by the regulations applicable as of the day of issuance, *i.e.* as of today, to the weighted average of the share prices over the three trading days preceding the determination of the issuance price, with the possibility of being reduced by a maximum discount of 5%, after correcting for, as applicable, any difference in dividend entitlement dates;
   - the issuance price of the securities giving access to the Company's share capital will be such that the amount immediately received by the Company, increased, as applicable, by such amount as may be received subsequently by the Company, will be equal, for each share issued as a result of the issuance of these securities, to at least the minimum issuance price described in the paragraph above.
10. Decides that this resolution voids the authorization granted by the Extraordinary Shareholders' Meeting of April 28, 2011, in its fifteenth resolution.

The authorization granted to the Board of Directors by the present resolution is valid for a period 26 months following the date of this Shareholders' Meeting.

Eleventh 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 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 0.5% 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.
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 those 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. 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.
6. 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 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 (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 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 25%, 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 25%, 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.
7. 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.

Twelfth 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 eleventh resolution, the Board of Directors to grant, on one or more occasions, existing shares 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 agent *(mandataire social)* and to the Group's principal executives (Excom members).
2. Decides that the grant of performance shares carried out by the Board of Directors pursuant to this authorization shall be applied toward the ceiling of 0.5% of the share capital provided for in the eleventh resolution.
3. Decides that the grant of shares to the beneficiary 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 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 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. 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.
6. 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 HSE, 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 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 25%, 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 25%, 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.
7. 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.

Thirteenth 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 0.3% 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's listed 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 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 25%, 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 25%, 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 seven 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.

Fourteenth 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 thirteenth 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 agent *(mandataire social),* and to the Group's principal executives (Excom members) 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 0.3% of the share capital provided for in the thirteenth 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's listed 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 (HSE) 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 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 25%, 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 25%, 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 seven 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.

Fifteenth resolution

Authorization granted to the Board of Directors to increase the share capital, without preferential subscription rights, reserved for categories of beneficiaries as part of the implementation of an employee share program

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 acting in accordance with Articles L. 225-129-2, L. 225-138, L. 228-91 and L. 228-92 of the French Commercial Code:

1. Acknowledges that, in certain countries, legal or fiscal uncertainties or problems could make difficult or uncertain the implementation of employee share ownership programs through a company mutual fund (*Fonds Communs de Placement d'Entreprise* or "FCPE") and that the implementation of programs as an alternative to those offered to the employees of the French companies within the Technip group who have joined a company savings plan may prove to be desirable.

2. Delegates to the Board of Directors the authority to decide, on one or more occasions, the issuance of shares and any other securities giving access to the Company's share capital, the subscription of which is reserved to French or foreign entities whose sole object is to subscribe, hold and dispose of shares and/or any other securities giving access to the Company's share capital in order to implement a structured program within the framework of the Technip Group's international employee share ownership plan.
3. Decides that the maximum nominal amount of share capital increases that may be carried out pursuant to this resolution either immediately or in the future may not exceed 0.5% of the share capital of the Company on the day that this authorization is used, it being specified that this amount shall be applied toward the maximum nominal amount of €42 million provided for in the eighth resolution of this Shareholders' Meeting and that this amount does not take into account any adjustments that may be carried out pursuant to applicable legislative or regulatory provisions and, as applicable, any contractual provisions providing for other cases of adjustment, to preserve the rights of holders of securities or other rights giving access to the share capital.
4. Decides that, the delegation of authority conferred by this resolution shall only be used for the purpose of the implementation of an employee share ownership program which would be also implemented pursuant to the twentieth resolution of the Shareholders' Meeting on April 28, 2011, or pursuant to the sixteenth resolution of this Shareholders' Meeting, and only in accordance with the objective set out in paragraph 1 above.
5. Decides that the issue price of the shares or securities giving access to the share capital of the Company issued pursuant to this authorization will be set by the Board of Directors based on the share price of the Company on the regulated market, NYSE Euronext, in Paris; this price will be equal to the average opening price of the shares of the Company during the 20 trading days preceding the date of the decision setting the opening date of the subscription period for the increased capital created in the twentieth resolution of the Shareholders' Meeting on April 28, 2011, or by the sixteenth resolution of this Shareholders' Meeting, reduced by a maximum discount of 20%; the Shareholders' Meeting expressly authorizes the Board of Directors to reduce or eliminate the aforementioned discount (within legal and regulatory limits), if it deems appropriate, after taking account of, inter alia, the applicable local legal, accounting, tax and social charges regimes.
6. Decides to eliminate, for the benefit of the aforementioned category of beneficiaries, the shareholders' preferential subscription rights to shares and securities giving access to the capital of the Company that may be issued pursuant to this resolution.
7. Acknowledges that this resolution automatically acts, in favor of the holders of securities issued pursuant to this resolution and giving access to the Company's share capital, as a waiver by the shareholders of their preferential subscription rights with respect to the shares to which such securities give right.
8. Decides that the Board of Directors shall have full authority, with the option to delegate or sub-delegate in accordance with applicable legal and regulatory provisions, to implement this current delegation, within the limits and under the conditions specified above, including the delegation to identify the entities cited in paragraph 2 above who are beneficiaries of the cancellation of preferential subscription rights to and to decide the number of shares or securities giving access to the share capital of the Company to be subscribed for by each of them, to set the amounts of the issuances that will be carried out pursuant to this delegation and set the issue price, dates, period, terms and conditions of the subscription, payment, delivery and dividend entitlement dates for the securities (even retroactively), as well as any other terms and conditions of the issue, to record the capital increases and modify the articles of association *(statuts)* accordingly, to perform, directly or through a third person, all transactions and formalities related to the share capital increases, to allocate the cost of such share capital increases to the amount of the related premiums and, if it deems appropriate, to deduct from this amount the amounts necessary to increase the legal reserve to one-tenth of the new share capital resulting from such a share capital increase, and generally, to enter into all agreements, to ensure completion of the proposed issues, to take all measures and decisions and undertake all formalities required for the issue, listing and financial administration of the securities issued under this delegation and for the exercise of the rights attached thereto or following each completed share capital increase.

The authorization granted to the Board of Directors by the present resolution is valid for a period of 18 months following the date of this Shareholders' Meeting.

Sixteenth resolution

Authorization granted to the Board of Directors to increase the share capital in favor of employees adhering to a company savings plan

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, 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 this Shareholders' Meeting.
8. This delegation will enter into force either (i) from the date of final completion of the capital increase in favor of members of a company savings plan that was part of the "Technip Capital Offer 2012" that was implemented in a Board meeting on December 14, 2011, which used the delegation granted by the twentieth resolution of the General Meeting of April 28, 2011, or (ii) from the date of the decision of the governing bodies not to proceed with such a plan.

As from the entry into force of this delegation supersedes the delegation provided by the General Meeting of April 28, 2011, in its twentieth 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

Seventeenth 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.

F Annex: Annual Information Document

Technip

A French *société anonyme* with a share capital of €84,866,591.60

89, avenue de la Grande Armée

75773 Paris Cedex 16

France

Paris Trade Register No. 589.803.261

Annual Information Document

THE ANNUAL INFORMATION DOCUMENT HAS BEEN PREPARED IN ACCORDANCE WITH ARTICLE 222-7 OF THE GENERAL REGULATIONS OF THE FRENCH FINANCIAL MARKET AUTHORITY (*AUTORITÉ DES MARCHÉS FINANCIERS*, OR “AMF”).

The Annual Information Document covers the period commencing March 1, 2011 and ending February 29, 2012

In accordance with Article 222-7 of the AMF’s General Regulations, the Company, which shares are listed on Euronext Paris (Code Euroclear France: 13170, Code ISIN: FR0000131708), has prepared an Annual Information Document that includes all information published or made public by the Company in France over the past 12 months in compliance with legal and regulatory requirements applicable to financial instruments, issuers of financial instruments and markets for financial instruments.

This document contains the following information and will be posted on the AMF's website.

INFORMATION MADE PUBLIC	WHERE THE INFORMATION MAY BE OBTAINED
Periodic information	
■ Press releases on the Company's financial results	
Financial results for the 1st quarter 2011 (April 28, 2011)	www.amf-france.org www.technip.com
Financial results for the 2nd quarter 2011 (July 28, 2011)	www.amf-france.org www.technip.com
Financial results for the 3rd quarter 2011 (October 27, 2011)	www.amf-france.org www.technip.com
2011 full year results (February 16, 2012)	www.amf-france.org www.technip.com
■ Quarterly financial information	
2011 1st quarter results	www.technip.com April 28, 2011
First half 2011 financial report	www.technip.com July 28, 2011
2011 3rd quarter results	www.technip.com October 27, 2011
■ Annual financial statements	
Approval of the Company's annual and the Group's consolidated financial statements by the Shareholders' Meeting of April 28, 2011	www.journal-officiel.gouv.fr/balo/ Notice No. 1101963 of May 6, 2011
■ Reference Document	
Reference Document for the fiscal year ended December 31, 2010	www.amf-france.org AMF Filing No. D.11-0173 of March 24, 2011 www.technip.com
Update to the 2010 Reference Document	www.amf-france.org AMF Filing No. D.11-0173-A01 of December 5, 2011 www.technip.com
■ 2010 Activity and Sustainable Development Report	www.technip.com
Information on share capital	
■ Share capital and voting rights	
Publication of the total number of Technip's voting rights as of the date of the Shareholders' Meeting of April 28, 2011	www.journal-officiel.gouv.fr/balo/ Notice No. 1101964 of May 6, 2011
Monthly publications on Technip's share capital and voting rights	www.technip.com
■ Shares repurchase program transactions	
Transaction involving Technip's treasury shares (completed on January 21, 2011)	www.technip.com January 28, 2011
Transaction involving Technip's treasury shares (completed on March 11, 2011)	www.technip.com March 21, 2011
Transaction involving Technip's treasury shares (completed on March 29, 2011)	www.technip.com April 4, 2011
Transactions involving Technip's treasury shares (completed on April 5 and 7, 2011)	www.technip.com April 11, 2011
Transaction involving Technip's treasury shares (completed on April 13, 2011)	www.technip.com April 18, 2011
Transaction involving Technip's treasury shares (completed on April 21, 2011)	www.technip.com April 28, 2011
Transaction involving Technip's treasury shares (completed on May 30, 2011)	www.technip.com June 7, 2011
Transaction involving Technip's treasury shares (completed on July 1, 2011)	www.technip.com July 8, 2011
Transaction involving Technip's treasury shares (completed on July 25, 2011)	www.technip.com August 2, 2011
Transaction involving Technip's treasury shares (completed on August 8, 2011)	www.technip.com August 12, 2011
Transactions involving Technip's treasury shares (completed on August 16 and 17, 2011)	www.technip.com August 29, 2011
Transaction involving Technip's treasury shares (completed on September 15, 2011)	www.technip.com September 19, 2011

INFORMATION MADE PUBLIC	WHERE THE INFORMATION MAY BE OBTAINED
■ Liquidity Contract	
Half-year liquidity contract statement as of June 30, 2011	www.technip.com June 30, 2011
Half-year liquidity contract statement as of December 31, 2011	www.technip.com December 31, 2011
■ Capital increases	
Notice of capital increase following the exercise of share subscription options	Register of the Paris Commercial Court Notice No. 2011R027425 of March 18, 2011 in *Les Petites Affiches – La Loi* Notice No. 406676 of March 10, 2011
Operations	
■ Tender offer	
Filing of tender offer on Cybernétix	www.amf-france.org AMF Filing 211C2096 of November 17, 2011 www.technip.com
Prospectus for the issue of a loan, without preferential subscription rights or priority period, on Euronext Paris, with a nominal amount of €450 million, which may be increased up to a maximum amount of €500 million in the event of a full exercise of the over-allocation option, represented by bonds which may be converted and/or exchanged for new or existing shares (the "Bonds").	www.amf-france.org AMF Visa No. 11-562 of December 7, 2011 www.technip.com
AMF's approval of Technip's tender offer on Cybernétix	www.amf-france.org AMF Filing No. 211C2226 of December 13, 2011 www.technip.com
Additional document on Technip	www.amf-france.org Furnished to the AMF on December 14, 2011
Shareholders' Meeting	
Notice to convene the Shareholders' Meeting of April 28, 2011	*Les Petites Affiches* Notice No. 014102 of April 11, 2011 www.technip.com
Shareholders Information	www.technip.com
List of Statutory Auditors' Reports	www.technip.com
Supplementary Reports from the Chairman and the Auditors on the issuance of convertible bonds of November 2010	www.technip.com
Documents required by the law and included in the Reference Document ("Candidates list for Directors" appointments; Statement of Statutory Auditors' Fees; Annual Information Document; Chairman's Report on Internal Control; Statutory Auditors' Report on Chairman's Report on Internal Control; Summary of authorization to the Board to increase the share capital)	www.technip.com
Combined Annual General Meeting Summary of April 28, 2011	www.technip.com
Notice of a ratification and appointment of two new directors	*Les Petites Affiches – La Loi* Notice No. 413671 of June 2-3, 2011 Register of the Paris Commercial Court No. 2011R053220 of June 1, 2011
Board of Directors	
Notice of resignation of one director	*Les Petites Affiches – La Loi* Notice No. 413671 of June 2-3, 2011 Register of the Paris Commercial Court No. 2011R053220 of June 1, 2011
Other press releases (See list attached hereto)	

ANNEX TO ANNUAL INFORMATION DOCUMENT

2012 PRESS RELEASES	
February 29, 2012	Technip awarded two subsea contracts for Statoil's Åsgard and Gudrun & Valemon projects
February 28, 2012	Technip and DSME awarded contract for the HEJRE project in Denmark
February 27, 2012	Technip awarded contract by Petrobras to provide high-tech solutions for the Guara & Lula Nordeste pre-salt fields in Brazil
February 23, 2012	Genesis awarded Enterprise Framework Agreement by Shell Global Solutions International B.V.
February 22, 2012	Technip awarded marine operations contract for the Åsgard Subsea Compression project in Norway
February 20, 2012	Technip awarded subsea contract for the Tubular Bells development in the Gulf of Mexico
February 16, 2012	2011 4th Quarter & Full Year Results
February 15, 2012	Technip awarded subsea installation contract in Australia
February 14, 2012	Technip awarded contract for a Gas and Condensate Export System project in Saudi Arabia and Kuwait
February 8, 2012	Technip awarded major flexible pipe frame agreement by Petrobras
February 6, 2012	Technip awarded two contracts for the Jubilee project in Ghana
January 27, 2012	Technip to release 4th Quarter and Full Year 2011 results on February 16, 2012
January 26, 2012	Technip's successful offer for Cybernétix: Technip holds 98.60% of the share capital and 98.57% of the voting rights
January 26, 2012	Technip awarded detailed design contract for the Wheatstone gas processing platform in Australia
January 25, 2012	Technip awarded a major refining contract in Bulgaria
January 13, 2012	Technip awarded two subsea contracts for Statoil's Vilje South and Visund North projects on the Norwegian Continental Shelf
January 11, 2012	Technip awarded contract by Nexen for the Golden Eagle development in the UK North Sea
January 6, 2012	Technip awarded two-year extension of Statoil Frame Contract for Subsea Services
January 5, 2012	Technip-Ingérop awarded contract by ANDRA
2011 PRESS RELEASES	
December 19, 2011	Technip awarded a lump sum contract for the Lucius development project in the Gulf of Mexico
December 13, 2011	Technip awarded a gas-to-liquids contract in Uzbekistan
December 1, 2011	Technip completes acquisition of Global Industries
November 25, 2011	Technip awarded Offshore services contract in the Norwegian North Sea
November 18, 2011	Technip and Odebrecht Óleo e Gás receive letter of award for two flexible pipeline installation vessels
November 17, 2011	Technip creates a new independent consultancy, Subsea and Offshore engineering services company: Genesis
November 15, 2011	Technip awarded contract for Michelin plant in Thailand
November 14, 2011	Technip acquires control of Cybernetix through the acquisition of blocks of shares held by reference shareholders
November 14, 2011	Technip awarded a Subsea contract for the Brynhild project in Norway
November 9, 2011	Technip awarded two-year extension of frame contract for pipeline repair services
November 4, 2011	Technip in exclusive negotiations with Cybernétix's reference shareholders
November 3, 2011	Technip signs a technological partnership with the CEA
October 27, 2011	2011 3rd Quarter results
October 27, 2011	3rd Quarter 2011 Financial Report published
October 24, 2011	Technip awarded contract by Valiant for Causeway development
October 18, 2011	Technip to release 3rd quarter 2011 results on October 27
October 12, 2011	Technip awarded contract for a specialty lubricant base stock facility in the United States
October 10, 2011	Technip awarded umbilical contracts in the United States
October 5, 2011	Technip and Bluewater sign an agreement in the offshore sector
October 4, 2011	Technip holds 2011 Investors Day, comments on current order intake momentum
September 28, 2011	Technip awarded major contract for an accelerated production system on the Mariscal Sucre field in Venezuela
September 19, 2011	Technip awarded a services contract for a fertilizer complex in Brazil
September 15, 2011	Technip awarded a strategic engineering contract for a world class amonia-urea fertilizer facility in Gabon
September 12, 2011	Technip to acquire 100% of Global Industries, Ltd for USD 8.00 per share in cash
September 8, 2011	Technip awarded a major contract for Satah Full Field Development Project in Abu Dhabi
September 6, 2011	Technip awarded contract by Maersk Oil in the North Sea
August 19, 2011	Technip receives a Letter of Intent for the Lucius development project in the Gulf of Mexico
August 1, 2011	Technip Celebrates Official Launch of Offshore Wind Business and signs MOU with Iberdrola
July 28, 2011	First Half 2011 Financial Report published
July 28, 2011	2011 2nd Quarter Results
July 12, 2011	Technip awarded services contract for a chemical plant in China
July 5, 2011	Today: FLNG conference call for the financial community at 4 p.m. CET
July 1, 2011	Technip to release 2nd quarter 2011 results on July 28
June 28, 2011	Technip will host an audio webcast on FLNG on July 5 at 4 p.m. CET
June 27, 2011	Technip awarded contract for UK North Sea Development
June 15, 2011	Technip awarded umbilical contract in Vietnam

2011 PRESS RELEASES	
May 30, 2011	Technip Samsung Consortium to start detailed design and construction of Shell's innovative FLNG facility
May 18, 2011	Technip and BASF sign umbrellla agreement in the chemical and petrochemical fields
May 13, 2011	Technip awarded contract for a Subsea project in Canada
May 12, 2011	Technip awarded a frame agreement by Statoil in Brazil
May 9, 2011	Technip awarded a Subsea contract for the Vigdis NE project in Norway
May 4, 2011	Technip awarded contract for onshore gas project in Australia
May 3, 2011	Technip awarded a 10-year Spar platform master agreement in the Gulf of Mexico
May 2, 2011	Technip awarded a contract for the Horizon Oil Sands facility in Canada
April 28, 2011	Combined Annual General Meeting of April 28, 2011 Summary
April 28, 2011	Technip's Board of Directors expands to become more diversified, international and feminine
April 28, 2011	2011 1st Quarter Results
April 22, 2011	Technip awarded contract for Sunrise Energy Project in Canada
April 20, 2011	Technip awarded refining contract in Brazil
April 14, 2011	Technip awarded a contract for a chemical plant in China
April 13, 2011	General Shareholders' Meeting – April 28, 2011 – Availability of the Shareholders' Meeting documents
April 5, 2011	Technip awarded North Sea contract by RWE Dea
March 31, 2011	Braskem-Idesa awarded Technip technology provider and contractor for the Ethylene XXI project in Mexico
March 29, 2011	Technip awarded offshore contract in the United Arab Emirates
March 25, 2011	Technip publishes its *"Document de Référence 2010"*
March 23, 2011	Technip awarded engineering contract for a project offshore Indonesia
March 22, 2011	Technip awarded contract in the North Sea
March 16, 2011	Technip commences work on Marine Well Containment Company equipment in the United States
March 10, 2011	Technip awarded a Subsea contract in the Irish Sea
March 8, 2011	Technip awarded a contract for the Gjøa field in Norway

G Annex: Reconciliation tables (Annual Financial Report – Management Report – Social and environmental information)

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 Section 20.1.2 Note 34 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 Section 20.1.2 Note 35 and Section 20.2.2 Note 8
7.	Company's Management Body	Sections 1.1 and 14.2 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	Section 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 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 orcontrolling interests	None
16.	Purchase of significant or controlling interests of companies based in France	Section 7.2 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 ■ either prevent executives from exercising their options before they cease employment with the Company, ■ 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 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 ■ either prevent executives from selling their performance before they cease employment with the Company, ■ 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 Section 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 and 17.1
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 2011	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 14.4.2-18.3-18.4 and 21.2
32.	Social information of the Company	Section 17.1
33.	Information relating to terms of payment for suppliers and clients	Section 20.1.2 Note 16 Section 20.2.6 Note 6.8

Social and environmental information

In order to facilitate the reading of this Reference Document, the reconciliation tables below have been prepared to help identify where the social and environmental information as required pursuant to Articles L. 225-102-1, R. 225-104 and R. 225-105 of the French Commercial Code.

	Social information	Reference Document
1.	Total headcount, hiring, potential difficulties regarding recruitment, lay-offs and their reasons, over-time, external workforce	Sections 17.1.1.1-17.1.1.2 and 17.1.1.5
2.	If applicable, information regarding downsizing and employment protection schemes, retraining efforts, reenlistment and social support measures	None
3.	Organization of working hours in the Company, working hours for full-time employees and part-time employees, absenteeism and its reasons	Sections 17.1.1.5 and 17.1.1.6
4.	Remuneration and its changes, overheads, the application of the French Labor Code *(Code du travail)* in relation to profit sharing and employees' savings plans, gender equality	Sections 17.1.1.4-17.1.3.1-17.1.3.2 and 17.3
5.	Labor relations and collective agreements	Section 17.1.4.1
6.	Health and safety conditions	Section 17.1.4.5
7.	Training	Section 17.1.2
8.	Employment and integration of disabled employees	Section 17.1.1.4
9.	Social work	Section 17.1.4.3
10.	Subcontracting	Section 17.1.4.4
11.	Environmental impact of the Company's activities with regards to employment and regional development	Section 17.1.4.2
12.	A description, if applicable, of the relations between the Company and career guidance associations, academic institutions, environmental preservation agencies, consumer advocacy group and adjacent owners	Section 17.1.4.4
13.	Importance of subcontracting, how the Company promotes the provisions of the fundamental conventions of the International Labor Organization among its subcontractors, and ensures that its subsidiaries respect such provisions.	Section 17.1.4.1
14.	How the Company's subsidiaries assess the impact of their activities on the regional development and local populations	Section 17.1.4.2

	Environmental Information	Reference Document
1.	Water, raw materials and energy resources consumption of the Company together with, if applicable, measures taken to improve energy efficiency and the Company's use of renewable energies, conditions of soil, any emissions into the air, water or soil that seriously affect the environment, noise, olfactory pollutions and waste and any other emissions subject to specific orders by the ministry in charge of environment and industry	Section 6.6
2.	Measures taken by the Company for biodiversity protection	Section 6.6.6
3.	Evaluation and/or certification steps taken by the Company with regards to the environment	Section 6.6.8
4.	Measures taken by the Company, if applicable, to comply with legal and statutory provisions	Section 6.6.7
5.	Expenses related to reducing the Group's environmental impact	Section 6.6.9
6.	Information in relation to the Group's internal environmental management systems, training and informing employees on that matter, means used for reducing risks for the environment as well as internal procedures in case of polluting accidents that have consequences beyond the company's buildings	Section 6.6.10
7.	Information in relation to the amounts of any environmental provisions and guarantees, unless this information is such that it could cause a serious prejudice to the Company in relation to a current litigation	Section 6.6.11
8.	Information in relation to the amount of compensation paid during the fiscal year ended December 31, 2011 stemming from Court decisions on environmental issues and subsequent remedial actions	Section 6.6.11

H

Annex: Glossary

Biofuels Fuels produced from biomass (rapeseed, sunflower, beets, ect).

Carbon Dioxide (CO_2) Colorless gas naturally produced in the atmosphere. Human activities, notably the combustion of fossil fuels, can increase the level of carbon dioxide. This phenomenon is believed to have an influence on the climate. Carbon dioxide is the main greenhouse gas because of the large quantities released into the atmosphere.

CCS (Carbon Capture and Storage) The CCS is a solution for reducing greenhouse gas emissions from industrial installations in response to global warming.

Carbon fiber armor An exclusive technology for the composition of flexible risers, for use in deepwater, allowing them to weight 50% less than traditional flexible pipes while offering excellent corrosion and fatigue resistance.

Charter Document which explains Technip's Values and objectives and provides guidelines for relations with stakeholders as well as the professional conduct of individual employees.

Cracking coils Furnaces in which is realized the cracking process. The latter consist in breaking long-chain hydrocarbons into short-chain hydrocarbons.

Cryogenic flexible pipe A thermally insulated flexible pipe used for the transfer of LNG at a temperature of -162°C, and for the return of the gas, between the terminal or treatment unit (liquefaction or regasification) either onshore, offshore and the transport vessel.

Cryomax® A Technip's trademark applying to a family of patented processes for cryogenic gas fractionation to recover C_2+ (Ethane+) or C_3+ (Propane+) hydrocarbons from natural gas and refinery off-gases.

Delayed coking unit Unit of Thermal conversion of crude residue to produce distillates (naphtha and gas oil) and petroleum coke.

Development (of a gas or oil field) All operations associated with the exploitation of an oil or gas field.

Engineering All of the detailed studies and design activities required for the execution of an industrial project.

Environmental Impact Assessment Study which assesses and measures the impact of each major type of pollution (air, water, noise, waste) for all industrial installations prior to start-up.

EP Engineering and procurement.

EPC Type of contract comprising management and engineering services, procurement of equipment and materials, construction.

EPCI Engineering, procurement, construction and installation.

EPCM Engineering, procurement, construction and management.

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.

Epichlorohydrin An organochlorine compound and an epoxide which is used in the production of glycerol, plastics, epoxy glues and resins, and elastomers.

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 to process oil and gas and for temporary storage of the oil prior to transport.
Global Compact	International initiative of the United Nations, launched in 2000. It unites businesses, United Nations bodies, labor groups and civil society around 10 universal principles relating to human rights, labor and the environment. Technip has been an official member of the Global Compact since 2003.
Glycerin	A colorless, odorless, viscous liquid that is widely used in pharmaceutical formulations.
GTL (Gas-to-Liquids)	Transformation of natural gas into liquid fuels (Fischer Tropsch technology).
Hot Taps	Equipment used to tap into pipelines containing hydrocarbons under pressure.
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.
Hyperbaric Welding	Automated or manual welding performed under pressure using a habitat placed above the weld location. Divers are either welding manually or overseeing the automatic welding process.
IPB (Integrated Production Bundle)	A flexible pipe with an incorporated electrical heating system aimed to increase internal fluid temperature, thus increasing oil flow.
IRM	Inspection, Repair and Maintenance. Routine inspection and servicing of offshore installations and subsea infrastructures.
ISO 9001	ISO 9001 is part of the family of standards ISO 9000, related to quality management systems. It deals with the requirements that organizations wishing to meet the standard have to fulfill.
ISO 14001	A standard dealing with environmental management systems.
Jacket	Steel structure protecting the well conductors of a production platform.
Jumper	A short section of pipe for the connection of two Subsea or surface structures.
Liquefaction	Transformation of natural gas into liquefied natural gas by cooling it to a temperature of -162°C.
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.
Methionine	An amino acid containing sulphur found in most proteins and essential for nutrition.
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. As the insulation is protected from the external pressure by the carrier pipe, 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).

PRS (Pipeline Repair System)	This system comprises a wide range of equipment for pipeline repair, both manned and remotely operated, including welding machines, installation structures or pipeline retrieval tools. Technip is responsible for maintenance and modification services for the PRS, which is operated by Statoil on behalf of the PRS Pool members.
Polymer	A polymer is a material made from a group of macromolecules which have the same chemical nature. It is composed of repeating structural units typically connected by covalent chemical bonds.
Polyolefins	Polymers made from light olefins (linear unsaturated hydrocarbons). The most common polyolefins are polyethylene and polypropylene.
Refining	All physical and chemical operations which allow the production of commercial products (gasoline, diesel fuel, lubricants, etc.) from crude oil.
Reeled lay	An installation method based on the onshore assembly of rigid steel pipelines made of long sections (typically 1 km) assembled onshore then welded together and spooled onto a vessel-mounted reel for transit and subsequent cost-effective unreeling onto the seabed. Minimum welding is done at sea.
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.
Semi-submersible platform	Offshore platform that is stabilized by pontoons whose degree of immersion can be changed through ballasting and de-ballasting.
Spar	A cylindrical, partially submerged offshore drilling and production platform that is particularly well-adapted to deepwater which accommodates drilling, top tensioned risers and dry completions.
SST (Spiral Stacket Turret)	A flexible hose-based alternative to the traditional mechanical swivel stack to be used in floating units.
Spoolbase	Assembling base for rigid pipeline installed by the reel lay method.
Steamcracker	Petrochemical installation using steam to crack hydrocarbon molecules in order to produce ethylene and propylene.
Steel catenary riser	A deepwater steel riser suspended in a single catenary from a platform (typically a floater) and connected horizontally on the seabed. This configuration is only possible in very deep water (typically beyond 1,000 meters).
Synthesis gas	Gas mixture that primarily contains varying amounts of hydrogen and carbon monoxide and often some carbon dioxide.
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.
TPG 500	Self-installing fixed platform which is built equipped and tested onshore before being towed to the production site. Once at the offshore field, the legs of the platform are automatically lowered to the seafloor. The hull is then raised to its final position by means of a jacking system. While the TPG 500 is a fixed structure, its installation can easily be reversed and the platform re-installed at a new site.
Topsides	Platform surface installations allowing the drilling and/or production and/or processing of hydrocarbons offshore.
Umbilical	An assembly of hydraulic hoses, which can also include electrical cables or optic fibers, used to control subsea structures from a platform or a vessel.

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Registered Office:
89, avenue de la Grande Armée
75116 Paris – France

Phone: +33 (0) 1 47 78 24 00
www.technip.com

589 803 261 RCS Paris
Siret: 589 803 261 00223