

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

Technip

Year ended December 31, 2012

Statutory auditors' report on the consolidated financial statements

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Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

Technip

Year ended December 31, 2012

Statutory auditors' report on the consolidated financial statements

To the Shareholders,

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

- the audit of the accompanying 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 31 December 2012 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. Justification of our assessments

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

As indicated in note 1.C.(a) "Use of estimates" to the consolidated financial statements, your company uses significant accounting estimates:

- As indicated in note 1.C.(b) "Long-term contracts" to the consolidated financial statements, your company uses significant accounting estimates, in particular to determine the margin at completion for each long term contract which is based on analyses of total costs and revenues at completion, that are reviewed periodically and regularly throughout the life of contract. We reviewed the processes set up by your company in this respect, assessed the data and assumptions used as a basis for these estimates, compared the accounting estimates of the previous periods with the corresponding actual figures and ensured that note 1.C.(b) provided adequate information in this regard.
- As indicated in note 1.C.(d) "Business combinations" to the consolidated financial statements, your company annually carries impairment tests on goodwills on the basis of the estimates of cash flows generated by the activities on which these goodwills are allocated. The assumptions used are based on the business plans that have been performed by your company and approved by the board of directors. We examined the implementation of this impairment test, the assumptions made, and the calculations performed by your company, and we ensured that note 1.C.(d) and note 10 "Intangible assets" provided adequate information in this regard.
- Your company accounts for business combinations under accounting principles and methods described in note 1.C.(d) "Business combinations" to the consolidated financial statements. We examined the processes applied to identify acquired assets and liabilities as well as the methodology, the data and the assumptions used to compute their fair value. We ensured that note 1.C.(d) and note 2 "Scope of consolidation" provided adequate information in this regard.
- Note 1.C.(v) "Deferred income tax" to the consolidated financial statements indicates that the recoverability of deferred income tax assets recognized as at December 31, 2012, and more specifically those arisen from unused tax losses carried-forward, have been evaluated by your company on the basis of the forecasts of future taxable results. We reviewed the recoverability analyses on those tax assets performed by your company and ensured that note 1.C.(v) provided adequate information in this regard.
- As regards to litigations, we ensured that the existing procedures enabled the collection, the valuation and the recording in the financial statements of any litigation in satisfactory conditions. We specifically ensured that significant litigations identified by your company while performing these procedures were accurately described within the notes to the consolidated financial statements and particularly within note 32 "Litigation and contingent liabilities" to the consolidated financial statements.

We carried out an assessment of the reasonableness of these estimates. As described in note 1.C.(a) "Use of estimates" to the consolidated financial statements, these estimates may be revised if the circumstances and assumptions on which they are based change, if new information become available, or as a result of greater experience. Consequently, the actual result from these operations may differ from these estimates.

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

III. Specific verification

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

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

The statutory auditors
French original signed by

PricewaterhouseCoopers Audit

ERNST & YOUNG et Autres

Edouard Sattler

Nour-Eddine Zanouda



Consolidated Financial Statements
for the year ended December 31, 2012

1.	CONSOLIDATED STATEMENT OF INCOME.....	3
2.	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	4
3.	CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	5
4.	CONSOLIDATED STATEMENT OF CASH FLOWS.....	7
5.	CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	9
6.	NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	10
	Note 1 – Accounting principles	10
	Note 2 – Scope of consolidation	20
	Note 3 – Segment information	29
	Note 4 – Operating income/(loss)	33
	Note 5 – Financial income and expenses.....	35
	Note 6 – Income tax	36
	Note 7 – Income/(loss) from discontinued operations.....	37
	Note 8 – Earnings per share	38
	Note 9 – Property, plant and equipment (tangible assets)	39
	Note 10 – Intangible assets	41
	Note 11 – Investments in equity affiliates	44
	Note 12 – Other financial assets.....	45
	Note 13 – Available-for-sale financial assets.....	45
	Note 14 – Inventories	46
	Note 15 – Construction contracts.....	46
	Note 16 – Trade receivables.....	46
	Note 17 – Other current receivables	47
	Note 18 – Cash and cash equivalents.....	48
	Note 19 – Assets and liabilities held for sale	48
	Note 20 – Shareholders' equity	49
	Note 21 – Financial debts (current and non-current)	61
	Note 22 – Pensions and other long-term employee benefit plans	65
	Note 23 – Provisions (current and non-current).....	70
	Note 24 – Trade payables	71
	Note 25 – Other liabilities (current and non-current)	72
	Note 26 – Financial instruments	73
	Note 27 – Payroll staff.....	77
	Note 28 – Related party disclosures.....	77
	Note 29 – Board of Directors compensation	79
	Note 30 – Joint ventures	79
	Note 31 – Off-balance sheet commitments.....	80
	Note 32 – Litigation and contingent liabilities	82
	Note 33 – Market related exposure	83
	Note 34 – Auditors' fees and services	90
	Note 35 – Subsequent events	90

1. CONSOLIDATED STATEMENT OF INCOME

In millions of Euro	Notes	12 months	
		2012	2011
Revenues	4 (a)	8,203.9	6,813.0
Cost of Sales	4 (b)	(6,652.3)	(5,526.4)
Gross Margin		1,551.6	1,286.6
Research and Development Costs	4 (c)	(68.7)	(65.3)
Selling Costs		(230.8)	(184.6)
Administrative Costs	4 (d)	(449.7)	(331.1)
Other Operating Income	4 (e)	30.7	26.4
Other Operating Expenses	4 (f)	(11.4)	(22.5)
Operating Income/(Loss) from Recurring Activities		821.7	709.5
Income from Sale of Activities	4 (g)	-	-
Charges from Non-Current Activities	4 (h)	(9.5)	(15.7)
Operating Income/(Loss)		812.2	693.8
Financial Income	5 (a)	302.2	349.8
Financial Expenses	5 (b)	(367.5)	(332.4)
Share of Income/(Loss) of Equity Affiliates	11	1.0	-
Income/(Loss) before Tax		747.9	711.2
Income Tax Expense	6	(204.8)	(208.7)
Income/(Loss) from Continuing Operations		543.1	502.5
Income/(Loss) from Discontinued Operations	7	-	-
NET INCOME/(LOSS) FOR THE YEAR		543.1	502.5
Attributable to:			
Shareholders of the Parent Company		539.7	507.3
Non-Controlling Interests		3.4	(4.8)
Earnings per Share (in Euro)	8	4.91	4.69
Diluted Earnings per Share (in Euro)	8	4.50	4.41

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In millions of Euro	Notes	12 months	
		2012	2011
Net Income/(Loss) for the Year		543.1	502.5
Exchange Differences on Translating Entities Operating in Foreign Currency		(68.2)	(10.6)
Fair Value Adjustment on Available-For-Sale Financial Assets	20 (d)	(42.4)	(6.4)
Cash Flow Hedging	20 (d)	76.9	(18.9)
Other		-	(0.2)
Taxes ^(*)	20 (d)	(21.1)	4.4
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ^(**)		488.3	470.8
Attributable to:			
Shareholders of the Parent Company		485.8	479.5
Non-Controlling Interests		2.5	(8.7)
<p>(*) Includes + €1.5 million of tax effects related to fair value adjustments on available-for-sale financial assets (compared to €(0.5) million in 2011) and €(22.6) million of tax effects linked to cash flow hedging (compared to +€4.9 million in 2011).</p> <p>(**) Pursuant to the anticipated application of amended IAS 1 related to the presentation of total comprehensive income, it should be noted that all items hereby included in 2012 and 2011 total comprehensive income would be reclassified (or recycled) to profit or loss at a future point in time (for example, upon derecognition or settlement).</p>			

3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

In millions of Euro	Notes	As of December 31,	
		2012	2011 Restated (*)
Property, Plant and Equipment, Net	9	2,413.2	2,193.5
Intangible Assets, Net	10	3,367.6	3,173.8
Investments in Equity Affiliates	11	5.9	-
Other Financial Assets	12	72.8	92.8
Deferred Tax Assets	6 (c)	300.5	319.2
Available-For-Sale Financial Assets	13	162.7	201.9
Total Non-Current Assets		6,322.7	5,981.2
Inventories	14	296.8	254.6
Construction Contracts – Amounts in Assets	15	454.3	588.0
Advances Paid to Suppliers		208.2	204.2
Derivative Financial Instruments	26	54.3	35.6
Trade Receivables	16	1,273.5	1,263.8
Current Income Tax Receivables		158.5	149.6
Other Current Receivables	17	513.5	484.8
Cash and Cash Equivalents	18	2,289.3	2,808.7
Total Current Assets		5,248.4	5,789.3
Assets Classified as Held for Sale	19	9.9	-
TOTAL ASSETS		11,581.0	11,770.5

(*) The restatement of the 2011 consolidated financial statements is described in Note 2 - Scope of consolidation.

Equity and liabilities

In millions of Euro	Notes	As of December 31,	
		2012	2011 Restated ^(*)
Share Capital	20 (a)	86.2	84.6
Share Premium		1,898.2	1,784.0
Retained Earnings		1,666.6	1,371.6
Treasury Shares	20 (c)	(148.8)	(109.3)
Foreign Currency Translation Reserves		(73.6)	(6.3)
Fair Value Reserves	20 (d)	32.9	19.7
Net Income		539.7	507.3
Total Equity Attributable to Shareholders of the Parent Company		4,001.2	3,651.6
Non-Controlling Interests		13.2	21.7
Total Equity		4,014.4	3,673.3
Non-Current Financial Debts	21	1 705.7	1,553.4
Non-Current Provisions	23	162.3	140.3
Deferred Tax Liabilities	6 (c)	189.0	138.2
Other Non-Current Liabilities	25	76.2	93.2
Total Non-Current Liabilities		2,133.2	1,925.1
Current Financial Debts	21	400.4	598.2
Trade Payables	24	2,095.0	2,244.3
Construction Contracts – Amounts in Liabilities	15	873.0	724.3
Derivative Financial Instruments	26	38.5	104.0
Current Provisions	23	351.2	346.9
Current Income Tax Payables		140.5	164.9
Other Current Liabilities	25	1,534.8	1,989.5
Total Current Liabilities		5,433.4	6,172.1
Total Liabilities		7,566.6	8,097.2
Liabilities Directly Associated with the Assets Classified as Held for Sale	19	-	-
TOTAL EQUITY AND LIABILITIES		11,581.0	11,770.5

(*) The restatement of the 2011 consolidated financial statements is described in Note 2 - Scope of consolidation.

4. CONSOLIDATED STATEMENT OF CASH FLOWS

In millions of Euro	Notes	12 months	
		2012	2011
Net Income for the Year (including Non-Controlling Interests)		543.1	502.5
Adjustments for:			
Amortization and Depreciation of Property, Plant and Equipment	9	183.8	162.1
Amortization and Depreciation of Intangible Assets	10	11.1	11.9
Non-Cash Convertible Bond Expense		27.4	13.3
Charge related to Share Subscription or Purchase Option and Performance Share Plans	4 (i)	48.6	46.0
Non-Current Provisions (including Pensions and other Long-Term Employee Benefit Plans)		22.2	18.4
Share of Income/(Loss) of Equity Affiliates		0.1	-
Net (Gains)/Losses on Disposal of Assets and Investments		(5.6)	0.8
Deferred Income Tax (Credit)/Expense	6 (a)	52.9	27.5
		883.6	782.5
(Increase)/Decrease in Working Capital Requirement		(438.9)	(130.9)
Net Cash Generated from Operating Activities		444.7	651.6
Purchases of Property, Plant and Equipment	9	(503.2)	(339.2)
Proceeds from Disposal of Property, Plant and Equipment	4 (e)	26.3	2.9
Purchases of Intangible Assets	10	(15.7)	(18.0)
Proceeds from Disposal of Intangible Assets		0.7	0.2
Acquisitions of Financial Assets		(3.3)	(13.3)
Proceeds from Disposal of Financial Assets	5 (b)	16.8	0.7
Acquisition Costs of Consolidated Companies, net of Cash Acquired		(245.0)	(591.0)
Net Cash Used in Investing Activities		(723.4)	(957.7)
Increase in Borrowings ^(*)		433.7	888.1
Decrease in Borrowings		(473.5)	(755.2)
Capital Increase		115.8	34.4
Share Buy-Back	20 (c)	(107.9)	0.4
Dividends Paid	20 (g)	(172.6)	(156.1)
Net Cash Generated from Financing Activities		(204.5)	11.6
Net Effects of Foreign Exchange Rate Changes		(36.4)	(2.5)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(519.6)	(297.0)

Cash and Cash Equivalents as of January 1	18	2,808.7	3,105.7
Bank Overdrafts as of January 1		(0.1)	(0.1)
Cash and Cash Equivalents as of December 31	18	2,289.3	2,808.7
Bank Overdrafts as of December 31		(0.3)	(0.1)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(519.6)	(297.0)
(*) Includes the equity component of convertible bonds corresponding to conversion options of €73.1 million in 2011 (see Note 21 – Financial debts).			

Interest paid in 2012 amounted to €73.5 million compared to €54.5 million in 2011.

Interest received in 2012 amounted to €43.3 million compared to €64.1 million in 2011.

Income taxes paid in 2012 amounted to €156.5 million compared to €195.7 million in 2011.

5. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In millions of Euro	Share Capital	Share Premium	Retained Earnings	Treasury Shares	Foreign Currency Translation Reserves	Fair Value Reserves	Net Income – Parent Company	Shareholders' Equity – Parent Company	Shareholders' Equity – Non-Controlling Interests	Total Shareholders' Equity
As of January 1, 2011	84.1	1,750.1	1,013.6	(137.9)	11.5	40.8	417.6	3,179.8	22.3	3,202.1
Net Income 2011	-	-	-	-	-	-	507.3	507.3	(4.8)	502.5
Other Comprehensive Income	-	-	-	-	(6.7)	(21.1)	-	(27.8)	(3.9)	(31.7)
Total Comprehensive Income 2011	-	-	-	-	(6.7)	(21.1)	507.3	479.5	(8.7)	470.8
Capital Increase	0.5	33.9	-	-	-	-	-	34.4	-	34.4
Appropriation of Net Income 2010	-	-	417.6	-	-	-	(417.6)	-	-	-
Dividends	-	-	(156.1)	-	-	-	-	(156.1)	-	(156.1)
Treasury Shares	-	-	-	28.6	-	-	-	28.6	-	28.6
Convertible Bond OCEANE	-	-	46.5	-	-	-	-	46.5	-	46.5
Valuation of Share 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
Net Income 2012	-	-	-	-	-	-	539.7	539.7	3.4	543.1
Other Comprehensive Income	-	-	-	-	(67.3)	13.4	-	(53.9)	(0.9)	(54.8)
Total Comprehensive Income 2012	-	-	-	-	(67.3)	13.4	539.7	485.8	2.5	488.3
Capital Increase	1.6	114.2	-	-	-	-	-	115.8	-	115.8
Appropriation of Net Income 2011	-	-	507.3	-	-	-	(507.3)	-	-	-
Dividends	-	-	(172.6)	-	-	-	-	(172.6)	-	(172.6)
Treasury Shares	-	-	(76.7)	(39.5)	-	-	-	(116.2)	-	(116.2)
Valuation of Share Subscription or Purchase Options and Performance Shares	-	-	44.3	-	-	-	-	44.3	-	44.3
Other (**)	-	-	(7.3)	-	-	(0.2)	-	(7.5)	(11.0)	(18.5)
AS OF DECEMBER 31, 2012	86.2	1,898.2	1,666.6	(148.8)	(73.6)	32.9	539.7	4,001.2	13.2	4,014.4

(*) Includes effects of purchases of non-controlling interests and reclassifications due to changes in the consolidation scope.

(**) Includes effects of changes in the consolidation scope.

6. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Technip's principal businesses are as follows:

- lump sum or cost-to-cost engineering service contracts performed over a short period;
- engineering, manufacturing, installation and commissioning service contracts lasting approximately 12 months; and
- turnkey projects related to complex industrial facilities with engineering, procurement, construction and start-up in accordance with industry standards and a contractual schedule. The average duration of these contracts is three years, but can vary depending on the contract.

The consolidated financial statements of the Group are presented in millions of Euros, and all values are rounded to the nearest thousand, except when otherwise indicated. The consolidated financial statements of the Group for the financial year ended December 31, 2012 were approved by the Board of Directors on February 19, 2013.

Note 1 – Accounting principles

A. Accounting framework

In accordance with the European Union's regulation No. 1606/2002 of July 19, 2002, the consolidated financial statements of Technip SA ("the Group") for financial year 2012 were prepared as of December 31, 2012 in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) and endorsed by the European Union as of February 19, 2013, the date of the meeting of the Board of Directors that approved the consolidated financial statements. These standards are available on the website of the European Union (http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm).

Effective standards, that apply to the Group

The adoption of new standards and interpretations that had mandatory application for periods starting after January 1, 2012 had no significant impact on the financial situation and performance of the Group.

- **IAS 12 (amended)** "Deferred Taxes: Recovery of Underlying Assets":

The amendment integrates SIC 21 and applies to investment property measured using the fair value model.

- **IFRS 7 (amended)** "Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities":

The amendment requires additional disclosure about financial assets that have been transferred but not derecognized.

Standards effective after December 31, 2012, that apply to the Group

Technip's financial statements as of December 31, 2012 do not include the possible impact of standards published as of December 31, 2012, but which application is mandatory as per European Union as from financial years subsequent to the current year.

- **IAS 19 (amended)** "Employee Benefits":

The amendment brings numerous changes to the standard, especially recognition of all actuarial gains and losses in other comprehensive income and the suppression of the corridor method, as well as the immediate recognition of past service costs.

This amendment is applicable January 1, 2013. The financial impacts are presented in note 22 "Pensions and other long-term employee benefit plans"

- **IFRS 13** "Fair Value":

Guidance on fair value measurement and disclosures to financial statements. This new standard, applicable as of January 1, 2013, has no impact on Technip's financial Statements.

- **IFRS 7 (amended)** "Financial Instruments: Disclosures - Transfers of Financial Assets":

This amendment will apply retrospectively as of January 1, 2013 and enhance disclosures related to financial assets and liabilities offsets.

- **IFRS 10 and IFRS 12** "Consolidated Financial Statements - Disclosure of Interests in other Entities":

These standards modify IAS 27 "Separate Financial Statements" and 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 "Jointly Controlled Entities". The standard distinguishes two types of joint arrangements, joint ventures and joint operations, by assessing its rights and obligations in the joint arrangement.

The last three above-mentioned standards will be applicable as of January 1, 2014 in the European Union. The Group is currently assessing the financial Impacts on its financial statements.

B. Consolidation principles

All the companies which are controlled exclusively by the Group are consolidated using the global integration method. All entities are concerned, included special purpose entities, for which the Group has the power to govern the financial and operating policies. The Group usually owns more than half of the voting rights of these entities.

Proportionate consolidation is used for jointly controlled entities. Activities in joint ventures are consolidated using proportionate consolidation.

The equity method is used for investments over which the Group exercises a significant influence on operational and financial policies. Unless otherwise indicated, such influence is deemed to exist for investments in companies in which the Group's ownership is between 20% and 50%.

Companies in which the Group's ownership is less than 20% or that do not represent significant investments (such as dormant companies) are recorded under the "Other Financial Assets (Non-Current)" or "Available-For-Sale Financial Asset" line items and only impact net income through dividends received or in case of impairment loss. Where no active market exists and where no other valuation method can be used, these financial assets are maintained at historical cost, net of depreciation.

The list of the Group's consolidated companies and their respective method of consolidation is provided in Note 2 (c) Scope of consolidation as of December 31, 2012.

The main affiliates of the Group close their accounts as of December 31 and all consolidated companies apply the Group accounting standards.

All intercompany balances and transactions, as well as internal income and expenses, are fully eliminated.

Subsidiaries are consolidated as of the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date control ceases.

C. Accounting rules and estimates

The consolidated financial statements were prepared in accordance with the IFRS.

The distinction between current assets and liabilities, and non-current assets and liabilities is based on the operating cycle of contracts. If related to contracts, assets and liabilities are classified as "current"; if not related to contracts, assets and liabilities are classified as "current" if their maturity is less than 12 months or "non-current" if their maturity exceeds 12 months.

All assets are valued under the historical cost convention, except for financial assets and derivative financial instruments, which are measured at fair value.

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are material, are disclosed in the paragraphs below.

(a) Use of estimates

Preparation of the consolidated financial statements requires the use of estimates and assumptions to be made that may affect the assessment and disclosure of assets and liabilities at the date of the financial statements, as well as the income and the reported expenses regarding this financial year. Estimates may be revised if the circumstances and the assumptions on which they were based change, if new information becomes available, or as a result of greater experience. Consequently, the actual result from these operations may differ from these estimates.

The main assessments and accounting assumptions made in the financial statements of the Group relate to construction contracts, the valuation of Group exposure to litigation with third parties, the valuation of goodwill and the assessment of recoverable goodwill, as well as the valuation of income tax assets resulting from tax losses carried forward (the latter is measured in compliance with accounting principles shown in Note 1-C (v) – Deferred income tax). Regarding construction contracts, the Group policy is described in Note 1-C (b) – Long-term contracts. In terms of legal proceedings and claims, the Group regularly establishes lists and performs analyses of significant ongoing litigation, so as to record the adequate provisions when necessary. Possible uncertainties related to ongoing litigation are described in Note 32 – Litigation and contingent liabilities.

Goodwill, valued pursuant to principles described in Note 1-C (d) – Business Combinations, is tested for impairment at least annually and whenever a trigger event is identified. This impairment test determines whether or not the carrying amount exceeds the recoverable amount. Goodwill is allocated to cash-generating units (CGU) for the purpose of impairment testing. These CGUs correspond to the Subsea / Onshore / Offshore activities, which represent the smallest identifiable group of assets that generates independent cash flows. The recoverable amount is the higher of either the selling price or values in use of the CGUs. The latter corresponds to the discounted future cash flows forecasted for these CGUs.

Technip also performs sensitivity analyses on key assumptions used for impairment tests, in order to make sure that no reasonable change of an assumption on which the Group has based its CGUs' recoverable value jeopardizes the conclusions of these impairment tests.

(b) Long-term contracts

Long-term contracts are recorded in accordance with IAS 11 (“Construction Contracts”) where they include construction and delivery of a complex physical asset, or in accordance with IAS 18 (“Revenue”) in all other cases.

Costs incurred on contracts include the following:

- the purchase of material, the subcontracting cost of engineering, the cost of markets, and all other costs directly linked to the contract;
- labor costs, related social charges and operating expenses that are directly connected. Selling costs of contracts, research and development costs and the potential charge of “overabsorption” are excluded from those evaluations; and
- other costs, if any, which could be invoiced to the client when specified in the contract clauses.

Costs on construction contracts do not include financial expenses.

Revenues on contracts at completion include:

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

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

The percentage of completion is calculated according to the nature and the specific risk of each contract in order to reflect the effective completion of the project. This percentage of completion can be based on technical milestones defined for the main deliverables under the contracts or based on the ratio between costs incurred to date and estimated total costs at completion.

As soon as the estimate of the final outcome of a contract indicates a loss, a provision is recorded for the entire loss.

The gross margin of a long-term contract at completion is based on an analysis of total costs and income at completion, which are reviewed periodically and regularly throughout the life of the contract.

In accordance with IAS 11, construction contracts are presented in the statement of financial position as follows: for each construction contract, the accumulated costs incurred, as well as the gross margin recognized at the contract’s percentage of completion (plus accruals for foreseeable losses if needed), after deduction of the payments received from the clients, are shown on the asset side under the “Construction Contracts – Amounts in Assets” line item if the balance of those combined components is a debit; if the balance is a credit, these are shown on the liability side under the “Construction Contracts – Amounts in Liabilities” line item.

A construction contract is considered completed when the last technical milestone is achieved, which occurs upon contractual transfer of ownership of the asset or temporary delivery, even if conditional. Upon completion of the contract:

- The balance of “Construction Contracts – Amounts in Assets”, which at that time amounts to the total sale price of the contract, less accumulated payments received under this contract at the delivery date, is invoiced to the customer and recorded as current receivables on contracts (see Note 16 – Trade receivables).
- If necessary, a liability may be accrued and recorded in “Other Current Payables” in the statement of financial position in order to cover pending expenses to get the acceptance certificate from the client.

As per IAS 18, other long-term contracts are recorded as follows in the statement of financial position: invoicing in advance of revenue to be recognized is recorded as advances received in “Other Current Liabilities” (see Note 25 – Other current and non-current liabilities); invoicing that trails revenues to be recognized is recorded in “Trade Receivables” (see Note 16 – Trade receivables).

Costs incurred before contract signing (“bid costs”), when they can be directly linked to a future construction contract where the signature is almost certain, are recorded in “Construction Contracts – Amounts in Assets” (see Note 15 – Construction contracts), and then included in costs of ongoing contracts when the contract is obtained. From a practical point of view, costs effectively capitalized correspond to the bid costs incurred during the quarter of the contract’s award. Bid costs are directly recorded into consolidated income statement on the line “Selling Costs” when a contract is not secured.

(c) Foreign currency transactions and financial Instruments

■ FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are translated into the functional currency at the exchange rate applicable on the transaction date.

At the closing date, monetary assets and liabilities stated in foreign currencies are translated into the functional currency at the exchange rate prevailing on that date. Resulting exchange gains or losses are directly recorded in the income statement, except exchange gains or losses on cash accounts eligible for future cash flow hedging and for hedging on net foreign currency investments.

■ TRANSLATION OF FINANCIAL STATEMENTS OF SUBSIDIARIES IN FOREIGN CURRENCY

The income statements of foreign subsidiaries are translated into Euro at the average exchange rate prevailing during the year. Statements of financial position are translated at the exchange rate at the closing date. Differences arising in the translation of financial statements of foreign subsidiaries are recorded in other comprehensive income as foreign currency translation reserve. The functional currency of the foreign subsidiaries is most commonly the local currency.

■ DERIVATIVES AND HEDGING PROCESSING

Every derivative financial instrument held by the Group is aimed at hedging future inflows or outflows against exchange rate fluctuations during the period of contract performance. Derivative instruments and in particular forward exchange transactions are aimed at hedging future inflows or outflows against exchange rate fluctuations in relation with awarded commercial contracts.

Foreign currency treasury accounts designated for a contract and used to finance its future expenses in foreign currencies may qualify as a foreign currency cash flow hedge.

An economic hedging may occasionally be obtained by offsetting cash inflows and outflows on a single contract ("natural hedging").

When implementing hedging transactions, each Group's subsidiary enters into forward exchange contracts with banks or with Technip Eurocash SNC, the company that performs centralized treasury management for the Group. However, only instruments that involve a third party outside of the Group are designated as hedging instruments.

A derivative instrument qualifies for hedge accounting (fair value hedge or cash flow hedge) when there is a formal designation and documentation of the hedging relationship, and of the effectiveness of the hedge throughout the life of the contract. A fair value hedge aims at reducing risks incurred by changes in the market value of some assets, liabilities or firm commitments. A cash flow hedge aims at reducing risks incurred by variations in the value of future cash flows that may impact net income.

In order for a currency derivative to be eligible for hedge accounting treatment, the following conditions have to be met:

- its hedging role must be clearly defined and documented at the date of inception; and
- its efficiency should be proved at the date of inception and/or as long as it remains efficient. If the efficiency test results in a score between 80 and 125%, changes in fair value of the covered element must be almost entirely offset by the changes in fair value of the derivative instrument.

All derivative instruments are recorded and disclosed in the statement of financial position at fair value:

- derivative instruments considered as hedging are classified as current assets and liabilities, as they follow the operating cycle; and
- derivative instruments not considered as hedging are also classified as current assets and liabilities.

Changes in fair value are recognized as follows:

- regarding cash flow hedges, the portion of the gain or loss corresponding to the effectiveness of the hedging instrument is recorded directly in other comprehensive income, and the ineffective portion of the gain or loss on the hedging instrument is recorded in the income statement. The exchange gain or loss on derivative cash flow hedging instruments, which is deferred in equity, is reclassified in the net income of the period(s) in which the specified hedged transaction affects the income statement;
- the changes in fair value of derivative financial instruments that qualify as hedging are recorded as financial income or expenses. The ineffective portion of the gain or loss is immediately recorded in the income statement. The carrying amount of a hedged item is adjusted by the gain or loss on this hedged item which may be allocated to the hedged risk and is recorded in the income statement; and
- the changes in fair value of derivative financial instruments that do not qualify as hedging in accounting standards are directly recorded in the income statement.

The fair value of derivative financial instruments is estimated on the basis of valuations provided by bank counterparties or financial models commonly used in financial markets, using market data as of the statement of financial position date.

■ BID CONTRACTS IN FOREIGN CURRENCY

To hedge its exposure to exchange rate fluctuations during the bid-period of construction contracts, Technip occasionally enters into insurance contracts under which foreign currencies are exchanged at a specified rate and at a specified future date only if the new contract is awarded. The premium the Group pays to enter into such an insurance contract is charged to the income statement when paid. If the commercial bid is not successful, the insurance contract is automatically terminated without any additional cash settlements or penalties.

In some cases, Technip may enter into foreign currency options for some proposals during the bid-period. These options cannot be eligible for hedging.

(d) Business combinations

Assets, liabilities and contingent liabilities acquired within business combinations are recorded and valued at their fair value using the purchase method. Identifiable assets are depreciated over their estimated useful lives.

The goodwill, of which measurement results in difference between the acquisition price and the estimation of identifiable assets, liabilities and contingent liabilities at their fair value, is posted on the "Goodwill" line item when significant, under the "Intangible Assets" category. Goodwill is no longer amortized as per IFRS 3.

Adjustments recorded for a business combination on the provisional values of assets, liabilities and contingent liabilities are recognized as a retrospective change in goodwill when occurring within a 12-month period after the acquisition date. After this measurement period ends, any change in valuation of assets, liabilities and contingent liabilities should be accounted for in profit and loss statement, with no impact on goodwill.

The net value of intangible assets is subject to impairment tests performed on a regular basis, using the discounted cash flow method on the basis of the estimates of cash flows generated by the activities on which these goodwills are allocated, these estimates correspond to the most likely assumptions adopted by the Board of Directors. Impairment tests are based on estimates in terms of growth rates, operating margin rates, discount rates and corporate tax rates. The assumptions used are based on the three-year business plans for each activity that have been approved by the Board of Directors.

The goodwill and corresponding assets and liabilities are allocated to the appropriate activities (Onshore / Offshore / Subsea, corresponding to the Group CGUs).

Goodwill impairment analysis is performed during the fourth quarter of each financial year or whenever there is an indication that an asset may be impaired.

Actual figures may differ from projections. If calculations show that an asset shall be impaired, an impairment expense is recognized.

(e) Segment information

■ INFORMATION BY BUSINESS SEGMENT

As per IFRS 8, an operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are regularly reviewed by the entity's chief operating decision maker; and
- for which distinct financial information is available.

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

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

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

- The Subsea segment, which includes the design, manufacture, procurement and installation of subsea equipment;
- The Onshore/Offshore 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; as well as the design and construction of fixed or floating facilities and surface installations; 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 other comprehensive income and unrealized gains or losses are recycled in the income statement upon disposal of the investment. An impairment loss is recorded through the income statement when the loss is sustained (over more than two quarters) or significant (more than 30%).

(n) Inventories

Inventories are recognized at the lower of cost and market value with cost being principally determined on a weighted-average cost basis.

Provisions for depreciation are recorded when the net realizable value of inventories is lower than their net book value.

(o) Advances paid to suppliers

Advance payments made to suppliers under long-term contracts are shown under the "Advances to Suppliers" line item, on the asset side of the statement of financial position.

(p) Trade receivables

Trade receivables are measured at fair value. A provision for doubtful accounts is recorded when the Group assesses the recoverable value is lower than the fair value.

Trade receivables only relate to contracts accounted for as per IAS 18 (see Note 1-C (b) – Long-term contracts) and delivered contracts.

(q) Cash and cash equivalents

Cash and cash equivalents consist of cash in bank and in hand, as well as marketable securities fulfilling the following criteria: a maturity of usually less than three months, highly liquid, a fixed exchange value and an insignificant risk of loss of value. Marketable securities are measured at their market value at period-end. Any change in fair value is recorded in the income statement.

(r) Treasury shares

Treasury shares are recorded as a deduction to equity at their acquisition cost. Any gain or loss related to the sale of treasury shares is recognized directly in equity without affecting the income statement.

(s) Grants of share subscription options, share purchase options and performance shares

In accordance with IFRS 2, share subscription options, share purchase options and performance share grants constitute a benefit to the beneficiaries and represent additional compensation paid by the Group. This supplementary benefit is recognized as follows: the fair value of the granted options and shares which correspond to the services rendered by the employees against the options and shares received is determined at the grant date and recorded as an expense against the equity line item over the vesting period.

The fair value of the share subscription options, the share purchase options or the performance share grants is determined using the Cox Ross Rubinstein binomial model. The model takes into account the features of the option plan (exercise price, vesting period, exercise period) and the market data at the grant date (risk-free rate, volatility, dividends, share price).

All share subscription option, share purchase option and performance share plans are exclusively settled in shares.

IFRS 2 applies to share-based payment plans granted after November 7, 2002 and not vested before January 1, 2005.

(t) Capital increase reserved for employees

In compliance with IFRS 2, instruments awarded under employee share purchase plans are measured at fair value, estimated at the grant date based on the discount awarded to employees and the non-transferability period applicable to the shares subscribed.

The cost of employee share purchase plans is recognized in full and offset against equity.

(u) Provisions (current and non-current)

Accrued liabilities are recognized if and only if the following criteria are simultaneously met:

- the Group has an ongoing obligation (legal or constructive) as a result of a past event;
- the settlement of the obligation will likely require an outflow of resources embodying economic benefits; and
- the amount of the obligation can be reliably estimated; provisions are measured according to the risk assessment or the exposed charge, based upon best-known elements.

■ CURRENT PROVISIONS

Contingencies related to contracts: these provisions relate to litigation on contracts.

Restructuring: once a restructuring plan has been decided and the interested parties have been informed, the plan is scheduled and valued. Restructuring provisions are recognized in compliance with IAS 37.

■ NON-CURRENT PROVISIONS

Pensions and other long-term employee benefit plans: the Group is committed to various long-term employee benefit plans. Those obligations are settled either at the date of employee departures or at a subsequent date. The main defined benefit plans can be, depending on the affiliates:

- end-of-career benefits, to be paid at the retirement date;
- deferred wage benefits, to be paid when an employee leaves the Company; or
- retirement benefits, to be paid in the form of a pension.

In accordance with IAS 19, the obligations of providing benefits under defined benefit plans are determined by independent actuaries using the projected unit credit actuarial valuation method. The actuarial assumptions used to determine the obligations may vary depending on the country. The actuarial estimation is based on usual parameters such as future wage and salary increases, life expectancy, staff turnover rate, inflation rate and rate of return on investment.

The defined benefit liability is calculated as the difference between the present value of the defined benefit obligation, past service costs and actuarial gains and losses not yet recognized, and the fair value of plan assets out of which the obligations are to be settled. Present value of the defined benefit obligation is determined using present value of future cash disbursements based on interest rates of convertible bonds, in the currency used for benefit payment, and whose life is equal to the average expected life of the defined benefit plan. Applying the corridor method, actuarial gains and losses are recognized as income or expenses when the net cumulative unrecognized actuarial gains and losses for each individual plan at the end of the previous reporting period exceed 10% of the higher of the defined benefit obligation and the fair value of plan assets at that date. These gains and losses are amortized over the remaining working lives.

The amended IAS 19 gives the option of recording actuarial gains and losses directly in other comprehensive income from January 1, 2006. The Group has decided not to use this option.

(v) Deferred income tax

Deferred income taxes are recognized in accordance with IAS 12, using the liability method (use of the last forecast tax rate passed or almost passed into law at the closing date), on all temporary differences at the closing date, between the tax bases of assets and liabilities and their carrying amounts for each Group's company.

Deferred income taxes are reviewed at each closing date to take into account the effect of any changes in tax law and in the prospects of recovery.

Deferred income tax assets are recognized for all deductible temporary differences, unused tax credits carry-forwards and unused tax losses carry-forwards, to the extent that it is probable that taxable profit will be available.

To properly estimate the ability of a subsidiary to recover the deferred tax assets, the following items are taken into account:

- existence of temporary differences which will cause taxation in the future;
- forecasts of taxable results;
- analysis of the past taxable results; and
- existence of significant and non-recurring income and expenses, included in the past tax results, which should not repeat in the future.

Deferred income tax liabilities are recognized for all taxable temporary differences, except restrictively enumerated circumstances, in accordance with the provisions of IAS 12.

When a tax consolidation mechanism is in place for companies in a given country, the deferred tax calculation takes into account the individual tax situation of each subsidiary located in that country as well as the overall situation of all subsidiaries included in the scope of consolidation.

Assets and liabilities are not discounted except those whose tax base is discounted by nature (for instance, pensions).

(w) Financial debts (current and non-current)

Current and non-current financial debts include bond loans and other borrowings. Issuance fees and redemption premium on convertible bonds are included in the cost of debt on the liability side of the statement of financial position, as an adjustment to the nominal amount of the debt. The difference between the initial debt and redemption at maturity is amortized at the effective interest rate.

The OCEANE convertible bonds are recognized in two distinct components:

- a debt component is recognized at amortized cost, which was determined using the market interest rate for a non-convertible bond with similar features. The carrying amount is recognized net of its proportionate share of the debt issuance costs; and
- a conversion option component is recognized in equity for an amount equal to the difference between the issuing price of the OCEANE convertible bond and the value of the debt component. The carrying amount is recognized net of its proportionate share of the debt issuance costs and corresponding deferred taxes. This value is not remeasured but will be adjusted for all conversion of bonds.

(x) Assets and liabilities held for sale

The Group considers every non-current asset as an asset held for sale if it is very likely that its book value will be recovered principally by a sale transaction rather than by its continued use. Assets classified as held for sale are measured at the lower of either the carrying amount or the fair value less selling costs.

Note 2 – Scope of consolidation

(a) Main acquisitions

Year ended December 31, 2012

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

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

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

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

Year ended December 31, 2011

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

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

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

The total purchase price paid for the acquisition was USD1,262.9 million, including the payment of available shares at the price of 8 dollars US per share for a total amount of USD936.4 million and the reimbursement of the convertible bond for a principal amount of USD322.6 million and paid accrued interest of approximately USD3.9 million to the bondholders. During the financial year ended December 31, 2012, Technip achieved the purchase price allocation. This valuation was mainly led on the fair value of fixed assets and the determination of identifiable assets and liabilities.

In millions of US Dollar	Fair Value
Intangible Assets	0.8
Tangible Assets	693.1
Other Fixed Assets	21.6
Construction Contracts, Net	(94.1)
Cash and Cash Equivalents	141.8
Provisions	(15.9)
Financial Debts	(394.3)
Other Assets and Liabilities, Net	(304.7)
Net Asset	48.3
GOODWILL	888.1

Restatement of 2011 consolidated accounts

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

Assets

In millions of Euro	Notes	As of December 31,		
		2011 Reported	Purchase Price Allocation of Global Industries, Ltd	2011 Restated
Property, Plant and Equipment, Net	9	2,308.3	(114.8)	2,193.5
Intangible Assets, Net	10	2,714.2	459.6	3,173.8
Investments in Equity Affiliates	11	-	-	-
Other Financial Assets	12	92.8	-	92.8
Deferred Tax Assets	6 (c)	306.3	12.9	319.2
Available-For-Sale Financial Assets	13	201.9	-	201.9
Total Non-Current Assets		5,623.5	357.7	5,981.2
Inventories	14	254.6	-	254.6
Construction Contracts – Amounts in Assets	15	588.0	-	588.0
Advances Paid to Suppliers		204.2	-	204.2
Derivative Financial Instruments	26	35.6	-	35.6
Trade Receivables	16	1,279.9	(16.1)	1,263.8
Current Income Tax Receivables		149.6	-	149.6
Other Current Receivables	17	487.9	(3.1)	484.8
Cash and Cash Equivalents	18	2,808.7	-	2,808.7
Total Current Assets		5,808.5	(19.2)	5,789.3
Assets Classified as Held for Sale	19	-	-	-
TOTAL ASSETS		11,432.0	338.5	11,770.5

Equity and Liabilities

In millions of Euro	Notes	As of December 31,		
		2011 Reported	Purchase Price Allocation of Global Industries, Ltd	2011 Restated
Share Capital	20 (a)	84.6	-	84.6
Share Premium		1,784.0	-	1,784.0
Retained Earnings		1,371.6	-	1,371.6
Treasury Shares	20 (c)	(109.3)	-	(109.3)
Foreign Currency Translation Reserves		(6.3)	-	(6.3)
Fair Value Reserves	20 (d)	19.7	-	19.7
Net Income		507.3	-	507.3
Total Equity Attributable to Shareholders of the Parent Company		3,651.6	-	3,651.6
Non-Controlling Interests		21.7	-	21.7
Total Equity		3,673.3	-	3,673.3
Non-Current Financial Debts	21	1,543.5	9.9	1,553.4
Non-Current Provisions	23	139.2	1.1	140.3
Deferred Tax Liabilities	6 (c)	172.0	(33.8)	138.2
Other Non-Current Liabilities	25	93.0	0.2	93.2
Total Non-Current Liabilities		1,947.7	(22.6)	1,925.1
Current Financial Debts	21	544.4	53.8	598.2
Trade Payables	24	2,135.0	109.3	2,244.3
Construction Contracts – Amounts in Liabilities	15	644.5	79.8	724.3
Derivative Financial Instruments	26	104.0	-	104.0
Current Provisions	23	344.6	2.3	346.9
Current Income Tax Payables		173.1	(8.2)	164.9
Other Current Liabilities	25	1,865.4	124.1	1,989.5
Total Current Liabilities		5,811.0	361.1	6,172.1
Total Liabilities		7,758.7	338.5	8,097.2
Liabilities Directly Associated with the Assets Classified as Held for Sale	19	-	-	-
TOTAL EQUITY AND LIABILITIES		11,432.0	338.5	11,770.5

(b) Other acquisitions

Year ended December 31, 2012

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

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

Year ended December 31, 2011

In 2011, the Group made the following acquisitions:

- On January 24, 2011, Technip acquired Front End Re, a reinsurance company based in Luxembourg.
- On January 26, 2011, Technip acquired all assets of Subocean group, a company based in the United Kingdom and specialized in marine renewable energies.
- On February 28, 2011, Technip acquired Energy Projects Development, a specialist process and technology company for the Oil and Gas Industry that specializes in fluid separation and treatment, water treatment and water management, and Enhanced Oil Recovery (EOR) using water and chemical methods.
- On July 28, 2011, Technip acquired AETech, developing non-destructive acoustic emission testing solutions.
- On November 14, 2011, Technip acquired 45.70% of Cybernétix S.A., world leader in robotics of complex systems in hostile environment, for a total amount of €14.1 million. In accordance with the General Regulations of the French *Autorité des marchés financiers* (AMF), Technip has a cash tender offer to purchase the remaining shares. As of December 31, 2011, Technip was owning 64.05% of the group Cybernétix, fully consolidated in Technip financial statements. Neither revenue nor result related to the company was recognized by Technip since its acquisition. Consolidated revenues of Cybernétix group were €36.2 million in 2011. As of December 31, 2011, the total 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 was owning 98.60% of the share capital and 98.57% of the voting rights of Cybernétix.

(c) Scope of consolidation as of December 31, 2012

Fully consolidated companies	Country	December 31, 2012 % control
Technip	France	Consolidating Company
Technip France	France	100%
AETech	France	100%
Angoflex	France	100%
Arctic Technip Services	France	100%
Clecel	France	100%
Cofri	France	100%
Cybernétix	France	100%
CyXplus	France	100%
Flexi France	France	100%
Middle East Projects International (Technip Mepi)	France	100%
Safrel	France	100%
SCI Les Bessons	France	100%
Seal Engineering	France	100%
SNPE Ingénierie Défense	France	100%
Technip Corporate Services	France	100%
Technip Eurocash SNC	France	100%
Technip Marine	France	100%
Technip Normandie	France	100%
Technip Nouvelle-Calédonie	France	100%
Technip N-Power	France	100%
Technip Offshore International	France	100%
Technip Offshore Wind France	France	100%
Technip TPS	France	100%
Technipnet	France	100%
Angoflex Lda.	Angola	70%
Technip Angola	Angola	60%
Genesis Oil & Gas Consultants (Pty) Ltd	Australia	100%
Global Industries Australia Holdings Pty Limited	Australia	100%
Global Offshore Pty Ltd	Australia	100%
Technip CSO Australia (Pty) Ltd	Australia	100%
Technip Oceania (Pty) Ltd	Australia	100%
AMC Angola Offshore	Bahamas	100%
Technip Maritime Overseas	Bahamas	100%
Technip Benelux NV	Belgium	100%
Cybernetix Produtos e Servicos do Brasil Ltda	Brazil	100%
Flexibras Tubos Flexiveis	Brazil	100%
Genesis Brasil Oil & Gas Engenharia Ltda	Brazil	100%
Global Brasil Oleodutos E Servicos LTDA.	Brazil	100%
Suporte Consultoria e Projetos Ltda	Brazil	100%
Technip Brasil Engenharia	Brazil	100%

Fully consolidated companies	Country	December 31, 2012 % control
Technip Operadora Portuaria S/A	Brazil	100%
TPAR - Terminal Portuario de Angra dos Reis S/A	Brazil	100%
Brasflex Overseas	British Virgin Islands	100%
Global Industries (B) Sdn Bhd	Brunei	100%
Genesis Oil & Gas Consultants (Canada) Ltd	Canada	100%
Technip Canada	Canada	100%
Global International Vessels, Ltd	Cayman Islands, British West-Indies	100%
Global Offshore International, Ltd	Cayman Islands, British West-Indies	100%
Sea Oil Marine Services	Cayman Islands, British West-Indies	100%
Technip Marine BV	Cayman Islands, British West-Indies	100%
CSO Oil & Gas Technology (West Africa)	Channel Islands	100%
Shanghai Technip Trading Co, Ltd	China	100%
Technip Engineering Consultant (Shanghai)	China	100%
Technip Tianchen Chemical Engineering	China	100%
Subtec Marine Services Limited	Cyprus	100%
Subtec Offshore Support Limited	Cyprus	100%
Technip Offshore Finland OY	Finland	100%
ProTek Germany	Germany	100%
Technip Germany	Germany	100%
Technip Seiffert	Germany	100%
Technipetrol Hellas SA	Greece	99%
GIL Services Private Limited	India	100%
SEAMEC	India	75%
Technip E&C India Ltd	India	100%
Technip India	India	100%
Technip KT India	India	100%
PT Divcon	Indonesia	100%
PT Global Industries Asia Pacific	Indonesia	100%
PT Technip Indonesia	Indonesia	49%
Consorzio Technip Italy Procurement Services	Italy	100%
Technip Italy	Italy	100%
Technip Italy Direzione Lavori	Italy	100%
TPL	Italy	100%
Technip Japan K.K.	Japan	100%
Stena Offshore (Jersey)	Jersey	100%
Front End Re	Luxembourg	100%
Asiaflex Products	Malaysia	100%
FlexiAsia Sdn Bhd	Malaysia	100%
Genesis Oil & Gas Consultants Malaysia Sdn Bhd	Malaysia	100%
Global Asia Pacific Industries Sdn. Bhd.	Malaysia	100%

Fully consolidated companies	Country	December 31, 2012 % control
Global Industries Offshore Labuan Ltd	Malaysia	100%
Technip Far East	Malaysia	100%
Technip Geoproduction (M)	Malaysia	100%
Technip Marine (M) Sdn Bhd	Malaysia	60%
Coflexip Stena Offshore (Mauritius)	Mauritius	100%
GIL Mauritius Holdings, Ltd	Mauritius	100%
Global Construction Mauritius Services, Ltd	Mauritius	100%
Global Vessels Mauritius, Ltd	Mauritius	100%
Global Industries Mexico Holdings S. de R.L. de C.V.	Mexico	100%
Global Industries Offshore Services S. de R.L. de C.V.	Mexico	100%
Global Industries Services S. de R.L. de C.V.	Mexico	100%
Global Offshore Mexico S. de R.L. de C.V.	Mexico	100%
Global Vessels Mexico S. de R.L. de C.V.	Mexico	100%
Technip Servicios de Mexico S.C.	Mexico	100%
Technip de Mexico S. de R. L. de C.V.	Mexico	100%
Global Industries Offshore Netherlands BV	Netherlands	100%
Halon Capital BV	Netherlands	100%
Technip Benelux BV	Netherlands	100%
Technip E.P.G. BV	Netherlands	100%
Technip Holding Benelux BV	Netherlands	100%
Technip Offshore Contracting BV	Netherlands	100%
Technip Offshore NV	Netherlands	100%
Technip Oil & Gas BV	Netherlands	100%
Technip Ships (Netherlands) BV	Netherlands	100%
TSLP BV	Netherlands	100%
Flexservice N.V.	Netherlands Antilles	100%
Crestech Engineering	Nigeria	39%
Global Pipelines Plus Nigeria Limited	Nigeria	100%
Neptune Maritime Nigeria+	Nigeria	66.91%
Technip Offshore (Nigeria)	Nigeria	100%
Genesis Oil & Gas Consultants Norway AS	Norway	100%
North Ocean III KS	Norway	100%
Technip Coflexip Norge AS	Norway	100%
Technip Norge AS	Norway	100%
Technip Ships Norge AS	Norway	100%
Technip Overseas	Panama	100%
Technip Polska	Poland	100%
Lusotechnip Engenharia	Portugal	100%
Technip RUS	Russia	99%
Global Al Rushaid Offshore Company Ltd	Saudi Arabia	100%
Technip Saudi Arabia	Saudi Arabia	76%
TPL Arabia	Saudi Arabia	90%
Coflexip Singapore Pte Ltd	Singapore	100%

Fully consolidated companies	Country	December 31, 2012 % control
Global Industries Asia Pacific Pte Ltd	Singapore	100%
Technip Singapore	Singapore	100%
TP-NPV Singapore	Singapore	100%
Global Industries Offshore Spain, S.L.	Spain	100%
Technip Iberia	Spain	100%
Engineering Re	Switzerland	100%
Technip International AG	Switzerland	100%
Global Industries Offshore (Thailand) Ltd	Thailand	100%
Technip Engineering (Thailand)	Thailand	74%
Global Offshore International Abu Dhabi L.L.C.	United Arab Emirates	100%
Seamec International FZE	United Arab Emirates	75%
Technip Middle East	United Arab Emirates	100%
Coflexip UK Ltd	United Kingdom	100%
DUCO Ltd	United Kingdom	100%
Energy Projects Development Ltd	United Kingdom	100%
Genesis Oil & Gas Consultants Ltd	United Kingdom	100%
Genesis Oil & Gas Ltd	United Kingdom	100%
Spoolbase UK Ltd	United Kingdom	100%
Subsea Integrity Group Ltd	United Kingdom	100%
Subtec Asia Limited	United Kingdom	100%
Technip E&C Ltd	United Kingdom	100%
Technip Maritime UK Ltd	United Kingdom	100%
Technip Offshore Holdings Ltd	United Kingdom	100%
Technip Offshore Manning Services Ltd	United Kingdom	100%
Technip Offshore Wind Ltd	United Kingdom	100%
Technip PMC Services Ltd	United Kingdom	100%
Technip Ships One Ltd	United Kingdom	100%
Technip UK Ltd	United Kingdom	100%
Technip-Coflexip UK Holdings Ltd	United Kingdom	100%
Badger Technologies, L.L.C.	United States of America	100%
Badger Technology Holdings, L.L.C.	United States of America	100%
Cybernetix of America	United States of America	100%
Deepwater Technologies Inc.	United States of America	75%
DUCO Inc.	United States of America	100%
Genesis Oil & Gas Consultants Inc.	United States of America	100%
GIL Holdings, L.L.C.	United States of America	100%
Global Divers & Contractors, L.L.C.	United States of America	100%
Global Holdings, L.L.C.	United States of America	100%
Global Industries International, L.L.C.	United States of America	100%
Global Industries Offshore, L.L.C.	United States of America	100%
Global Industries, Ltd	United States of America	100%
Global Pipelines Plus, L.L.C.	United States of America	100%
Subtec Middle East Limited	United States of America	100%

Fully consolidated companies	Country	December 31, 2012 % control
Technip E&C, Inc	United States of America	100%
Technip Energy & Chemicals International, Inc	United States of America	100%
Technip Process Technology, Inc	United States of America	100%
Technip S&W International, Inc	United States of America	100%
Technip Stone & Webster Process Technology, Inc	United States of America	100%
Technip USA Holdings Inc.	United States of America	100%
Technip USA Inc.	United States of America	100%
The Red Adair Company, L.L.C.	United States of America	100%
Technip Bolivar	Venezuela	100%
Technip Vietnam Co., Ltd	Vietnam	100%

Consolidated companies under proportionate method	Country	December 31, 2012 % control
Acte for Zanaga	France	49%
Consorcio Intep SNC	France	90%
Dalia Floater Angola SNC	France	55%
Eletech	France	30%
Saibos Akogep SNC	France	30%
SPF-TKP Omifpro SNC	France	50%
TSU Projects	France	60%
Uranium Mining Services	France	60%
Consorcio Contrina SNC	France/Venezuela	34.40%
Technip Subsea 7 Asia Pacific (Pty) Ltd	Australia	55%
Petrolinvest	Bosnia	33%
Dofcon Navegacao Ltda	Brazil	50%
FSTP Brasil Ltda.	Brazil	25%
Tipiel	Colombia	44.10%
Consorzio Overseas Bechtel/Technip Italy	Italy	50%
Technip MHB Hull Engineering Sdn Bhd	Malaysia	54%
Desarrolladora de Etileno, S. de R.L. de C.V.	Mexico	40%
Ethylene XXI Contractors S.A.P.I. de C.V.	Mexico	40%
Etileno XXI Holding BV	Netherlands	50%
Etileno XXI Services BV	Netherlands	40%
Technip Odebrecht PLSV BV	Netherlands	50%
Technip Odebrecht PLSV CV	Netherlands	50%
Technip Subsea 7 Asia Pacific BV	Netherlands	55%
TSU Niger SARL	Niger	60%
Dofcon Brasil AS	Norway	50%
Doftech DA	Norway	50%
Techdof DA	Norway	50%
TSKJ Servicios de Engenharia Lda./TSKJ II/LNG Servicios e Gestao de proyectos Lda./Bonny Project Management Co./TSKJ Nigeria	Portugal/United Kingdom/United States of America/Italy/Nigeria	25%
FSTP Pte Ltd	Singapore	25%

Technip Subsea 7 Asia Pacific Singapore Pte Ltd	Singapore	55%
Technip South Africa Pty Ltd	South Africa	51%
Technip Thailand Ltd	Thailand	49%
CTEP FZCO	United Arab Emirates	40%
Yemgas FZCO	United Arab Emirates	33.33%
Technip Subsea 7 Asia Pacific UK Ltd	United Kingdom	55%
Deep Oil Technology	United States of America	50%
Spars International	United States of America	50%
Technip Zachry-Saipem LNG LP.	United States of America	43%

Consolidated Companies under Equity Method	Country	December 31, 2012 % control
Badger Licensing LLC - JV	United States of America	50%

Following the acquisition of Stone & Webster process technologies in August 2012, the Group has henceforth consolidated under the equity method the 50% owned company Badger Licensing LLC - JV.

All consolidated companies close their accounts as of December 31 except Technip KT India, SEAMEC, Technip India and Technip E&C India Ltd which close their statutory accounts as of March 31, and Technip South Africa which closes its statutory accounts as of June 30. However they perform an interim account closing as of December 31.

Note 3 – Segment information

The table below shows information on Technip's reportable business and geographical segments in accordance with IFRS 8 (see Note 1-C (e) – Segment information).

(a) Information by business segment

In millions of Euro	2012						
	Subsea	Onshore/ Offshore	Corporate	Non Allocable and Eliminatio ns	Total Continuin g Operatio ns	Discontin ued Operatio ns	Total
Revenues	4,047.6	4,156.3	-	-	8,203.9	-	8,203.9
Gross Margin	907.1	644.5	-	-	1,551.6	-	1,551.6
Operating Income/(Loss) from Recurring Activities	603.1	290.4	(71.8)	-	821.7	-	821.7
Result from Sale of Activities	-	-	-	-	-	-	-
Result from Non-Current Activities	-	-	-	(9.5)	(9.5)	-	(9.5)
Operating Income/(Loss)	603.1	290.4	(71.8)	(9.5)	812.2	-	812.2
Financial Income/(Expenses)	-	-	-	(65.3)	(65.3)	-	(65.3)
Share of Income/(Loss) of Equity Affiliates	-	1.0	-	-	1.0	-	1.0
Income Tax Expense	-	-	-	(204.8)	(204.8)	-	(204.8)
Discontinued Operations	-	-	-	-	-	-	-
NET INCOME/(LOSS) FOR THE YEAR	NA	NA	NA	NA	543.1	-	543.1
Segment Assets	6,959.6	2,848.0	1,314.4	-	11,122.0	-	11,122.0
Investments in Equity Affiliates	-	-	-	-	-	-	-
Unallocated Assets	-	-	-	459.0	459.0	-	459.0
TOTAL ASSETS	6,959.6	2,848.0	1,314.4	459.0	11,581.0	-	11,581.0
Segment Liabilities ⁽¹⁾	2,463.7	3,002.9	1,770.5	-	7,237.1	-	7,237.1
Unallocated Liabilities ⁽²⁾	-	-	-	4,343.9	4,343.9	-	4,343.9
TOTAL LIABILITIES	2,463.7	3,002.9	1,770.5	4,343.9	11,581.0	-	11,581.0
Other Segment Information							
Backlog ⁽³⁾	6,049.8	8,200.8	-	-	14,250.6	-	14,250.6
Order Intake ⁽⁴⁾	5,334.5	6,314.1	-	-	11,648.6	-	11,648.6
Capital Expenditures:							
Property, Plant and Equipment	455.8	47.4	-	-	503.2	-	503.2
Intangible Assets	7.1	8.6	-	-	15.7	-	15.7
Amortization:							
Property, Plant and Equipment	(159.2)	(24.6)	-	-	(183.8)	-	(183.8)
Intangible Assets	(5.0)	(6.1)	-	-	(11.1)	-	(11.1)
Impairment of Assets	-	-	-	-	-	-	-

(1) Segment liabilities allocated to the Corporate segment include financial debts such as bond issues and other borrowings.

(2) Non allocable liabilities essentially include shareholders' equity.

(3) Corresponds to ongoing contracts to be delivered. The backlog is defined as the difference at a specified date between the aggregate contractual sale price of all contracts in force and the cumulative revenues recognized from these contracts as of that date.

(4) Corresponds to signed contracts which have come into force.

In millions of Euro	2011						
	Subsea	Onshore/ Offshore	Corporate	Non Allocable and Eliminatio ns	Total Continuin g Operatio ns	Discontin ued Operatio ns	Total
Revenues	2,972.0	3,841.0	-	-	6,813.0	-	6,813.0
Gross Margin	724.9	561.7	-	-	1,286.6	-	1,286.6
Operating Income/(Loss) from Recurring Activities	497.9	273.7	(62.1)	-	709.5	-	709.5
Result from Sale of Activities	-	-	-	-	-	-	-
Result from Non-Current Activities	-	-	-	(15.7)	(15.7)	-	(15.7)
Operating Income/(Loss)	497.9	273.7	(62.1)	(15.7)	693.8	-	693.8
Financial Income/(Expenses)	-	-	-	17.4	17.4	-	17.4
Share of Income/(Loss) of Equity Affiliates	-	-	-	-	-	-	-
Income Tax Expense	-	-	-	(208.7)	(208.7)	-	(208.7)
Discontinued Operations	-	-	-	-	-	-	-
NET INCOME/(LOSS) FOR THE YEAR	NA	NA	NA	NA	502.5	-	502.5
Segment Assets	7,933.1	3,741.6	(334.6)	-	11,340.1	-	11,340.1
Investments in Equity Affiliates	-	-	-	-	-	-	-
Unallocated Assets	-	-	-	430.4	430.4	-	430.4
TOTAL ASSETS	7,933.1	3,741.6	(334.6)	430.4	11,770.5	-	11,770.5
Segment Liabilities ⁽¹⁾	3,256.6	3,064.6	1,442.0	23.9	7,787.1	-	7,787.1
Unallocated Liabilities ⁽²⁾	-	-	-	3,983.4	3,983.4	-	3,983.4
TOTAL LIABILITIES	3,256.6	3,064.6	1,442.0	4,007.3	11,770.5	-	11,770.5
Other Segment Information							
Backlog ⁽³⁾	4,380.2	6,035.9	-	-	10,416.1	-	10,416.1
Order Intake ⁽⁴⁾	4,097.1	3,877.7	-	-	7,974.8	-	7,974.8
Capital Expenditures:							
Property, Plant and Equipment	306.4	32.8	-	-	339.2	-	339.2
Intangible Assets	8.1	9.9	-	-	18.0	-	18.0
Amortization:							
Property, Plant and Equipment	(113.4)	(22.4)	-	-	(135.8)	-	(135.8)
Intangible Assets	(7.5)	(4.4)	-	-	(11.9)	-	(11.9)
Impairment of Assets	(26.3)	-	-	-	(26.3)	-	(26.3)

(1) Segment liabilities allocated to the Corporate segment include financial debts such as bond issues and other borrowings.
(2) Non allocable liabilities essentially include shareholders' equity.
(3) Corresponds to ongoing contracts to be delivered. The backlog is defined as the difference at a specified date between the aggregate contractual sale price of all contracts in force and the cumulative revenues recognized from these contracts as of that date.
(4) Corresponds to signed contracts which have come into force.

(b) Information by geographical area

	2012						
In millions of Euro	Europe, Russia, Central Asia	Africa	Middle East	Asia Pacific	Americas	Non Allocable	Total
Revenues ⁽¹⁾	2,414.1	729.0	1,147.6	1,331.0	2,582.2	-	8,203.9
Operating Income/(Loss) from Recurring Activities	364.1	51.3	136.1	88.4	253.6	(71.8)	821.7
OPERATING INCOME/(LOSS)	364.1	51.3	136.1	88.4	253.6	(81.3)	812.2
Intangible Assets (excluding Goodwill) ⁽²⁾	53.0	0.6	-	1.2	20.5	-	75.3
Property, Plant and Equipment ⁽³⁾	582.0	54.5	1.2	160.2	287.4	1,327.9	2,413.2
Financial Assets ⁽⁴⁾	202.0	-	-	6.0	27.5	-	235.5

(1) Includes revenues earned in France (€155.8 million).
(2) Includes intangible assets in France (€51.7 million) and in Brazil (€9.3 million).
(3) Includes tangible assets in France of €137.9 million. The fleet of vessels (including vessels under construction) that operate in different geographical areas and therefore cannot be allocated to a specific area is reported under "Non allocable".
(4) Includes financial assets in France (€172.2 million) and in United States of America (€14.8 million).

	2011						
In millions of Euro	Europe, Russia, Central Asia	Africa	Middle East	Asia Pacific	Americas	Non Allocable	Total
Revenues ⁽¹⁾	1,749.4	1,060.5	1,509.6	931.8	1,561.7	-	6,813.0
Operating Income/(Loss) from Recurring Activities	68.2	345.1	142.4	110.6	105.3	(62.1)	709.5
OPERATING INCOME/(LOSS)	68.2	345.1	142.4	110.6	105.3	(77.8)	693.8
Intangible Assets (excluding Goodwill) ⁽²⁾	47.1	0.9	-	0.7	13.1	-	61.8
Property, Plant and Equipment ⁽³⁾	370.3	48.5	2.0	110.3	316.8	1,460.4	2,308.3
Financial Assets ⁽⁴⁾	238.5	-	-	5.1	51.1	-	294.7

(1) Includes revenues earned in France (€121.1 million).
(2) Includes intangible assets in France (€46.3 million) and in Brazil (€11.3 million).
(3) Includes tangible assets in France of €128.7 million. The fleet of vessels (including vessels under construction) that operate in different geographical areas and therefore cannot be allocated to a specific area is reported under "Non allocable".
(4) Includes financial assets in France (€205.3 million) and in United States of America (€35.5 million).

Note 4 – Operating income/(loss)

The breakdown of the different items of Operating Income/(Loss) by nature is as follows:

(a) Revenues

Revenues breakdown as follows:

In millions of Euro	2012	2011
Rendering of Services	8,070.8	6,752.7
Sales of Goods	121.5	43.8
Financial Result on Contracts ⁽¹⁾	11.6	16.5
TOTAL REVENUES	8,203.9	6,813.0

(1) Financial income and expenses arising from the cash position of ongoing contracts are included in revenues for €11.6 million in 2012 compared to €16.5 million in 2011.

In 2012, one single customer of the Group represented more than 10% of Group consolidated revenues (11.3% in 2012 and 9.8% in 2011).

(b) Cost of sales by nature

Cost of sales comprises the following items:

In millions of Euro	2012	2011
Employee Expenses	(1,821.1)	(1,230.6)
Operating Leases	(179.8)	(119.7)
Amortization and Depreciation of Property, Plant and Equipment	(179.1)	(157.7)
Amortization of Intangible Assets	(8.2)	(11.8)
Purchases, External Charges and Other Expenses	(4,464.1)	(4,006.6)
TOTAL COST OF SALES	(6,652.3)	(5,526.4)

(c) Research and development costs

Research and development costs amounted to €68.7 million in 2012 compared to €65.3 million in 2011. No development costs were capitalized during the periods as no project met the requirements for capitalization (see Note 1-C (k) – Intangible assets).

(d) Administrative costs by nature

Administrative costs by nature break down as follows:

In millions of Euro	2012	2011
Employee Expenses ⁽¹⁾	(268.0)	(202.0)
Operating Leases	(35.2)	(41.4)
Amortization and Depreciation of Property, Plant and Equipment	(4.5)	(4.4)
Amortization of Intangible Assets	(2.9)	(0.1)
Purchases, External Charges and Other Expenses	(139.1)	(83.2)
TOTAL ADMINISTRATIVE COSTS	(449.7)	(331.1)

(1) Includes charges for share subscription and share purchase options and performance share grants: €43.1 million in 2012 compared to €46.0 million in 2011, as well as €10.6 million expenses related to 2012 capital increase reserved for employees.

(e) Other operating income

Other operating income breaks down as follows:

In millions of Euro	2012	2011
Net Proceeds from Disposal of Property, Plant and Equipment	5.0	2.9
Reinsurance Income	12.0	20.5
Other	13.7	3.0
TOTAL OTHER OPERATING INCOME	30.7	26.4

(f) Other operating expenses

Other operating expenses break down as follows:

In millions of Euro	2012	2011
Reinsurance Costs	(5.8)	(13.1)
Other	(5.6)	(9.4)
TOTAL OTHER OPERATING EXPENSES	(11.4)	(22.5)

(g) Result from sale of activities

In 2012 as in 2011, the Group did not sell any activities.

(h) Other non-current income and expenses

For the financial year ended December 31, 2012, a total of €9.5 million of non-current expenses mainly related to acquisition costs of Global Industries, Ltd and Stone & Webster process technologies has been recognized.

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.

(i) Employee expenses

Employee expenses break down as follows:

In millions of Euro	2012	2011
Wages and Salaries	(1,661.0)	(1,147.2)
Social Security Costs	(293.9)	(220.1)
Pension Costs – Defined Contribution Plans	(39.5)	(27.7)
Pension Costs – Defined Benefit Plans	(27.8)	(17.6)
Share Subscription or Purchase Options and Performance Shares	(43.1)	(46.0)
Cash Incentive Plans	(9.7)	(3.1)
Capital Increase Reserved for Employees	(10.6)	-
Other	(136.8)	(73.3)
TOTAL EMPLOYEE EXPENSES	(2,222.4)	(1,535.0)

Employee expenses relate only to Group employees. Subcontractors' costs are excluded.

Note 5 – Financial income and expenses

Net financial result breaks down as follows:

(a) Financial income

In millions of Euro	2012	2011
Interest Income from Treasury Management ⁽¹⁾	54.2	62.3
Dividends from Non-Consolidated Investments	3.4	2.3
Financial Income related to Long-Term Employee Benefit Plans	9.2	7.7
Net Proceeds from Disposal of Financial Assets	0.3	-
Foreign Currency Translation Gains	219.2	269.0
Changes in Derivative Fair Value, Net	15.9	6.9
Inefficient Part of Derivative Instruments, Net	-	1.6
Total Financial Income	302.2	349.8

(1) Mainly results from interest income from short-term security deposits.

(b) Financial expenses

In millions of Euro	2012	2011
Interest Expenses on Bonds	-	(12.2)
Interest Expenses on Private Placements	(17.2)	(10.3)
Interest Expenses on Convertible Bonds	(31.4)	(16.1)
Net Proceeds from Disposal of Financial Assets	(0.1)	-
Fees Related to Credit Facilities	(3.4)	(8.5)
Financial Expenses related to Long-Term Employee Benefit Plans	(14.9)	(14.6)
Interest Expenses on Bank Borrowings and Overdrafts	(42.2)	(28.1)
Depreciation on Financial Assets, Net	-	(0.3)
Foreign Currency Translation Losses	(242.0)	(236.2)
Changes in Derivative Fair Value, Net	-	-
Inefficient Part of Derivative Instruments, Net	(4.7)	-
Other	(11.6)	(6.1)
Total Financial Expenses	(367.5)	(332.4)
NET FINANCIAL RESULT	(65.3)	17.4

(1) Mainly includes swap points on derivative financial instruments.

Note 6 – Income tax

(a) Income tax expense

The income tax expense breaks down as follows:

In millions of Euro	2012	2011
Current Income Tax Credit/(Expense)	(151.9)	(181.2)
Deferred Income Tax Credit/(Expense)	(52.9)	(27.5)
INCOME TAX CREDIT/(EXPENSE) AS RECOGNIZED IN STATEMENT OF INCOME	(204.8)	(208.7)
Deferred Income Tax related to Items Booked Directly to Opening Equity	(15.1)	18.8
Deferred Income Tax related to Items Booked to Equity during the Year	(25.4)	(33.9)
INCOME TAX CREDIT/(EXPENSE) AS REPORTED IN EQUITY	(40.5)	(15.1)

(b) Income tax reconciliation

The reconciliation between the tax calculated using the standard tax rate applicable in Technip and the amount of tax effectively recognized in the accounts can be detailed as follows:

In millions of Euro	2012	2011
Net Income from Continuing Operations	543.1	502.5
Income Tax Credit/(Expense) on Continuing Operations	(204.8)	(208.7)
Income Before Tax	747.9	711.2
At Parent Company Statutory Income Tax Rate of 36.10%	(270.0)	(256.7)
Differences between Parent Company and Foreign Income Tax Rates	127.1	51.8
Share of Income/(Loss) of Equity Affiliates	0.3	-
Additional Local Income Tax and Foreign Tax	(15.0)	(1.3)
Gains/(Losses) Taxable at a Particular Rate	13.0	3.4
Other Non-Deductible Expenses	(13.2)	(6.4)
Deferred Tax Assets not Recognized on Tax Loss of the Year	(29.9)	(10.6)
Adjustments on Prior Year Current Taxes	9.4	9.2
Deferred Tax relating to Changes in Tax Rates	2.5	0.1
Adjustments on Prior Year Deferred Taxes	(24.2)	4.7
Consolidation Adjustments with no Tax Impact	1.9	(5.2)
Other	(6.7)	2.3
Effective Income Tax Credit/(Expense)	(204.8)	(208.7)
<i>Tax Rate</i>	27.4%	29.3%
INCOME TAX CREDIT/(EXPENSE) AS REPORTED IN THE CONSOLIDATED STATEMENT OF INCOME	(204.8)	(208.7)

(c) Deferred income tax

The principles described in Note 1-C (v) – Deferred income tax result in the following:

In millions of Euro	As of December 31,	
	2012	2011 Restated
Tax Losses Carried Forward	56.1	40.0
Margin Recognition on Construction Contracts	30.5	40.3
Provisions for Pensions and other Long-Term Employee Benefits	61.9	57.9
Contingencies related to Contracts	118.9	135.5
Other Contingencies	3.5	13.4
Temporarily Non-Deductible Expenses	2.5	13.2
Fair Value Losses	12.6	19.4
Other Temporary Differences	4.0	-
Total Deferred Income Tax Assets	290.0	319.7
Differences between Taxable and Accounting Depreciation	135.1	86.6
Margin Recognition on Construction Contracts	29.5	49.5
Fair Value Gains	13.9	1.6
Other Temporary Differences	-	1.0
Total Deferred Income Tax Liabilities	178.5	138.7
NET DEFERRED INCOME TAX ASSETS/(LIABILITIES)	111.5	181.0

In order to disclose the details of deferred tax assets and liabilities by nature of temporary differences, it was necessary to split up deferred tax assets and liabilities for each subsidiary (each subsidiary reports in its statement of financial position a net amount of deferred tax liabilities and assets).

The net deferred tax asset of €111.5 as of December 31, 2012 is broken down into a deferred tax asset of €300.5 million and a deferred tax liability of €189.0 million. The net deferred tax asset of €181.0 as of December 31, 2011 is broken down into a deferred tax asset of €319.2 million and a deferred tax liability of €138.2 million, as recorded in the statement of financial position.

(d) Tax loss carry-forwards and tax credits

Tax loss carry-forwards not yet recognized as source of deferred tax assets amounted to €377.0 million as of December 31, 2012, compared to €100.2 million as of December 31, 2011. The majority of these come from the ex-Global Industries US entities for 141 million, a Finnish entity for 70 million and a Brazilian entity for €62 million. The unrecorded deferred income tax assets corresponding to these tax loss carry-forwards as of December 31, 2012 amounted to €124.0 million. All of these tax loss carry-forwards are reportable over an unlimited period of time, except in Finland and in the United States where there is respectively a 10 and 20-year time limit.

Note 7 – Income/(loss) from discontinued operations

According to IAS 1, income/(loss) from operations discontinued or sold during the period are reported in this note.

In 2012 and 2011, no activity was closed, sold or in the process of being sold.

Note 8 – Earnings per share

Diluted earnings per share are computed in accordance with Note 1-C (i) – Earnings per share. Reconciliation between earnings per share before dilution and diluted earnings per share is as follows:

In millions of Euro	2012	2011
Net Income Attributable to Shareholders of the Parent Company	539.7	507.3
Non-Cash Financial Expense on Convertible Bonds, Net of Tax	20.0	10.3
ADJUSTED NET INCOME FOR DILUTED EARNINGS PER SHARE	559.7	517.6
In thousands		
Weighted Average Number of Outstanding Shares during the Financial Year (excluding Treasury Shares) used for Basic Earnings per Share	109,882	108,077
<i>Effect of Dilution:</i>		
■ Share Subscription Options	1,027	810
■ Performance Shares	1,714	1,766
■ Convertible Bond	11,797	6,846
WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES DURING THE FINANCIAL YEAR (EXCLUDING TREASURY SHARES) ADJUSTED FOR DILUTED EARNINGS PER SHARE	124,420	117,499
In Euro		
Basic Earnings per Share	4.91	4.69
DILUTED EARNINGS PER SHARE	4.50	4.41

During the financial years 2012 and 2011, the Group granted performance shares and share subscription options subject to performance conditions, and in addition issued two convertible bonds on November 17, 2010 and December 15, 2011, which resulted in a dilution of earnings per share (see Note 21 (b) Convertible bonds).

In 2012, the average annual share price amounted to €82.99 and the closing price to €86.84. As a result, only the 2012 share subscription option plan (Part 2) with an exercise price of €87.13 was anti-dilutive.

In 2011, the average annual share price amounted to €69.74 and the closing price to €72.62. As a result, only the 2011 share subscription option plan (Part 1) with an exercise price of €72.69 was anti-dilutive.

Note 9 – Property, plant and equipment (tangible assets)

The following tables illustrate the costs, the accumulated amortization and depreciation by type of tangible assets:

In millions of Euro	Land	Buildings	Vessels	Machinery and Equipment	Office Fixtures and Furniture	Assets under Construction	Other	Total
Costs	31.6	286.2	1,498.5	921.8	200.5	582.7	206.6	3,727.9
Accumulated Depreciation	-	(138.5)	(604.7)	(426.4)	(148.0)	5.7	(103.0)	(1,414.9)
Accumulated Impairment Losses	(0.8)	-	(97.1)	(15.9)	-	(5.7)	-	(119.5)
Net Book Value as of December 31, 2011 – Restated	30.8	147.7	796.7	479.5	52.5	582.7	103.6	2,193.5
Costs	31.1	292.5	1,634.7	1,063.8	235.8	573.6	218.6	4,050.1
Accumulated Amortization	-	(152.5)	(610.9)	(475.5)	(172.4)	-	(111.7)	(1,523.0)
Accumulated Impairment Losses	(0.9)	-	(97.1)	(15.9)	-	-	-	(113.9)
NET BOOK VALUE AS OF DECEMBER 31, 2012	30.2	140.0	926.7	572.4	63.4	573.6	106.9	2,413.2

Changes in net property, plant and equipment during the previous two periods break down as follows:

In millions of Euro	Land	Buildings	Vessels	Machinery and Equipment	Office Fixtures and Furniture	Assets under Construction	Other	Total
Net Book Value as of January 1, 2011	10.5	125.6	603.1	310.4	47.7	310.3	64.4	1,472.0
Additions – Acquisitions – Internal Developments	0.1	9.3	70.9	98.2	23.0	116.9	30.1	348.5
Additions – Business Combinations ⁽²⁾	16.9	13.8	141.7	86.8	1.5	241.6	13.5	515.8
Disposals – Write-off	-	-	1.9	(4.9)	0.3	-	(4.2)	(6.9)
Depreciation Expense for the Year	-	(5.9)	(52.2)	(48.1)	(18.6)	-	(11.0)	(135.8)
Impairment Losses	-	-	(26.3)	-	-	-	-	(26.3)
Net Foreign Exchange Differences	(0.1)	1.4	(1.4)	5.5	(1.6)	15.0	(3.2)	15.6
Other ⁽¹⁾	3.4	3.5	59.0	31.6	0.2	(101.1)	14.0	10.6
Net Book Value as of December 31, 2011 – Restated	30.8	147.7	796.7	479.5	52.5	582.7	103.6	2,193.5
Additions – Acquisitions – Internal Developments	-	8.7	64.7	105.4	28.1	243.1	35.2	485.2
Additions – Business Combinations	-	0.1	-	0.1	5.2	0.7	4.2	10.3
Disposals – Write-off	(0.1)	(0.7)	(8.7)	(12.5)	(0.8)	-	(1.0)	(23.8)
Depreciation Expense for the Year	-	(9.8)	(63.5)	(72.4)	(21.7)	-	(16.4)	(183.8)
Impairment Losses	-	-	-	-	-	-	-	-
Net Foreign Exchange Differences	(0.6)	(2.3)	(19.1)	(9.6)	(1.1)	(12.4)	(5.8)	(50.9)
Other ⁽¹⁾	0.1	(3.7)	156.6	81.9	1.2	(240.5)	(12.9)	(17.3)
NET BOOK VALUE AS OF DECEMBER 31, 2012	30.2	140.0	926.7	572.4	63.4	573.6	106.9	2,413.2

(1) The line "Other" is mainly related to the reclassification of assets under construction into the corresponding line items upon their delivery.

(2) Includes the restatements accounted for pursuant to the purchase price allocation of Global Industries, Ltd in accordance with revised IFRS 3.

The Group has decided to continue its policy of high investment levels, in particular in order to expand its vessel fleet. As of December 31, 2012, the principal vessels recorded as “Assets under Construction” for a total amount of €573.6 million were as follows:

- the *Deep Energy*, a pipelay vessel dedicated to deepwater;
- the *Deep Orient*, a flexlay construction vessel dedicated to Asian markets; and
- two flexible pipeline installation vessels in joint venture with Odebrecht Oil & Gas, dedicated to Brazilian markets.

In addition, the Group pursues its investments in flexible and umbilical plants in Brazil, Angola and the United Kingdom, which are recognized as “Assets under Construction” as of December 31, 2012.

The increase in the “Vessels” item mainly relates to the delivery of the *Global 1201*, a rigid pipe S-lay and Heavy lift construction vessel.

Pledged fixed assets amounted to €184.7 million as of December 31, 2012 and mainly consisted of mortgages related to *Skandi Vitória*, *Skandi Arctic* and *Skandi Niterói* vessels. No assets are subject to a capital lease.

Note 10 – Intangible assets

Costs, accumulated amortization and depreciation by type of intangible assets are as follows:

In millions of Euro	Goodwill	Licenses/ Patents/ Trademarks	Software	Other	Total
Costs	3,112.4	115.3	84.9	3.8	3,316.4
Accumulated Amortization	-	(96.6)	(43.4)	(2.6)	(142.6)
Accumulated Impairment Losses	-	-	-	-	-
Net Book Value as of December 31, 2011 – Restated	3,112.4	18.7	41.5	1.2	3,173.8
Costs	3,292.3	144.8	107.1	3.1	3,547.3
Accumulated Amortization	-	(120.8)	(56.7)	(2.2)	(179.7)
Accumulated Impairment Losses	-	-	-	-	-
NET BOOK VALUE AS OF DECEMBER 31, 2012	3,292.3	24.0	50.4	0.9	3,367.6

(a) Changes in net intangible assets

Changes in net intangible assets during the previous two periods break down as follows:

In millions of Euro	Goodwill	Licenses/ Patents/ Trademarks	Software	Other	Total
Net Book Value as of January 1, 2011	2,379.1	24.0	30.9	0.5	2,434.5
Additions – Acquisitions – Internal Developments	-	1.3	16.2	0.5	18.0
Additions – Business Combinations ⁽¹⁾	717.5	-	0.5	-	718.0
Disposals – Write-off	-	-	(0.2)	-	(0.2)
Amortization Charge for the Year	-	(5.6)	(6.2)	(0.1)	(11.9)
Impairment Losses	-	-	-	-	-
Net Foreign Exchange Differences ⁽²⁾	15.8	(1.0)	0.3	-	15.1
Other	-	-	-	0.3	0.3
Net Book Value as of December 31, 2011 – Restated	3,112.4	18.7	41.5	1.2	3,173.8
Additions – Acquisitions – Internal Developments	-	0.1	17.5	0.4	18.0
Additions – Business Combinations	202.3	8.5	-	-	210.8
Disposals – Write-off	-	-	0.1	(0.2)	(0.1)
Amortization Charge for the Year	-	(1.8)	(9.1)	(0.2)	(11.1)
Impairment Losses	-	-	-	-	-
Net Foreign Exchange Differences ⁽²⁾	(22.4)	(1.4)	-	-	(23.8)
Other	-	(0.1)	0.4	(0.3)	-
NET BOOK VALUE AS OF DECEMBER 31, 2012	3,292.3	24.0	50.4	0.9	3,367.6

(1) Includes the restatements accounted for pursuant to the purchase price allocation of Global Industries, Ltd in accordance with revised IFRS 3.

(2) Goodwill is mainly denominated in euros.

(b) Goodwill

The goodwill recognized following an acquisition is measured at fair value as the excess of the purchase price over the share of identifiable assets and liabilities of the acquired entity. This goodwill is subject to an impairment test performed annually or upon occurrence of a meaningful event (see Note 1-C (d) – Business combinations).

The increase in consolidated goodwill recognized as of December 31, 2012 is mainly driven by the recognition of a temporary goodwill on account of Stone & Webster process technologies acquisition, for a total amount of USD250.4 million (i.e. €198.6 million) allocated to the Onshore/Offshore segment.

In 2011, the goodwill allocated to the Subsea segment primarily increased due to the acquisition of Global Industries, Ltd, (goodwill of €686.6 million) and the acquisition of Cybernétix (goodwill of €18.6 million) (see Note 2 – Scope of consolidation).

The following table shows the detail of goodwill by business segment:

In millions of Euro	As of December 31,	
	2012	2011 Restated
Subsea	2,631.5	2,644.7
Onshore/Offshore ⁽¹⁾	660.8	467.7
TOTAL GOODWILL	3,292.3	3,112.4

Impairment tests were performed on the goodwill, using the method described in Note 1-C (a) – Use of estimates.

By using the discounted cash flow method, the impairment tests performed by the Group were based on the most likely assumptions with respect to activity and result. Assumptions made in 2012 relied on the business plans covering years 2013 to 2015 for each Cash-Generating Units. Beyond 2015, the growth rate taken into account was 3.0%. Cash flows were discounted at a rate of 10.0% after tax. The tax rate used in the model was 30.0%. The assumptions of growth rate, discount rate and tax rate used in 2012 are unchanged compared to 2011.

As of December 31, 2012, impairment tests performed on the net book value of goodwill did not result in the accounting of an impairment loss. A 10.0% decrease in the 2015 operating margin relative to the business plan estimates, the use of a 2.0% growth rate after 2015, or a plus or minus 1.0% variation in the discount rate would have no impact on the value of goodwill.

No impairment loss was recorded in 2011.

Note 11 – Investments in equity affiliates

Subsequent to the acquisition of Stone & Webster process technologies in August 2012, the Group has consolidated under the equity method the 50% owned company Badger Licensing LLC - JV.

In millions of Euro	Badger Licensing LLC - JV	2012
Country	United States of America	-
Percentage of Interests	50%	-
Carrying Amount of Investments as of December 31	5.9	-
Data at 100%		
Total Assets	18.7	18.7
Total Liabilities (excluding Equity)	6.9	6.9
Net Assets	11.8	11.8
Revenues	6.8	6.8
NET RESULT	2.0	2.0

Changes in investments in the equity affiliates break down as follows:

In millions of Euro	2012	2011 Restated
Carrying Amount of Investments as of January 1	-	-
Additions - Business Combinations	6.2	-
Disposals	-	-
Share of Income/(Loss) of Equity Affiliates	1.0	-
Distributed Dividends	(1.1)	-
Net Foreign Exchange Differences	(0.2)	-
CARRYING AMOUNT OF INVESTMENTS AS OF DECEMBER 31	5.9	-

Note 12 – Other financial assets

As per Note 1-C (I) – Other financial assets, other financial assets are recorded at their fair value or at their historical cost if they cannot be measured reliably. In the latter case, depreciation is recorded if its recoverable amount is lower than its historical cost.

As of December 31, 2012, impairment tests performed on the net book value of other financial assets (non-current) did not result in any recognition of impairment loss.

The breakdown of this item by nature is presented below:

In millions of Euro	As of December 31,			
	2012		2011 Restated	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Non-Consolidated Investments	8.6	8.6	8.5	8.5
Valuation Allowance	(0.8)	(0.8)	(1.1)	(1.1)
Net Value of Non-Consolidated Investments	7.8	7.8	7.4	7.4
Loans	10.7	10.7	11.9	11.9
Valuation Allowance	-	-	-	-
Net Value of Loans	10.7	10.7	11.9	11.9
Liquidity Contract	10.7	10.7	10.9	10.9
Net Value of Liquidity Contract	10.7	10.7	10.9	10.9
Security Deposits and Other	45.9	45.9	66.1	66.1
Valuation Allowance	(2.3)	(2.3)	(3.5)	(3.5)
Net Value of Security Deposits and Other	43.6	43.6	62.6	62.6
TOTAL OTHER FINANCIAL ASSETS, NET	72.8	72.8	92.8	92.8

Note 13 – Available-for-sale financial assets

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

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

In millions of Euro	As of December 31,			
	2012		2011 Restated	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Share – Unlisted	-	-	-	-
Share – Listed	162.7	162.7	201.9	201.9
TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS	162.7	162.7	201.9	201.9

In the financial year ended December 31, 2012, a loss was recognized in fair value reserves for €42.4 million, compared to €6.4 million in 2011.

Note 14 – Inventories

The breakdown of inventories is as follows:

In millions of Euro	As of December 31,	
	2012	2011 Restated
Raw Materials	244.9	202.3
Work in Progress	23.7	17.7
Finished Goods and Merchandise	52.2	57.0
Valuation Allowance	(24.0)	(22.4)
TOTAL NET INVENTORIES	296.8	254.6

As of December 31, 2012, inventories meant to be used in the next 12 months amounted to €295.0 million.

Note 15 – Construction contracts

Long-term contracts are recorded in accordance with IAS 11 “Construction contracts” when they include construction and delivery of a complex physical asset and in accordance with IAS 18 “Revenues” in other cases (see Note 1-C (b) – Long-term contracts).

The breakdown of construction contracts is as follows:

In millions of Euro	As of December 31,	
	2012	2011 Restated
Construction Contracts – Amounts in Assets	454.3	588.0
Construction Contracts – Amounts in Liabilities	(873.0)	(724.3)
TOTAL NET CONSTRUCTION CONTRACTS	(418.7)	(136.3)
Costs and Margins Recognized at the Percentage of Completion	8 065.5	4 897.0
Payments Received from Clients	(8 308.5)	(4 835.3)
Accruals for Losses at Completion	(175.7)	(198.0)
TOTAL NET CONSTRUCTION CONTRACTS	(418.7)	(136.3)

Note 16 – Trade receivables

Given the nature of Group operations, the Group’s clients are principally major oil and gas, petrochemical or oil-related companies.

This line item represents receivables from completed contracts, invoices to be issued on long-term contracts other than construction contracts and miscellaneous invoices (e.g. trading, procurement services).

In millions of Euro	As of December 31,	
	2012	2011 Restated
Trade Receivables	869.4	960.3
Contracts – To be invoiced	404.1	303.5
Doubtful Accounts	35.3	33.8
Provisions for Doubtful Accounts	(35.3)	(33.8)
TOTAL NET TRADE RECEIVABLES	1,273.5	1,263.8

Trade receivables are non-interest bearing. Their maturities are linked to the operating cycle of contracts. As of December 31, 2012, the portion of trade receivables that had a maturity of less than 12 months amounted to €1 242.7 million.

Each customer's financial situation is periodically reviewed. Provisions for doubtful receivables, which have to-date been considered sufficient at the Group level, are recorded for all potential uncollectible receivables, and are as follows:

In millions of Euro	As of December 31,	
	2012	2011 Restated
Provisions for Doubtful Accounts as of January 1	(33.8)	(45.1)
Increase	(7.6)	(17.6)
Used Provision Reversals	5.4	25.0
Unused Provision Reversals	0.7	3.9
PROVISIONS FOR DOUBTFUL ACCOUNTS AS OF DECEMBER 31	(35.3)	(33.8)

Note 17 – Other current receivables

Other current receivables break down as follows:

In millions of Euro	As of December 31,	
	2012	2011 Restated
Value Added Tax Receivables	127.3	100.7
Other Tax Receivables	82.1	61.2
Receivables from Employees	6.0	6.0
Prepaid Expenses ⁽¹⁾	122.9	128.0
Insurance Indemnities to be Received	2.5	0.5
Other ⁽²⁾	172.7	188.4
TOTAL NET OTHER CURRENT RECEIVABLES	513.5	484.8

(1) Prepaid expenses mainly correspond to insurance costs, as well as building and construction rental expenses.

(2) The line "Other" essentially includes the current accounts on joint venture contracts and partners' current accounts.

As of December 31, 2012, the portion of other current receivables with a maturity of less than 12 months amounted to €500.9 million. Other current receivables are non-interest bearing.

Note 18 – Cash and cash equivalents

Cash and cash equivalents break down as follows:

In millions of Euro	As of December 31,	
	2012	2011 Restated
Cash at Bank and in Hand	1,323.6	918.6
Cash Equivalents	965.7	1,890.1
TOTAL CASH AND CASH EQUIVALENTS	2,289.3	2,808.7
Euro	707.4	999.7
US Dollar	571.6	812.2
Brazilian Real	249.5	399.8
Norwegian Krone	124.0	108.6
Pound Sterling	103.3	72.5
Australian Dollar	100.6	101.0
Japanese Yen	100.1	43.6
Indian Rupee	53.0	34.9
Other	279.8	236.4
TOTAL CASH AND CASH EQUIVALENTS BY CURRENCY	2,289.3	2,808.7
Certificates of Deposits	260.6	533.0
Fixed Term Deposits	702.1	1,220.4
Floating Rate Notes	3.0	127.0
Other	-	9.7
TOTAL CASH EQUIVALENTS BY NATURE	965.7	1,890.1

In accordance with Note 1-C (q) – Cash and cash equivalents, cash and cash equivalents consist of cash in bank and in hand, as well as marketable securities fulfilling the following criteria:

- a maturity of usually less than three months;
- highly liquid;
- a fixed exchange value; and
- an insignificant risk of loss of value.

A substantial portion of cash and marketable securities are recorded or invested in either Euro or US dollar which are frequently used by the Group within the framework of its commercial relationships. Cash and cash equivalents in other currencies correspond either to deposits retained by subsidiaries located in countries where such currencies are the national currencies in order to ensure their own liquidity, or to amounts received from customers prior to the payment of expenses in these same currencies or the payment of dividends. Short-term deposits are classified as cash equivalents along with the other marketable securities.

Note 19 – Assets and liabilities held for sale

As of December 31, 2012, the *Comanche* vessel was accounted for as assets held for sale for a total amount of €9.9 million.

As of December 31, 2011, there was no asset or liability held for sale.

Note 20 – Shareholders' equity

(a) Changes in the parent company's share capital

As of December 31, 2012, Technip share capital consisted of 113,040,513 outstanding shares with a par value of €0.7625 each. Changes since January 1, 2011 break down as follows:

	Number of Shares	Share Capital (In millions of Euro)
Share Capital as of January 1, 2011	110,249,352	84.1
Capital Increase due to Share Subscription Options Exercised	738,406	0.5
Share Capital as of December 31, 2011	110,987,758	84.6
Capital Increase due to Share Subscription Options Exercised	577,612	0.5
Capital Increase Reserved for Employees	1,475,143	1.1
SHARE CAPITAL AS OF DECEMBER 31, 2012	113,040,513	86.2

(b) Technip's shareholders as of December 31

As of December 31, 2012, to the Company's knowledge and based on notices and documents received by the Company, Technip's principal shareholders in percentage of share capital are as follows:

	As of December 31,	
	2012	2011
Caisse des Dépôts et Consignations (indirectly via Fonds Stratégique d'Investissement)	5.25%	5.35%
The Capital Group Companies Inc.	5.00%	5.25%
Blackrock Inc.	4.90%	6.20%
Amundi Asset Management	3.30%	3.20%
Norges Bank Investment Management	3.00%	2.50%
Oppenheimer Funds Inc.	2.85%	2.90%
IFP Énergies nouvelles	2.50%	2.55%
BNP Paribas Asset Management	2.25%	2.35%
Causeway Capital Management	2.10%	1.45%
Natixis	1.50%	3.00%
Treasury Shares	2.10%	2.00%
Group Employees	2.65%	2.00%
Other	62.60%	61.25%
TOTAL	100.00%	100.00%

(c) Treasury shares

Changes in treasury shares are as follows:

	Number of Shares	Treasury Shares (In millions of Euro)
Treasury Shares as of January 1, 2011	2,907,461	(137.9)
Shares Acquired pursuant to Liquidity Contract	957,023	(64.5)
Shares Sold pursuant to Liquidity Contract	(950,023)	64.1
Shares Granted to Employees	(671,743)	29.0
Treasury Shares as of December 31, 2011	2,242,718	(109.3)
Shares Acquired pursuant to Liquidity Contract	437,013	(34.7)
Shares Sold pursuant to Liquidity Contract	(446,013)	34.7
Shares Purchased for Employees	1,337,110	(108.3)
Shares Granted to Employees	(1,199,847)	68.8
TREASURY SHARES AS OF DECEMBER 31, 2012	2,370,981	(148.8)

Treasury shares are held in order to serve performance share plans that were granted to employees in 2008, 2009, 2010, 2011 and 2012 as well as to serve share purchase option plans granted in 2008.

(d) Fair value reserves

Fair value reserves are as follows:

In millions of Euro	Hedging Reserve ⁽¹⁾	Revaluation of Available-For-Sale Financial Assets ⁽²⁾	Other	Total
Fair Value Reserves as of January 1, 2011	(31.8)	76.1	(3.5)	40.8
Net Gains/(Losses) on Cash Flow Hedges (IAS 32/39)	(18.9)	-	-	(18.9)
Tax Effect on Net Gains/(Losses) on Cash Flow Hedges	4.9	-	-	4.9
Fair Value Changes on Available-For-Sale Financial Assets (IAS 39)	-	(6.4)	-	(6.4)
Tax Effect on Fair Value Changes on Available-For-Sale Financial Assets	-	(0.5)	-	(0.5)
Other	-	-	(0.2)	(0.2)
Fair Value Reserves as of December 31, 2011	(45.8)	69.2	(3.7)	19.7
Net Gains/(Losses) on Cash Flow Hedges (IAS 32/39)	76.9	-	-	76.9
Tax Effect on Net Gains/(Losses) on Cash Flow Hedges	(22.6)	-	-	(22.6)
Fair Value Changes on Available-For-Sale Financial Assets (IAS 39)	-	(42.4)	-	(42.4)
Tax Effect on Fair Value Changes on Available-For-Sale Financial Assets	-	1.5	-	1.5
Other	(4.0)	-	3.8	(0.2)
FAIR VALUE RESERVES AS OF DECEMBER 31, 2012	4.5	28.3	0.1	32.9

(1) Recorded under this heading is the efficient portion of the change in fair value of the financial instruments qualified as cash flow hedging (see Note 1-C (c) – Foreign currency transactions and financial instruments).

(2) Amounts correspond to the revaluation of MHB and GIFL shares based on the share price as of December 31 (see Note 13 – Available-for-sale financial assets).

(e) Distributable retained earnings

As of December 31, 2012, distributable retained earnings of the parent company amounted to €2 927.7 million, including €2 005.4 million of share capital premiums.

(f) Statutory legal reserve

Under French Law, companies must allocate 5% of their statutory net profit to their legal reserve fund each year before dividends may be paid in respect of that year. Funds are allocated until the amount in the legal reserve is equal to 10% of the aggregate nominal value of the issued and outstanding share capital. The legal reserve may only be distributed to shareholders upon liquidation of the Company. As of December 31, 2012, the statutory legal reserve amounted to €9.8 million.

(g) Dividends paid and proposed

In 2012, the dividend paid for the financial year ended December 31, 2011 amounted to €172.6 million (*i.e.*, €1.58 per share).

The recommended dividend in respect of 2012 is €1.68 per share and will be submitted for approval at the Shareholders' General Meeting to be held on April 25, 2013. Given that no decision was taken as of December 31, 2012, no impact was recorded in the 2012 financials.

In 2011, the dividend paid for the financial year ended December 31, 2010 amounted to €156.1 million (*i.e.*, €1.45 per share).

(h) Share subscription option plans and share purchase option plans

Technip plans

The Board of Directors has granted certain employees, senior executives and Directors or Officers (*mandataires sociaux*) of the Group and its affiliates, share subscription option plans or share purchase option plans at an agreed unit price. The main features and changes in plans that are in place for 2012 and 2011 are as follows:

Technip Plans Number of Options	Plan,2005					Plan, 2008	Plan, 2009	Plan,2010			Plan,2011			Plan 2012		Total
	Part,1, (1)	Part,2, (1)	Part,3, (1)	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)	Part 3 (1)	Part 1 (1)	Part 2 (1)	
Approval date by Shareholders' General Meeting	April,29., 2005	April,29., 2005	April,29., 2005	April,29., 2005	April,29., 2005	May,6., 2008	April,30., 2009	April,29, 2010	April,29, 2010	April,29, 2010	April,28, 2011	April,28, 2011	April,28, 2011	April,26, 2012	April,26, 2012	
Grant Date by the Board of Directors	Dec.,14., 2005	July,26., 2006	March,12., 2007	Dec.,12., 2007	June,12., 2008	July,1., 2008	June,15., 2009	June,23, 2010	Dec.,15, 2010	March,4, 2011	June,17, 2011	Dec.,14, 2011	March,2, 2012	June,15, 2012	Dec.,12, 2012	
Options Outstanding as of January 1, 2004																
Options Granted (Subscription)	965.213															
Options Outstanding as of December 31, 2005	965.213															
Options Granted (Subscription)		965.213														
Options Exercised (Subscription)																
Options Outstanding as of December 31, 2006	965.213	965.213														
Options Granted (Subscription)	21.339	21.867	987.192													
Options Re-Granted (Subscription)		26.078	15.345	85.000												
Options Exercised (Subscription)																
Options Cancelled (Subscription)	(62.885)	(48.193)	(15.345)													
Options Outstanding as of December 31, 2007	923.667	964.965	987.192	85.000												
Options Granted (Purchase)						953.100										
Options Granted (Subscription)	3.449	3.648	3.666	329												
Options Re-Granted (Subscription)					106.858											
Options Exercised (Subscription)			(2.054)													
Options Cancelled (Purchase/Subscription)	(31.800)	(65.588)	(58.404)	(5.019)		(11.040)										
Options Outstanding as of December 31, 2008	895.316	903.025	930.400	80.310	106.858	942.060										
Options Granted							1.093.175									

(Subscription)																				
Options Exercised (Subscription)		(1,540)																		(1,540)
Options Cancelled (Purchase/Subscription)	(8,079)	(21,562)	(2,054)	(3,000)	(5,000)	(2,100)														(41,795)
Options Outstanding as of December 31, 2009	887,237	879,923	928,346	80,310	103,858	937,060	1,091,075													4,907,809
Options Granted (Subscription)								1,102,300	19,400											1,121,700
Options Exercised (Subscription)	(611,967)	(234,206)	(1,540)																	(847,713)
Options Cancelled (Purchase/Subscription)	(12,087)	(461,542)	(10,783)	(2,008)		(32,000)	(24,300)	(11,000)												(553,720)
Options Outstanding as of December 31, 2010	263,183	184,175	916,023	78,302	103,858	905,060	1,066,775	1,091,300	19,400											4,628,076
Options Granted (Subscription)										81,300	339,400	53,900								474,600
Options Exercised (Subscription)	(263,183)	(96,354)	(323,970)	(16,058)		(150)	(525)	(300)												(700,540)
Options Cancelled (Purchase/Subscription)		1,540	(13,350)		(6,000)	(5,450)	(20,050)	(12,600)	(1,800)											(57,710)
Options Outstanding as of December 31, 2011	-	89,361	578,703	62,244	97,858	899,460	1,046,200	1,078,400	19,400	79,500	339,400	53,900								4,344,426
Options Granted (Subscription)													49,007	284,700	35,350					369,057
Options Exercised (Subscription)		(81,340)	(376,198)	(55,216)	(64,858)	(362,555)														(940,167)
Options Cancelled (Purchase/Subscription)		(8,021)				(12,900)	(17,000)	(22,500)	(2,000)	(2,600)	(1,000)	(4,900)	(300)	(600)						(71,821)
OPTIONS OUTSTANDING AS OF DECEMBER 31, 2012	-	-	202,505	7,028	33,000	524,005	1,029,200	1,055,900	17,400	76,900	338,400	49,000	48,707	284,100	35,350					3,701,495
Maturity Date	Dec., 14, 2011	July, 26, 2012	March, 12, 2013	Dec., 12, 2013	June, 12, 2014	July, 1, 2014	June, 15, 2015	June 23, 2016	Dec. 15, 2016	March, 2017	June 17, 2018	Dec. 14, 2018	March 2, 2019	June 15, 2019	Dec. 12, 2019					

(1) Share subscription option plans exercisable four years from the date of grant and provided certain targets are met.

(2) Share purchase option plans exercisable four years from the date of grant and provided certain targets are met.

The main features described in the table above take into consideration the following adjustments to the rights of option beneficiaries:

- The Board of Directors resolved to adjust the rights of option beneficiaries as of May 14, 2007 in order to take into account the extraordinary dividend deducted from retained earnings and approved by the Combined Shareholders' Meeting held on April 27, 2007. Consequently exercise prices and option numbers were recalculated for all plans.
- The Board of Directors resolved to adjust the rights of option beneficiaries as of May 14, 2008 in order to take into account the extraordinary dividend deducted from retained earnings and approved by the Combined Shareholders' Meeting held on May 6, 2008. Consequently exercise prices and option numbers were recalculated for all plans.

These options were granted subject to certain targets. This means that the final number of options granted to employees is contingent upon Technip achieving satisfactory performance for its shareholders.

For the 2005 plan, this performance will be measured as the increase in Group earnings per share compared to the average earnings per share growth for a sample of industry peers. For the 2008, 2009 and 2010 plans, this performance will be measured as the increase in Group consolidated net income compared to the average consolidated net income growth for a sample of industry peers. For the 2011 and 2012 plans, the performance will be respectively measured over the 2011-2013 and 2012-2014 periods on the basis of several criteria: Group results in terms of Total Shareholder Return, operating income from recurring activities and return on capital employed.

Coflexip plans

After the merger of Technip and Coflexip, Technip took over the share subscription and share purchase option plans of Coflexip. The last outstanding Coflexip plan has expired in 2011. Below are the main features and changes in plans that were in place for 2011:

Coflexip Plans	Plan CSO 11	Total
Approval Date by Shareholders' General Meeting	May 30, 2000	
Grant Date by the Board of Directors	March 20, 2001	
Purchase Options Granted	34,415	34,415
Subscription Options Granted	180,000	180,000
Options Outstanding as of December 31, 2003	178,415	178,415
Options Exercised (Subscription)	-	-
Options Cancelled (Subscription)	(1,000)	(1,000)
Options Outstanding as of December 31, 2004	177,415	177,415
Options Exercised (Subscription)	(24,785)	(24,785)
Options Exercised (Purchase)	(34,415)	(34,415)
Options Cancelled (Subscription)	(16,915)	(16,915)
Options Outstanding as of December 31, 2005	101,300	101,300
Options Exercised (Subscription)	(36,207)	(36,207)
Options Outstanding as of December 31, 2006	65,093	65,093
Options Granted (Subscription)	1,311	1,311
Options Exercised (Subscription)	(18,845)	(18,845)
Options Cancelled (Subscription)	(1,023)	(1,023)
Options Outstanding as of December 31, 2007	46,536	46,536
Options Granted (Subscription)	178	178
Options Exercised (Subscription)	(9,301)	(9,301)
Options Outstanding as of December 31, 2008	37,413	37,413
Options Exercised (Subscription)	(1,803)	(1,803)
Options Cancelled (Subscription)	-	-
Options Outstanding as of December 31, 2009	35,610	35,610
Options Exercised (Subscription)	(14,586)	(14,586)
Options Cancelled (Subscription)	-	-
Options Outstanding as of December 31, 2010	21,024	21,024
Options Exercised (Subscription)	(9,504)	(9,504)
Options Cancelled (Subscription)	(11,520)	(11,520)
OPTION OUTSTANDING AS OF DECEMBER 31, 2011	0	0
Maturity Date	March 20, 2011	

IFRS 2 accounting charge

IFRS 2 applies to all share subscription and share purchase option plans granted after November 7, 2002 and whose rights were not vested as of January 1, 2005. Consequently, the Group recorded a charge of €10.2 million in 2012 compared to €13.7 million in 2011.

To evaluate these plans, and considering the lack of relevant historical information, the Group used the six general assumptions common to all options pricing models (exercise price, term, share price at grant date, expected volatility of share price, estimated dividends and risk-free interest rate for the option life). Regarding the assessment of volatility, the historical measures performed on the share price show great discrepancies depending upon the periods and the maturity chosen. In order to achieve a reliable measure of the future volatility, Technip decided to use an approach that consists in comparing measures of historical volatility over periods of 1 year, 2 years, 3 years and 5 years on the one hand and the share's implied volatility on the other.

The following table illustrates the assumptions used to calculate the charge. The Group uses the Cox Ross Rubinstein binomial model.

Technip Plans	Plan 2005					Plan 2008	Plan 2009	Plan 2010			Plan 2011			Plan 2012	
	Part 1	Part 2	Part 3	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	Part 3	Part 1	Part 2
Share Price at Grant Date (in Euro)	48.87	43.01	50.19	54.21	55.81	58.50	36.41	52.00	67.18	71.64	71.39	65.50	83.83	78.80	87.05
Exercise Price (in Euro)	46.94	41.39	49.17	55.67	59.96	58.15	34.70	51.45	63.23	72.19	72.69	66.94	78.39	74.54	87.13
Dividend Yield	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	3.5%	3.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Turnover Rate	5.0%	5.0%	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Volatility	28.0%	31.0%	30.3%	32.0%	34.4%	34.4%	32.9%	39.1%	39.1%	39.1%	32.0%	32.0%	32.0%	34.2%	33.5%
Annual Risk Free Interest Rate															
6 months	2.6%	3.3%	4.0%	4.9%	5.1%	5.2%	1.5%	0.4%	0.4%	0.4%	1.3%	1.3%	1.3%	0.3%	0.1%
1 year	2.8%	3.5%	4.1%	4.9%	5.4%	5.4%	1.7%	0.5%	0.5%	0.5%	1.5%	1.5%	1.5%	0.3%	0.1%
3 years	2.9%	3.7%	3.9%	4.1%	4.7%	4.7%	2.2%	1.2%	1.2%	1.2%	2.0%	2.0%	2.0%	0.8%	0.2%
5 years	3.1%	3.8%	4.0%	4.2%	4.8%	4.8%	2.9%	1.9%	1.9%	1.9%	2.6%	2.6%	2.6%	1.6%	0.8%
10 years	3.3%	4.0%	4.0%	4.4%	4.8%	4.8%	3.9%	3.1%	3.1%	3.1%	3.5%	3.5%	3.5%	2.8%	2.1%
Option Fair Value Set at Grant Date (in Euro)	10.97	11.22	12.75	13.74	14.90	17.30	8.45	13.61	13.61	13.61	14.35/ 15.05	14.35	14.35	17.58/ 18.40	21.02
Maturity Date	Dec. 14, 2011	July 26, 2012	March 1, 2013	Dec. 12, 2013	June 12, 2014	July 1, 2014	June 15, 2015	June 23, 2016	Dec. 15, 2016	March 4, 2017	June 17, 2018	Dec. 14, 2018	March 2, 2019	June 15, 2019	Dec. 12, 2019

Average share price amounted to €82.99 in 2012 and €69.74 in 2011.

(i) Performance share plans

Since 2007, the Board of Directors has granted certain employees, senior executives and Directors or Officers (*mandataires sociaux*) of the Group and its affiliates, free shares subject to Technip achieving satisfactory performances, namely "performance shares". Following are the main features and changes in the plans that were in place for 2012 and 2011:

	Plan 2007		Plan 2008			Plan 2009			Plan 2010			Plan 2011			Plan 2012		Total
	Part 1	Part 1 Re-Granted	Part 1	Part 2	Part 3	Part 1	Part 2	Part 3	Part 1	Part 2	Part 3	Part 1	Part 2	Part 3	Part 1	Part 2	
Approval date by Shareholders' General Meeting	April 28, 2006	April 28, 2006	May 6, 2006	May 6, 2006	May 6, 2006	April 30, 2009	April 30, 2009	April 30, 2009	April 29, 2010	April 29, 2010	April 29, 2010	April 28, 2011	April 28, 2011	April 28, 2011	April 26, 2012	April 26, 2012	
Grant Date by the Board of Directors	March 12, 2007	Dec. 12, 2007 & July 1, 2008	July 1, 2008	Dec. 9, 2008	Feb. 18, 2009	June 15, 2009	Oct. 25, 2009	Feb. 16, 2010	June 23, 2010	Dec. 15, 2010	March 4, 2011	June 17, 2011	Dec. 14, 2011	March 2, 2012	June 15, 2012	Dec. 12, 2012	
Shares Granted as of January 1, 2007																	
Shares Granted	1,110,670																1,110,670
Shares Re-Granted		44,500															44,500
Shares Cancelled	(44,500)																(44,500)
Outstanding Shares as of December 31, 2007	1,066,170	44,500															1,110,670
Shares Granted			859,050	20,100													879,150
Shares Re-Granted		20,300															20,300
Shares Cancelled	(50,100)	(1,800)	(11,700)														(63,600)
Outstanding Shares as of December 31, 2008	1,016,070	63,000	847,350	20,100													1,946,520
Shares Granted					191,542	981,175	12,000										1,184,717
Shares Exercised	(234)																(234)
Shares Cancelled	(12,732)	(800)	(12,060)		(1,100)	(2,100)											(28,792)
Outstanding Shares as of December 31, 2009	1,003,104	62,200	835,290	20,100	190,442	979,075	12,000										3,102,211
Shares Granted								100,000	883,900	13,800							997,700
Shares Exercised	(178,416)	(10,250)	(533)		(16)												(189,215)
Shares Cancelled	(258,603)	(15,350)	(41,887)		(5,034)	(23,200)		(1,900)	(11,300)								(357,274)
Outstanding Shares as of December 31, 2010	566,085	36,600	792,870	20,100	185,392	955,875	12,000	98,100	872,600	13,800							3,553,422
Shares Granted						400				86,300	361,000	37,050					484,750
Shares Exercised	(280,393)	(16,300)	(354,500)	(18,300)		(500)		(100)	(300)								(670,393)
Shares Cancelled	(285,692)	(9,580)	(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	94,500	353,350	37,050					3,022,512
Shares Granted													49,357	430,150	126,892		606,399
Shares Exercised	(10,600)	(423,150)		(58,842)	(338,000)	(12,000)	(900)	(600)			(100)						(843,392)

Shares Cancelled	(150)	(9 020)	(3 550)	(17 600)	(2 100)	(24 900)	(1 500)	(2 600)	(4 800)	(3 300)	(1 550)	(3 350)	(75,220)	
OUTSTANDING SHARES AS OF DECEMBER 31, 2012			118 650	584 900	94 550	834 300	12 300	81 900	348 450	33 750	47 807	426 800	126 892	2,710,299

From country to country, the vesting period of these plans is either three years from the date of grant (in which case the holding period is two years), or four years from the date of grant (in which case there is no holding period).

Performance shares were granted contingent upon the same performance conditions described in Note 20 (h) Share subscription and share purchase option plans except for the 2011 and 2012 plan. For these latter plans, the performance is respectively measured over the 2011-2013 and the 2012-2014 periods on the basis of several criteria: Group results in matter of Health/Safety/Environment, operating income from recurring activities and treasury generated from operating activities.

IFRS 2 accounting charge

IFRS 2 applies to the valuation of performance share grants. Consequently, the Group recorded a charge of €32.9 million in 2012 compared to €32.3 million in 2011.

The fair value of performance share plans is determined according to the share price at grant date less discounted future dividends. The following table shows assumptions underlying the fair value computation of the plans:

	Plan 2007		Plan 2008			Plan 2009			Plan 2010			Plan 2011			Plan 2012	
	Part 1	Part 1 Re-Granted	Part 1	Part 2	Part 3	Part 1	Part 2	Part 3	Part 1	Part 2	Part 3	Part 1	Part 2	Part 3	Part 1	Part 2
Share Price at the Grant Date (in Euro)	50.19	54.21	58.50	58.50	23.76	36.41	36.41	36.41	52.00	67.18	71.64	71.39	65.50	83.83	78,80	87,05
Dividend Yield	3.2%	2.0%	2.0%	2.0%	3.0%	3.5%	3.5%	3.5%	3.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Turnover Rate ⁽¹⁾	2.0% / 6.0%	2.0% / 6.0%	2.0% / 6.0%	2.0% / 6.0%	2.0% / 6.0%	2.0% / 6.0%	2.0% / 6.0%	2.0% / 6.0%	2.0% / 6.0%	2.0% / 6.0%	2.0% / 6.0%	2.0% / 6.0%	2.0% / 6.0%	2.0% / 6.0%	2.0% / 6.0%	2.0% / 6.0%
Fair Value of Performance Shares Set at Grant Date (in Euro) ⁽¹⁾	44.57 / 45.57	50.65	55.10 / 54.00	55.10 / 54.00	21.72 / 21.07	32.78 / 31.65	32.78 / 31.65	32.78 / 31.65	47.52 / 46.12	47.52 / 46.12	47.52 / 46.12	67.23 / 65.90	67.23 / 65.90	67.23 / 65.90	74,21 / 72,74	81,98 / 80,36
Maturity Date	March 13, 2011/12	Dec. 12, 2011/12 & July 1, 2012/13	July 1, 2012/13	Dec. 9, 2012/13	Feb. 18, 2013/14	June 15, 2013/14	Oct. 25, 2014	Feb. 16, 2014/15	June 23, 2014/15	Dec. 15, 2014/15	March 4, 2015/16	June 17, 2015/16	Dec. 14, 2015/16	March 2, 2016/17	June 15, 2016/17	Dec. 12, 2016/17

(1) The turnover rate and fair value of performance shares differ from country to country.

Performance shares granted to employees will be served using treasury shares.

The average share price amounted to €82.99 in 2012, compared to €69.74 in 2011.

(j) Capital management

Shareholders' equity breaks down into portions attributable to non-controlling interests and to equity holders of the parent company. Equity attributable to equity holders of the parent is equal to the share capital of Technip, the Group's parent company, cumulated results and other reserves, less treasury shares.

Treasury shares are primarily held for the following purposes:

- To serve share option plans or other share plans that were granted to employees, directors or officers of the Company.

During the financial year ended December 31, 2012, Technip continued its purchases of own shares under the program approved by the Shareholders' General Meeting held on April 28, 2011, for a period of 18 months and relating to a maximum number of shares not exceeding 10% of the shares comprising the share capital, at a maximum share price of €105. In all, 1 337 110 shares were bought during the period at an average price of €81, for a total of €108.3 million.

- To promote share trading and, in particular, to ensure the liquidity of shares pursuant to a liquidity contract, by an investment service provider. Pursuant to a contract dated February 12, 2010, and for a duration of one year as from this date, tacitly renewable, the Company engaged Crédit Agricole Cheuvreux to execute a liquidity contract in compliance with the AMAFI Code of Conduct.

During the financial year ended December 31, 2012, 437 013 shares were purchased and 446 013 shares were sold pursuant to the terms and conditions of this liquidity contract.

On the basis of the authorization granted by the Combined General Meeting held on April 28, 2011, (20th resolution), at its meeting on December 14, 2011, the Board of Directors of the Company decided to undertake a capital increase in favor of members of the Technip Group Savings Plan (PEG). Further to Technip's 2008 capital increase reserved for employees, this new international employee shareholding initiative is a continuation of the Group's policy to mobilize its staff towards the implementation of the Group's new strategy and to bring employees of Technip closer to the development and the results of the Group.

(k) Capital Increase Reserved for Employees

Technip realized a capital increase reserved for employees in 2012.

The capital increase has been realized by Technip SA, holding company of the Group and was offered to all Technip employees and its subsidiaries.

Three different plans were offered to these employees to subscribe to the capital increase:

- Technip "Classic Plan" allows recipients to subscribe Technip shares within a FCPE (*Fonds Commun de Placement*). A FCPE is a French collective savings vehicle allowing employees to hold a portfolio invested in securities. The FCPE is managed by a management company on behalf of the employee investors holding units of the FCPE). Recipients can benefit from an Employer contribution as well as a 20% discount on the subscription price but are fully exposed to the change of the share value on the stock market. The holding period is five years.
- Technip "Secure Plan" allows employees to subscribe Technip shares within a FCPE and to benefit from an Employer contribution as well as a 20% discount on the subscription price while guaranteeing the initial investment at the end of the five years period, increased by the greater between the capitalized annual return of 2.0 % and the protected average increase Technip share value compared to the reference price.
- Technip "Multiple Plan" allows the recipients to subscribe Technip shares within a FCPE or directly and to benefit from an Employer contribution as well as a 20% discount on the subscription price while guaranteeing at the end of the five years period, the initial investment increased by the greater between the capitalized annual return of 2.5% and 7.75 times the average increase in Technip share value compared to the reference price. The bank in charge of structuring the operation, finance nine Technip shares for one Technip share subscribed by an employee. The initial investment of the employee is guaranteed. The capital guarantee and the multiple of the average increase are obtained through the transfer to the bank of the discount, the dividends and the other financial rights related to the shares.

For some countries, depending of the national laws, only one or two of the three plans have been proposed. Terms and conditions of these plans have been adapted depending on local constraints linked to legal, tax or social matters. In some countries, Technip Multiple Plan has been replaced by a SAR plan (Stock Appreciation Rights).

Following this capital increase, the number of shares issued on July 10, 2012 is 1,109,527 shares, the increase in common stock amounts to €0.8 million, and the increase in Paid-in-Surplus amounts to €65.4 million, reduced by €0.9 million net charge being administrative costs linked to this operation, for a total of €64.5 million.

In addition, 365,616 new shares were issued related to the SAR Plan. The increase in common stock amounts to €0.3 million and the increase in Paid-in-Surplus amounts to €21.6 million, reduced by €0.3 million net charge being administrative costs linked to this operation, for a total of €21.3 million.

Main characteristics of the capital increase reserved for employees are presented in the schedule above.

	2012 "Classic"	2012 "Secure"	2012 "Multiple"
Detail of the plan and amounts subscribed			
Maturity of the plan (in years)	5	5	5
Reference price (in Euro) ⁽¹⁾	74.63	74.63	74.62
Subscription price (in Euro)	59.70	59.70	59.70
Price at the end of the subscription period (in Euro)	76.38	76.38	76.38
Discount - face value (%)	20%	20%	20%
Total number of shares subscribed (in millions of shares)	184 898	87 614	837 015
Total number of shares subscribed by employees (in millions of shares)	184 898	87 614	124 326
Total amount subscribed (in millions of Euro)	11.0	5.2	50.0
Valuation assumptions			
Borrowing rate for market participants ⁽²⁾	4.91%	4.91%	4.91%
5-year risk-free interest rate	1.05%	1.05%	1.05%
Annual borrowing rate for shares	1.00%	1.00%	1.00%
Retail/institutional volatility spread	NA	7.50%	7.50%
Valuation of the IFRS 2 expense			
(A) Discount value (in millions of Euro)	3.1	1.5	14.0
(%)	22%	22%	22%
(B) Value of the lock-up period for the market participant (in millions of Euro)	2.5	1.2	11.2
(%)	18%	18%	18%
(C) Value of the opportunity gain (in millions of Euro)	NA	0.03	1.8
(%)	NA	0.40%	2.90%
(A-B+C) OVERALL COST FOR THE GROUP (IN MILLIONS OF EUROS)			
	0.6	0.3	4.6
(1) The reference price is calculated based on Technip's average share value during the 20 trading days before the opening of the subscription period.			
(2) Average interest rate charged by banks for an ordinary, non-revolving personal loan with a maximum maturity of five years granted to an individual with an average credit rating			

The total cost for Employer's contribution for these three plans amounts to €5.2 million and was recorded as an employee expenses in 2012.

Under the 'classic' plan, the IFRS 2 expense related to this capital increase reserved for employees is determined in accordance with the method of the ANC (*Autorité des Normes Comptables*), taking into account the lock-up period of five years for the employee. This approach values the lock-up cost through a strategy where the employee would sell the locked-up shares on the forward market and then purchase the same number of shares on the spot market, financing the loan by the forward sale and by the dividends paid over the lock-up period.

Under the 'leveraged plans', the IFRS 2 expense includes also the opportunity gain for the employee, corresponding, through the issuer's involvement in the plans, to its access to volatility profile adapted to institutional investors rather than retail rates.

The IFRS 2 expense related to the discount amounts to €5.5 million and was recorded as an employee expenses in 2012.

Note 21 – Financial debts (current and non-current)

(a) Financial debts, breakdown by nature

Financial Debts break down as follows:

In millions of Euro	As of December 31,	
	2012	2011 Restated
Bond Issue ⁽¹⁾	-	46.2
Convertible Bonds ⁽²⁾	945.2	916.1
Private Placement ⁽³⁾	517.2	197.4
Bank Borrowings ⁽⁴⁾	243.3	393.7
Total Non-Current Financial Debts	1,705.7	1,553.4
Bond Issue ⁽¹⁾	-	3.0
Convertible Bond ⁽⁵⁾	-	251.4
Commercial Papers	150.0	170.0
Bank Borrowings	231.8	158.5
Accrued Interests Payables	18.6	15.3
Total Current Financial Debts	400.4	598.2
TOTAL FINANCIAL DEBTS	2,106.1	2,151.6

(1) As of December 31, 2011, the bonds issued by Global Industries and guaranteed by the US Government under Title XI of the Federal Ship Financing Program, amounted to USD63.8 million (recorded for €49.2 million), net of issue charges. A total amount of USD59.8 million (recorded for €46.2 million) was classified as non-current financial debts as of December 31, 2011. These 7.71% *p.a.* bonds are reimbursed semi-annually with equal principal installments of USD2.0 million each and had a final maturity of February 15, 2025. On November 30, 2012, Technip redeemed the bonds guaranteed by the US Government under Title XI of the Federal Ship Financing Program.

(2) On December 15, 2011, Technip issued a bond with an option for conversion and/or exchangeable for new or existing shares (OCEANE) for a total amount of €497.6 million (see b).

On November 17, 2010, Technip issued a bond with an option for conversion and/or exchangeable for new or existing shares (OCEANE) for a total amount of €550 million (see b).

As of December 31, 2012, the remainder of the reimbursed part of the Convertible Debenture (see 5) of Global Industries amounts of USD2.4 million.

(3) On July 27, 2010, Technip achieved a private placement for €200 million (recorded for €197.7 million as of December 31, 2012). The maturity is 10 years; the annual coupon rate is 5%.

On June 14, 2012, Technip achieved a private placement for €150 million (recorded for €149.7 million as of December 31, 2012). The maturity is 10 years; the annual coupon rate is 3.4%.

On June 14, 2012, Technip achieved a private placement for €100 million (recorded for €94.9 million as of December 31, 2012). The maturity is 20 years; the annual coupon rate is 4%.

On June 15, 2012, Technip achieved a private placement for €75 million (recorded for €74.9 million as of December 31, 2012). The maturity is 15 years; the annual coupon rate is 4%.

(4) Includes bank borrowings and credit facilities representing drawings on subsidized loans granted to one of the Brazilian subsidiaries for the purpose of pre-financing exports and re-financing investments, drawings on loans granted to a Norwegian subsidiary and to a Brazilian affiliate aimed at financing new vessels.

(5) A Senior Convertible Debenture was issued on July 27, 2007 by Global Industries for a total amount of USD325 million (recognized for €251.4 million as of December 31, 2011). The interest rate is 2.75% *p.a.* and the maturity is August 1, 2027. On January 11, 2012, Global Industries reimbursed a principal amount of USD322.6 million (corresponding to 99.3% of the outstanding debentures) and paid accrued interest of approximately USD3.9 million to bondholders.

(b) Convertible bonds

On December 15, 2011, Technip issued a bond with an option for conversion and/or exchangeable for new or existing shares (OCEANE) for €497.6 million, with a maturity date of January 1, 2017.

The OCEANE convertible bond, which was approved by the French Securities Regulator (AMF) on December 7, 2011, has the main following features:

- issued at a price of €96.09 (the number of bonds issued was 5,178,455);
- a coupon of 0.25% payable on January 31 of each year, which amounts to €0.24 per year and per bond. (The first coupon payment on January 31, 2012 amounted to €0.03 per bond);
- a redemption date was set on January 1, 2017 for bonds not converted into shares at such date;
- the option for bondholders to convert their bonds into shares at any time at the ratio of one share for one bond; and
- the option for the Group to call for early redemption of the bonds at any time on or after the third anniversary of the issue date for a price at par plus accrued interest if the quoted value of the share exceeds 130% of the par value of the bond.

As required by IAS 32, the OCEANE convertible bond is recognized in two distinct components:

- a debt component is recognized at amortized cost for an initial amount of €420.4 million, net from its share of issuing costs. The effective rate is 3.7%. As of December 31, 2012, the debt component amounted to €435.2 million; and
- a conversion option component is recognized in equity for an amount equal to the difference between the issuing price of the OCEANE convertible bond and the value of the debt component. The carrying amount is recognized net of its proportionate share of the debt issuance costs for an amount of €73.1 million and net of corresponding deferred taxes. This value is not revalued but will be adjusted to take into account the conversion of bonds.

On November 17, 2010, Technip issued a bond with an option for conversion and/or exchangeable for new or existing shares (OCEANE) for approximately €550 million, with a maturity date of January 1, 2016.

The OCEANE convertible bond, which was approved by the French Securities Regulator (AMF) on November 9, 2010, has the main following features:

- issued at a price of €83.10 (the number of bonds issued was 6,618,531);
- a coupon of 0.5% payable on January 31 of each year, which amounts to €0.42 per year and per bond. (The first coupon payment on January 31, 2011 amounted to €0.09 per bond);
- a redemption date was set on January 1, 2016 for bonds not converted into shares at such date;
- the option for bondholders to convert their bonds into shares at any time at the ratio of one share for one bond; and
- the option for the Group to call for early redemption of the bonds at any time on or after the third anniversary of the issue date for a price at par plus accrued interest if the quoted value of the share exceeds 130% of the par value of the bond.

As required by IAS 32, the OCEANE convertible bond is recognized in two distinct components:

- a debt component is recognized at amortized cost for an initial amount of €480.9 million, net from its share of issuing costs. The effective rate is 3.2%. As of December 31, 2012, the debt component amounted to €508.2 million; and
- a conversion option component is recognized in equity for an amount equal to the difference between the issuing price of the OCEANE convertible bond and the value of the debt component. The carrying amount is recognized net of its proportionate share of the debt issuance costs for an amount of €63.3 million and net of corresponding deferred taxes. This value is not revalued but will be adjusted to take into account the conversion of bonds.

(c) Comparison of carrying amount and fair value of current and non-current financial debts

Comparison of carrying amount and fair value of non-current financial debts is as follows:

In millions of Euro	As of December 31,			
	2012		2011 Restated	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Bond Issue	-	-	46.2	46.2
Convertible Bond	945.2	1,009.4	916.1	938.4
Private Placement	517.2	560.5	197.4	210.9
Bank Borrowings and Credit Lines	243.3	243.3	393.7	393.7
Total Non-Current Financial Debts	1,705.7	1,813.2	1,553.4	1,589.2
Bond Issue	-	-	3.0	3.1
Convertible Bond	-	-	251.4	251.4
Commercial Papers	150.0	150.0	170.0	170.0
Bank Borrowings	231.8	231.8	158.5	158.5
Accrued Interests Payables	18.6	18.6	15.3	15.3
Total Current Financial Debts	400.4	400.4	598.2	598.3
TOTAL FINANCIAL DEBTS	2,106.1	2,213.6	2,151.6	2,187.5

(d) Analysis by type of interest rate

Analysis by type of interest rate after yield management is as follows:

In millions of Euro	As of December 31,	
	2012	2011 Restated
Fixed Rate	2,061.2	2,117.6
Floating Rate	44.9	34.0
TOTAL FINANCIAL DEBTS	2,106.1	2,151.6

As of December 31, 2012, the debt is essentially issued at fixed rate. The fixed rate debt mainly comprises the two convertible bonds, the private placements, drawings on subsidized export finance loans granted to one of the Brazilian subsidiaries for the purpose of pre-financing exports and re-financing investments, as well as drawings on loans granted to a Norwegian subsidiary for financing a new vessel, drawings on a loan granted to a Brazilian affiliate aimed at financing two new vessels and finally the commercial paper issue by Technip.

Over the financial year 2012, the average rate of the fixed rate debt was 3.92% compared to 4.62% in 2011. Over the same period, the average rate of the Group's overall debt (fixed and floating rate) was 3.93% compared to 4.58% per year in 2011. The average rate of debt is calculated by dividing the amount of financial costs for the fiscal year (excluding bank fees not expressly related to the debt) and the average outstanding debt for the fiscal year.

(e) Analysis by currency

Analysis by currency is as follows:

In millions of Euro	As of December 31,	
	2012	2011 Restated
Euro	1,628.2	1,293.1
US Dollar	157.9	459.7
Brazilian Real	267.9	342.3
Norwegian Krone	50.0	53.9
Other	2.1	2.6
TOTAL FINANCIAL DEBTS	2,106.1	2,151.6

(f) Schedule of financial debts

The schedule of financial debts is as follows:

In millions of Euro	2013	2014	2015	2016	2017	2018 and beyond	Total
Fixed Rate	368.3	15.3	87.6	521.9	448.2	619.9	2,061.2
Floating Rate	32.1	1.7	1.7	1.7	1.7	6.0	44.9
TOTAL FINANCIAL DEBTS AS OF DECEMBER 31, 2012	400.4	17.0	89.3	523.6	449.9	625.9	2,106.1

In millions of Euro	2012	2013	2014	2015	2016	2017 and beyond	Total
Fixed Rate	578.2	225.2	17.1	16.6	511.6	768.9	2,117.6
Floating Rate	20.0	1.8	1.6	1.6	1.6	7.4	34.0
TOTAL FINANCIAL DEBTS AS OF DECEMBER 31, 2011 – RESTATED	598.2	227.0	18.7	18.2	513.2	776.3	2,151.6

(g) Secured financial debts

Secured financial debts are as follows:

In millions of Euro	As of December 31,					
	2012			2011 Restated		
	Guarantee	Without Guarantee	Total	Guarantee	Without Guarantee	Total
Bank Overdrafts, Current Facilities and Other	-	-	-	1.2	191.2	192.4
Short Term Part of Long-Term Debts	16.8	383.6	400.4	27.2	378.6	405.8
Total Current Financial Debts	16.8	383.6	400.4	28.4	569.8	598.2
Total Non-Current Financial Debts	168.1	1,537.6	1,705.7	185.4	1,368.0	1,553.4
TOTAL FINANCIAL DEBTS	184.9	1,921.2	2,106.1	213.8	1,937.8	2,151.6

Note 22 – Pensions and other long-term employee benefit plans

In accordance with the laws and practices of each country in which it operates, Technip manages retirement and similar benefit schemes on behalf of its employees.

In compliance with IAS 19, the Group has assessed its obligations in respect of employee pension plans and other long-term benefits such as “jubilee benefits”, post-retirement medical benefits, special termination benefits and cash incentive plans. The plan assets are recorded at fair value. Evaluations were coordinated so that liabilities could be measured using recognized and uniform actuarial methods, and were performed by an independent actuary.

On June 2011, the IASB published an amended IAS 19. This amended standard is applicable retrospectively to annual periods beginning on or after 1 January 2013. It introduces the following changes:

- It modifies the valuation method regarding the long-term return on plan assets, which will be based on the discount rate used to measure the present value of the obligation..
- It eliminates the option of deferring actuarial gains and losses using the “corridor” approach. All actuarial gains and losses must now be recognized directly in other comprehensive income.
- It suppresses the deferral of past service cost on unvested benefits: all costs arising from past service are instead recognized immediately in the net Income.

(a) Description of the Group’s current benefit plans

Brazil

A jubilee plan provides a lump sum payment of half a month’s salary after 10, 15, 20 and 30 years of service. The plan also pays for a short trip to Brazil and Paris after 20 and 30 years of service.

France

The following plans are offered in France:

- a retirement benefit consisting of a capital payment based on years of service and salary at retirement date;
- a post-retirement medical benefit (this is closed to new entrants to the plan);
- a jubilee plan that provides a lump sum payment after 20, 30, 35 and 40 years of services at all companies (a minimum number of years spent at Technip is required);
- an additional defined contribution pension plan was set up on January 1, 2005 dedicated to a predetermined and uniform class of top managers. A contribution of 8.0% of gross annual salary within the legal limits is paid by the Company;
- a complementary defined benefit pension plan was set up on May 1, 2007 for members of the Group’s Executive Committee. It consists of a guaranteed retirement wage of 1.8% of income bracket 4 of annual gross compensation per year of service in the Executive Committee (up to a limit of 15 years of service).

Germany

The following plans are offered in Germany:

- two pension plans that offer a pension payable from age 65: (i) a deferred compensation plan and (ii) an early retirement plan (OAPT);
- a jubilee plan that provides a lump sum payment ranging from one to three months of salary when employees reach 25, 40 and 45 years of service.

Italy

A post-retirement benefit that provides a capital payment according to the wages and years of service in the Company is offered to the employees. Following the change of Italian law in 2007, this defined benefit plan has been changed into a defined contribution plan. Consequently, no future right is generated in respect of IAS 19. The amount remaining in the books relates to the rights generated before the change of plan.

Norway

A pension plan offers a guaranteed income from age 67 depending on final gross salary and years of service.

The Netherlands

The company has a defined benefit pension plan.

United Arab Emirates

A retirement benefit plan provides a payment according to the years of service in the Company (21 days of salary per year of service up to 5 years and 30 days of salary beyond 5 years) with a limit of 26 years.

United Kingdom

A pension plan offers an annuity payment (this plan is closed for new comers). There is also a multi-employer benefit plan providing employees of the mercantile marine with pensions on retirement and protection on death (this plan is also closed for newcomers).

(b) Net benefit expense recognized in the statement of income

The net benefit expense recognized in the statement of income breaks down as follows:

In millions of Euro	2012	2011 Restated
Current Service Cost	20.0	15.3
IFRIC 14 Impact	-	(1.7)
Financial Cost of Benefit Obligation	14.9	14.6
Expected Return on Plan Assets	(9.2)	(7.7)
Net Actuarial Gain/(Loss) Recognized	7.1	3.4
Past Service Cost	0.7	0.6
Cash Incentive Plans	9.7	3.1
Special Events (Curtailment)	-	-
NET BENEFIT EXPENSE AS RECORDED IN THE STATEMENT OF INCOME	43.2	27.6

In addition to the defined benefit pension plan expense shown in the above table, defined contribution plan expenses amounted to €39.5 million in 2012, compared to €27.7 million in 2011.

The expected defined benefit plan expense for 2013 calculated on an estimated basis amounts to €26.1 million.

Defined contribution plan expenses expected for 2013 amount to €11.1 million.

An early application of IAS 19 amended on year 2012 would have on the whole the following impacts:

- an increase of the provision in the opening balance sheet for €63.4 million, through equity, corresponding to the unrecognized actuarial gains and losses and deferred past service cost;
- a positive impact of €5.1 million on the net consolidated result; and
- a decrease by €16.5 million of the other comprehensive income.

(c) Benefit asset/(liability) recognized in the statement of financial position

The liability as recorded in the statement of financial position breaks down as follows:

In millions of Euro	As of December 31,	
	2012	2011 Restated
Provisions	(136.8)	(109.8)
Accrued Expenses	2.6	-
Asset/(Liability) as Recorded in the Statement of Financial Position	(134.2)	(109.8)
Defined Benefit Obligation	(374.0)	(296.0)
Fair Value of Plan Assets	176.1	126.4
Net Defined Benefit Obligation	(197.9)	(169.6)
Unrecognized Actuarial (Gains)/Losses	68.0	53.7
Unrecognized Past Service Costs	8.5	9.2
Cash Incentive Plans	(12.8)	(3.1)
IFRIC 14 Impact	-	-
ASSET/(LIABILITY) AS RECORDED IN THE STATEMENT OF FINANCIAL POSITION	(134.2)	(109.8)

The discounted defined benefit obligation includes €240.2 million for funded plans and €133.8 million for unfunded plan assets.

Changes in unrecognized actuarial gains and losses are as follows:

In millions of Euro	2012	2011 Restated
Unrecognized Actuarial (Gains)/Losses as of January 1	53.7	33.5
Amortized during the Year	(7.1)	(3.4)
Amounts Generated during the Year due to Experience	21.0	(4.0)
Amounts Generated on Assets	0.3	(12.6)
Amounts Generated during the Year due to Changes in Assumptions	(1.5)	39.4
Exchange Difference	1.6	0.8
UNRECOGNIZED ACTUARIAL (GAINS)/LOSSES AS OF DECEMBER 31	68.0	53.7

Changes in the net benefit asset/(liability) of pension plans and other post-employment benefits are presented below:

In millions of Euro	2012	2011 Restated
Net Benefit Asset/(Liability) as of January 1	(109.8)	(98.0)
Exchange Differences on Foreign Plans	0.4	0.1
Expenses Charged in the Income Statement	(33.5)	(24.5)
Contributions Paid	17.8	15.9
Disposals of Subsidiaries/Changes in Scope of Consolidation	-	(0.5)
Cash Incentive Plans	(9.7)	(3.1)
Other	0.6	0.3
NET BENEFIT ASSET/(LIABILITY) AS OF DECEMBER 31	(134.2)	(109.8)

The change in the DBO (Defined Benefit Obligation) is as follows:

In millions of Euro	2012	2011 Restated
Defined Benefit Obligation as of January 1	(299.1)	(243.1)
Current Service Cost	(20.0)	(15.3)
Contributions by Employee	(0.1)	(0.1)
Financial Cost on Benefit Obligation	(14.9)	(14.6)
Benefits Paid	15.5	15.5
Actuarial Gains/(Losses)	(19.5)	(35.4)
Curtailement	-	-
Cash Incentive Plans	(9.9)	(3.1)
Exchange Difference	(3.0)	(3.0)
Other	(35.7)	-
DEFINED BENEFIT OBLIGATION AS OF DECEMBER 31	(386.7)	(299.1)

Changes in fair value of plan assets are as follows:

In millions of Euro	2012	2011 Restated
Fair Value of Plan Assets as of January 1	126.4	103.5
Expected Return	9.3	7.7
Contributions by Employer	10.2	8.2
Contributions by Employee	0.1	0.1
Benefits Paid	(7.9)	(7.9)
Actuarial Gains/(Losses)	(0.3)	12.6
Exchange Differences on Foreign Plans	2.6	2.2
Other	35.7	-
FAIR VALUE OF PLAN ASSETS AS OF DECEMBER 31	176.1	126.4

Below are the details of the principal categories of pension plan by country in terms of percentage of their total fair value:

In %	Bonds	Shares	Real Estate	Cash	Total
Norway	53%	6%	18%	23%	100%
Netherlands	80%	20%	-	-	100%
United Kingdom	5%	91%	2%	2%	100%

France has invested in general funds, so the level of detail provided in the table above is not available. The net expected return on assets amounts to approximately 3.0%.

The expected return on assets is the weighted average of the expected returns. Expected return on assets, by asset class, is as follows:

In %	Bonds	Shares	Real Estate	Cash
Norway	3,85%	6,85%	3,85%	2,85%
Netherlands	3,40%	6,40%	-	-
United Kingdom	4,25%	7,25%	4,25%	3,25%

(d) Actuarial assumptions

The main assumptions that have been relied upon to define the benefit obligations related to pension plans are detailed in the following table:

	As of December 31,			
	2012		2011	
	Euroland	Other	Euroland	Other
Discount Rate	3.10%	3.00% to 7.25%	4.70%	2.40% to 9.70%
Expected Return on Plan Assets	3.00% to 6.40%	4.25% to 7.25%	3.40% to 8.50%	4.80% to 7.80%
Future Salary Increase (above Inflation Rate)	0.40% to 4.00%	1.00% to 2.40%	0.25% to 4.00%	1.00% to 2.10%
Healthcare Cost Increase	3.00%	NA	3.00%	NA
Inflation Rate	2.00%	1.80% to 4.50%	2.00%	2.40% to 4.50%

A 0.25% decrease in the discount rate would increase the defined benefit obligation by approximately 4.1%. Due to the recognition of actuarial profits and losses using the so-called "corridor" method, this decrease would not have significant impact on the accrued amount as of December 31, 2012.

A 1.0% decrease in the expected return on plan assets would increase the benefit expense for 2012 by around 6.9%.

The effect of a one percentage point increase or decrease in the assumed health care cost trend rate would not be material, as it would not result in a significant change in the obligation.

Note 23 – Provisions (current and non-current)

The principles used to evaluate the amounts and types of provisions for liabilities and charges are described in Note 1-C (u) – Provisions.

(a) Changes in provisions

Changes in provisions over financial year 2012 break down as follows:

In millions of Euro	As of January 1, 2012 – Restated	Increase	Used Reversals	Unused Reversals	Foreign Exchange Adjustments	Other	As of December 31, 2012
Pensions and other Long-Term Employee Benefits ⁽¹⁾	105.0	36.8	(12.6)	-	(0.4)	(0.8)	128.0
Tax	10.5	1.2	(1.5)	(0.1)	(0.2)	(0.6)	9.3
Litigation	0.2	0.1	-	-	-	-	0.3
Provisions for Claims Incurred but not Reported ⁽²⁾	7.9	2.8	-	(3.3)	0.1	-	7.5
Other Non-Current Provisions	16.7	7.1	(4.2)	(2.8)	(0.1)	0.5	17.2
Total Non-Current Provisions	140.3	48.0	(18.3)	(6.2)	(0.6)	(0.9)	162.3
Pensions and other Long-Term Employee Benefits ⁽¹⁾	4.8	3.6	(2.4)	-	(0.1)	0.3	6.2
Contingencies related to Contracts ⁽³⁾	132.3	134.6	(39.8)	(48.5)	(1.5)	(1.4)	175.7
Restructuring	0.1	-	(0.1)	-	-	-	-
Tax	44.1	23.1	-	(6.4)	(1.7)	-	59.1
Litigation ⁽⁴⁾	0.1	0.3	(0.1)	-	(0.1)	2.3	2.5
Provisions for Claims ⁽²⁾	1.8	0.6	(0.2)	-	-	-	2.2
Other Current Provisions ⁽⁵⁾	163.7	35.8	(66.7)	(17.1)	(3.3)	(6.9)	105.5
Total Current Provisions	346.9	198.0	(109.3)	(72.0)	(6.7)	(5.7)	351.2
TOTAL PROVISIONS	487.2	246.0	(127.6)	(78.2)	(7.3)	(6.6)	513.5

(1) See Note 22 – Pensions and other long-term employee benefit plans.

(2) Provisions for Reinsurance are recorded at the level of the Group's captive reinsurance companies as per IFRS 4.

(3) Provisions recognized on contingencies on contracts are related to litigations on contracts.

(4) See Note 32 – Litigation and contingent liabilities.

(5) Other current provisions mainly include accruals related to social security costs

(b) Schedule of provisions

The following table shows the maturity of provisions forecast as of December 31, 2012:

In millions of Euro	As of December 31, 2012	2013	2014	2015	2016	2017	2018	2019 and beyond
Pensions and other Long-Term Employee Benefits	128.0	-	20.7	11.6	10.6	11.1	17.8	56.2
Tax	9.3	-	2.7	-	6.6	-	-	-
Litigation	0.3	-	0.3	-	-	-	-	-
Provisions for Claims Incurred but not Reported	7.5	-	-	-	-	-	-	7.5
Other Non-Current Provisions	17.2	-	12.7	2.0	0.1	0.1	0.9	1.4
Total Non-Current Provisions	162.3	-	36.4	13.6	17.3	11.2	18.7	65.1
Pensions and other Long-Term Employee Benefits	6.2	6.2	-	-	-	-	-	-
Contingencies related to Contracts ⁽¹⁾	175.7	155.3	9.0	0.1	-	-	-	11.3
Restructuring	-	-	-	-	-	-	-	-
Tax	59.1	59.1	-	-	-	-	-	-
Litigation	2.5	2.5	-	-	-	-	-	-
Provisions for Claims	2.2	2.2	-	-	-	-	-	-
Other Current Provisions	105.5	105.5	-	-	-	-	-	-
Total Current Provisions	351.2	330.8	9.0	0.1	-	-	-	11.3
TOTAL PROVISIONS	513.5	330.8	45.4	13.7	17.3	11.2	18.7	76.4

(1) Provisions for contingencies related to contracts which maturity cannot be precisely determined are usually presented in the less than one year category.

The criteria for classifying an asset/liability as "current" or "non-current" in the statement of financial position is described in Note 1-C Accounting rules and estimates.

Note 24 – Trade payables

Trade payables amounted to €2,095.0 million as of December 31, 2012 as compared to €2,244.3 million as of December 31, 2011.

Trade payables are non-interest bearing liabilities. Their maturities are linked to the operating cycle of contracts. As of December 31, 2012, trade payables with a maturity of less than 12 months amounted to €2,065.8 million.

Note 25 – Other liabilities (current and non-current)

Other current and non-current liabilities are as follows:

In millions of Euro	As of December 31,	
	2012	2011 Restated
Wages and Salaries	275.1	260.7
Social Security Costs	66.9	51.1
Other Tax Payables	166.7	156.7
Deferred Income	49.8	42.3
Accruals on Completed Contracts ⁽¹⁾	365.4	795.3
Current Accounts on Joint Ventures Contracts	45.1	23.4
Advances Received ⁽²⁾	489.7	529.5
Other ⁽³⁾	76.1	130.5
Total Other Current Liabilities	1,534.8	1,989.5
Payables on Fixed Assets	54.0	61.9
Subsidies	9.4	11.4
Other	12.8	19.9
Total Other Non-Current Liabilities	76.2	93.2
TOTAL OTHER LIABILITIES	1,611.0	2,082.7

(1) When the contract is completed, accrued liabilities may be recorded to cover pending expenses until the client signs the final acceptance (see Note 1-C (b) – Long-term contracts)

(2) Includes advances received and deferred income on contracts recorded in accordance with IAS 18, not identified as construction contracts.

(3) Includes €23.9 million of current liabilities as of December 31, 2011 for the TSKJ matter.

The breakdown between current and non-current liabilities is detailed in Note 1-C Accounting rules and estimates. The portion of current liabilities with a maturity of less than 12 months amounted to €1,404.4 million as of December 31, 2012.

Note 26 – Financial instruments

In compliance with IFRS 7, information disclosed on financial instruments is as follows:

(a) Financial assets and liabilities by category

Financial assets and liabilities break down as follows:

	As of December 31, 2012						
	Analysis by Category of Financial Instruments						
In millions of Euro	Carrying Amount	At Fair Value through P&L	Loans and Receivables	Available-for-Sale Financial Assets	Liabilities at Amortized Cost	Derivative Instruments	Fair Value
Investments in Non-Consolidated Companies	7.8	7.8	-	-	-	-	7.8
Other Financial Assets	65.0	-	65.0	-	-	-	65.0
Available-for-Sale Financial Assets	162.7	-	-	162.7	-	-	162.7
Derivative Financial Instruments	54.3	-	-	-	-	54.3	54.3
Trade Receivables	1,273.5	-	1,273.5	-	-	-	1,273.5
Current Income Tax Receivables	158.5	-	158.5	-	-	-	158.5
Other Current Receivables	513.5	-	513.5	-	-	-	513.5
Cash and Cash Equivalents	2,289.3	2,289.3	-	-	-	-	2,289.3
TOTAL ASSETS	4,524.6	2,297.1	2,010.5	162.7	-	54.3	4,524.6
Non-Current Financial Debts	1,705.7	-	-	-	1,705.7	-	1,813.2
Other Non-Current Liabilities	76.2	-	-	-	76.2	-	76.2
Current Financial Debts	400.4	-	-	-	400.4	-	400.4
Trade Payables	2,095.0	-	2,095.0	-	-	-	2,095.0
Derivative Financial Instruments	38.5	-	-	-	-	38.5	38.5
Current Income Tax Payables	140.5	-	140.5	-	-	-	140.5
Other Current Liabilities	1,534.8	-	1,534.8	-	-	-	1,534.8
TOTAL LIABILITIES	5,991.1	-	3,770.3	-	2,182.3	38.5	6,098.6

As of December 31, 2011 – Restated							
Analysis by Category of Financial Instruments							
In millions of Euro	Carrying Amount	At Fair Value through P&L	Loans and Receivables	Available-for-Sale Financial Assets	Liabilities at Amortized Cost	Derivative Instruments	Fair Value
Investments in Non-Consolidated Companies	7.4	7.4	-	-	-	-	7.4
Other Financial Assets	85.4	16.8	68.6	-	-	-	85.4
Available-for-Sale Financial Assets	201.9	-	-	201.9	-	-	201.9
Derivative Financial Instruments	35.6	-	-	-	-	35.6	35.6
Trade Receivables	1,263.8	-	1,263.8	-	-	-	1,263.8
Current Income Tax Receivables	149.6	-	149.6	-	-	-	149.6
Other Current Receivables	484.8	-	484.8	-	-	-	484.8
Cash and Cash Equivalents	2,808.7	2,808.7	-	-	-	-	2,808.7
TOTAL ASSETS	5,037.2	2,832.9	1,966.8	201.9	-	35.6	5,037.2
Non-Current Financial Debts	1,553.4	-	-	-	1,553.4	-	1,589.2
Other Non-Current Liabilities	93.2	-	-	-	93.2	-	93.2
Current Financial Debts	598.2	-	-	-	598.2	-	598.3
Trade Payables	2,244.3	-	2,244.3	-	-	-	2,244.3
Derivative Financial Instruments	104.0	-	-	-	-	104.0	104.0
Current Income Tax Payables	164.9	-	164.9	-	-	-	164.9
Other Current Liabilities	1,989.5	-	1,989.5	-	-	-	1,989.5
TOTAL LIABILITIES	6,747.5	-	4,398.7	-	2,244.8	104.0	6,783.4

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments depending on the valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly;
- Level 3: inputs which have a significant effect on the recorded fair value and that are not based on observable market data.

The following table shows a breakdown of financial assets and liabilities valued at fair value by hierarchy:

	As of December 31, 2012			
In millions of Euro	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value through P&L	-	7.8	-	7.8
Derivative Financial Instruments	-	54.3	-	54.3
Available-for-Sale Financial Assets	162.7	-	-	162.7
ASSETS	162.7	62.1	-	224.8
Financial Liabilities at Fair Value through P&L	-	-	-	-
Derivative Financial Instruments	-	38.5	-	38.5
LIABILITIES	-	38.5	-	38.5

	As of December 31, 2011 – Restated			
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

During the financial year 2012, there were no transfer between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

(b) Gains and losses by category of financial instruments

Gains and losses recorded income statement by category of financial instruments break down as follows:

	2012					
	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	54.2	-	-	-	-	54.2
Loans and Receivables	-	-	-	-	-	-
Available-for-Sale Financial Assets	-	-	-	-	-	-
Liabilities at Amortized Cost	(94.2)	-	-	-	-	(94.2)
Derivative Financial Instruments	-	15.9	-	(4.7)	-	11.2
TOTAL NET GAINS/(LOSSES)	(40.0)	15.9	-	(4.7)	-	(28.8)

In millions of Euro	2011 – Restated					
	From Subsequent Valuation					Net Gains/(Losses)
	Interest	At Fair Value	Currency Translation	Impairment /Reversal of Impairment	Derecognition	
Categories of Financial Instruments						
At Fair Value through P&L	62.3	-	-	-	-	62.3
Loans and Receivables	-	-	-	-	-	-
Available-for-Sale Financial Assets	-	-	-	-	-	-
Liabilities at Amortized Cost	(75.2)	-	-	-	-	(75.2)
Derivative Financial Instruments	-	6.9	-	1.6	-	8.5
TOTAL NET GAINS/(LOSSES)	(12.9)	6.9	-	1.6	-	(4.4)

(c) Derivative financial instruments

The breakdown by category of derivative financial instruments is as follows:

In millions of Euro	As of December 31,			
	2012		2011 Restated	
	Asset	Liability	Asset	Liability
Forward Foreign Exchange Contracts – Fair Value Hedge	4.1	1.3	0.1	6.2
Forward Foreign Exchange Contracts – Cash Flow Hedge	50.1	36.8	34.8	96.4
Forward Foreign Exchange Contracts – not Designated as Hedges for Accounting Purposes	0.1	0.4	0.8	1.3
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS	54.3	38.5	35.6	104.0

The breakdown of gains and losses on derivative financial instruments that affect shareholders' equity in fair value reserves is as follows:

In millions of Euro	2012	2011
Total Gains/(Losses) on Derivative Financial Instruments as Reported in Equity as of January 1	(66.7)	(48.5)
Fair Value Gains/(Expenses) on Derivative Financial Instruments – Cash Flow Hedge	72.9	(18.2)
TOTAL GAINS/(LOSSES) ON DERIVATIVE FINANCIAL INSTRUMENTS AS REPORTED IN EQUITY AS OF DECEMBER 31	6.2	(66.7)

Analysis of gains and losses on derivative financial instruments that affect the statement of income is as follows:

In millions of Euro	2012	2011
Effectiveness Gains/(Losses) on Fair Value Hedge	13.0	(4.0)
Ineffectiveness Gains/(Losses) on Fair Value Hedge	(4.0)	0.2
Ineffectiveness Gains/(Losses) on Cash Flow Hedge	(0.6)	1.3
Gains/(Losses) on Economic Hedge not Designated as Hedges for Accounting Purposes	0.3	(1.5)
TOTAL GAINS/(LOSSES) ON DERIVATIVE INSTRUMENTS AS RECOGNIZED IN STATEMENT OF INCOME	8.7	(3.9)
(*) Excluding the revaluation of related current receivables and payables.		

Note 27 – Payroll staff

Technip has a workforce of 36,500 people, in 48 countries, including an average of 5,800 contracted workforce integrated in operating teams.

Note 28 – Related party disclosures

(a) Transactions with related parties

IFP Énergies nouvelles (IFP) is represented on Technip's Board of Directors. Its percentage of ownership amounted to 2.50% as of December 31, 2012 and 2.55% as of December 31, 2011.

Technip paid IFP a royalty in respect of an agreement for research cooperation on offshore deepwaters. This royalty is determined under arm's length conditions and amounted to €2.6 million in 2012 and €5.2 million in 2011, the recorded expense amounted to €3.1 million in 2012 and €3.6 million in 2011.

On December 19, 2011, the Group proceeded to the acquisition of the trademark Technip from IFP for €1.2 million.

(b) Assets and liabilities, income and expenses with respect to associates in joint ventures

Credits and debts towards associates in joint ventures are as follows:

In millions of Euro	As of December 31,	
	2012	2011 Restated
Trade Receivables	6.0	16.8
Trade Payables	14.8	9.2
NET TRADE RECEIVABLES/(PAYABLES)	(8.8)	7.6

Income and expenses generated with associates in joint ventures are as follows:

In millions of Euro	2012	2011
Income	39.1	10.0
Expenses	(21.8)	(54.7)

(c) Compensation of the Chairman and Chief Executive Officer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) Compensation and retirement commitments of the Group's principal executives

In 2012, the total amount of all direct and indirect compensation paid by the Group's French and foreign companies to all of the Group's principal executives on payroll partly or totally during the year 2012 (i.e., the six members of the Excom of the Group) amounted to €4,167,999. The variable portion represented 42.5% of the overall amount.

The charges relating to share purchase and share subscription options, as well as performance shares, granted to the Company's executive officers, and accounted for in 2012, amounted to €5.8 million.

In 2012, payment made by Group companies under supplementary retirement plans applicable to the principal executives discussed above amounted to €0.2 million. The recorded expense related to the retirement income guarantee plan for Executive Committee members amounted to €0.9 million in 2012.

As of December 31, 2012, the amount for retirement commitments for Executive Committee members amounted to €4.4 million.

Note 29 – Board of Directors compensation

The Shareholders' Meeting of April 29, 2010 set the amount of Directors' fees allocated to members of the Board of Directors for the financial year 2012 at €600,000. During 2012, the gross amount of compensation and benefits of all kinds paid by Technip to the members of the Board of Directors was €2,579,715.

Note 30 – Joint ventures

A joint venture is a temporary partnership formed in order to deliver a contract and is jointly controlled by the parties involved.

The list of entities participating in joint ventures corresponds to those affiliates that are consolidated under the proportionate method with the following exceptions: Technip South Africa, Tipiel, Deep Oil Technology Inc., Spars International Inc., Petroinvest, Technip Thailand, Technip MHB Hull Engineering Sdn Bhd, Ethylene XXI Contractors S.A.P.I. de C.V. et Desarrolladora de Etileno, S. de R.L. de C.V. In addition, joint venture's operations are conducted by Technip France (in partnership with Chiyoda), Technip Oceania and Cybernétix (in partnership with Subsea 7) and Technip Offshore Finland (in partnership with Areva).

The following amounts represent Technip's accumulated share of the assets, liabilities, income and expenses related to all joint ventures of the Group. These amounts are included in Technip's statement of financial position and statement of income:

In millions of Euro	As of December 31,	
	2012	2011 Restated
Non-Current Assets	133.9	143.3
Current Assets	170.6	367.6
Total Assets	304.5	510.9
Non-Current Liabilities	165.3	180.0
Current Liabilities	228.5	325.3
Total Liabilities	393.8	505.3
NET ASSETS	(89.3)	5.6

In millions of Euro	2012	2011
Income	223.4	149.1
Expenses	(79.8)	(94.5)
NET INCOME AFTER TAX	143.6	54.6

Current assets mainly include cash and cash equivalents; current liabilities include trade payables, construction contracts – amounts in liabilities, and current accounts with associated companies.

Note 31 – Off-balance sheet commitments

(a) Off-balance sheet commitments related to Group operating activities

The following table illustrates the breakdown of off-balance sheet commitments per maturity.

	As of December 31,				
	2012				2011
	Amounts of Commitments by Maturity Date				
In millions of Euro	Less than 1 year	1 to 5 years	More than 5 years	Total	Total
Operating Leases	184.1	567.9	397.6	1,149.6	755.5
TOTAL CONTRACTUAL COMMITMENTS	184.1	567.9	397.6	1,149.6	755.5

	As of December 31,				
	2012				2011
	Amounts of Commitments by Maturity Date				
In millions of Euro	Less than 1 year	1 to 5 years	More than 5 years	Total	Total
Commitments Given related to the Execution of Operating Contracts	994.4	3,169.0	164.7	4,328.1	3,915.6
Parent Company Guarantees	25,350.6	12,319.9	3,873.4	41,543.9	37,753.8
TOTAL COMMITMENTS GIVEN RELATED TO OPERATING ACTIVITIES	26,345.0	15,488.9	4,038.1	45,872.0	41,669.4

	As of December 31,				
	2012				2011
	Amounts of Commitments by Maturity Date				
In millions of Euro	Less than 1 year	1 to 5 years	More than 5 years	Total	Total
Other Commitments Received related to Operating Activities	202.5	317.8	90.0	610.3	505.6
TOTAL COMMITMENTS RECEIVED RELATED TO OPERATING ACTIVITIES	202.5	317.8	90.0	610.3	505.6

Operating leases and capital leases

The Group leases various equipment, vessels and buildings, mainly under lease contracts that will end within the next ten years. It is likely that the Group will have to renew or to replace them. The Group does not have any assets subject to a capital lease.

At year-end 2012, the rental expense amounted to €215.0 million compared to €153.0 million in 2011.

As of December 31, 2012, the Group's commitments related to operating leases break down as follows:

In millions of Euro	As of December 31,	
	2012	2011
2012	-	143.7
2013	184.1	122.1
2014	180.2	104.8
2015	164.8	77.4
2016	119.8	63.6
2017	103.1	38.9
2018 and beyond	397.6	205.0
TOTAL NET VALUE OF OPERATING LEASES	1,149.6	755.5

Guarantees related to operating activities

Commitments given relate mainly to guarantees or counter-guarantees given by banks and insurance companies to various customers in connection with ongoing contracts in order to secure due and proper performance of the contracts or following the payment of retention guarantees and advance billings (€4,328.1 million as of December 31, 2012).

Furthermore, parent company guarantees given by Technip 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 €41,543.9 million as of December 31, 2012, include the portion of contract allocated to the Group's joint ventures partners. The latter amounts are neither decreased according to project percentage of completion, nor reduced by the amount of parent company guarantees received from Technip's partners in these joint ventures, same partners for which Technip issues parent company guarantees.

As of December 31, 2012, the parent company guarantees issued by Technip for contracts outside the scope of a joint venture amount to €16,627 million.

The following table illustrates the breakdown of €24,916.9 million of parent company guarantees issued by Technip as of December 31, 2012, in respect of joint venture contracts, according to the Group's percentage of ownership in these joint ventures.

In millions of Euro	As of December 31,				
	2012				2011
	Allocation as per % of Technip's Ownership in Joint Ventures				
	Less or equal to 25%	Greater than 25% and less or equal to 40%	Greater than 40%	Total	Total
Parent Company Guarantees Given within Joint Ventures	4,452.1	15,294.4	5,170.4	24,916.9	22,403.4

Commitments received relate mainly to similar guarantees obtained from suppliers or subcontractors in connection with ongoing contracts.

(b) Off-balance sheet commitments related to Group financing

	As of December 31,				
	2012				2011
	Amounts of Commitments per Period				
In millions of Euro	Less than 1 year	1 to 5 years	More than 5 years	Total	Total
Other Commitments Given related to Financing	-	11.3	437.5	448.8	332.6
TOTAL COMMITMENTS GIVEN RELATED TO FINANCING	-	11.3	437.5	448.8	332.6

	As of December 31,				
	2012				2011
	Amounts of Commitments per Period				
In millions of Euro	Less than 1 year	1 to 5 years	More than 5 years	Total	Total
Credit Lines Received but not Used	41.7	1,420.0	-	1,461.7	1,978.1
TOTAL COMMITMENTS RECEIVED RELATED TO FINANCING	41.7	1,420.0	-	1,461.7	1,978.1

(c) Off-balance sheet commitments related to Group scope of consolidation

There is no significant commitment related to the Group scope of consolidation.

Note 32 – Litigation and contingent liabilities

(a) Litigation

The main current litigation and risks are as follows:

ITP

Since 2001, three subsidiaries of Technip were in litigation with a French company, Interpipe SA (ITP). Technip has disclosed this litigation in detail in each of its annual reports since 2004. During summer 2012, the parties entered into a settlement agreement immediately terminating all current proceedings between them.

TSKJ

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

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

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

Having fulfilled all the terms of the agreement with the DOJ, on October 15, 2012, the United States District Court for the

Southern District of Texas, Houston division entered an order dismissing with prejudice the Criminal Information against Technip dated June 28, 2010.

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

(b) Contingent liabilities

Individual training right

The law of May 4, 2004 provides that French company employees have the right to receive individual training, (the *Droit Individuel à la Formation*: Individual Training Right) of at least 20 hours per year, which can be accumulated over six years. At the end of the sixth year, the rights will be capped at 120 hours even if the hours have not been utilized by the employee. In accordance with Notice 2004-F of October 13, 2004 issued by the Emergency Committee of the French national accounting standards body (the *Conseil national de la comptabilité*), which advises on the proper accounting for DIF, expenses are recognized during the financial year and do not require the recognition of a liability. They constitute the remuneration of a future service and not a past one. The Group has maintained this French method for accounting for DIF under IFRS given that the debt is uncertain, *i.e.* the employee could ask to use this right but is not obliged to and may in fact never request it.

In some specific cases, these expenses could not be considered as a future service: for example when an employee has resigned and asks to use his training rights during his notice period.

In 2012, in French entities of the Group, no resigning employee asked for this right. No employee has a conflict with the Group on the subject.

Accumulated unused individual staff training rights amounted to 290,000 hours as of December 31, 2012.

In addition, the lifelong professional training agreement of the main French subsidiary offers training opportunities in five different topics: technical skills, office application IT, management and communication, quality and HSE, and languages; these trainings opportunities are open to all employees. Technip spends around 4% of its payroll on training costs (that is around 2.4% more than the 1.6% required by the law). Each year, around 60% of employees attend at least one training session.

Note 33 – Market related exposure

(a) Liquidity risk

Technip's financing needs are met pursuant to a Group policy implemented by the Finance and Control Division.

Cash management is centralized at the head office and coordinated through finance departments located in the Group's main operating subsidiaries.

Technip Eurocash SNC, a French general partnership (*société en nom collectif*), acts to centralize cash pooling for the Group's main entities, in compliance with applicable laws and regulations in each of the relevant countries. Technip Eurocash SNC has entered into cash pooling agreements with most of the Group's subsidiaries in order to consolidate surplus cash and to meet their needs, except where local economic and financial considerations have required recourse to external local debt.

As of December 31, 2012, the Group had multiple financing sources for financing its general corporate needs, or for financing new assets or certain operations.

2010 Private placement notes

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

2010-2016 Convertible bond

On November 17, 2010, Technip issued 6,618,531 bonds convertible into and/or exchangeable for new or existing shares (OCEANE) for approximately €550 million. The bonds will be redeemed at par on January 1, 2016 except in the event of an early conversion, exchange or redemption. Bondholders have the option to convert their bonds into shares at any time at the ratio of one share for one bond. In addition, the Group has the option to call for the early redemption of all outstanding bonds at any time on or after the third anniversary of the issue date for a price at par plus accrued interest if the quoted value of the share exceeds 130% of the par value of the bond.

The nominal value of each bond was set at €83.10. The bonds are listed on the Euronext Paris market. The bonds bear interest at an annual rate of 0.50% payable annually in arrears on January 31 of each year, i.e., €0.42 per year and per bond.

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

The bonds will be convertible into or exchangeable for new/existing Technip shares at the ratio of one share per bond, subject to future anti-dilution adjustments as described in the documentation, i.e., the *Note d'opération*.

As of December 31, 2012, the amount of the bond booked as non-current financial debt in the statement of financial position amounted to €508.2 million and the amount booked as shareholders' equity amounted to €63.3 million (See Note 21 (b) - Financial debts).

2011-2017 Convertible bond

On December 15, 2011, Technip issued 5,178,455 bonds convertible into and/or exchangeable for new or existing shares (OCEANE) for approximately €497.6 million. The bonds will be redeemed at par on January 1, 2017 except in the event of an early conversion, exchange or redemption. Bondholders have the option to convert their bonds into shares at any time at the ratio of one share for one bond. In addition, the Group has the option to call for the early redemption of all outstanding bonds at any time on or after the third anniversary of the issue date for a price at par plus accrued interest if the quoted value of the share exceeds 130% of the par value of the bond.

The nominal value of each bond was set at €96.09. The bonds are listed on the Euronext Paris market. The bonds bear interest at an annual rate of 0.25% payable annually in arrears on January 31 of each year, i.e. approximately €0.24 per year and per bond. The first coupon payment on January 31, 2012 amounted to approximately €0.03 per bond.

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

The bonds will be convertible into or exchangeable for new/existing Technip shares at the ratio of one share per bond, subject to future anti-dilution adjustments as described in the documentation, i.e., the *Note d'opération*.

As of December 31, 2012, the amount of the bond booked as non-current financial debt in the statement of financial position amounted to €435.2 million and the amount booked as shareholders' equity amounted to €73.1 million (See Note 21 (b) - Financial debts).

2012 Private placement notes

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

- €150 million 10-year private note placement concluded on June 14, 2012 with an annual coupon of 3.40% payable annually in arrears on June 14 of each year. These private notes have been rated BBB+ by Standard & Poor's and are listed on the NYSE Euronext Paris market;
- €75 million 15-year private note placement concluded on June 15, 2012, carrying an annual coupon of 4.0% payable annually in arrears on June 15 of each year. These private notes have been rated BBB+ by Standard & Poor's and are listed on the NYSE Euronext Paris market;
- €100 million 20-year private note placement concluded on June 14, 2012 with an annual coupon of 4.0% payable annually in arrears on June 14 of each year. An application quotation of this private note on the open market ("Freiverkehr") of the Frankfurt Stock Exchange has been made.

These bond issues are part of the general management of the Group's cash and liabilities and raise funds for general corporate purposes.

The *Notes d'opération* of these note placements include standard covenants and default clauses for these types of bond issues, and does not include any financial ratio. The issues provide that in the event of a change of control of Technip and a Standard and & Poor's rating downgrade of the notes below BBB- deemed to have occurred in respect of that change of control, any bondholder may, at its sole option, request the early redemption of all the bonds it owns.

Skandi Arctic financing

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

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

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

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

Skandi Vitória financing

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

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

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

Skandi Niterói financing

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

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

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

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

BNDES (*Banco Nacional de Desenvolvimento Econômico e Social*) facilities

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

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

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

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

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

Pipelay support vessels financing

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

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

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

Deep Energy financing

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

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

2011 Bank facility

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

Global Industries external financing

■ BANK FACILITY

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

■ CONVERTIBLE BOND

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

■ BONDS GUARANTEED BY THE UNITED STATES GOVERNMENT

On November 30, 2012, Technip redeemed the bonds guaranteed by the US Government under Title XI of the Federal Ship Financing Program. This early redemption amounted to USD71.3 million, including the payment of a premium. These bonds bore an interest of 7.71% p.a. and were secured by a mortgage on the Hercules vessel which was released pursuant to the redemption.

Syndicated credit facility and bilateral facilities

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

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

The facility, in the event it is utilized, includes a floating interest rate and an applicable margin which varies according to a schedule of Technip's credit rating.

2. In 2012, five separate credit facilities in a total amount of €420 million which may be drawn in euros were granted to Technip and replaced the existing facilities. Following bilateral negotiations, the amounts and maturity dates are as follows:

- A €80 million facility that matures on July 25, 2014 and contains two one-year extensions at the borrowers' option,

subject to the lender's approval;

- A €100 million facility that matures on July 25, 2015;
- A €80 million facility that matures on July 31, 2015;
- A €80 million facility that matures on August 2, 2015; and
- A facility in the amount of €80 million that matures on July 27, 2016, after a first €40 million reduction on July 27, 2015.

3. Various unutilized credit facilities amounting to €34.4 million were granted to Technip.

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

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

As of the December 31, 2012, the outstanding commercial paper amounted to €150 million. The Group retains an authorization from the *Banque de France* for a maximum amount of €600 million.

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

Schedule of contractual outstanding cash flows related to financial liabilities

In millions of Euro	As of December 31, 2012				
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Bond Issue	-	-	-	1.8	1.8
Convertible Bonds	-	-	1,047.6	-	1,047.6
Private Placement	-	-	-	525.0	525.0
Bank Borrowings	-	16.8	119.4	107.2	243.4
Accrued Interest Payables on Bond Loans	-	4.0	5.3	-	9.3
Other Accrued Interest Payables	-	34.6	87.0	163.3	284.9
TOTAL NON-CURRENT FINANCIAL LIABILITIES	-	55.4	1,259.3	797.3	2,112.0
Bond Issues	-	-	-	-	-
Convertible Bond	-	-	-	-	-
Commercial Papers	150.0	-	-	-	150.0
Bank Overdrafts	0.3	-	-	-	0.3
Accrued Interest Payables on Bond Loans	4.0	-	-	-	4.0
Other Accrued Interest Payables	40.4	-	-	-	40.4
Other Bank Borrowings	231.5	-	-	-	231.5
Derivative Financial Instruments	29.6	6.0	2.9	-	38.5
TOTAL CURRENT FINANCIAL LIABILITIES	455.8	6.0	2.9	-	464.7

Payment due dates related to debts include projected interest payments, even if they are not accrued on the closing date. Floating rates used to calculate projected interest payments are the rates in force as of December 31, 2012.

In millions of Euro	As of December 31, 2011 – Restated				
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Bond Issue	-	2.9	8.8	26.5	38.2
Convertible Bonds	-	-	495.1	421.0	916.1
Private Placement	-	-	-	197.4	197.4
Bank Borrowings	-	224.3	46.6	122.8	393.7
Accrued Interest Payables on Bond Loans	-	14.1	42.2	41.7	98.0
Other Accrued Interest Payables	-	15.3	24.8	32.0	72.1
TOTAL NON-CURRENT FINANCIAL LIABILITIES	-	256.6	617.5	841.4	1,715.5
Bond Issues	3.0	-	-	-	3.0
Convertible Bond	197.6	-	-	-	197.6
Commercial Papers	170.0	-	-	-	170.0
Bank Overdrafts	0.1	-	-	-	0.1
Accrued Interest Payables on Bond Loans	17.1	-	-	-	17.1
Other Accrued Interest Payables	28.6	-	-	-	28.6
Other Bank Borrowings	158.4	-	-	-	158.4
Derivative Financial Instruments	87.5	15.2	1.3	-	104.0
TOTAL CURRENT FINANCIAL LIABILITIES	662.3	15.2	1.3	-	678.8

Contractual amounts as stated in the analysis of maturities relate to undiscounted contractual cash flows. These undiscounted cash flows may differ from the amounts as recognized in the statement of financial position which are based on discounted cash flows.

(b) Currency risk

As indicated in Note 1-C (c) – Foreign currency transactions and financial instruments, Technip uses financial instruments to protect itself against currency risks incurred in the normal course of its business. The Group does not use financial instruments for trading or speculative purposes. The exchange hedging contracts are divided across several counterparties who have been selected after due consideration.

The primary hedging instruments used to manage Technip's exposure to currency risks are as follows:

In millions of Euro	As of December 31,			
	2012			2011
	Maturity	Nominal value		Nominal Value
	2013	2014 and beyond		
Buy Foreign Currencies/Sell Euros	154.7	25.0	179.7	194.5
Sell Foreign Currencies/Buy Euros	933.7	239.2	1,172.9	1,236.3
Buy/Sell Foreign Currencies	698.4	276.1	974.5	746.8
TOTAL HEDGING INSTRUMENTS	1,786.8	540.3	2,327.1	2,177.6

Exchange risk is mainly related to the US dollar and the Pound Sterling.

A change of the US dollar spot price by plus or minus 10% at the closing date, calculated on the entire portfolio of Euro/US dollar derivatives, would generate a change of plus or minus €7.0 million in the result before tax (because of financial instruments held for economic hedging but not qualified for hedging accounting) and plus or minus €52.3 million in fair value reserves in equity.

A change of the Pound Sterling spot price by plus or minus 10% at the closing date, calculated on the entire portfolio of Euro/Pound Sterling derivatives, would generate a change of plus or minus €7.0 million in the result before tax and plus or minus €14.7 million in fair value reserves in equity.

(c) Interest rate risk

Analysis of the sensitivity of the situation to the change in interest rates

Technip's floating rate debt amounted to €44.9 million compared to a total net debt of €2,106.1 million.

Cash is invested short term in order to ensure liquidity. Financial products are subject to fluctuations in money market interest rates.

The net short-term cash position of the Group (cash and cash equivalents less short-term financial debts) amounted to €1,888.9 million.

As of December 31, 2012, a 1% (100 bp) increase in interest rates would lower the fair value of the fixed rate convertible bonds and private placements by €71.5 million before tax; a 1% (100 bp) decrease in interest rates would raise the fair value by €71.5 million before tax.

A 1% (100 bp) increase in interest rates would generate an additional profit of €18.8 million before tax in the net cash position; a 1% (100 bp) decrease in interest rate would generate a loss of the same amount.

Interest rate risk monitoring method

Technip regularly analyzes its exposure to interest rate risk. This activity is the responsibility of the Treasury Department, which reports directly to the Deputy CFO.

The Group does not use financial instruments for speculative purposes.

As of December 31, 2012, Technip did not enter into any derivative interest rate instrument.

(d) Credit risk

A significant portion of the Group's activity is concentrated with a limited number of clients because the worldwide market is dominated by a small number of major oil and gas companies. Consequently, the Group regularly performs credit risk analyses before entering into contracts and has set up procedures for monitoring payments made by customers.

The schedule of past due but not impaired trade receivables is the following:

	As of December 31, 2012				
	Not impaired on the Reporting Date and Past Due in the Following Periods				
In millions of Euro	Less than 3 months	3 to 12 months	Over 1 year	Total	Total Trade Receivables
Trade Receivables	151.7	127.7	58.2	337.6	1,273.5

	As of December 31, 2011 – Restated				
	Not impaired on the Reporting Date and Past Due in the Following Periods				
In millions of Euro	Less than 3 months	3 to 12 months	Over 1 year	Total	Total Trade Receivables
Trade Receivables	219.7	103.6	25.3	348.6	1,279.9

As of December 31, 2012, the main counterparty for cash and cash equivalents represents 13.7% of total net cash position. The principal counterparty for derivative financial instruments represents 14.6% of the Group's total derivative financial instruments. The set of counterparties for the Group's operations was limited to bank institutions that were considered as the safest, mostly noted AA and A.

Note 34 – Auditors’ fees and services

Auditors’ fees and services break down as follows:

	Ernst & Young				PricewaterhouseCoopers			
	2012		2011		2012		2011	
In thousands of Euro	Amount	%	Amount	%	Amount	%	Amount	%
Audit								
Auditing, certification of financial statements, examination of statutory and consolidated financial statements:								
■ Technip	535	12%	535	14%	535	19%	535	19%
■ Subsidiaries	1,915	44%	1,887	49%	2,084	74%	2,019	71%
Other work and services directly related to the responsibilities of Statutory Auditors:								
■ Technip	891	21%	810	21%	95	3%	190	7%
■ Subsidiaries	125	3%	72	2%	30	1%	7	-
Sub-total	3,466	80%	3,304	86%	2,744	97%	2,751	97%
Other services								
Legal and tax:								
■ Technip	-		-	-	-		-	-
■ Subsidiaries	890	20%	526	14%	95	3%	75	3%
Sub-total	890	20%	526	14%	95	3%	75	3%
TOTAL	4,356	100%	3,830	100%	2,839	100%	2,826	100%

Other work and services directly related to the responsibilities of Statutory Auditors are related to due diligences performed in connection with Technip’s acquisitions and diligences related to the issuance of OCEANE convertible bonds.

Note 35 – Subsequent events

There have been no significant subsequent events which occurred since the closing date of the financial year ended December 31, 2012.