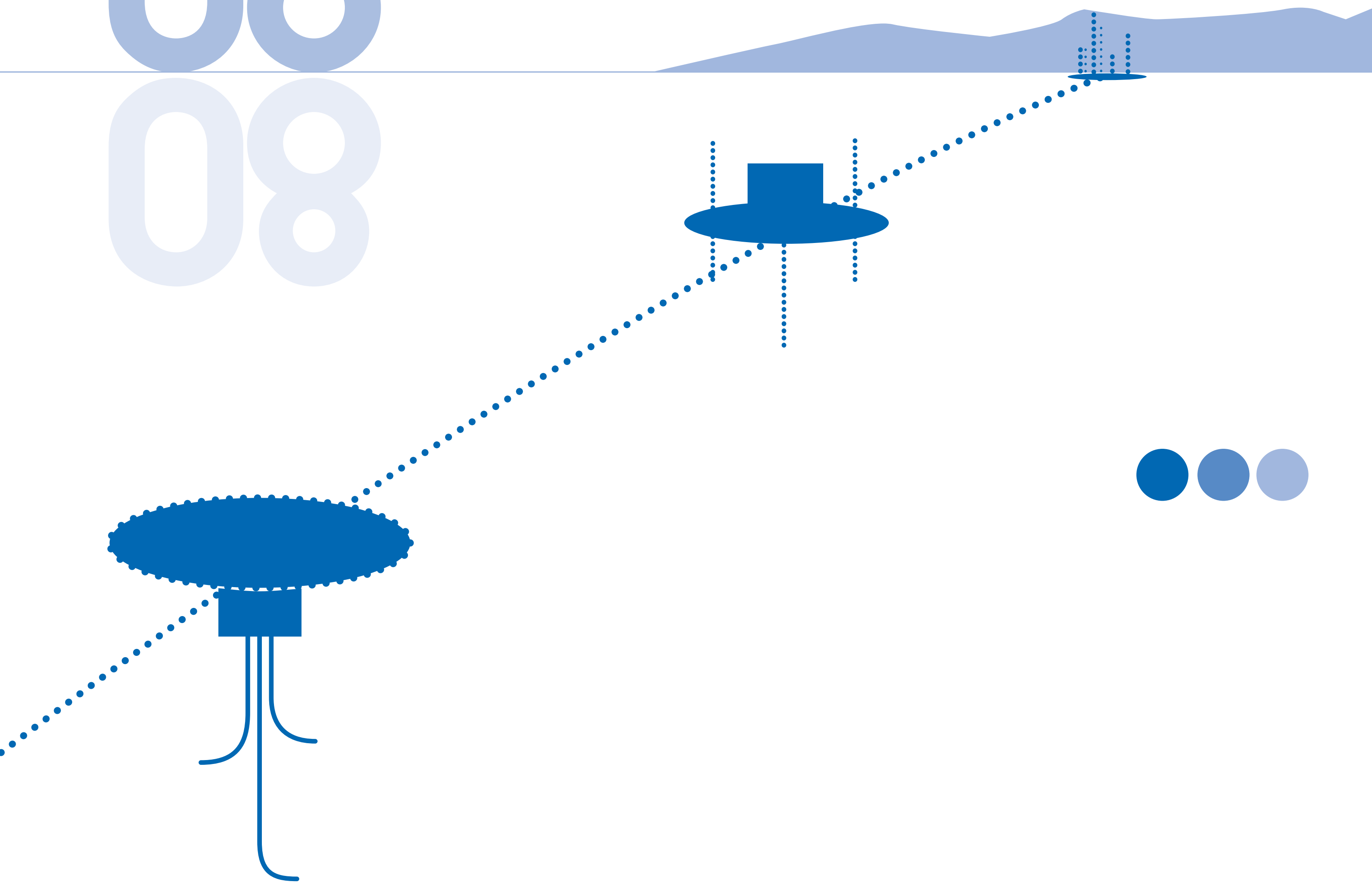
Technip

Reference Document

08



2008 Reference Document

(Unofficial English language translation)

*This Reference Document was filed with the French Financial Market Authority (*Autorité des marchés financiers*, or "AMF") on March 25, 2009 in accordance with Article 212-13 of its General Regulations. This Reference Document may be used for the purpose of a financial transaction provided it is accompanied by a transaction notice approved by the AMF.*

Copies of this Reference Document are available for free from Technip, at 6-8, allée de l'Arche–92973 Paris-La Défense Cedex–France, and on Technip's website (www.technip.com) and the AMF's website (www.amf-france.org).

Contents

Foreword

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

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

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

- the 2007 consolidated financial statements and Company financial statements, as well as the Statutory Auditors' reports for the financial year ended December 31, 2007, found on parts III, IV and V of the 2007 Reference Document dated March 25, 2008 filed with the French Financial Markets Authority (hereinafter, the "AMF") under no. D.08-146,
- the key financial information, the Company's and the Group Management Reports and all of the financial information found on Part I and II of the 2007 Reference Document dated March 25, 2008 filed with the AMF under no. D.08-146,
- the 2006 consolidated financial statements and Company financial statements, as well as the Statutory Auditors' reports for the financial year ended December 31, 2006, found on pages 99 to 199 of the 2006 Reference Document dated April 6, 2007 filed with the AMF under no. D.07-0297.

The sections of these documents that are not included are either not relevant to investors or are addressed in another part of the Reference Document.

This Reference Document contains all of the information from the Management Report of the Board of Directors.

1

Person responsible for the Reference Document

1.1. Person responsible for the Reference Document

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

1.2. Statement by person responsible for the Reference Document

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

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

I have obtained a work completion document from the Auditors *(lettre de fin de travaux)*, in which they indicate that they have verified the information relating to the financial situation and the financial statements presented in this Reference Document and carried out a review of the entire Reference Document. The Statutory Auditors prepared reports on the annual/consolidated financial statements for the year ended December 31, 2008 included in this document, which can be found in sections 20.1.1 and 20.2.1 and which were prepared without reserve and contain one observation on an ongoing procedure relating to an old project in Nigeria handled by a joint venture."

Thierry Pilenko

Chairman and Chief Executive Officer

2

Statutory Auditors

2.1. Principal Auditors

Ernst & Young et Autres, represented by Gilles Puissochet

Member of the *Compagnie Régionale de Versailles*

41, rue Ybry–92576 Neuilly-sur-Seine Cedex–France

Date of first appointment: 1986

Expiry date of current appointment: at the close of the Shareholders' Meeting convened to approve the financial statements for the 2009 financial year.

PricewaterhouseCoopers Audit, represented by Louis-Pierre Schneider

Member of the *Compagnie Régionale de Versailles*

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

Date of first appointment: 2004

Expiry date of current appointment: at the close of the Shareholders' Meeting convened to approve the financial statements for the 2009 financial year.

2.2. Alternate Auditors

Yves Nicolas

Member of the *Compagnie Régionale de Versailles*

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

Date of first appointment: 2004

Expiry date of current appointment: at the close of the Shareholders' Meeting convened to approve the financial statements for the 2009 financial year.

Auditex*

Member of the *Compagnie Régionale de Versailles*

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

Date of first appointment: 2007

Expiry date of current appointment: at the close of the Shareholders' Meeting convened to approve the financial statements for the 2009 financial year.

* *Following Christian Chochon's resignation from his position as alternate Statutory Auditor, the Combined Shareholders' Meeting of April 27, 2007 appointed Auditex, 11, allée de l'Arche–Faubourg de l'Arche–92037 La Défense Cedex–France, as the Company's alternate Statutory Auditor, replacing Christian Chochon until the end of his term, which will expire at the end of the Shareholders' Meeting convened to approve the financial statements for the financial year ending December 31, 2009.*

3

Selected Financial Information

3.1. General Presentation of the Group

Technip is a world leader in the fields of project management, engineering and construction for the oil and gas industry, offering a comprehensive portfolio of innovative solutions and technologies, with consolidated revenues of 7.5 billion euros in 2008.

At February 28, 2009, Technip had a regular workforce[1] of 22,694 worldwide, including 92 nationalities. The Group is present in close to 50 countries on the five continents.

(1) In addition, 2,700 people from outside companies.

At February 28, 2009, its production facilities (flexible pipes, umbilicals), manufacturing yards and spoolbases were located in France, Brazil, the United Kingdom, Norway, the United States, Finland, Angola and, by 2010, will also be located in Malaysia. Also at February 28, 2009, the Group's fleet comprised 16 vessels specialized in subsea pipelay, subsea construction, diving support and exploration. Three additional vessels are expected to join the fleet by 2010.

Technip possesses integrated capacity and recognized expertise in subsea infrastructures (Subsea), offshore platforms (Offshore) and onshore mega-complexes (Onshore). The Group is active in three segments of the worldwide oil and gas industry.

Subsea

In 2008, the Subsea segment generated revenues of 2,689.0 million euros, representing 35.9% of consolidated revenues in 2008. With respect to hydrocarbon field development, Technip's subsea activities include the design, manufacture and installation of rigid and flexible subsea pipelines and umbilicals. Technip is a key operator on this market as a result of its Research and Development investments. Technip offers a wide range of innovative subsea pipe technologies and solutions, and has leading industrial and operational assets. Technip has two flexible pipe manufacturing plants, three umbilical production units, five reeled rigid pipe spoolbases and a constantly evolving fleet of specialized vessels for pipeline installation and subsea construction, strategically deployed in the world's major Offshore markets.

Offshore

With revenues of 695.2 million euros in 2008, representing 9.3% of the Group's 2008 consolidated revenues, the Offshore segment consolidates the engineering, development and construction activities in relation to platforms for oil and gas production at sea, whether in shallow water (fixed platforms such as TPG 500, Unideck®) or deepwater (floating platforms such as Spar, semi-submersible platforms and FPSOs). Every year, Technip devotes significant resources to research and development, and is a leader in floatover technology.

Onshore

In 2008, the Onshore segment generated revenues of 4,097.2 million euros, representing 54.8% of consolidated revenues. This segment is active in engineering and construction for the entire range of onshore facilities for the oil and gas industry (refining, hydrogen, sulphur, gas treatment and liquefaction, onshore pipelines), the petrochemical industry (ethylene, aromatics, olefins, polymers) and non-oil activities (mining and metallurgical projects, biofuels and renewable energy). Technip holds several proprietary technologies and is the leader in the design and construction of LNG and gas treatment plants as well as hydrogen and syngas units. The Group is a leading actor worldwide in refining and petrochemical units.

The Group is strongly committed to developing innovative technologies and reinforcing its expertise in each of its business segments.

Technip is active on more and more ambitious, complex and challenging projects involving deeper water, extreme climatic conditions, large-scale projects, non-conventional resources and higher environmental performance standards. The Group is thus a key actor in the development of sustainable solutions to the challenges facing the energy sector in the 21st century.

At February 28, 2009, its roster of clients included international oil companies, such as ExxonMobil, Shell, ConocoPhilips, Total, BP, Chevron, and a large number of national companies, such as Aramco, ADNOC, Petronas, Petrobras, Petrochina, Gazprom. Its five main clients represented 27.3% of consolidated revenues in 2008 compared with 41.70% in 2007 and the revenues generated from its ten main clients represented 42.4% of consolidated revenues in 2008 compared with 53.90% in 2007.

The top five projects represented 20% of consolidated revenues in 2008 compared with 27% in 2007. The top ten projects generated 29% of consolidated revenues in 2008 compared with 43% in 2007.

3.2. Selected Financial Information

The table below presents selected consolidated financial data that have been extracted or derived from the Consolidated Financial Statements for the two years ended as of December 31, 2008 and 2007, prepared in accordance with International Financial Accounting Standards.

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

Consolidated Income Statement Data for 2008 and 2007 (IFRS)

	12 months	
In millions of Euro	**2008**	**2007**
Revenues	**7,481.4**	**7,886.5**
Operating Income/(Loss) from Recurring Activities	**656.9**	**247.0**
Operating Income/(Loss)	**656.9**	**266.9**
Net Income/(Loss) for the Year	**454.3**	**128.0**
Attributable to:		
Shareholders of the Parent Company	448.0	126.3
Minority Interests	6.3	1.7

Other Financial Information Derived from the Consolidated Income Statement for 2008 and 2007

	12 months	
In millions of Euro	**2008**	**2007**
Gross Margin	1,139.7	641.4
(in % of Revenue)	*15.2%*	*8.1%*
Operating Income/(Loss) from Recurring Activities	656.9	247.0
(in % of Revenue)	*8.8%*	*3.1%*
Net Income/(Loss) for the Year	454.3	128.0
Amortization and Depreciation for the year	188.6	162.9
Earnings per Share (in Euro)	4.27	1.22
Diluted Earnings per Share (in Euro)	4.25	1.20

Information by Business Segment

Subsea	As of December 31,	
In millions of Euro	2008	2007
Revenue	2,689.0	2,478.2
Gross Margin	711.3	558.8
Operating Income/(Loss) from Recurring Activities	523.2	390.9
(in % of Revenue)	*19.5%*	*15.8%*

Offshore	As of December 31,	
In millions of Euro	2008	2007
Revenue	695.2	738.8
Gross Margin	100.8	95.6
Operating Income/(Loss) from Recurring Activities	38.6	35.2
(in % of Revenue)	*5.6%*	*4.8%*

Onshore	As of December 31,	
In millions of Euro	2008	2007
Revenue	4,097.2	4,669.5
Gross Margin	326.6	(8.2)
Operating Income/(Loss) from Recurring Activities	153.7	(157.3)
(in % of Revenue)	*3.8%*	*-3.4%*

Corporate	As of December 31,	
In millions of Euro	2008	2007
Revenue	-	-
Gross Margin	1.0	(4.8)
Operating Income/(Loss) from Recurring Activities	(58.6)	(21.8)
(in % of Revenue)	*na*	*na*

Consolidated Balance Sheet Data as of December 31, 2008 and 2007

	As of December 31,	
In millions of Euro	2008	2007
Non-Current Assets	3,589.1	3,463.8
including Goodwill	2,369.1	2,357.4
Current Assets	4,542.8	4,635.5
including Cash and Cash Equivalents	2,404.7	2,401.5
Total Assets	**8,131.9**	**8,099.3**
Equity attributable to Shareholders of the Parent Company	2,473.4	2,178.4
Minority Interests	22.3	18.4
Current Liabilities	4,655.8	4,965.3
Non-Current Liabilities	980.4	937.2
Total Equity and Liabilities	**8,131.9**	**8,099.3**
Other Information:		
Capital Expenditures over the Year	401.3	261.8

4

Risk Factors

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

4.1. Risks relating to the Group and its Activities

Technip is contractually exposed to significant construction risks, which could cause Technip to incur losses on projects.

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

- unanticipated increases in the costs of raw materials, equipment or manpower;
- unforeseen construction conditions;
- delays caused by local weather conditions or natural disasters (including earthquakes and floods);
- failure of suppliers or subcontractors to perform.

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

Losses on one or several large contracts could reduce Technip's net income or cause it to incur a loss.

Even though there was a better balance between large lump-sum turnkey contracts and other types of contracts in Technip's backlog at the end of 2008, Technip's contract portfolio remains relatively concentrated. This concentration may become more pronounced to the extent the Group increases its success rate in winning ever-larger lump-sum turnkey contracts. If Technip fails to achieve the expected margins or incurs losses on one or more of these large contracts, its net income could decrease or Technip could incur a loss.

Unforeseen additional costs could reduce Technip's margin on lump-sum contracts.

Technip's engineering, procurement and construction ("EPC") projects could encounter difficulties that could lead to additional costs, lower revenues, litigation or disputes. These projects are generally complex, requiring significant purchases of equipment and the management of large-scale construction projects. Delays could occur and Technip could encounter difficulties with the design, engineering, procurement, construction or installation for these projects. These factors could impact Technip's ability to complete certain projects in accordance with the schedule initially planned.

Furthermore, under the terms of certain of Technip's contracts, its customers agree to provide certain information relating to design or engineering, as well as materials or equipment for use on a particular project. These contracts can also require the customer to indemnify Technip for any additional work or expenses if the customer (i) changes its instructions or (ii) is unable to provide Technip with the information relating to the design or engineering for the project or adequate materials and equipment.

Under such circumstances, Technip generally negotiates monetary compensation from the customer for any extra time or money spent due to the customers' failure. However, Technip cannot guarantee that it will receive adequate compensation for the expenses incurred, including through litigation or arbitration. In such an event, Technip's earnings and financial condition could be significantly affected.

Technip could be held liable to pay monetary compensation should it fail to comply with schedules or other contractual provisions. Problems in the performance of contracts (present or future) could also have an impact on Technip's operating income and harm Technip's reputation in its industry and with its customers.

Risks related to subcontractors and suppliers with respect to lump-sum or cost plus fee contracts

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

If the amount that Technip is required to pay for such services, equipment or materials exceeds the amount estimated during the bidding process for lump-sum contracts, Technip could incur losses in the performance of such contracts. Any delay on the part of subcontractors or suppliers in the completion of their portion of the project, any failure on the part of a subcontractor or supplier to meet its obligations or any other event attributable to a subcontractor or supplier that is beyond Technip's control can lead to delays in the overall progress of the project and/or generate extra costs.

Technip performs a credit analysis in its selection process for subcontractors and suppliers, which could lead Technip to not select a subcontractor or a supplier, to require that they issue bank guarantees or to adapt their payment conditions to the risks identified.

Despite this process, failures and defaults on the part of subcontractors or suppliers could result in significant delays and extra costs, and Technip could be required to compensate customers for such delays. Even where these extra costs are to be borne by the defaulting supplier or subcontractor, Technip could be unable to recover the entirety of these costs.

Equipment failure or mechanical malfunction could have an impact on project costs and reduce Technip financial results

The successful execution of projects is dependent on highly reliable assets. Technip's assets could malfunction, which could not only result in greater project execution costs, but also lead to delays in the following projects for which such assets were intended to be used. Despite the maintenance program implemented by the Group to keep its assets in good working condition, failures may still occur. Any equipment or mechanical failures with respect to Technip's main assets could impact a project's costs, decrease revenues and lead to penalties for failure to comply with a project's terms, which could significantly affect the economical conditions and the financial results of Technip's activities.

Technip's business could be heavily impacted by events connected with terrorist acts, wars or revolutions of a national or international nature, or by the consequences of such events.

Events connected with terrorist acts, wars or revolutions, whether of a national or international nature, could have a negative effect on Technip's business. For example, the Gulf War (1990-1991) disrupted or cancelled some of Technip's projects. In the future, any similar event, terrorist act, war or revolution, whether of a national or international nature, could have an even more adverse impact on Technip's business.

A large number of projects are located in emerging countries where political, economic and social instability could result in the cancellation, postponement or delay of those projects.

In 2008, a large part of Technip's business involved projects in emerging countries. Unforeseen political events or social instability (such as strikes of a large magnitude, corruption or fraud) or changes in economic policies (see Section 4.3 of this Reference Document) in these countries could have a material, adverse impact on the Group's profitability. For example, in 2008, security concerns in Nigeria delayed the execution of certain projects and the award of new contracts. To address these risks, Technip endeavors, with respect to each contract, especially those located in countries considered to be politically unstable, to match the progress of work and expenses incurred with payments received. Technip could also decide to reduce its exposure to a specific region or country by deciding not to perform new projects there. Furthermore, Technip is in contact with export credit agencies and insurance companies to obtain insurance coverage against political risk, where required. However, in the event of national or regional political instability, these insurance policies may be inadequate to prevent a loss on ongoing projects, which could reduce Technip's net income or cause Technip to incur a loss.

Political instability may also result in fewer new projects meeting Technip's criteria. As a result, political instability in developing countries could lead to greater costs and limit the Group's growth opportunities.

Technip's operations may cause substantial harm to persons and property, which could hurt its reputation and, in addition, to the extent they are not covered contractually or by insurance, cause Technip to incur substantial costs.

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

Technip's policy is to contractually limit its liability and provide for indemnity provisions, as well as to obtain insurance coverage. However, such precautions may not always prove to be effective. Environmental and social liability may be assigned to Technip as a matter of law in certain jurisdictions where Technip operates. In addition, clients and subcontractors may not have adequate financial resources to meet their indemnity obligations to Technip.

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

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

Dependence

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

Such legal actions could have a significant impact on the business, the image and reduce Technip's market share and thus affect the Group financial results.

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

Technip is not dependent upon its suppliers. In this regard, Technip is not limited in its choice of suppliers and approaches all suppliers active on the worldwide market.

Technip is not dependent on any individual customer as a result of its large customer base. Over the course of the last two fiscal years, the consolidated revenues generated by Technip's top five customers were as follows:

In % of Group revenues	2008	2007
Client A	8.5%	12.2%
Client B	7.6%	11.9%
Client C	3.9%	6.7%
Client D	3.9%	5.6%
Client E	3.4%	5.3%
Total	**27.3%**	**41.7%**

For informational purposes, Technip's top 10 customers represented 42.4% of consolidated revenues in 2008 (as compared to 53.9% in 2007).

The success of joint ventures in which Technip participates depends on the satisfactory performance of its partners' obligations.

The failure of Technip's partners to perform their obligations in accordance with the contract awarded to the joint venture could lead to additional obligations being imposed on Technip, such as taking over the defaulting partner's obligations, or to additional costs being incurred by Technip as a result of a partner's non-satisfactory performance (such as a delay), which could reduce Technip's profits or, in certain cases, generate significant losses.

4.2. Risks related to the Group's Industry

Technip could fail to retain its key personnel or fail to attract the new qualified employees it will need to maintain and develop its know-how.

Over the last financial year, the recruitment of qualified employees in the skill areas needed by Technip continued in conjunction with the Company's growth.

Technip's success depends on its ability to recruit, train and retain a sufficient number of employees including managers, engineers and technicians who have the required skills and expertise. Competition for the recruitment of these types of profiles is strong.

Technological progress might make the technologies used by Technip obsolete.

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

Unlike in other sectors, this industry has not encountered any technological breakdowns, but it requires continuous research and development in order to continually push the limits of production-exploration. Technip's success relies on continuous and regular research and development in order to develop new products and new installation methods that will provide solutions at an acceptable cost to the market.

The failure to maintain continuous and regular research and development could result in a market share reduction for Technip, which could have a significant impact on its activities.

- **Increasing price pressure by competitors could reduce the volume of contracts meeting Technip's margin criteria.**

Most of Technip's contracts are obtained through a competitive bidding process, which is customary in the sector. Technip's main competitors are engineering and construction companies in the United States, Europe, Asia and the Middle East. While service quality, technological capacity, reputation and experience are strongly considered in client decisions, price remains one of major factors in most contract awards. Historically, this industry has been frequently subject to intense price competition. If pricing pressure were to intensify in the future, the number of projects meeting Technip's margin criteria could decline. In addition, Technip's revenues could grow more slowly or even decrease.

- **Consequences of the current financial crisis on loans, letters of credit, bank guarantees and other guarantees necessary to Technip's operations.**

The financial crisis, which began in July 2007 and continued throughout 2008, has led to an increase in the cost of loans, bank guarantees and letters of credit, which are necessary for the development of Technip's activities. This increase is due to balance sheet and liquidity constraints and constraints with regard to allocations of equity that financial institutions have faced.

Technip continues to benefit from lines of bank guarantees in significant amounts with several large financial institutions, enabling Technip to satisfy its contractual obligations. Nevertheless, the changes in the banking market may have an impact on the future issuance of bank guarantees and letters of credit in significant amounts and may require the involvement of several banks. These issuances could be more restrictive and more expensive to structure in a banking market where banks are increasingly reluctant to take risks on their peers. This could impact Technip's capacity to develop its business, its backlog and its earnings.

Despite Technip's credit risk management and hedging policy, Technip cannot guarantee that it will not be required to directly bear the risk of financial failure of any of its clients, partners or subcontractors following the loss of financing on certain projects and, more generally, due to the impact of the current financial crisis on the availability of credit facilities to companies. Such a trend may have a significant adverse impact on Technip's business and financial results.

- **The reduction in export credits could make financing certain client projects more difficult and lead to a reduction in the number of new projects, which could limit Technip's growth opportunities.**

Technip's customers sometimes use private or public export credit agencies such as Coface (France), Sace (Italy), Atradius (the Netherlands), Hermes (Germany) or JBIC (Japan), in order to obtain a guarantee on or insurance for the financing of major contracts. Should the involvement of these export credit agencies fall below their current level, customers could choose to undertake fewer projects. A decline in the number of new contracts for this reason could limit Technip's growth opportunities and have a significant impact on its business.

- **The reduction in investments in the oil sector due, in particular, to the current international financial crisis, could cause projects to be postponed or cancelled and could limit Technip's ability to increase or maintain its profits.**

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

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

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

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

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

Lastly, investments in the oil industry are not only influenced by oil prices, but also other factors, the main of which are the following:

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

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

4.3. Regulatory and Legal Risks

Changes in Technip's operational environment, in particular, changes in tax regulations or interpretations thereof in the countries where Technip is active, could impact the determination of Technip's tax liabilities.

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

The double voting rights and change of control provisions, which are included in certain agreements to which Technip is a party, can limit the amount of the premium that could be offered by a potential acquirer.

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

As of February 28, 2009, 5,196,073 shares carried double voting rights, representing approximately 4.53% of the share capital and approximately 4.75% of the voting rights in the Company.

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

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

If Technip fails to effectively protect its technologies, certain competitors could develop similar technologies, causing Technip to lose its competitive advantage and resulting in a loss of revenues.

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

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

New governmental regulations could potentially be unfavorable to Technip.

Technip's operations and means of production are governed by the international, regional, transnational and national laws and regulations of approximately 50 countries worldwide, in various fields such as export control, securities laws, internal controls, health and safety, personal data protection, labor law and environmental protection laws. The changes in each of these fields require Technip to make financial and technical investments or withdraw from certain countries in order to adapt and comply with these changes.

Technip cannot guarantee, however, that certain assets will not be nationalized or expropriated or that contractual rights will not be challenged. The occurrence of such a risk factor could have a significant impact on the Group's operations and financial results.

One or more of Technip's contracts for projects in Iran may be subject to U.S. sanctions, which could limit its ability to obtain credit from U.S. financial institutions and restrict its ability to make sales in the United States, potentially increasing its cost of borrowing and reducing its business.

As a foreign multinational corporation with operations throughout the world, Technip operates in certain countries where U.S. persons or entities and, in some cases, foreign persons and entities, are prohibited from doing business. Pursuant to the Iran and Libya Sanctions Act of 1996, as amended in 2001 and 2006 (the "ISA"), the President of the United States may impose a certain number of sanctions on any person or company, regardless of nationality, that makes an investment in Iran exceeding 20 million U.S. dollars or that directly contributes to improving Iran's ability to develop its petroleum industries. Technip is completing projects in Iran and generated revenues there in 2008 of 17.5 million euros (approximately 22.3 million U.S. dollars). As of December 31, 2008, projects in Iran accounted for approximately 2.5 million euros (approximately 3.2 million U.S. dollars) of Technip's backlog, representing 0.03% of total backlog. If the United States government were to determine that some or all of Technip's activities in Iran are "investments" as statutorily defined by ISA, the President of the United States could apply a range of sanctions, which can include restricting Technip's ability to obtain credit from U.S. financial institutions or support from the United States Export-Import Bank or prohibiting Technip from doing business in the United States. The application of such sanction to Technip could increase its cost of borrowing and reduce its scope of activities.

- **The Group may be involved in legal proceedings with clients, partners, subcontractors, employees and tax or regulatory authorities.**

The Group is occasionally involved in legal proceedings with clients, partners and subcontractors in connection with its normal course of business. It could also be involved in proceedings initiated by (i) employees with occupational disease claims related to certain activities (divers for instance) or to exposure to hazardous substances (such as asbestos), and/or (ii) tax or regulatory authorities or any third parties.

A discussion of significant legal proceedings involving the Group can be found in Section 20.5 of this Reference Document.

4.4. Industrial and Environmental Risks

- **The operation of facilities Technip has built or is currently building may expose Technip to liability claims in connection with environmental protection or industrial risk prevention regulations.**

Technip operates in countries with numerous regulations related to environmental protection and the operation of industrial sites, which are increasingly stringent and constantly changing. Technip could be held liable, in particular, for pollution, including the release of petroleum products, hazardous substances and waste from production, refining or industrial facilities, as well as other assets owned, operated, or which were operated in the past, by the Group, its customers or subcontractors. A breach of environmental regulations could result in the remediation of polluted sites at costs that could prove to be substantial, the suspension or prohibition of certain activities and Technip's liability for damages incurred by third parties, which could have a negative impact on the Group's operations and financial results.

Although Technip does not directly operate facilities classified under Clause IV of Article L. 515-8 of the French Environmental Code (Seveso threshold), certain of its activities (construction, installation or commissioning) are carried out at industrial facilities subject to risks. The persons responsible for these activities, in cooperation with Technip's customers, are subject to a number of obligations and must take all necessary measures, in particular, to monitor and evaluate risks and evacuate persons. This policy, which places a premium on training, is in large part similar to the accomplishments in the areas of quality-assurance and onsite accident prevention.

In the event of a major industrial accident in a facility subject to risks, Technip could be held liable as an onsite participant for damages to Technip's employees or property, or the loss of an important customer affected by a major accident, could have a negative impact on the Group's operations and income.

Moreover, changes in the regulations relating to environmental protection and industrial risks or in the interpretation or enforcement thereof, such as the European Directive of April 21, 2004 with regard to environmental liability, which has been transposed in the legislation of most of the member states where Technip operates, could increase Technip's potential liabilities, which could have a significant negative impact on its operations and financial results.

- **Climate change could have an unfavorable impact on Technip's operations and income.**

Technip divides climate change risks into three categories, each of which is subject to a different approach in terms of economic risks and opportunities:

1. regulatory risks resulting from more stringent international, European or national regulations intended to reduce greenhouse gas emissions;
2. competition risks resulting from possible changes in customer demand for more energy-efficient products and processes; and
3. physical risks such as damages or delays in the completion of projects, resulting from an increasing number of climate events.

The various internal control processes applied throughout the Group or with respect to a project allow it to assess and manage these risks depending on their size and on the perimeters of responsibility.

1. Technip has no facilities classified under the French national greenhouse gas quota scheme (PNAQ I for the 2005-2007 period and PNAQ II for the 2008-20012 period). However, investments in the petroleum industry can be particularly impacted by changes in environmental laws and regulations applicable to the place where a project is located and to relevant business sectors. Regional Business Units, with the assistance of Product Business Units, permanently monitor

environmental regulations in order to propose innovative solutions to reduce greenhouse gas emissions. However, if certain regulations change in an unexpected manner or impose requirements for which Technip is not in a position to propose solutions, the obligations imposed by such regulations could have a significant negative impact on the Group's operations and financial results.

2. Reporting directly to the Company's Chairman and Chief Executive Officer, the New Technologies Department is responsible for identifying future technologies and developing Technip's action plan to fight global warming and to forecast the future of energy demand.

   In the absence of such an approach, Technip could no longer be in a position to satisfy market demand, which could negatively impact its operations and financial results.

3. Technip business could be materially affected by severe weather conditions in countries where it operates, which could require the evacuation of its employees and the suspension of such activities. A three-level operational organization is in place to manage crisis situations. A corporate organization involves regions and projects, which also implement their own crisis management and communication processes to improve efficiency should a crisis occur: this includes planning resource (both of assets and persons) allocation, rapid activation of crisis management processes, mobilization of persons and optimization of the crisis management system. The actions undertaken and the training provided relate to crisis alert, process activation, management and resolution. Despite the implementation of these procedures, unfavorable climate conditions could result in the interruption of Technip's operations. Each of these events could significantly and adversely affect compliance with contractual completion deadlines as well as Technip's operating income.

Technip could face claims for occupational disease related to asbestos and incur liabilities as an employer.

Like most diversified industrial groups, Technip may have to address claims for occupational disease related to its employees' exposure to asbestos. In the event asbestos-related occupational disease is discovered, an employer could be held liable and be required to pay significant compensation to victims or their heirs and assigns. The exposure of Technip's employees to asbestos could largely result from the presence of asbestos in certain buildings or equipment used in the Group's business in its numerous locations and not to the use of asbestos in the manufacturing process, subject to certain very limited exceptions. The Group is unaware of any claims for occupational diseases in this respect. Nevertheless, should Technip be held liable and should case law evolve in favor of victims with respect to the indemnities payable, the Group could suffer serious financial consequences.

4.5. Market Risks

As a preliminary matter, Technip's business generates negative working capital requirements.

4.5.1. Credit risk

Because the worldwide market for the production, transportation and transformation of hydrocarbons and by-products, as well as the other industrial sectors in which the Group operates, are dominated by a small number of companies, Technip's business is concentrated on a limited number of customers. The Group regularly performs credit risk analyses before entering into contracts and implements payment guarantees, as necessary, as well as procedures for monitoring customer payments.

In 2008 and as of the date of this Reference Document, the Group has not observed significant payment defaults by its clients.

4.5.2. 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 financial centers located in the Group's main operating subsidiaries.

  Technip Eurocash SNC, a French general partnership *(société en nom collectif)* acts as a cash pooling entity for the Group's main entities, in compliance with applicable laws and regulations in each of the relevant countries. In this regard, Technip Eurocash SNC has entered into cash pooling agreements with most of the Group's subsidiaries in order to pool surplus cash and to meet their needs, except where local economic and financial considerations result in resorting to external local debt. Technip Eurocash SNC's management committee is comprised of the Group's Regional Chief Financial Officers and meets several times per year.
- In May 2004, Technip took advantage of favorable market conditions to issue a bond loan in an amount of 650 million euros, as described in Note 21 to the Consolidated Financial Statements ("Financial Debts") contained in this Reference Document. This issue extended the average maturity of its debt.
- As of December 31, 2008, the Group had various unused financing sources that allow it to meet its financing needs:

  1/ A credit facility authorized in an amount of 850 million euros, which was signed in 2004 and amended in 2005, 2006 and 2007 at Technip's request (single redemption date: June 20, 2012). This credit line is not secured by any of the Group's assets. This credit line comes with the usual commitments from Technip and those of its affiliates entitled to borrow, excluding all financial ratios.
  The amendment signed in June 2005 mainly related to a credit maturity extension to June 2010 and to the decrease in financial conditions. The amendment signed in June 2006 extended the credit maturity to June 2011. The amendment signed in June 2007 extended the credit maturity to June 2012.

2/ Two credit facilities in an amount of 125 million euros each, usable in euros or in U.S. dollars. The expiry dates are, respectively, May 26, 2012 and June 27, 2012, following bilateral negotiations. They have the same commitments as the credit line described above including the exclusion of any financial ratios.

3/ Two credit facilities in an amount of 80 million euros and 90 million euros, respectively, usable in euros or in U.S. dollars. The expiry date for the 80 million euro facility is May 7, 2013. Repayment under the 90 million euros facility will begin on May 13, 2011 and end on May 13, 2015. They both have the same commitments as those described in paragraph 2/ above.

4/ Various unused credit facilities amounting to a total of 23.7 million euros.

The credit agreements with respect to these various financing arrangements do not include an early payment provision in the event the borrower's credit rating deteriorates. These credit agreements include a variable interest rate provision in the event they are used as well as the usual default provisions.

As of December 31, 2008, the credit facilities confirmed and available to the Group amounted to 1,293.7 million euros, of which 1,270 million euros are available beyond December 31, 2009. Given market conditions, no commercial paper was outstanding as of the same date. Technip Eurocash SNC still has an authorization from the Banque de France for a maximum amount of 600 million euros.

- Amounts falling due in 2009 and 2010 under long-term debt amount to 123.9 million euros, including 67.9 million euros of accrued interest and 56.1 million euros in principal.

4.5.3. Currency risk

As discussed in Note 1. C (c) to the Consolidated Financial Statements ("Foreign Currency Transactions and Financial Instruments") included in Section 20.1 of this Reference Document, Technip uses financial instruments to manage its exposure to currency risks incurred in the normal course of its business. The exchange rate hedging contracts arranged by the Group are for specific, future projects pursuant to signed contracts.

Each contract is individually monitored pursuant to the Group's procedures. The initial currency exposure is systematically covered when the contract is entered into and is regularly reviewed during the performance of the contract. This monitoring is included in internal reporting.

Currency hedging is carried out in line with accounting standards taking into account future flows (microeconomic cover) and is spread among several banking counterparties, each of which is selected following due analysis.

The Group's rules require that all of its transactions in foreign currencies be hedged. As a result, almost all the assets and liabilities in foreign currencies are hedged and Technip believes that the residual currency risk is not significant. In this regard, Technip believes that disclosure of the allocation of revenues and operational expenses among the main invoicing currencies is unnecessary.

The main hedging instruments used by the Group to address currency risks are the following:

	As of December 31,			
	2008			2007
	Maturity		Nominal value	Nominal value
In millions of Euro	2010 and beyond	2009		
Buy foreign currency, sell national currency	67.3	408.1	475.4	198.2
Sell foreign currency, buy national currency	317.0	834.0	1,151.0	1,209.6
Buy/Sell foreign currencies	103.5	330.2	433.7	395.9
Total hedging instruments	**487.8**	**1,572.3**	**2,060.1**	**1,803.7**

Exchange risk is mainly related to the U.S. dollar. A upward or downward change in the U.S. dollar spot price of 10% at the end of the fiscal year would have had increased or decreased earnings before taxes by 3.4 million euros (as a result of financial instruments held for economic hedging but not qualified for hedging accounting) and would have increased or decreased fair value reserves in equity by 25 million euros.

As of December 31, 2008, no currency options had been used.

The Group's consolidated currency position is not measured. However, as of December 31, 2008, the outstanding hedging instruments by currency were the following:

USD/EUR purchase	USD/EUR sale	USD/GBP purchase	USD/GBP sale	Purchase/Sale of foreign currency *vs.* EUR	Purchase/Sale of foreign currency *vs.* foreign currency
249.8	865	46.5	220.8	511.5	166.5

4.5.4. Interest rate risk

The following table sets forth the maturity of Technip's financial assets and financial debts as of December 31, 2008. The schedule of maturity corresponds to the date of revision of interest rates.

In millions of Euro	Call money rate within 1 year and floating rate	1 to 5 years	Over 5 years	Total
Fixed rate				
Convertible bonds	-	-	-	-
(including accrued interest payable)				
Bond loans	18.3	650.0		668.3
(including accrued interest payable)	-	-	-	-
Bank borrowings and credit lines	-	-	-	-
(including accrued interest payable)	-	-	-	-
Refundable advances	-	-	-	-
	18.3	**650.0**	**0.0**	**668.3**
Floating rate				
Cash and cash equivalents	(2,404.7)	-	-	(2,404.7)
Commercial papers	-	-	-	-
Bank loans and credits	1.4	84.2	-	85.6
Bank overdrafts	6.2	-	-	6.2
	(2,397.1)	**84.2**	**0.0**	**(2,312.9)**
Total	**(2,378.8)**	**734.2**	**0.0**	**(1,644.6)**

Sensitivity analysis in regards to a change in interest rates

Technip's variable rate debt amounted to 91.8 million euros, as compared to total debt of 760.1 million euros.

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

As of December 31, 2008, the Group's net short-term cash position (cash and cash equivalents less short-term financial debts) amounted to 2,378.8 million euros.

A 1% (100 basis points) increase in interest rates would reduce the fair value of fixed rate debt before taxes as of December 31, 2008 by 13.8 million euros. Conversely, a decrease of 1% (100 basis points) would increase fair value before taxes by 13.5 million euros.

Moreover, a 1% (100 basis points) increase in interest rates would generate an additional profit of 23.8 million euros before tax to the net cash position. A 1% (100 basis points) decrease in interest rates would generate a loss in the same amount.

Method of monitoring interest rate risks

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

The Group does not use financial instruments for speculative purposes.

As of December 31, 2008, the Group had not entered into any hedging instruments *(e.g.,* interest rate swaps, forward rate agreement).

The only outstanding fixed rate debt, for which the residual maturity is greater than one year, amounts to 650.0 million euros, and is comprised of the bond loan.

4.5.5. Stock risk

The Group holds no third-party shares, either directly or through a collective investment vehicle *(organisme de placement collectif en valeurs mobilières,* or "OPCVM").

Sensitivity to changes in share price

The Company holds 3,066,144 treasury shares. In the event of a 10% decrease in Technip's share price, which was 21.81 euros at December 31, 2008, the Company would be required to record a provision in its statutory accounts in an amount of 3.7 million euros.

Risks related to Technip's shares

	Portfolio of third-party shares or mutual funds (OPCVM)	Portfolio of treasury shares In millions of Euro
Net book value	0	65.5
Provisions for exchange risk	0	(26.2)
Off balance-sheet	0	0
Net total position	0	39.3

Information on the Company and the Group

5.1. History and Development

5.1.1. Name

The Company's name is "Technip".

5.1.2. Registration place and number

Commercial register of Nanterre: 589 803 261 RCS Nanterre.

APE code: 7010 Z.

5.1.3. Date of incorporation and term

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

5.1.4. Registered office, legal form and applicable law

The registered office is located at 6-8, allée de l'Arche–Faubourg de l'Arche–ZAC Danton–92400 Courbevoie (France).

The registered office telephone number is +33(0)1 47 78 21 21.

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

5.1.5. History

1958-1960s

Technip was created on April 21, 1958. Its first significant commissions on the French market were Total's Donges and Feyzin refineries and the natural gas desulphurization plant in Lacq. Building on its initial success in France, Technip began to look abroad, and was awarded contracts to build refineries in Chittagong, Abidjan and Tamatave. The Company also took the industry forward by being awarded the contract to build the world's first natural gas liquefaction plant in Arzew, Algeria.

In the late 1960s, Technip expanded its operations to include petrochemicals, chemicals and fertilizers.

It opened a site in Lyon. The Company entered into contracts to build the natural gas liquefaction plant in Skikda, Algeria and the first unit of the natural gas desulphurization complex in Orenburg, ex-USSR.

1970s

In the early 1970s, Technip worked to assemble an international engineering group, including, in particular, Technipetrol in Rome and Tecplant in Barcelona.

Technip's young petrochemicals business was awarded two major contracts: one for China's massive Liao Yang complex and one for the number 2 steam cracker in Feyzin, France.

1971 saw the birth of Coflexip, a company specialized in the design and manufacture of the flexible pipes used in subsea hydrocarbon extraction.

Over this decade, Technip created Technip-Geoproduction, a hydrocarbon field equipment specialist, and merged with COCEI, an engineering company specialized in various non-oil industrial sectors such as wine cellars and cement, fuelling the Company's sector diversification.

Building on its earlier success in the ex-USSR, Technip entered into contracts worth FRF 2.5 billion (i.e., around 381 million euros) for aromatic complexes in Ufa and Omsk, as well as a contract to improve 2,000 oil wells in Western Siberia using gas lift technology. Technip was awarded its first projects in Brazil and the Middle East, to build steam crackers in Triunfo, Brazil and Umm Said, Qatar.

1980s

The early 1980s brought significant progress for the Company's business in the Middle East and in Asia, with contracts to build a gas processing plant in Zubair, Iraq and the refinery in Umm Said, Qatar, and with the creation of TPG Malaysia in Kuala Lumpur and Technip Abu Dhabi. Technip entered into a contract to build a refinery in Al Jubail, Saudi Arabia (with an annual capacity of 12 million tons), and launched the first phase of the Astrakhan gas complex in the ex-USSR. Technip purchased Creusot Loire Entreprise (CLE), gaining a foothold in the cement industry.

In the mid 1980s, while undergoing a financial restructuring, Technip was awarded two major gas processing contracts: Astrakhan 2 in the ex-USSR and North Field in Qatar. Adding to Technip's reputation as a pioneer, Technip-Geoproduction achieved a technological breakthrough with the raising of the Ekofisk platforms in the North Sea. In cooperation with SGN, Technip assisted in expanding the nuclear fuel reprocessing plant in La Hague. To help service its growing South American presence, Coflexip built a flexible pipe plant in Brazil in 1986.

At the turn of the decade, the Group founded Technip Seri Construction and acquired a stake in Portuguese engineering company, Lusotecna.

1990s

In 1990, Coflexip founded an umbilical manufacturing plant, Duco Ltd.

Turnkey business became a major part of Technip's work in the early 1990s, in particular, with gas processing installations such as Accro 1 in Venezuela and Bab Habshan (OGD 1) in Abu Dhabi. Fuelling its expansion, Technip acquired Spie-Batignolles' industrial engineering operations (Speichim and EGI) and took over Saint Petersburg-based company Lentep, which it renamed Technip CIS. Coflexip also acquired Perry Tritech Inc., a radio-guided subsea robot manufacturer.

Coflexip was listed on the NASDAQ in 1993, and Technip was listed on the Paris stock exchange in 1994.

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

The mid 1990s saw another flurry of expansion. The Company founded Technip Tianchen in China, acquired a majority stake in Houston's upstream oil specialist, CBS Engineering, and, with SGN, created Krebs-Speichim, a chemical engineering company. The Group rounded out the decade with the acquisition of KTI/MDEU and the creation of Technip Germany, Technip USA and Technip Benelux, increasing its workforce by more than one-third in just a few short years to 10,000. It was at this point that Technip became the industry's European leader.

Meanwhile, Coflexip acquired the Stena Offshore Group, a subsea works business in the crude oil-related industry, specializing in the installation of "reeled" pipes, and built a steel umbilicals manufacturing unit, Duco Inc., in Houston, Texas.

2000s

In April 2000, Technip took an important step and became Coflexip's largest shareholder. Separately, Coflexip acquired Slingsby Engineering Systems Ltd., a subsea robotic systems maker.

2001 was a year of major organizational changes: Krebs-Speichim merged with Technip, creating Technip LCI, from the Life Science, Chemical and Industry segments. In 2001, Technip also acquired Brazilian engineering company, UTC.

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

By the mid-2000s, Technip was generating revenues of nearly 5.4 billion euros and boasted a workforce of nearly 21,000 employees representing 60 nationalities and working in more than 50 countries.

Once the integration of acquisitions was completed, Technip underwent a structural reorganization, and adapted its asset base to changes in its markets:

- Technip UK Limited concluded a memorandum of understanding with Mermaid Offshore Services Limited, for the sale of *Marianos*, a diving support vessel.
- Technip USA Holdings Inc. sold the assets and business of Gulf Marine Fabricators, a Technip subsidiary located near Corpus Christi, Texas, USA, to a subsidiary of Gulf Island Fabrication, Inc. (NASDAQ: GIFI). They also signed a cooperation agreement for engineering, procurement and construction ("ECP") projects, which gives Technip the continued benefit of access to manufacturing capacities in the Gulf of Mexico.
- Technip sold its stake in Technip Portugal to the branch's management, changing its name to Technoedif Engenharia. This Lisbon-based company carries out engineering projects for the Portuguese market and continues to work with Technip on a case-by-case basis.

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

Continuing its policy of selling assets that are not at the core of its business, Technip sold its 100% holding in the share capital Perry Slingsby Systems Ltd. and Perry Slingsby Systems Inc. to Triton Group Holdings in early 2007. Technip also sold several other companies and holdings:

- it sold its 20% stake in Nargan, an Iranian engineering company, to another of Nargan's shareholders;
- Technip sold its holding in Guigues, a company specialized in water treatment and the environment, to a subsidiary of *Institut Pasteur*.

Technip continued to consolidate its leadership in the oil and gas markets by acquiring complementary technologies and technological expertise, as well as geographical positions enabling it to extend its global market coverage, and by strengthening its construction and manufacturing activities:

- Citex, a wholly-owned subsidiary of Technip specializing in chemical engineering, acquired Setudi, an engineering company with a staff of approximately 40 employees, located in Rouen, France;
- Technip Offshore (Nigeria) Limited, a wholly-owned subsidiary of Technip, acquired a 39% stake in Crestech Engineering Limited, a Nigerian company with a staff of approximately 100 employees, at the time of its creation.

Technip also grew organically by increasing flexible pipe production and plant capacity by 50% in Vitoria, Brazil and by 20% in Le Trait, France. Malaysia-based Asiaflex Products, wholly owned by the Group, was created to build a flexible pipe and umbilicals manufacturing plant, further reinforcing Technip's flexible pipe manufacturing capacity. A joint venture was created between Technip Norge AS and Dofcon AS for the ownership of the *Skandi Arctic* vessel built for the Norwegian market.

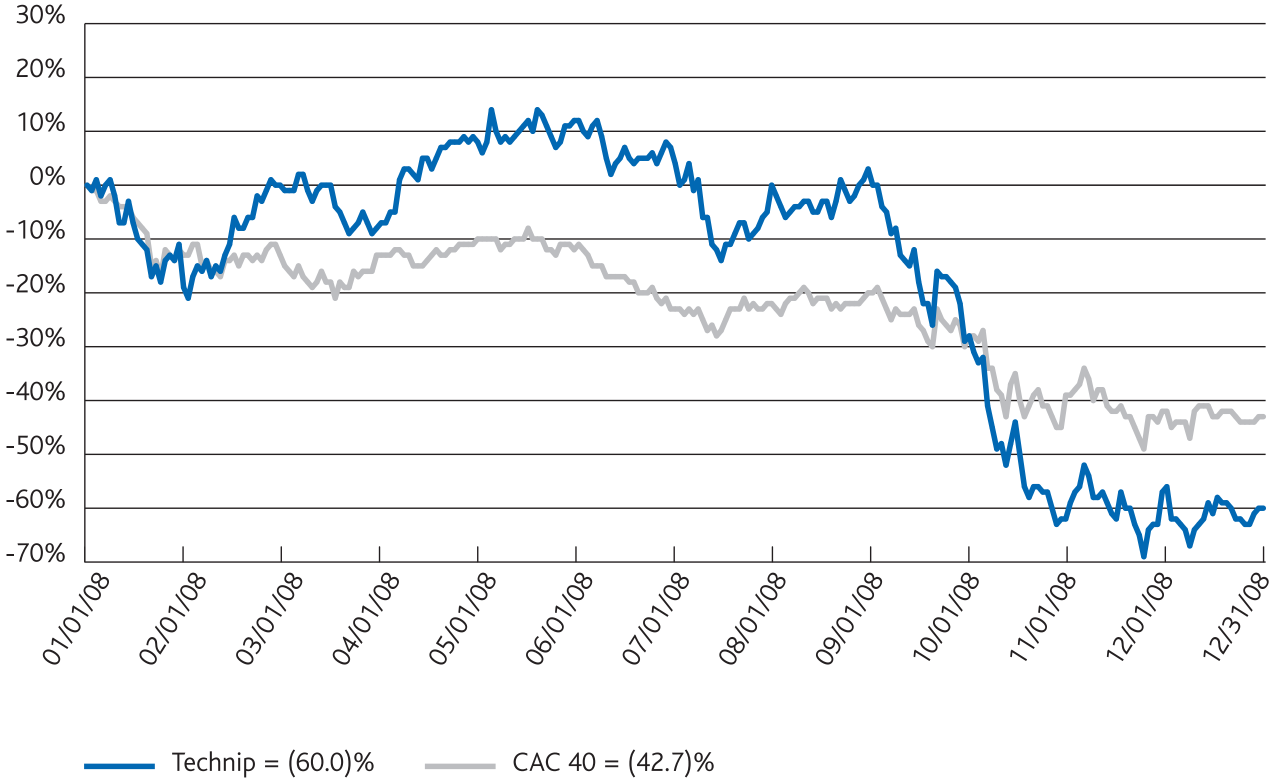
Later that year, Technip voluntarily delisted its American Depositary Shares (ADS) from the New York Stock Exchange (NYSE) and deregistered from the United States Securities and Exchange Commission (SEC).

Technip and the stock exchange

Technip's shares have been part of the CAC NEXT20 Index since 2004. This index includes the 20 most representative French stocks, after the stocks included in the CAC 40, according to their market capitalization and liquidity. At December 31, 2008, Technip's shares ranked 19th on the CAC NEXT20 by weighted capitalization (4.18%).

Share price performance

Share price performance on Euronext™–Compartment A (from January 2, 2008 to December 31, 2008)



After a difficult start to the year, Technip's share price performance was satisfactory over the second quarter of 2008, reaching its highest value for the year of 63.10 euros per share. The share price was then impacted by the worldwide financial crisis with a significant decline as of September. The share ended the year down nearly 60% at 21.81 euros per share, in line with the 2008 share price performance of the principal companies in the oil services sector.

Technip share performance on Euronext Paris over the last 18 months

High/low prices In Euros

	Date	Highest	Lowest	Number of shares traded	Capital exchanged
2007	09/28/07	64.28	55.58	14,279,742	846,533,630
	10/31/07	69.25	57.92	22,466,939	1,437,815,670
	11/30/07	64.33	53.17	18,424,008	1,071,598,290
	12/31/07	56.70	49.92	14,070,573	748,893,176
2008	01/31/08	55.60	40.78	26,589,319	1,280,413,310
	02/29/08	56.11	42.52	24,517,583	1,220,041,022
	03/31/08	56.20	48.21	16,616,103	871,787,250
	04/30/08	60.00	49.01	21,644,505	1,209,917,112
	05/30/08	63.10	56.72	15,585,590	935,922,018
	06/30/08	61.93	54.72	14,540,334	845,983,344
	07/31/08	60.78	46.55	21,618,114	1,125,431,554
	08/29/08	56.43	50.03	11,609,458	613,406,718
	09/30/08	56.35	36.40	21,338,997	973,711,594
	10/31/08	40.24	19.50	38,492,178	997,007,308
	11/28/08	26.46	16.75	23,323,221	505,914,548
	12/31/08	23.68	18.00	20,213,247	422,094,668
2009	01/30/09	27.00	20.70	16,902,760	406,818,495
	02/27/09	28.88	23.04	16,731,316	442,665,126

5.2. Investments

5.2.1. Investments made since 2007

To meet sustained demand in this sector, Technip launched a major investment program in 2006 for the 2007-2010 period to expand its fleet and to increase its flexible pipeline production capacity, among other things. This program notably includes:

- a rigid pipelay vessel, the *NPV,* with top speeds of 20 knots, designed to be used in the North Sea and in the deep sea of the golden triangle (Gulf of Mexico, Brazil, West Africa);
- a diving and construction vessel, the *Skandi Arctic,* held equally with Dofcon, which was designed for a framework agreement signed with StatoilHydro in 2005 for the Norwegian market;
- a flexible pipelay vessel in Brazil, the *Skandi Vitoria,* to meet the recent increase in the Group's plant capacity in this country;
- a 10-year lifespan extension for the *Orelia,* diving vessel that mainly operates in the North Sea;
- an umbilical pipelay system designed for the deep seas of the Gulf of Mexico;
- a total increase of 30% in the production capacities of the Le Trait (France) and Vitoria (Brazil) plants; and
- the construction of a new 200 km/year flexible pipe plant in Malaysia, with production expected to begin in 2010.

The total amount of these investments at December 31, 2008 amounted to 401.3 million euros. The breakdown by segment is as follows:

- Subsea: 362.8 million euros;
- Offshore: 11.6 million euros;
- Onshore: 17.2 million euros; and
- Corporate: 9.7 million euros.

In 2008, the *Orelia* vessel started operations again following significant renovation, which will allow it to stay active for an additional 10 years.

In 2008, the construction of the *NPV,* the *Skandi Arctic* and the *Skandi Vitoria* moved forward according to the investment program for the 2007-2010 period as described above. The expenses related to this construction for the year 2008 amounted to 58.7 million euros, 55.3 million euros and 24.7 million euros, respectively. The completion rates on these projects were 42%, 90% and 49%, respectively, at December 31, 2008.

5.2.2. Main investments underway and main future investments

Technip will continue its 2007-2010 investments program throughout 2009, and investments should amount to approximately 400 million euros.

Technip decided to add a subsea umbilicals production unit for the Asia-Pacific market to its Asiaflex Products flexible pipe manufacturing plant, currently under construction in Malaysia.

Technip also expects to increase the production capacity of its umbilicals plant in Angola in order to meet the increasing demand of deep water projects and to increase its local presence.

6

Overview of the Group's Activities

6.1. Technip's Business in 2008

6.1.1. The activities in 2008

Technip's three segments—Subsea, Offshore and Onshore—achieved their objectives for 2008. Despite the tumultuous economy, Technip seized organic growth opportunities to develop its activities. Technip distinguished itself with a series of innovative new projects in offshore construction, renewable energies, subsea mining and a carbon capture, transport and storage partnership that puts Technip ahead of the curve in climate change solutions. In the meantime, Technip was awarded new contracts, confirming its leadership position as an engineering, construction and service provider to the oil and gas industry.

The **Subsea segment** began and ended the year by successfully being awarded numerous oil field development contracts in Africa. At the end of 2007, Total awarded Technip with a 1.1 billion U.S. dollar contract to develop the Pazflor oil field off the coast of Angola. An acknowledgement of Technip's expertise and technological know-how in the development of subsea deepwater infrastructures, this major subsea contract builds on Technip's successful completion of the Dalia project.

The Subsea segment was awarded major contacts in Angola over the second half of the year. BP Exploration (Angola) Ltd, BP's subsidiary for the deepwater development of the Pluto, Saturno, Venus and Marte (PSVM) fields in Block 31 off the coast of Angola, awarded Technip two frame agreements for the engineering, procurement, construction and installation (EPCI) of subsea flowlines as well as for the engineering and manufacture of umbilicals and rigid flowlines. This is the first contract under the frame agreement, with an estimated value of 300 million euros. In doing so, Technip is confirming its long-term commitment to the country and helping to support BP's Angolan content objective.

The Group was also awarded numerous field development contracts in other regions. In early 2008, Shell awarded Technip with a contract for the engineering, manufacture and installation of a flowline and a steel catenary riser for the ultra-deepwater Perdido oil field development located in the Gulf of Mexico. This was followed by two major contracts awarded by Petrobras America worth a total of over 300 million U.S. dollars, for the development of the Cascade and Chinook gas fields in the Gulf of Mexico. The first contract covers the engineering, procurement, construction and installation (EPCI) of five deepwater free-standing hybrid riser systems for both the Cascade and Chinook fields. The second contract covers the installation of the Cascade infield flowlines and gas export pipeline.

In March, Technip was awarded a Petrofac Energy Developments Ltd (Petrofac) contract worth approximately 36 million euros to develop oil fields in the UK North Sea, which will be connected to the Northern Producer floating platform.

In April, a major subsea contract in Canada was awarded by Husky Oil Operations Limited, a subsidiary of Husky Energy, for the development of the White Rose oil field's North Amethyst satellite field. This contract, worth approximately 190 million euros, is a step forward in the relationship between Technip and Husky Energy, for whom Technip successfully completed the subsea production system contract for the White Rose field development in 2005.

In April, Technip was also awarded a new subsea construction and diving services contract from BP. Technip will be the exclusive provider of these services in the North Sea for the next two years, with two additional 12-month extension options available to BP. This is the first time that BP has adopted such an approach for its subsea construction investments. This award firmly establishes Technip as BP's contractor of choice for subsea work.

At the end of April, the Subsea segment was awarded two additional contracts. The Technip Subsea 7 Asia Pacific Pty Ltd (TS7) joint venture was awarded two contracts for subsea installation and pipeline supply projects: the first, a fast-track contract for diving support services in New Zealand and the second, a lump-sum flexible pipe supply contract in Vietnam.

Several contracts were entered into in June. Technip was awarded a lump-sum installation contract by Callon Petroleum Company for the development of the Entrada oil field in the Gulf of Mexico. Additionally in June, Petrobras awarded the contract for the charter of the first Brazilian pipelay vessel to the 50/50 joint venture between Technip and DOF Subsea. This four-year contract, worth 250 million U.S. dollars, can be extended for an additional four-year period. This vessel, which will be held by the Technip/DOF Subsea joint venture, will be the first of its kind built in Brazil and will be part of the fleet development strategy of both Technip and DOF Subsea. Under a separate contract, Technip will also provide Petrobras with the engineering and support services for the offshore operations carried out by the vessel.

Petrobras also awarded Technip a daily-rate contract from 2009 for the two-year charter of the *Normand Progress*, a vessel specializing in flexible pipeline installation. The contract includes engineering and support services for sea operations, an can be renewed for an additional two years. In Norway, StatoilHydro awarded Technip with an engineering, procurement, construction and installation (EPCI) lump-sum contract, worth approximately 60 million euros, for the Gjøa oil filed development located in blocks 35/9 and 36/7 on the Norwegian Continental Shelf.

The Subsea segment further boosted its presence in West Africa in July, in particular, with a lump-sum turnkey contract from Nigerian Agip Exploration Ltd worth approximately 75 million euros for the development of the OYO oil field. The award of this Subsea contract follows the execution of the ABO and ABO extension (ongoing) projects by Technip in Nigeria.

In September, Technip's wholly-owned subsidiary, Duco Ltd, was awarded a lump-sum EPC contract by BP Norge AS worth approximately 20 million euros for the development of the Skarv field. The award marks a new step in the collaboration between Technip and BP, as well as Duco's first major contract with BP in Norway. It builds on Duco's proven track record in supplying umbilical systems to BP, in the UK North Sea, the Gulf of Mexico, West Africa and in the Asia Pacific region.

In October, another win in Northern Europe involved a lump-sum contract from E.ON Ruhrgas UK North Sea Ltd worth approximately 32 million euros for the development of the Babbage gas field located to the south of the UK North Sea. Under this contract, Technip will install a subsea pipeline system to export gas. Assembly will be undertaken at Technip's recently upgraded spoolbase in Evanton, Scotland.

Wintershall Noordzee B.V. awarded Technip a new lump-sum contract in October 2008 for the development of the E-18 and P-9 gas fields in the Dutch sector of the North Sea.

In December, Technip was awarded an installation contract by AKER Installation Floating Production worth approximately 140 million euros, for phase 2 of the development of the MA D6 oil field off of the eastern coast of India. This award follows Technip's successful completion of phase 1 of the field's development in May 2008.

With respect to production, a new flexible pipe manufacturing plant will be built in Asia. Technip signed an agreement with Tanjung Langsat Port [(1)] for 20 hectares of land for purposes of building a

(1) Tanjung Langsat Port Sdn. Bhd., responsible for the development of the Tanjung Langsat harbor and industrial complex, is wholly owned by Johor State Economic Development Corporation.

new flexible pipe manufacturing plant, Asiaflex Products, which will have a manufacturing capacity of 200 normalized kilometers of flexible pipes (with a diameter of eight inches) per year. The new plant is part of the investment program to mainly strengthen the Group's subsea assets and to reinforce Technip's worldwide leadership in the flexible pipe market. Asiaflex Products' primary focus will be the emerging deepwater oil and gas markets in the Asia Pacific and Middle East regions.

The Subsea segment added to its Asian expansion plans later in November, by announcing that it would expand its Asiaflex Products manufacturing facility to include the production of subsea umbilical systems as of 2010.

In December, Technip confirmed that it will expand its Angoflex umbilical manufacturing plant in Lobito, Angola to meet growing demand in the West African market. Strategically located to serve the West African market, the Lobito umbilical plant is the only facility of its kind in Africa. The Lobito facility, along with the Angoflex spoolbase at Dande for the assembly of rigid subsea pipelines and an engineering center in Luanda, together comprise a unique hub of local assets to serve the West African deepwater market.

For Technip's **Offshore segment,** 2008 was a year of firsts. In July, Technip acquired Eurodim, an engineering and consulting company with solid technological expertise, particularly in the offshore oil and fluid transfer sectors. Eurodim benefits from strong industry experience with a team specializing in the design and execution of mobile systems and equipment.

This acquisition is part of Technip's development strategy. As a result of its numerous patents and innovative solutions, Eurodim will strengthen Technip's technological portfolio in high-potential markets.

In May, Technip was awarded an engineering, procurement, construction and installation (EPCI) contract by StatoilHydro for the Hywind substructure wind turbine located off the coast of Karmøy, Norway, participating in yet another ground-breaking project. It will be the world's first full-scale offshore floating wind turbine. This floating demonstration wind turbine will have a tower height of approximately 65 meters and a blade diameter of approximately 82 meters, *i.e.,* a total unit height of approximately 106 meters above sea-level. The substructure will be shaped like a vertical floating cylinder, with a draft of approximately 100 meters below sea-level.

Combining technologies from wind energy and the offshore industry, this project represents an important breakthrough for the development of new and renewable offshore energy solutions.

In May, and for the first time in the world, Nautilus Minerals Singapore Pte Ltd awarded Technip a service contract for a seabed-to-surface lifting system for a subsea mining field. The Solwara 1 mining field, located off the coast of Papua New Guinea, consists of seafloor massive sulphide deposits rich in copper and gold. This is the first commercial mining project for seafloor massive sulphides. The seabed-to-surface lifting system completed by Technip represents a major new technological application that opens new perspectives for the development of subsea mines.

In 2008, Technip's **Onshore segment** was awarded two contracts by Neste Oil Corporation for the NExBTL new generation biodiesel plants to be built in Singapore and Rotterdam. Each of the plants will have a production capacity of 800,000 tons per year and will be among the largest of their kind. Technip's operating centers in Rome and Singapore will execute the contracts, which could lead to work on future NExBTL plants.

In March, yet another contract was awarded to Technip in the biodiesel field, this time by KNM Process Systems Sdn Bhd, for a production plant at the port of Kuantan, Malaysia. Technip's operating center in Kuala Lumpur, Malaysia will execute this contract with the assistance of Technip's Paris operating center, which has already built six production units in this sector of activity.

The Group's expertise in refinery projects was demonstrated in 2008 through the four new contracts in this area awarded to Technip. In February, Technip was awarded a contract by Motor Oil (Hellas) Corinth Refineries S.A. for a crude oil distillation unit at the Corinth refinery in Greece. Total investments for the new unit will amount to approximately 180 million euros. This contract marks a new step in the long and successful collaboration between Technip and Motor Oil, for whom Technip has already performed numerous projects at the Corinth refinery.

The Onshore segment added to this partnership with a new EP contract in August, cancelled since then, for the expansion of a Canadian Natural Resources Ltd facility converting heavy oil into lighter synthetic crude (upgrader).

In August, the third of the segment's refinery contracts in 2008 was for a major expansion of Valero's refinery in the United States. Valero's subsidiary, Premcor Refining Group, Inc., awarded Technip an engineering, procurement, construction and management (EPCM) contract for part of the major 2.4 billion U.S. dollar expansion of the Port Arthur Refinery in Texas, United States.

In October, Technip was awarded a lump-sum contract by Grupa Lotos worth approximately 70 million euros covering engineering and procurement services for a new solvent deasphalting unit at the refinery in Gdansk, Poland. This was the third contract assigned to Technip by Grupa Lotos over the previous year, attesting to the outstanding collaboration between the two companies.

The Onshore segment was just as active in obtaining contracts for plant projects in 2008. In May, Technip entered into a lump-sum contract worth approximately 40 million euros with two Rompetrol Group subsidiaries for a hydrogen plant in Romania based on Technip's proprietary technology. Technip will also provide operator training and technical assistance during construction, commissioning and start-up. With over 230 successfully delivered units, Technip is recognized as a world leader in the hydrogen market.

In May, Technip's TCF joint venture (Technip, Chiyoda and Fluor) announced that it had been awarded services contracts by Woodside Energy Ltd (WEL) for two proposed liquefied natural gas (LNG) developments in Australia. The two separate contracts cover an onshore plant development study and a Basis of Design for a proposed processing train.

In June, Technip was awarded a lump-sum turnkey contract worth approximately 610 million U.S. dollars contract to expand the water transmission system at Fujairah in the United Arab Emirates. This contract underscores Technip's expertise in implementing sophisticated pipeline systems and marks a new step in Technip's collaboration with Transco, for whom Technip built the first phase of the Fujairah water transmission system.

In July, Technip was awarded a contract for a sulfuric acid unit in Tunisia. As the leader of a consortium with Pireco, which will be responsible for construction, Technip secured an engineering, procurement and construction (EPC) lump-sum contract from Tunisian Indian Fertilizers (TIFERT) for a sulfuric acid unit to be based on the Monsanto Enviro-Chem Systems (MECS) process. This contract strengthens Technip's presence in North Africa and demonstrates Technip's expertise in fertilizer production units.

Technip's experience in managing large-scale international projects and recognized expertise in metals and mining led it to form a joint venture with Areva called the TSU Project. This joint venture will develop major mining projects with the goal of increasing Areva's uranium production capacity over the next five years. This long-term partnership affirms Technip's ability to support the development of major companies in the energy and raw material industries.

In the natural gas field, Technip received a lump-sum FEED contract from Shtokman Development Company for the onshore portion of the first phase of the Shtokman gas project in Russia. It will form the technical basis for the detailed design, procurement and construction contracts to follow. Technip was also awarded two additional contracts to establish a set of project standards and to help Shtokman define site preparation works.

In July, Technip's Onshore segment acquired EPG (BV Ingenieursbureau EPG), an engineering specialist with strong positions in the oil and gas and petrochemical sectors. The merged company, renamed Technip-EPG BV, also specializes in plant upgrades *(e.g.,* modernization and capacity extension). EPG's 35 years of experience working with local and global clients and in-depth knowledge of the Dutch market has reinforced Technip's presence in the Benelux region. The acquisition builds on Technip's 40 years of experience in the Onshore segment in the Netherlands and Belgium and on its recognized expertise in project management and technologies to broaden the range of services offered to clients. This transaction brings Technip's total staff in the Benelux region to over 500 employees.

On August 1, 2008, Technip announced that it will partner with Geogreen on a non-exclusive basis to offer clients studies on integrated solutions for the entire carbon (CO_2) capture, transport and storage chain. CO_2 capture and storage technologies–solutions for reducing greenhouse gas emissions from industrial installations in response to global warming–can be applied in many of Technip's sectors of activity. This agreement shows Technip's commitment to actively developing new technologies that meet the challenges of sustainable development.

Technip's expertise in ethylene production facilities helped it to obtain two contracts in October. The first contract was a lump-sum engineering and procurement contract worth approximately 45 million euros to expand an ethylene plant in Kstovo, Russia, and is a follow-up to the basic engineering contract already performed by Technip. The plant will be based on Technip's proprietary technology.

The second contract, a lump-sum turnkey contract worth approximately 35 million euros was awarded by Repsol Polimeros (a subsidiary of the Spanish company, Repsol YPF) to supply two new furnaces for an existing steamcracker located in Sines, Portugal. These new furnaces will be based on Technip's proprietary GK6 cracking furnace technology.

These projects attest to the Group's leading position in the market for ethylene production facilities. Technip is one of the few companies worldwide capable of providing a complete range of services for ethylene crackers, from conception to completion, on a turnkey basis.

6.1.2. Major Acquisitions and Dispositions in 2008

Technip's external growth policy is an element of the Group's strategic framework, which was presented by the Chief Executive Officer in October 2007.

The overall objective is to consolidate the Group's leadership in its markets by strengthening its geographic positions, technological portfolio and expertise in critical areas for successful project execution.

In the 2008 financial year, Technip completed the following transactions:

Acquisitions or acquired interests:

- On February 28, 2008, TSU Projects SNC was created to develop major mining projects for the partnership between Technip and Areva. Technip France, an indirect, wholly-owned subsidiary of Technip, holds 60% of the share capital of TSU Projects SNC, and Société Générale pour les Techniques Nouvelles–SGN, Areva's engineering subsidiary specialized in the nuclear fuel cycle, holds 40% the share capital of TSU Projects SNC.
- On April 7, 2008, Technip Norge AS and Dofcon AS created a joint venture for the ownership of the *Skandi Vitoria* vessel, which is currently being built for the Brazilian market.

- On July 1, 2008, E.P.G. Holding B.V. and its wholly-owned subsidiaries, B.V. Ingenieursbureau EPG and B.V. Uitzendbureau U.P.G., which are engineering companies specialized in plant upgrades (modernization, capacity extension) with approximately 120 employees and located in the Netherlands, were acquired by Technip Benelux B.V., an indirect, wholly-owned subsidiary of Technip. B.V. Ingenieursbureau EPG was then renamed Technip E.P.G. B.V.
- On July 10, 2008, Technip acquired Société Européenne d'Ingénierie Mécanique (Eurodim), an engineering and consulting company specialized, in particular, in the offshore oil and fluid transfer sectors and located in Rueil-Malmaison (France).
- On December 31, 2008, Coflexip Développement, an indirect, wholly-owned subsidiary of Technip, acquired certain business elements of Société Française d'Études Minières (Sofremines), an engineering company specialized in the mining sector and located in Bagnolet (France).

Moreover, the Company's holding in Technip Eurocash SNC increased from 60% to 96% on December 12, 2008 through acquisitions of shareholdings of other subsidiaries of the Group.

Furthermore, on December 31, 2008, Citex, an engineering and consulting company specialized in the design and construction of industrial installations for the chemical and pharmaceutical industries, located in Vaulx-en-Velin (France), was merged into Technip France, an indirect, wholly-owned subsidiary of Technip.

6.1.3. Recent events

The information presented below is taken from Technip's press releases 2009. These press releases are available in their entirety on the Company's website (www.technip.com). The following is a summary to be read in relation to the tables of numbers included in these press releases.

February 2009

- Technip and Subea 7 announced their decision to dissolve their joint venture Technip Subsea 7 Asia Pacific formed in 2006 to provide subsea construction services in Asia Pacific (excluding India and Middle East), once all existing projects and tendered work have been completed.
- Middle East Oil Refinery (MIDOR) has awarded to Technip an EPC contract of approximately 43 million euros for the expansion of the delayed coking unit of its refinery in Alexandria Egypt.
- Technip and Air Products have signed an agreement for a long term extension of their global business alliance for hydrogen and synthesis gas.
- Technip has been awarded by State Company Oil Project (SCOP) a contract worth approximately 20 million euros for the front-end engineering design (FEED) of a new refinery in Karbala (Iraq).
- 2008 year end results.
- Technip, in a consortium with Aker Solutions and SBM Offshore has been awarded by Shtokman Development AG an engineering contract, worth 25 million euros for the floating production unit for the offshore portion of the first phase of the integrated development of the Shtokman field in Russia.

March 2009

- Lukoil Neftochim Burgas awarded a contract, worth approximately 10 million euros for the front-end enginnering design (FEED) of new units at their refinery in Burgas, Bulgaria.
- Technip set two new industry records with the deepest reeled flowline installation at a water depth of 2,961 meters (9,713 feet) and the deepest reeled catanary riser installation at a water depth of 2,469 meters (8,100 feet) and the mooring of the Spar platform in about 2,400 meters (8,000 feet) water depth on the Perdido Development in the Gulf of Mexico operated by Shell on behalf of Chevron and BP.
- Technip has been awarded by ConocoPhillips Skandinavia AS a lump sum contract for the Ekofisk VA subsea water injection project located in block 2/4 on the Norwegian Continental Shelf. This contract provides for the installation, tie-in and commissioning of subsea facilities between the existing Ekofisk facilities and a new eight well subsea injection template (2/4VA).

6.2. The Group's Environment

6.2.1. Market environment

Whereas world economic growth remained solid in 2007 (with an increase of 5%), in line with growth in 2006, 2008 was the year in which this growth cycle was broken. Growth in 2008 slowed significantly during the second half of the year, as a result of the financial crisis that spread to all regions of the world. According to the latest forecast of the International Monetary Fund (IMF, *World Economic Outlook Update*, January 28, 2009), growth should reach 3.4% in 2008 and just over 0.5% in 2009.

Regarding prices, crude oil maintained its growth of previous years, reaching a record high of $145/b (WTI, American light crude benchmark) at the beginning of July 2008. This very high price level, combined with an economy showing signs of tiring, automatically led to a weakening of demand, especially in Europe and in the United States, thereby provoking a decrease in the price of crude oil, which was accelerated by the start of the financial crisis. On December 22, 2008, the WTI was listed at $30/b, representing a decrease of 80% as compared to its highest level in July, and ended the year at $45/b.

The demand for oil, which had been growing on a regular basis since 1994 at an average rate of 1.2Mb/d per year, decreased for the first time, losing 0.6Mb/d to 85.3Mb/d, in 2008 according to the International Energy Agency. The supply-demand pressures that have existed since 2002 have lessened, which is a trend that could continue in the short term.

In the meantime, the price of other raw materials (steel, nickel, copper) frequently used in various oil sector installations, and which had also reached record levels, decreased significantly in the second half of 2008.

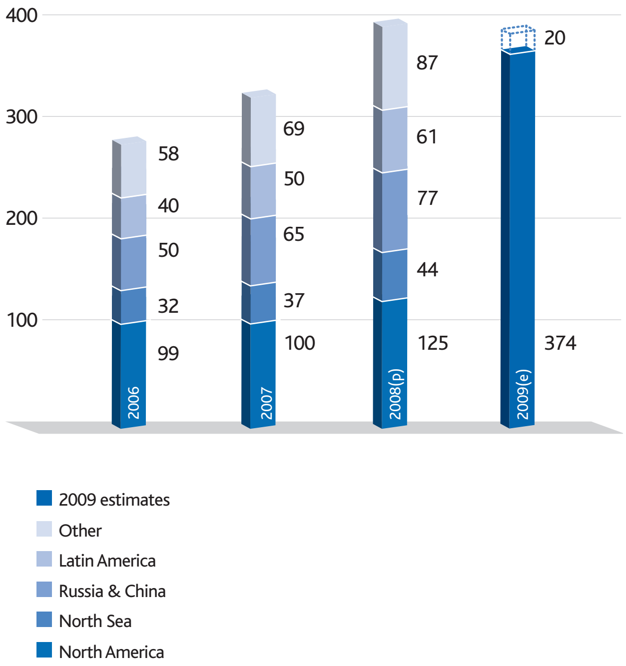
In this context, oil and gas investments necessary to meet an increase in demand, could suffer in 2009. First, the credit crisis negatively impacts the maintaining of certain investments, especially those of smaller-sized oil companies; second, the decrease in revenues of big national or international companies could delay the execution of their industrial projects; finally, certain companies may be inclined to delay again part of their investments in order to take advantage of the decrease in the price of raw materials.

In this respect, certain sectors, in which profit thresholds are higher than the level of the price per barrel recorded at the end of 2008, were already impacted by this new context, such as, for example, the Canadian oil sands.

However, despite an environment that has changed significantly as compared to 2007, oil and gas companies must maintain a certain level of investment in order to, first, renew their reserves, second, maintain their production in light of high levels of depletion (between 4% and 9% per year) and finally, adapt to increasingly restrictive specifications for refined products. Moreover, many of these companies are aware of the fact that a break in their supply chain would harm their ability to ensure the quality of their future investments.

For example, according to the Institut Français du Pétrole ("IFP") *(Panorama 2009,* Exploration-production activities and markets), exploration-production investments increased by 19% in 2008, and for 2009, it indicated that, "today, one should more likely anticipate a moderate decrease of between 0% and 5% that will vary substantially from region to region" (*Panorama 2009*, Exploration-production activities and markets).

Changes in exploration-production investments



Source: IFP, Panorama 2009, Exploration-production activities and markets

6.2.2. The Group's business segments

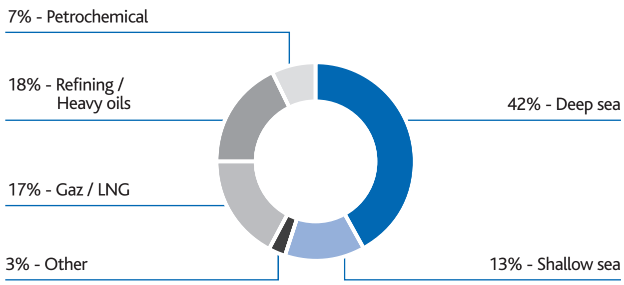
The following paragraphs present the specificities of this environment by business segment as well as Technip's position in each of these segments.

The majority of Technip's competitors are groups that are active in multiple sectors, including in sectors in which Technip is active. As a result, Technip does not believe that presenting information, including in particular, with respect to the nationality, markets and revenues of these companies, is necessarily relevant.

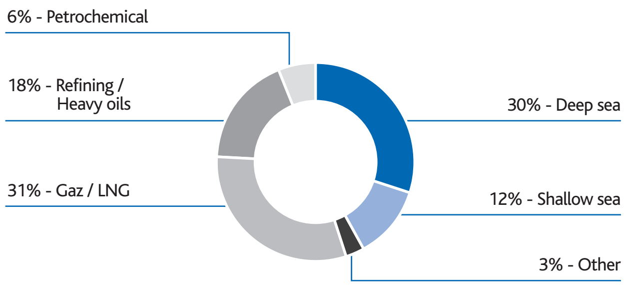
Technip's revenues by segment

In millions of Euro	12/31/2008	12/31/2007
Subsea	2,689	2,478
Offshore	695	739
Onshore	4,097	4,670
Total	**7,481**	**7,887**

Technip orders at the end of 2008



Technip orders at the end of 2007



Subsea

Subsea environment

The subsea market has grown significantly over the last four years, doubling in value over the 2004-2008 period. This growth was due, in part, to the development of deepwater offshore fields in the Gulf of Mexico, Brazil and West Africa. In the meantime, exploration-production operations remained very active in the North Sea, a very mature region where the high price of oil made it possible for new actors in the oil and gas sector to take over assets which had been abandoned by the Majors.

The forecast for 2009 remains favorable in terms of the execution of projects, as developments in the deepwater offshore sector take place over a period of two to three years. Thus, most of the work that will be carried out in 2009 was awarded in 2007 or 2008 prior to the financial crisis that began in the fall of 2008.

However, the awarding of new contracts in 2009 should slow down, as a result of the new financial and economic environment, which has affected the financing capacity of oil companies and the profitability of their new projects following the collapse in the price of crude oil.

Nevertheless, Technip's outlook for this business segment is solid, with revenues amounting to 2.69 billion euros in 2008, an increase of 8.5% as compared to 2007, a Subsea backlog amounting to 3.5 billion euros for the fiscal year ended December 31, 2008, and stable revenues or moderate growth expected for 2009.

Subsea strategy

Regarding the subsea market, Technip's strategy is to strengthen its worldwide leadership position by focusing on four main objectives:

- continually increasing its expertise and improving its execution of projects;
- modernizing and expanding its fleet of vessels as well as its production capacities in flexible pipelines and umbilicals;
- perfecting technologies required to develop fields in increasingly deeper waters and difficult environments;
- strengthening its local presence in its main regional markets (Africa, the United States, Brazil, Asia Pacific).

Subsea competition

- Subsea construction:

  Technip's main competitors in the subsea project segment are Subsea 7, Acergy, Saipem, Allseas, Heerema, Helix and Clough.
- Flexible pipe design and manufacture:

  Based on Technip's analysis of the revenues and installed capacities of its main competitors, Technip is the world leader in the design and manufacture of flexible pipes for Offshore installations. Its main competitors in the fields of dynamic flexible hose and pipe systems are Wellstream Company and NKT Flexibles (51% owned by NKT Holding and 49% owned by Acergy).
- Umbilicals:

  In the market for umbilical manufacturing, Technip's main competitors are Aker Solutions and Multiflex (a subsidiary of Oceaneering International).

Offshore

Offshore environment

Like the Subsea market, the Offshore market experienced strong growth over the 2004-2008 period, primarily due to the famous "golden triangle" of offshore oil, namely, the Gulf of Mexico, the Gulf of Guinea and off the coast of Brazil. This market is highly fragmented and projects ranges from small, fixed, shallow sea platforms to massive FPSO developments in West Africa. The range of projects is extremely vast and each project requires its own set of skills and capacities. Technip believes that it should be borne by deepwater offshore developments that require the use of floating systems (mainly FPSO, SPAR, Semi-submersible, TLP). A study conducted by Douglas-Westwood in mid-2008 *(The World Floating Production Report,* 2008-2012) forecasts the installation of 123 floating platforms over the 2008-2012 period *(i.e.,* an increase of 46% as compared to the 2003-2007 period) and an increase in associated investments of 79% to 43 billion U.S. dollars. Geographically, nearly 70% of these investments are expected to be concentrated in the golden triangle, as the Asia Pacific region is experiencing strong growth in activity but with developments in shallow water and often on small floaters.

The impact of the economic and financial crisis is expected to alter these forecasts but the medium- to long-term trend nevertheless points to an increase in investments in this sector and the use of increasingly efficient technological solutions to make the most of discoveries that are ever deeper.

In this segment, the Group registered a slight decrease in its revenues (695 million euros in 2008 as compared to 739 million euros in 2007) and finished the 2008 year with a backlog of 461 million euros (as compared to 551 million euros in 2007).

Offshore strategy

In the offshore facilities market, Technip's strategy is based on developing and enhancing its innovative technologies and expertise: floatover systems, concepts of fixed and floating platforms, expertise in topside project management and engineering. The Group is positioned, in particular, on "frontier" developments *(e.g.,* the Arctic) or in ultra-deep waters. Lastly, Technip's experience and capacity to develop and integrate Subsea, Offshore and Onshore solutions should lead it to play a key role in the Floating Liquefied Natural Gas ("FLNG") emerging market.

Offshore competition

Due to its numerous technological solutions, Technip is one of the main actors in the Platform sector along with companies such as J. Ray McDermott, Saipem, Hyundai Heavy Industry, Daewoo, Samsung, SBM, Modec and Aker Solutions. In particular, the Group has a leading position in dry wellhead floating platforms.

Onshore

Onshore environment

By their nature, the Subsea and Offshore segments face a production issue. The Onshore segment, whether with regard to its refining, petrochemical or natural gas (LNG, GTL) activities, faces a demand issue. This demand for refined products, intermediate petrochemicals and natural gas has experienced strong growth in recent years supporting both the sector's investments and profits. The slowdown in global demand observed since the middle of 2008 and which could continue in 2009, combined with the wish of certain clients to benefit from a decrease in the cost of projects (in the wake of the decrease in raw material prices), could result in the delay of certain investments.

In terms of refining, the International Energy Agency (IEA), in its latest publication of December 2008 (Medium Term Oil Market Report—Refining and Product—Supply Outlook), forecasts the commissioning of 8Mb/d in additional distillation capacity over the 2008-2013 period, with almost one-half located in Asia and one-quarter located in the Middle East. In the meantime, investments will be more evenly distributed geographically in order to adapt the existing refining tool to crude oil that is heavier and that has a higher sulphur content, to meet new specifications (upgrading, desulphurization) and to take into account the structural orientation of demand (the weight of diesel in Europe, etc.). Overall, investments in the refining industry should, according to the IFP *(Panorama 2008*–Executive Summary "Refining", January 28, 2009), reach 24 billion U.S. dollars in 2008 and decrease slightly in 2009.

With regard to petrochemicals, and more specifically ethylene, consumption is directly related to economic growth. Demand for ethylene is expected to increase worldwide, but to a lesser extent. Nevertheless, Asia and the Middle East will continue to attract future investments: Asia, and particularly China, in order to meet the demand of its domestic market; and the Middle East in order to take full advantage of its resources, especially gas, and to continue with the vertical integration of its state-owned companies.

Regarding the natural gas sector, IFP states in its latest executive summary on the natural gas market that, according to the International Energy Agency, the demand for gas is expected to continuously grow by 1.8% until 2015 (Perspectives on the gas industry, IFP, *Panorama 2009,* January 28, 2009). While the main factor explaining this growth remains the strong demand for gas used for electricity production, a second factor is the development of the LNG industry. In this segment, a significant part of the liquefaction capacity under construction is located in the Middle East, primarily in Qatar. New projects are mainly located in the Asia-Pacific region and, in particular, in Australia. New liquefaction capacity should be developed in the medium term in Africa and Russia. Lastly, as discussed above, liquefaction at sea, with all of the technological challenges that are associated with it, will be a vehicle for growth in this sector.

The implementation of the "de-risking of contracts" policy, combined with the progress of certain projects, resulted in a 12% decrease in Onshore revenues to 4.1 billion euros in 2008 (as compared to 4.7 billion euros in 2007), with backlog for the segment amounting to 3.3 billion euros at December 31, 2008 (as compared to 5.4 billion euros at December 31, 2007).

Onshore strategy

In this segment, Technip's strategy is based on the Group's expertise (management of large projects, engineering, procurement, supervision of construction sites), on its first-rate references from its main clients and on the strength of its balance sheet.

With its numerous references and with the support of experienced teams and its vast international presence, Technip is able to position itself with regard to major technological projects *(e.g.,* FEEDs in the Middle East) and large-scale projects *(e.g.,* the Vietnam refinery).

Its main objectives are to remain one of the leaders in the LNG, ethylene, gas processing and refining segments, to reduce the share of lump-sum turnkey contracts for which Technip is responsible for construction, and to increase the share of contracts for which construction is treated outside of a contractual lump-sum structure.

Onshore competition

The downstream oil and gas industry is fairly fragmented with both small and large operators. With refining/heavy oil and petrochemical orders representing, respectively, 1.3 billion euros and 0.5 billion euros at the end of 2008, Technip is a major operator in the downstream sector. The Group's primary competitors are U.S. companies, such as Bechtel, Fluor, Foster Wheeler, Jacobs, KBR and Shaw, Japanese companies, such as Chiyoda, JGC and Toyo, European companies, such as Saipem, Linde, Uhde, Tecnicas Reunidas and Lurgi, and Korean companies, such as GS, Hyundai, Samsung and SK. In addition, local engineering and construction companies are present in certain emerging countries, either as competitors or as partners on projects.

The natural gas liquefaction sector includes, however, a relatively small number of operators given the complexity and size of the projects. Technip has both the technological control and human resources to carry out such projects, as shown by the three projects currently underway in Qatar and the one in Yemen (YLNG). The Group's main competitors are U.S. companies, such as Bechtel, KBR, Fluor, Foster Wheeler and CB&I, Japanese companies, such as Chiyoda and JGC, and European companies, such as Linde and Saipem.

6.2.3. Regions in which the Group is present

The breakdown of Technip's revenues per region confirms the Group's international presence as well as a good overall geographical balance.

Given the significance of its reserves and its desire to expand its refining, petrochemical and natural gas (liquefaction and treatment of natural gas) industries, the Middle East remains a major investment zone. Technip recorded 29.5% of its revenues for 2008 *(i.e.,* 2.2 billion euros) in the Middle East, mainly due to its experience and its presence in the region as well as to a number of major natural gas and petrochemical projects. This portion decreased, however, as compared to 2007, as a number of the Group's large projects were in their final phase in this zone.

The Americas region represented 23.6% of the Group's revenues for 2008, an increase of more than 5% as compared to 2007 and involves projects that include asphaltic sands in Canada as well as offshore projects in Brazil and strong business in the Gulf of Mexico and in the United States.

With revenues of 1.7 billion euros in 2008 for Technip *(i.e.,* 22.5%), the Europe, Russia and Central Asia regions reaffirm their importance for the Group and represent projects in the North Sea, as well as projects in the downstream and natural gas sectors (Shtokman project in Russia).

Asia and Africa, which represented revenues of 13.8% and 10.4%, respectively, in 2008 for Technip, are also two of the Group's development cornerstones, even if the portion represented by Africa decreased slightly following the completion of major projects during over the previous year. The Group is present in all of its segments in these two regions.

Technip's revenues by geographical region

In millions of Euro	12/31/2008	12/31/2007
Europe, Russia, Central Asia	1,682	1,219
Africa	781	955
Middle East	2,214	3,247
Asia Pacific	1,034	1,032
Americas	1,770	1,434
Total	**7,482**	**7,887**

6.3. Description of Project Strategy

Projects are constantly more ambitious, more complex and in many areas, more pioneering.

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

Within this strategic framework, Technip's organization has evolved and focuses, in particular, on continuing to develop its geographical presence and optimizing project performance.

Technip's six Regions, implemented in the context of its organizational framework as from October 1, 2007, are responsible for marketing and sales activities and for project execution and financial results.

Technip's decentralized structure favors the Group's development while allowing the Group's management to make decisions related to major projects exceeding a certain threshold, below which decisions are made by the Regions.

6.3.1. Selective approach to projects

Because of the high cost associated with preparing a proposal, Technip only bids on projects that have been scrutinized through its selection process. In particular, each project is evaluated on its own merits and, without departure from this rule, in regards to market share objectives and/or asset utilization targets.

To achieve an optimized risk/reward profile satisfying the Group's criteria, all transactions are reviewed at the Group or Region level to properly assess all risks. The decision to follow-up on a project, to submit an offer and/or to accept a letter of intent or to sign a contract is systematically subject to preliminary approval at the appropriate level.

6.3.2. Internal process for review of potential transactions

Before a decision is made to submit a proposal, Technip first reviews each specific transaction through an Early Tendering ("ET") process, at the end of which the Management of the Group or of a Region decides whether Technip should make a proposal.

After a decision is made to submit a proposal, Technip enters into the proposal formulation stage during which all of the terms and conditions of the transaction are analyzed through an Authorization to Tender ("ATT") process, at the end of which the Management of the Group or of a Region decides under what terms the proposal will be submitted or, in very few cases, that a proposal will not be submitted.

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

6.3.3. A "de-risking" strategy

A key element of Technip's strategy, in place since 2006, is "de-risking", which strives to improve the Group's management of its projects as early as the proposal stage.

Through this strategy, Technip strives not only to improve the range of contract types it offers, but also to achieve a better balance for revenue generation geographically and among its business segments.

Change in contractual forms

Depending on the nature of the risks highlighted during the ET and ATT processes, Technip will propose "cost plus fee" contracts rather than contracts on a lump-sum basis and/or will propose to exclude certain services (such as construction in certain countries like Australia, or even procurement and construction, in particular, where design studies are not developed enough during the proposal stage) or will propose progressive turnkey contracts instead of lump-sum turnkey contracts.

In the context of its "de-risking" approach, Technip strives to obtain firm commitments from its suppliers prior to submitting proposals to clients.

Geographical diversification of backlog

The Group strives to diversify the countries where it performs contracts in order to avoid or mitigate the effects of events such as excessive concentration of projects in a region or in a specific country that may render the performance of such projects more difficult, longer and/or more expensive.

Backlog balance by business segment

The Group also endeavors to maintain a balanced backlog between the subsea segment and the onshore/offshore segments, to lower its exposure to the cycles in each of these business segments.

Association strategy

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

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

6.3.4. Description of contractual forms

"Cost plus fee" contracts

Contrary to lump-sum contracts, under which Technip bears the full risk of any overruns, cost plus fee contracts have the advantage of avoiding a risk on the final cost. Under these types of contracts, Technip is paid for its services on an hourly basis, as well as for procurement and construction activities on the basis of actual costs, in addition to a predetermined profit margin.

EPCM contracts

For specific types of projects where Technip cannot take risks with respect to the supply of equipment and construction activities, in particular, where design studies were not fully completed at the time proposals were submitted, EPCM contracts are the preferred contractual form, under which Technip's activities are limited to providing services *(e.g.,* engineering, procurement and construction services, as well as assistance during the construction phase). All risks associated with procurement and construction activities are thus transferred to the client. Cost plus fee arrangements are also used for major EPCM contracts. In addition, these types of contracts often provide for a success fee related to the investment cost and overall project schedule.

Progressive turnkey contracts

Given the uncertain market conditions currently prevailing (for example, in relation to raw material costs), Technip has introduced a new contractual scheme to reduce its risks and costs as well as those of its clients. With progressive turnkey contracts, payment is made on a cost plus fee basis during the design and procurement phases until an appropriate time, after which Technip takes into account all relevant factors. Once this is completed, payment is converted to a lump-sum basis. This allows Technip to mitigate risks related to the design phase as well as to increasing costs and allows clients to reduce their provisions for risks.

Lump-sum turnkey projects

Technip remains a key actor in lump-sum turnkey contracts, which remains the prevailing standard in certain parts of the world, in particular, in the Middle East, or in other regions where the Group considers the slippage in construction costs manageable.

Under lump-sum turnkey contracts, Technip is responsible for all activities necessary for the completion of a project *(i.e.,* design and engineering activities, supply of equipment and materials and construction) with respect to:

(i) a technical viewpoint, (including on any portion subcontracted to suppliers and to construction companies);

(ii) completion deadlines; and

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

6.3.5. Types of associations

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

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

Joint ventures

A joint venture is a temporary association of companies (for which a company may be created) under which its members perform their respective scope of work, generally as an integrated team, and share the risks and rewards according to a predetermined *pro rata* rule.

Consortium

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

A consortium is used where each member's respective scope of work is clearly identified and especially when Technip decides to associate itself with a construction company or a shipyard.

6.4. The Group's Business Segments

Technip is active on the three following business segments: the Subsea, the Onshore and the Offshore segments.

6.4.1. Subsea

Technip is considered a world leader in the subsea construction sector and its engineers and technicians give it internationally recognized technological expertise. The Group's focus on developing technologies allows it to offer its own technologies as products and for installation processes.

Technip provides integrated design, engineering, manufacture and installation services for subsea infrastructures and pipe systems for the production and transportation of oil and gas.

In 2008, the Subsea segment generated revenues of 2,689.0 million euros, representing 35.9% of the Group's consolidated revenues.

One alternative to using platforms with surface wells for offshore hydrocarbon production is placing trees on the sea bed and connecting them to processing and removal platforms through rigid and/or flexible pipes. Trees and subsea collection systems are remotely controlled through umbilicals that send data, steer the subsea trees and send service fluids from a platform or a production vessel. Technip's services include the turnkey delivery of these subsea systems, in particular, offshore work (pipelay and subsea construction) and the manufacture of critical equipment such as umbilicals and flexible pipes. Technip can also handle the procurement of other subsea equipment and the procurement of rigid pipes that the Group acquires from third parties through international bids. As markets move towards greater sea depths, there is a growing need to implement new resources and approaches. Due to its technological innovations, Technip can service customers in the opening of new ultra-deep sea fields, as demonstrated by contracts awarded to it in 2008 for the installation of pipes at record depths in the Gulf of Mexico, Angola, Brazil and India.

In general, subsea work requires the participation of divers and/or Remotely Operated Vehicles ("ROV") that are operated from diving or construction support vessels.

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

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

6.4.2. Onshore

Technip's Onshore segment is active in all types of onshore facilities for the production, treatment and transportation of oil and gas, petrochemicals and other non-oil and -gas activities. Technip also designs and builds infrastructures related to these activities, in particular, hydrogen production units, power generation units, sulphur recovery units and storage units.

In 2008, the Onshore segment generated revenues of 4,097.2 million euros, representing 54.8% of the Group's consolidated revenues.

Development of onshore fields

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

Land pipelines

Technip mainly builds pipeline systems for natural gas, crude oil and oil products, water and liquid sulphur. Through its operating center in Düsseldorf (Germany), Technip is one of the world's most experienced pipeline builders and has completed projects in the most challenging of environments, including deserts, tundra, mountains and swamps. Since 1960, Technip has completed more than 160 pipeline projects in over 40 countries, amounting to an aggregate length of 34,000 kilometers of pipelines.

Natural gas treatment and liquefaction

Technip's vast experience and the importance of its ongoing projects in the natural gas and liquefied natural gas industries position the Group among the world leaders in these industries. With over 40 years of experience in this area, Technip is a pioneer in the field of natural gas liquefaction ("LNG"), as demonstrated by its construction of the first high-capacity liquefaction facility in Arzew, Algeria in the early 1960s. Technip's joint venture with Chiyoda was awarded three major LNG projects in Qatar, which are currently under construction: QatarGas II, Rasgas 3 and QatarGas III/IV awarded, respectively, in 2004, 2005 and 2006. Technip's joint venture with KBR and JGC, which Technip heads, was awarded an LNG project in Yemen in 2005, which is currently being completed. Moreover, Technip is very well positioned in the emerging Gas-to-Liquids ("GTL") market, with the engineering and construction of the first-ever large-scale GTL plant in Qatar (Oryx) in 2003, which commenced operations in 2006.

Technip benefits from solid experience in natural gas processing and has access to corresponding licensed technologies. Technip is specialized in extracting sulfur from natural gas and is, according to the Group's examination of the market, the world leader in terms of number of units installed. Since 2000, Technip has built 12 gas treatment plants, each with a capacity of over 400 million cubic meters.

The finalization of the certification process for its cryogenic flexible pipe technology for the offshore transfer of LNG constituted a major step for Technip in the construction of the first offshore LNG platform. In addition, with its Cryomax technology, Technip is specialized in the high efficiency recovery of C_2 and C_3 hydrocarbons from natural gas and the refining of residual gases. The first phase for the development of the Shtokman field in Russia and design studies for the development of the Browse field and for train 2 of the Pluto project in Australia were among the contracts awarded to Technip in the LNG area in 2008.

Refining

Technip's activities in this sector include the preparation of integrated refining concepts and the design and construction of oil refineries. Since it was created in 1958, Technip has designed and built 29 complete refineries, including eight since 1997, and has completed major expansion or modernization work on over 170 existing plants. These projects were with both national and international oil companies and involved more than 810 individual oil and natural gas processing units in over 70 countries. Technip's technical inspection capacities and its patented technologies, in particular, the progressive crude oil distillation patents held jointly with Total, give it a strategic edge for winning refinery contracts.

Hydrogen

Technip is a world leader in the market for hydrogen production units and is a leading actor in the design and construction of synthetic gas production units and sulfur recovery units. Hydrogen and synthetic gas are used to treat and/or process refinery products and petrochemicals. Since 1992, Technip has participated in a worldwide alliance with Air Products & Chemicals Inc. to supply high-purity hydrogen to the refining industry. High-purity hydrogen is critical for the transformation of heavy crude into diesel and low-sulfur gasoline, which are able to meet the most stringent environmental standards. Technip was awarded 21 contracts in 2008, including a service contract in Canada for a hydrogen production plant with the largest capacity in the world. Since it was founded, Technip has participated in the design and construction of more than 246 units of this type worldwide for the refining and other related industries.

Ethylene

Technip has unique proprietary technology and is a leader in the design, construction and commissioning of ethylene production plants. Technip's numerous ongoing projects have an overall ethylene capacity exceeding seven million tons per year. In 2008, Technip commissioned the two largest steamcracking units in the Middle East and began design work on two new plants in Saudi Arabia. These projects are at various stages of progress and reaffirm Technip's competitive edge in this field.

Petrochemicals

In the field of petrochemicals, Technip has designed and built a large number of individual petrochemical units, including more than 134 aromatic units, over 110 intermediate product units and 130 polymer units, which include 85 polyolefin units, as well as most of the large-scale steamcracking units awarded to the date of this Reference Document. Technip has also completed 10 turnkey contracts for completely integrated petrochemical complexes since 2000.

Technip designs polyolefin plants with the largest production capacities worldwide, which are located in developing countries. In 2008, Technip and Ineos furthered their cooperation in the polyolefin area to include polystyrenes. Technip also reaffirmed its position as a major actor in low-density polyethylene (LDPE) under license from Sabtec.

In 2008, Technip also renewed its technological cooperation agreement with Asahi Kasei Chemicals, covering chlorine/soda production units.

With a long-established presence in the fertilizer market as a result of its phosphoric acid technology and its long-standing cooperation with world-leading licensing companies, Technip, in 2008, completed a new sulfuric acid unit in Tunisia as well as preliminary studies for planned nitrogen-based fertilizer projects in Russia and Peru and for sulfuric acid, phosphate and composite fertilizers in Brazil.

Biofuels and renewable energies

In 2008, Technip created a Biofuels and Renewable Energy business unit in order to capitalize on its established expertise in growth markets. In the field of biofuels, Technip was awarded two major contracts for the construction of the two largest new-generation biodiesel production plants in the world, to be located in Singapore and in Rotterdam.

Moreover, in the photovoltaic energy sector, Technip's focus is to strengthen the expertise it developed in 2007 with its first ultra-pure silicon production plant for the manufacture of solar panels in Saint-Auban (France). In the marine energies area, where Technip is able to demonstrate its recognized expertise in offshore and subsea engineering, Technip was selected by EDF for a demonstration project for an offshore wind farm in Brittany and to design and install the subsea structure of a floating wind turbine in Norway, as part of the world's first demonstration installation of this kind.

Other Industries

Technip offers its engineering and construction services to industries other than the oil and gas industries, mainly to companies working in mines and metals.

Mining and metals

In 2008, the Group participated in two major projects in the nickel industry for XStrata and Eramet and entered into a partnership with Areva to develop uranium mining projects. TSU Projects, a jointly-owned subsidiary of Technip and SGN (a subsidiary of the Areva group), was formed in 2008.

6.4.3. Offshore

In 2008, the Offshore segment generated revenues of 695.2 million euros, representing 9.3% of the Group's consolidated revenues.

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

In the offshore platform sector, in addition to its skills and intellectual property from its patents, the Group is renowned in the following areas:

- management of large projects;
- innovative platform concepts;
- expertise in the construction of complex facilities; and
- associated technologies (lifting and installation techniques for and modularization of processing facilities).

Technip offers a range of renowned platforms, such as Spars (floating platforms), TPG 500 (fixed platforms) and semi-submersible platforms as well as new solutions for floating platforms, such as Extendable Draft Platforms ("EDP").

Technip is also renowned for its expertise in the construction of complex facilities, including the world's largest FPSO (Floating Production, Storage and Offloading) units.

In addition, Technip owns advanced technologies for the installation of topsides using the "floatover" method for fixed and floating platforms. These technical solutions, which do not require heavy lift operations offshore, were largely used to install integrated bridges for low air gap platforms, semi-submersible platforms and Spars.

Technip's "floatover" technology includes, in particular, new solutions for installing and removing surface facilities from high air gap fixed platforms, such as the Deck Salvage and Installation Vessel (DSIV).

Fixed Platforms

The TPG 500 is a self-installing, high-capacity fixed platform that is built, equipped and tested onshore and then towed onsite.

Once on site, the platform's legs are jacked down and installed on the seabed, at depths of up to 150 meters, which is suitable for many fields in the North Sea. The fixed platform is then raised to its final position.

Floating and semi-submersible platforms

The Spar is a floating platform for drilling, production and processing based on technology jointly developed by Technip and J. Ray McDermott. This structure includes a cylindrical hull anchored vertically to the seabed. The platform is used for production from individual wells through wellheads installed at the surface instead of on the seabed, which provides direct and permanent access to the wells for drilling and maintenance.

Spar platforms constitute an important component of Technip's strategy for floating production platforms.

In addition to Spar platforms, Technip is also developing a Tension Leg Platform (TLP) concept for use at water depths of between 270 meters and 1,500 meters, as well as the new Extendable Draft Platform ("EDP"), a self-installing, high-capacity semi-submersible platform, suitable for use in West Africa, the Gulf of Mexico, Brazil and in deep sea fields in the North Sea. This new technology dispenses with the need for offshore lifting equipment and is currently being considered as a technical solution for large development projects worldwide.

6.5. Suppliers

The projects managed by Technip, as well as its own business, require the use of many raw materials, parts and equipment. Equipment purchases are carried out through competitive bids and suppliers are selected based on economic and technical qualification criteria. Technip has stable working relationships with its main suppliers and has not yet had difficulties finding high-quality raw materials to meet the needs of its manufacturing processes. Technip continuously strives to consolidate its procurement sources while maintaining enough suppliers for strategic equipment and raw materials.

For the execution of Onshore and Offshore projects, Technip procures its equipment and components from a large number of international suppliers, which are recognized as leaders in their respective sectors. National Pipe Company, Tenaris, Siemens, General Electric and VRV S.p.A. were among the Group's main suppliers in 2008.

With regard to the main raw materials used in the Subsea segment to manufacture flexible pipes and umbilicals, the Group turned to leading suppliers in 2008 such as ArcelorMittal, Sandvik, Balmoral, Arkema and Dofcon AS.

The strong increase in raw material prices since 2003 has directly impacted the cost of equipment and projects. The opposite tendency, which has been sustained since mid-2008, could impact the costs of projects in 2009. These price fluctuations did not result in the shortage or the delay of strategic raw material or equipment deliveries for Technip in 2008.

6.6. Environment

Compared to other types of industrial companies, Technip has a fairly low environmental impact. In 2008, Technip's fleet and all of its production plants represented less than 1.5% of greenhouse gases ("GHG") emitted by French refineries (ref. Citepa, Secten 2008). Nevertheless, the Group has set as its objective to take the impact on the environment into greater consideration in the design and execution of its industrial projects. Technip addressed these challenges by joining the UN Global Compact in 2003, under which it committed to develop and build industrial installations allowing for reduced greenhouse gas emissions over the installations' life cycle as well as improved safety for personnel operating the installations and the local communities surrounding the installations.

To demonstrate its commitment to continually reduce its environmental impact, Technip adopted a policy of environmental certification, under the ISO 14001 norm.

At December 31, 2008, 25 of the Group's sites had obtained certification.

This request for certification ensures, on the one hand, that the impact of each entity's activity on the environment is identified, evaluated and taken into account and, on the other hand, management's commitment to continual improvement, pollution prevention, and evaluation of compliance with regulations.

An integrated software solution manages the piloting of this continual improvement system, which allows for the implementation of a system assisting in the monitoring and improvement of the Group's health, safety and environmental conditions.

Performance indicators corresponding to the impact of the Group's various activities are calculated on a yearly basis. These indicators combine figures corresponding to the defined scope with the number of hours worked, thus putting these impacts in perspective in terms of the Group's activity while at the same time allowing for comparison with the previous year:

	2007 Total	2008 Total	Construction sites	Production Plants	Fleet	Offices
Energy Consumption						
Ratio per hour worked **(in kWh/h)**	3.3	6.1	3.1	20.9	79.2	2.6
Water Consumption						
Ratio per hour worked **(in l/h)**	6.8	17.89	18.45	38.87	8.92	10.25
Waste						
Ratio per hour worked **(in kg/h)**	0.16	0.26	0.24	2.22	0.14	0.09
Greenhouse gas emissions						
Ratio per hour worked **(in kg eq CO_2/h)**	1.73	1.64	0.98	5.13	22.33	0.72
Annual expenditures for protection of the environment (in thousands of euros)						
Total functional expenditures **(in thousands of euros)**	NC	370				
Total expenditures **(in thousands of euros)**	1,535	1,047				
Provisions and guarantees for environmental risks **(in thousands of euros)**	0	0				
Decontamination costs **(in thousands of euros)**	0	0				
Number of fines and compensation awards	0	0				
Amount of fines and compensation awards **(in thousands of euros)**	0	0				

The environmental data published in the table below relates to water and energy consumption, hazardous substances, GHG emissions and waste and operating expenditures for the prevention of environmental consequences from Technip's activities:

			2008 Breakdown			
	2007	2008	Construction sites	Production Plants	Fleet	Offices
Consumption						
Energy						
Direct energy consumption **(in MWh)**						
Gas **(in MWh)**	54,547	35,828	0%	52%	0%	48%
Fuel-oil, Diesel **(in MWh)**	1,186,691	1,737,438	45%	3%	41%	0%
Indirect energy consumption **(in MWh)**						
Electricity **(in MWh)**	103,226	165,834	60%	20%	0%	20%
Water						
Total water consumption **(in m^3)**	2,052,654	4,720,979	89%	5%	2%	5%
Other						
Paper consumption **(in t)**	1,872	1,021	0%	0%	0%	100 %
Heavy metals consumption **(in t)**	NC	0	NA	NA	NA	NA
CMR consumption(1) **(in t)**	NC	0.75	0%	100%	0%	0%
Waste water(2)						
Industrial & domestic effluents **(in t)**	1,561,752	1,159,343	88%	9%	2%	0%
Waste						
Total waste weight, by type						
Non-hazardous waste						
Paper / cardboard **(in t)**	2,676	1,959	46%	8%	0%	46%
Domestic waste **(in t)**	6,172	30,532	92%	5%	2%	2%
Metal **(in t)**	17,945	11,797	45%	55%	0%	1%
Wood **(in t)**	9,392	29,706	95%	5%	0%	0%
Plastics **(in t)**	1,862	2,748	50%	49%	1%	0%
Other **(in t)**	11,968	11,021	100%	0%	0%	0%
Total non-hazardous waste (in t)	**50,015**	**87,763**	**85%**	**12%**	**1%**	**2%**
Hazardous waste						
Oil & grease **(in t)**	1,537	1,506	75%	6%	20%	0%
Batteries **(in t)**	75	113	65%	12%	0%	21%
Medical waste **(in t)**	3	3	58%	20%	0%	22%
Paints & solvents **(in t)**	80	78	76%	24%	0%	0%
Other **(in t)**	438	2,625	77%	22%	1%	0%
Total hazardous waste (in t)	**2,133**	**4,325**	**76%**	**16%**	**8%**	**1%**
Total waste (in t)	**52,148**	**92,088**	**85%**	**12%**	**1%**	**2%**
Non-hazardous waste recycling rate(3)			61%	94%	36%	99%
Greenhouse gas emissions						
CO_2						
Direct CO_2 **emissions (in t CO_2 equiv.)**	556,211	441,533	49%	4%	45%	1%
Indirect CO_2 **emissions (in t CO_2 equiv.)**	43,763	78,419	78%	9%	0%	13%
Total	**599,974**	**519,952**	**54%**	**5%**	**39%**	**3%**
Management System						
Site participating in environmental reporting	83%	93%	(4)	81%	100%	95%
ISO 14001 certified entity	25	25				
Total hours worked(5)	**407,000,000**	**488,000,000**	**91%**	**2%**	**2%**	**5%**

(1) Consumption of Carcinogenic, Mutagenic and Reprotoxic (CMR) substances, French perimeter.
(2) Effluents treated by Technip assets and directly discharged into the natural environment.
(3) External treatment: recycling or thermal valorisation.
(4) Reporting and management system administrated from offices, 25 major projects sites participated in information gathering in 2008.
(5) Including payroll employees and installation/construction subcontractors.

Ongoing employee training is an integral part of this management system. In 2008, 900,000 hours of HSE training were completed by employees.

An environmental awareness day to address environmental and climate change issues was also held at all of the Group's sites.

Technip incorporates the objective of natural resource preservation starting in the initial project design phases. A systematic environmental analysis method ("ENVID") is progressively put in place in each of Technip's operating centers.

This tool ensures that each environmental aspect is taken into consideration during the different project and evaluation phases of the retained solutions, while also taking into account the most effective techniques and their costs.

6.7. Insurance

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

Technip's current policy regarding insurance focuses on two main areas:

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

6.7.1. Insurance policies relating to contracts

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

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

The often high premiums (generally between 0.3% to 0.6% for "onshore" risks and over 1% for "offshore" risks) and deductibles (sometimes up to $5 million) under these policies drive the Group to improve its technical and legal means of prevention and protection.

In this regard, a panel of guidelines specific to insurance contract negotiation is applied throughout the Group.

Moreover, the Group obtains workers' compensation depending on the needs of each contract and on the applicable regulations in the countries where such contracts are being performed and monitors the insurance coverage of car fleets on a regional basis.

6.7.2. Permanent insurance policies

Permanent policies primarily cover losses that are not covered by policies relating to contracts, such that policies relating to contracts, together with permanent policies, provide complete coverage. A distinction must be made between:

Technip's civil liability

These policies relate to Technip's liability for installations delivered outside of periods covered by policies relating to contracts and to third-party liability.

The Group's civil liability insurance program covers business civil liability risk and general liability on all of its businesses within a single plan. This integrated program is based on a master policy that includes all policies maintained locally by the Group's subsidiaries.

A key component of the plan is Engineering Re, a captive reinsurance company that covers professional liability insurance.

Engineering Re takes part in the Group's Civil Liability Insurance and applies the terms and conditions of the original "Master" policy delivered by Technip's insurers.

Engineering Re manages its exposure by limiting its annual level of involvement on the lower risk layers. It also takes part in the reinsurance of the "Master" insurer upper risk layer, which is secured by reinsurance protection.

Engineering Re's intervention was tailored based on an intensity risk and not on a frequency basis constituted by the Group's Civil Liability which covers Business Civil Liability, Operational Civil Liability and the Civil Liability to cover the post-delivery phase.

The net retention of Engineering Re at July 1, 2008 amounted to 2 million euros per incident and 9 million euros per year on the first tranche of the program and 750,000 euros on the second tranche.

Regarding a reinsurance company, its risk management, apart from the choice of risk coverage, consists of paying for funds called by primary insurers, subject to the retention limits described above.

The Group's maritime business

Policies relating to the Group's maritime business through its Offshore operations are the following:

- "Hull and machinery" policy that covers the entire fleet in the event of total loss or significant repairs;
- "Liability incurred by ship owners with respect to third parties" policy, called "Protection & Indemnity" ("P&I"), which is ensured by a P&I Club. This policy also covers pollution risks attributable to vessels.

Moreover, the industrial sites for the manufacture of Offshore products are covered by "But All Risks" policies, both for assets and operating losses resulting from a claim.

Finally, the Group's various premises, in particular, the head office, carry multi-risk policies.

The Group's multi-risk policies

In addition, the Group carries a multi-risk policy covering all of its industrial assets with respect to damages and operating losses.

The cost of the Group's insurance for all permanent policies in 2008 amounted to approximately 1% of revenues.

7

Organization Structure

7.1. Simplified Organization Structure of the Group as of December 31, 2008

Technip SA is the Group's parent company.

The Company's business is primarily to act as a holding company, receive dividends, and centralize and reinvoice management and administrative costs as management fees and specific costs such as insurance fees and commissions on representations and warranties.

All of the Company's revenues are generated by its subsidiaries.

7.2. Subsidiaries and Investments

The subsidiaries handle and execute contracts. The Group's main subsidiaries include the following:

- Technip France is a simplified joint-stock company *(société par actions simplifiée)*, whose registered office is located at 6-8 allée de l'Arche, 92400 Courbevoie (France), and is registered with the Commercial Registry of Nanterre under the number 391 637 865. Technip France has been active for over fifty years in the engineering and project construction fields for the oil and gas and chemical industries. The contracts it manages involve the Subsea, Offshore and Onshore segments. As at December 31, 2008, the Group held 100% of this company's share capital.
- Technip Italy S.p.A. has its registered office at Viale Castello della Magliana, 68 Roma (Italy), and has been a process and engineering specialist since 1969. This subsidiary has Onshore expertise related, in particular, to the implementation of energy production units, pharmaceutical plants and infrastructures. The Group holds 100% of this company's share capital.
- Technip UK Limited (Aberdeen) is located at Entreprise Drive, Westhill, Aberdeenshire AB32 6TQ (United Kingdom). Specialized in the Offshore and Subsea segments, Technip UK Limited primarily works on North Sea projects, in particular, the construction of floating and fixed platforms. Its Evanton spoolbase is used to manufacture rigid pipe. The Group holds 100% of this company's share capital.
- Technip Geoproduction Malaysia Sdn Ghd has its registered office at 2nd Floor Wisma Technip, 241 Jalan Tun Razak, 50400 Kuala Lumpur (Malaysia). Created in 1982, this company is active in the Subsea, Offshore and Onshore segments. The Group holds 44.1% of this company's share capital.
- Flexibras Tubos Flexiveis Limitada is a Brazilian-law company, located at 35 Rua Jurema Barroso, 29020 430 Vitoria (Brazil). Created in 1986, this company's activity consists in the manufacture and sale of high-quality flexible pipes. Its manufacturing plant is strategically located near offshore oil and gas fields. The Group holds 100% of this company's share capital.
- Technip USA Inc, whose registered office is located at 11700 Katy Freeway, Suite 150, Houston, Texas 77079 (United States), is active in the Subsea, Onshore and Offshore segments, in particular, with the construction of Spars for fields located in the Gulf of Mexico. The Group holds 100% of this company's share capital.

The table below presents key figures for the main subsidiaries for the year ended December 31, 2008:

in millions of Euro Consolidated figures (except dividends)	Technip France	Technip Italy	Technip UK Ltd	Technip Geoproduction Malaysia Sdn Bhd	Flexibras	Technip USA Inc
Revenues	1,819.9	940.7	936.0	116.5	370.5	877.9
Fixed Assed (not including Goodwill)	21.3	9.8	207.2	0.4	43.8	30.8
Financial Debts (excluding the Group)	6.1	-	116.2	-	105.2	4.1
Cash in Balance Sheet	963.5	382.6	77.7	12.0	117.1	141.0
Dividends Paid during the Year to the Listed Company	78.3	16.0	-	-	-	-
Amount Invoiced by Technip SA during the Year	40.5	9.8	9.9	0.5	-	10.3

Acquisitions completed during the year are not significant at the Group level, with revenues from the main acquisition in 2008 amounting to 4.4 million euros.

See also the List of Subsidiaries and Investments in Note 7 of the Statutory Financial Statements as of December 31, 2008 which is included in Section 20.2 of this Reference Document.

8

Real Estate Property, Plant and Equipment

8.1. Significant existing or planned Property, Plant and Equipment and major related Expenses

8.1.1. Facilities

Technip's main facilities, with the exception of its vessels, include offices spread between its head office and offices at its operational centers and assembly plants and plants. At December 31, 2008, Technip owned, in particular, offices at its sites in Rome and New Delhi, as well as various plants such as the Le Trait plant in Normandy. Since 2003, the Company has leased a multi-story, single-site building with a 3,200 workstation capacity in Courbevoie (France). Technip mostly leases its office space. It owns or leases construction and production sites for the Subsea segment's operations in the production of flexible pipes and other subsea products. Technip believes that its facilities are suited to its needs. In the consolidated financial statements for the year ended December 31, 2008, Technip's land, constructions, machines and equipment were recorded at a net amount of 280.9 million euros, including 91.0 million euros of land and constructions.

Technip has two flexible pipe manufacturing plants, one in France (Le Trait) and one in Brazil (Vitoria), which allow the Group to produce up to 860 kilometers of normalized pipe (with a diameter of 8 inches) per year.

Furthermore, the construction of a new plant in Malaysia, Asiaflex Products, which was announced by Technip in January 2008, should allow the Group to produce additional 200 kilometers of normalized pipe by 2010.

Technip should have a total annual manufacturing capacity of 1,060 kilometers of normalized pipe.

The main owned or leased properties to which the Group had access at December 31, 2008 were as follows:

Location	Purpose	Legal Status
(EUROPE)		
Courbevoie (Paris-La Défense), France	Head Office/Offices	Lease
Paris, France	Offices	Lease
Le Trait, France	Plant (flexible hoses), Offices and Land	Owned
Lyon, France	Offices	Lease
Rouen, France	Offices	Lease
Nîmes, France	Offices	Lease
Toulouse, France	Offices	Lease
Bagnolet, France	Offices	Lease
Rome, Italy	Offices	Owned/Lease
Zoetermeer, the Netherlands	Offices	Lease
Capelle a/d. IJssel, the Netherlands	Offices	Lease
's-Hertogenbosch, the Netherlands	Offices	Lease
Bergen op Zoom, the Netherlands	Offices	Lease
The Hague, the Netherlands	Offices	Lease
Düsseldorf, Germany	Offices	Lease
Newcastle, United Kingdom	Plant (umbilicals) and Offices	Owned/Lease
Aberdeen (Scotland), United Kingdom	Offices and Warehouses	Owned/Lease
London, United Kingdom	Offices	Lease
Edinburgh (Scotland), United Kingdom	Warehouses	Owned/Lease
Evanton (Scotland), United Kingdom	Plant (spoolbase) and Land	Owned/Lease
Pori (Mäntyluoto), Finland	Plant (naval construction site) and Land	Owned
Pori, Finland	Offices	Lease
Brussels, Belgium	Offices	Lease
Antwerp, Belgium	Offices	Lease
Barcelona, Spain	Offices	Lease
Madrid, Spain	Offices	Lease
Tarragone, Spain	Offices	Lease
Oslo & Stavanger, Norway	Offices	Lease
Orkanger, Norway	Plant (spoolbase), Offices and Land	Owned/Lease
Athens, Greece	Offices	Lease
Warsaw, Poland	Offices	Lease
(EASTERN EUROPE)		
Saint Petersburg, Russia	Offices	Lease
Moscow, Russia	Offices	Lease
Baku, Azerbaijan	Offices	Lease
(ASIA)		
New Delhi, India	Offices	Owned/Lease
Chennai, India	Offices	Lease
Mumbai, India	Offices	Lease
Kuala Lumpur, Malaysia	Offices	Lease
Tanjung Langsat, Malaysia	Plant under construction (flexible hoses and umbilicals) and Land	Owned/Lease
Tokyo, Japan	Offices	Lease
Shanghai, China	Offices	Lease
Tianjin, China	Offices	Lease
Beijing, China	Offices	Lease
Jakarta, Indonesia	Offices	Lease
Balikpapan, Indonesia	Offices	Lease
Bangkok, Thailand	Offices	Lease
Rayong, Thailand	Offices	Lease
Singapore, Singapore	Offices	Lease
Hanoi, Vietnam	Offices	Lease
Ho Chi Minh City, Vietnam	Offices	Lease
Seoul, South Korea	Offices	Lease

Location	Purpose	Legal Status
(OCEANIA)		
Perth, Australia	Offices	Lease
(NORTH AMERICA)		
Channelview (Texas), United States	Plant (umbilicals) and Land	Owned
Claremont (California), United States	Offices	Lease
Mobile (Alabama), United States	Plant (spoolbase) and Land	Owned/Lease
Houston (Texas), United States	Offices	Lease
St. John's, Canada	Offices	Lease
Calgary, Canada	Offices	Lease
Monterrey, Mexico	Offices	Lease
(SOUTH AMERICA)		
Vitoria, Brazil	Plant (flexible hoses) and Land	Owned/Lease
Rio de Janeiro, Brazil	Offices	Owned/Lease
Macaé, Brazil	Plant (spoolbase) and Offices	Owned
Caracas, Venezuela	Offices	Co-Owned
Bogota, Colombia	Offices	Owned
(AFRICA)		
Lagos, Nigeria	Offices	Lease
Port Harcourt, Nigeria	Plant (naval construction site), Offices and Land	Owned/Lease
Lobito, Angola	Plant (umbilicals) and Land	Owned/Lease
Dande, Angola	Plant (spoolbase) and Land	Owned/Lease
Luanda, Angola	Offices	Lease
Johannesburg, South Africa	Offices	Lease
(MIDDLE EAST)		
Dubai, UAE	Offices	Lease
Abu Dhabi, UAE	Offices	Lease
Doha, Qatar	Offices	Lease
Al Khobar, Saudi Arabia	Offices	Lease
Sana'a, Yemen	Offices	Lease

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

8.1.2. Fleet of vessels

The utilization rate of Technip's fleet amounted to 79% for the 2008 financial year.

At December 31, 2008, the Group held a stake in or operated the following vessels:

Vessel Name	Vessel Type	Special Equipment	Diving Systems	ROV Systems
Deep Blue	PLSV	Reeled pipelay/umbilical systems	0	2
Apache	PLSV	Reeled pipelay/umbilical systems	0	0
Sunrise	PLSV	Flexible pipelay/umbilical systems	0	2
Skandi Vitoria(2)	PLSV	Flexible pipelay/umbilical systems	0	2
New Pipelay Vessel(2)	PLSV	Flexible pipelay/umbilical systems	0	2
Deep Pioneer	HCV	Construction/installation systems	0	2
Deep Constructor	HCV	Construction/installation systems	0	2
Normand Pioneer(1)	LCV	Construction/installation systems	0	2
Geoholm(1)	LCV	Construction/survey support systems	0	2
Skandi Achiever(1)	DSV/LCV	Diver support systems	1	2
Skandi Arctic(2)	DSV/HCV	Diver support systems	2	3
Wellservicer	DSV/HCV	Diver support systems	2	2
Venturer	DSV/HCV	Diver support systems	1	1
Alliance	DSV/LCV	Diver support systems	1	1
Orelia	DSV/LCV	Diver support systems	2	1
Seamec Princess	DSB/HCV	Diver support systems	1	0
Seamec 1	LCV	Construction support systems	0	0
Seamec 2	DSV/LCV	Diver support systems	1	0
Seamec 3	DSV/LCV	Diver support systems	1	0

PLSV: Pipelay Support Vessel.
HCV: Heavy Duty Construction Vessel.
LCV: Light Construction Vessel.
DSV: Diving Support Vessel.
TSV: Trenching Support Vessel.
(1) Vessels under long-term charter.
(2) Vessels under construction.

This specialized fleet allows the Group to provide the full range of diving and diverless services to oil industry clients worldwide. Technip's state-of-the-art fleet is capable of conducting operations in water depths ranging from 30 meters to 3,000 meters.

Change in fleet over 2008 and for 2009

In 2008, Technip continued the strategic program started in 2006, which includes:

- The Diving Support Vessel (DSV) *Orelia* operates in a niche market in the North Sea and is one of the rare vessels able to work on multiple subsea diving and construction tasks offshore. The vessel is normally based in the North Sea. The *Orelia* underwent a Life Extension Program (LEXT) and became operational after the LEXT process, in the middle of 2008. Additional living quarters were added and the original accommodation was refurbished. The vessel cranes and diving system were also completely renovated. The *Orelia* was also fitted with completely redesigned bow and stern sections during the LEXT process. This redesign considerably increased the Orelia's service speed to approximately 9.5 knots (5/6 knots prior to the LEXT process).
- The *CSO Constructor* was renamed *Deep Constructor*. A yard was chosen in Durban, South Africa to carry out a 65-day maintenance program, during which the accommodation was fully refitted, providing additional two-bed cabins, removing four-bed accommodation and improving welfare of crew by upgrading public spaces and amenities. Major structural repair work, vertical lay system (VLS) upgrade and improvements, Remote Operated Vehicle (ROV) overhaul, commissioning, dynamic positioning trials were also completed.
- A new dynamically positioned Class III marine service vessel being constructed by STX Norway Offshore AS (formerly Aker) and delivered in the first quarter of 2009. This vessel, named *Skandi Arctic,* is intended to be used for the Norwegian market and will be used by Technip to service the 2005 contract signed with StatoilHydro. This vessel is jointly held with DOF, a leading Norwegian shipowner, and is fitted with the latest environmentally-friendly technology. The vessel, measuring 157 meters in length, is fitted with a dynamic positioning Class III system, 24-man dive technology, as well as a 400-ton and 58-ton crane. Two Workclass Remotely Operated Vessels (WROV) with working depths of 3,000 meters and an Observation Remotely Operated Vehicle (OROV) with a working depth of 1,500 meters was fitted.

- Construction of Technip's new pipelay vessel *(NPV)* is progressing with STXHI in Korea with four suppliers in Europe for the main crane/pipelay equipment, and delivery is expected in 2010. The vessel will be built in China, then transit back to Europe for the installation of the main pipelay equipment. The *NPV* will be a dynamically positioned Class III vessel measuring 194 meters in length, with a pipe capacity of 5,600 tons on two off reels. This high transit speed vessel will be able to function worldwide and will be able to install rigid pipes with diameters up to 18 inches in a range of water depths. At the end of 2008, the shipyard had started block erection in China, and the crane/pipelay vendors continued with the engineering and procurement aspects, as well as and in some cases, actual delivery of equipment in Europe. Two deepwater ROVs have also been fitted.
- In partnership with DOF, Technip selected STX (formerly Aker) for the construction of a new flexible pipelay vessel. This vessel, named *Skandi Vitoria*, will be used for the Brazilian market and will include a vertical laying system for flexible pipes in water depths of up to 2,500 meters, as well as a horizontal laying system for umbilicals. It measures 125 meters in length and is a dynamically positioned Class II vessel expected to be delivered at the end of 2009. Two ROVs will be installed.

8.2. Environmental Matters that may impact the Group's Use of its Property, Plant and Equipment

See Sections 4.3 and 4.4 of this Reference Document.

9

Review of Financial Position and Financial Performance

Comments

The following document presents Technip's consolidated financial results for the two periods ended respectively December 31, 2008 and 2007, prepared in accordance with International Financial Reporting Standards (IFRS) ("Technip's Consolidated Financial Statements"). When used in this section, the term "Technip" refers to Technip SA and its consolidated subsidiaries.

The reader is encouraged to read the presentation below in light of the entire Reference Document, including the Consolidated Financial Statements and the Notes that accompany them, as presented in Section 20.1 of this Reference Document.

9.1. Presentation of the Consolidated Financial Statements included in the Reference Document

Main Changes in the Scope of Consolidation

(See Note 2 to the Consolidated Financial Statements at December 31, 2008)

In 2008, Technip acquired, in the Onshore segment, EPG Holding BV and its two subsidiaries, specialized engineering companies based in the Netherlands. In the Offshore segment, Technip acquired Eurodim, an engineering and consulting company, based in the Paris region.

On December 31, 2008, Coflexip Développement acquired Sofremines, a specialized engineering company with approximately 20 employees, based in the Paris region, and which operates in the Onshore segment.

The following subsidiaries were created: Genesis Oil and Gas Consultant Canada, owned at 100% and fully consolidated; Techdof, owned at 50%, and TSU Projects, owned at 60%, which are consolidated under the proportionate method.

During the 2008 fiscal year, Citex was merged into Technip France and RJ Brown Deepwater was merged into Technip USA Holdings Inc.

The following companies were dissolved: Technip Biopharm, Technip Upstream Management, Coflexip Stena Offshore AS, TSKJ-US LLC, TSKJ Italia SRL, TS Usan and Consortio Jantec.

No entity was sold by Technip in 2008.

In 2007, Technip sold Perry Slingsby Systems Inc. (PSSI) and Perry Slingsby Systems Ltd. (PSSL), located in the United States and in the United Kingdom, respectively, which manufacture subsea Remotely Operated Vehicles (ROV) and other subsea equipment. The investment in Nargan was sold in January 2007.

Reporting by Business Segment and by Geographical Area

Technip's reporting of its operating performance has been based on the following four segments since January 1, 2008:

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

Until December 31, 2007, Technip's financial reporting was based on five business segments, the four segments described above and the Industries segment, which was dedicated to the engineering and construction of non-petroleum facilities, particularly pharmaceutical or chemical units, power plants, metal and mining facilities and industrial buildings. As of January 1, 2008, the Industries segment was merged with the Onshore segment.

From a geographical standpoint, Technip's operating activities and performance are reported on the basis of the following five regions:

- Europe, Russia and Central Asia;
- Africa;
- Middle East;
- Asia Pacific;
- Americas.

9.2. Changes in Backlog and Presentation of Revenues

Changes in Backlog

Backlog, defined as the difference between the total contractual sale prices of all contracts in force and the cumulated revenues recognized at that date on these contracts, amounted to €7,208.4 million at December 31, 2008, as compared to €9,389.5 million at December 31, 2007, representing a decrease of 23.2%, which can mainly be explained by a lower level of order intake in 2008, as compared to 2007, as demonstrated below.

Order intake by segment in 2008, as compared to 2007, is shown below:

	12/31/2008	12/31/2007	Change
Subsea	2,854.4	3,295.5	-13.4%
Offshore	517.6	563.9	-8.2%
Onshore	2,382.7	3,338.4	-28.6%
Total	**5,754.7**	**7,197.8**	**-20.0%**

The decrease in the level of order intake in 2008 can mainly be explained by a lower order intake in the Onshore segment (decrease of €956 million as compared to 2007) following the strategy announced by the Group to rebalance the portfolio of activities and to be more selective regarding lump-sum turnkey contracts, which continued throughout 2008. Order intake in the Subsea segment decreased by €441 million as compared to 2007; indeed, order intake was particularly high in 2007 (47% higher than in 2006) due to the large contracts entered into, such as Pazflor, MAD6, and Cascade Chinook. In 2008, the Subsea segment benefited from the signing of the second phase of development of the MAD6 oil field, following the successful completion of the first phase. In the Offshore segment, order intake does not vary significantly from one year to the next.

Backlog by segment is set forth below:

	12/31/2008	12/31/2007	Change
Subsea	3,495.9	3,477.1	0.5%
Offshore	461.1	550.9	-16.3%
Onshore	3,251.4	5,361.5	-39.4%
Total	**7,208.4**	**9,389.5**	**-23.2%**

The Subsea segment was the largest contributor with €3,495.9 million, representing 48.5% of total backlog at the end of 2008, despite a steady level as compared to backlog at December 31, 2007 of €3,477.1 million (i.e., 37.0% of the total backlog in 2007). Similarly, backlog for each of the geographical areas remained stable. In this regard, Africa accounted for 42.7% of the Subsea segment's backlog in 2008, as compared to 40.6% in 2007 (€1,492.0 million in 2008, as compared to €1,410.8 million in 2007). The major contract awarded in 2008 by BP to develop the Block 31 oilfield offshore Angola and, to a lesser extent, the Oyo Field Development (ENI) in Nigeria, should be highlighted.

Backlog for the Americas (including Brazil) also remained steady with €1,221.0 million in 2008, representing 34.9% of the Subsea segment's backlog, as compared to €1,163.5 million, which represented 33.5% of the backlog in 2007. This was due, in particular, to the large contribution from new contracts entered into with Petrobras in Brazil with respect to, in particular, the supply of flexibles for the P53 oilfield and the charters for the *Skandi Vitoria* and *Normand Progress*. The backlog in Europe, Russia and Central Asia decreased slightly by 2.6% in 2008, representing €560.7 million (i.e., 16.0% of the Subsea segment's backlog) as compared to €575.8 million at December 31, 2007 (i.e., 16.6% of the Subsea segment's backlog). Two important new contracts were also entered into: Gjoa Tie Ins with Statoil in Norway, and Don Southwest with Petrofac in Great Britain.

The Onshore segment was the second-largest contributor with €3,251.4 million, i.e., 45.1% of backlog at the end of 2008, which represents a decrease of 39.4% from backlog at December 31, 2007, which amounted to €5,361.5 million (i.e., 57.1% of total backlog). This decrease was mainly attributable to the Middle East region, which, at €1,428.6 million, represented 43.9% of the Onshore segment's contribution in 2008, as compared to 57.5% in 2007 (€3,089.0 million). The backlog was derived to a great extent from large LNG and gas treatment contracts which came into force in 2005 (Rasgas III, Yemen LNG and Khursaniyah), in 2006 (Qatargas III & IV, AKG2) and in 2007 (OAG), as well as the Fujairah contract (pipelines) entered into in 2008. The backlog in Europe, Russia and Central Asia remained stable: €1,067.4 million in 2008 (i.e., 32.8% of the segment) as compared to €1,108.6 million in 2007 (i.e., 20.7% of the segment). Backlog was, in part, comprised of a lump-sum turnkey contract for the Gdansk refinery in Poland (Grupa Lotos), entered into in July 2007, and two other contracts entered into in 2008: a services contract for a crude oil distillation unit at the Corinth refinery in Greece (Motor Oil Hellas) and an extension of an ethylene plant in Russia (Sibur Neftehim). In the Asia Pacific region, backlog decreased by 24% to €437.1 million (i.e., 13.5% of the Onshore segment's 2008 backlog), as compared to €575.0 at the end of 2007 (i.e., 10.7% of the Onshore segment's 2007 backlog). The backlog was mainly comprised of the contract for the Dung Quat refinery in Vietnam, recorded in backlog in prior years, and for which many units reached mechanical completion at the end of 2008, the contract with Map Ta Phut Olefins Co. Ltd. (MOC) for the construction of steam-cracking furnaces for an ethylene plant, and the contract for the construction of the Koniambo nickel smelter unit located in New Caledonia. With regard to the Americas, the backlog decreased sharply (by 57.1%) to €220.5 million (i.e., 6.8% of the segment's backlog), as compared to €514.1 million at the end of 2007 (i.e., 9.3% of the Onshore segment's backlog). The backlog decrease in this geographical area can mainly be explained by the progress made in the execution of the two contracts for CNRL in Canada (one for a hydrogen production unit and one for a bituminous sand treatment unit). These two contracts represented a large part of the backlog in 2007. In 2008, backlog was comprised of the contract entered into with Valero in 2008 for the extension of the Port Arthur refinery (USA) and several services contracts.

The Offshore segment's backlog amounted to €461.1 million, as compared to €550.9 million at the end of 2007, representing a decrease of 16.3%, which is primarily due to the decrease in 2008 order intake as compared to 2007 order intake. 32.1% of the backlog consisted of contracts to be executed in Africa, with €147.9 million from the Akpo FPSO (Total) and Ofon T&I (Total) in Nigeria. The Americas region contributed 39.0% of the Offshore segment's backlog with €179.6 million, including the P56 semi-submersible production platform project (Petrobras). The Middle East contributed €66.5 million, representing 14.4% of the segment's backlog, primarily resulting from the Zakum/GPF (ADMA-OPCO) contract offshore Abu Dhabi.

Presentation of Revenues

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

- For all contracts, which include construction services subject to performance commitments (lump-sum turnkey contracts), once their progress is deemed sufficient, the percentage-of-completion is based on technical milestones defined for the main components of the contracts.
- For other construction contracts, the percentage-of-completion is recognized based on the ratio between costs incurred to date and estimated total costs at completion.

The table below shows consolidated revenues by business segment for the years ended December 31, 2008 and 2007:

In millions of Euro	Subsea		Offshore		Onshore		Corporate	Total Continuing Operations		Discontinued Operations	Total	
		Var.		Var.		Var.			Var.			Var.
Revenues 2008	2,689.0	8.5%	695.2	-5.9%	4,097.2	-12.3%	-	7,481.4	-5.1%	-	7,481.4	-5.1%
Revenues 2007	2,478.2		738.8		4,669.5		-	7,886.5		-	7,886.5	

Revenues decreased from €7,886.5 million in 2007 to €7,481.4 million in 2008, representing a decrease of 5.1%, which was mainly due to the impact of foreign exchange effects primarily resulting from the 7% depreciation of the US dollar and the 16% depreciation of the pound sterling between 2007 and 2008, which had a negative impact of €325.5 million. At a constant exchange rate, revenues amounted to €7,806.9 million, representing a decrease of only 1.0% as compared to revenues in 2007.

Revenues by Business Segment

Subsea

The Subsea segment generated revenues of €2,689.0 million in 2008, an increase of 8.5% over 2007 (€2,478.2 million). It accounted for 35.9% of 2008 consolidated revenues, as compared to 31.4% in 2007. The increase in 2008 was due to the number of projects executed over the course of the year and the high activity on the projects in the North Sea and in Africa. The main projects were: for Africa, Agbami (Chevron Texaco) and ABO2 (Agip) in Nigeria, as well as Gimboa (Sonangol) in Angola, and Azurite (Murphy Oil) in the Congo; for the Americas, P52, Canapu and P54 (Petrobras) in Brazil, Thunderhorse 2007-9 Works (BP) in the United States and White Rose North Amethyst (Husky Oil) in Canada; for Europe, Russia and Central Asia, DSVI (THT) and Don Southwest (Petrofac) in Great Britain, Yme Redevelopment (Talisman) and Morvin (Statoil) in Norway; and in Asia Pacific, Kupe Surf (Origin) in New Zealand and MAD6 Supply and Installation (Aker) in India.

Offshore

Offshore revenues were €695.2 million in 2008, a decrease of 5.9% as compared to 2007 revenues (€738.8 million). It represented 9.3% of 2008 consolidated revenues, as compared to 9.4% in 2007. The main projects contributing to 2008 revenues were: for Africa, Akpo FPSO (Total) in Nigeria and Dalia FPSO (Total) in Angola; for the Middle East, Zakum/GPF (ADMA-OPCO); for the Americas, Perdido Spar (Shell) in the Gulf of Mexico and P51 and P56 semi-submersible production platforms (Petrobras) in Brazil; for Europe, the Genesis subsidiary's projects.

Onshore

The Onshore segment showed the highest decrease in revenues, amounting to €4,097.2 million, a decrease of 12.3% as compared to 2007 (€4,669.5 million). It accounted for 54.8% of 2008 consolidated revenues, as compared to 59.2% of 2007 consolidated revenues. The reduction in revenues stemmed from the relatively low level of order intake in 2008, as compared to previous years. The main projects contributing to revenues were the LNG and gas treatment projects in the Middle East (Qatargas II, Qatargas III & IV, RasGas III, AKG2, OAG and Khursaniyah), but also projects operated in Poland (a refinery, a paraxilene complex and a diesel oil hydrodesulphurization unit).

Revenues by Geographical Area

The following table shows consolidated revenues by geographical area for the years ended December 31, 2008 and 2007:

In millions of Euro	Europe, Russia, Central Asia		Africa		Middle East		Asia Pacific		Americas		Not Allocable	Total	
		Var.		Var.		Var.		Var.		Var.			Var.
Revenues 2008	1,682.2	38.0%	780.8	-18.2%	2,213.5	-31.8%	1,034.5	0.2%	1,770.4	23.5%	-	7,481.4	-5.1%
Revenues 2007	1,218.8		954.8		3,246.6		1,032.2		1,434.1		-	7,886.5	

Europe, Russia and Central Asia

This region generated revenues of €1,682.2 million in 2008, as compared to €1,218.8 million in 2007, representing an increase of 38.0%. This region's contribution represented 22.5% of 2008 consolidated revenues, as compared to 15.5% in 2007. This higher contribution can primarily be explained by stronger Onshore activity in this region in 2008 (an increase of €454.3 million of revenues in 2008, as compared to 2007). Indeed, this segment generated €857.5 million of revenues, representing 51.0% of this region's revenues in 2008, as compared to 33.1% in 2007 (€403.2 million). The main contracts executed in this region are Grupa Lotos and PKN. The Subsea segment generated revenues of €707.0 million, representing 42.0% of the region's revenues, as compared to €705.0 million in 2007, which represented 57.8% of the region's revenues. Revenues were mainly driven by the DSVI (THT) and Don Southwest (Petrofac) projects in Great Britain and the Yme Redevelopment (Talisman) and Morvin (Statoil) projects in Norway. With €117.7 million in revenues, the Offshore segment contributed 7.0% of this region's revenues, as compared to a contribution of 9.1% to 2007 revenues with €110.6 million.

Africa

This region's contribution to Technip's revenues amounted to €780.8 million, representing 10.4% of 2008 consolidated revenues, as compared to 12.1% in 2007 (€954.8 million), representing a decrease of 18.2%. The decrease of activity in this region is due to the three segments. The Subsea segment remained the largest contributor with revenues of €558.2 million, i.e., 71.5%, as compared to 64.9% of revenues in 2007 (with €619.8 million). The main contracts contributing to 2008 revenues were Agbami (Chevron Texaco) and ABO2 in Nigeria, Gimboa (Sonangol) in Angola and Azurite (Murphy Oil) in the Congo. The Offshore segment was the second-largest contributor with €149.0 million in revenues, representing 19.1% of revenues, as compared to €213.3 million in 2007, which represented 22.3% of revenues. The main contracts contributing to revenues were Akpo FPSO (Total) in Nigeria and Dalia FPSO (Total) in Angola. The reduction in the Offshore segment's relative contribution to this region in 2008 was related to a decrease in revenues from FPSO projects in this geographical area. The Onshore segment generated revenues of €73.6 million in 2008, representing 9.4% of revenues in this geographical area, as compared to 12.7% in 2007 (€121.7 million).

Middle East

This region's contribution to Technip's revenues amounted to €2,213.5 million, representing 29.6% of 2008 consolidated revenues, as compared to €3,246.6 million in 2007, which represented 41.2% of consolidated revenues. Revenues in this region decreased by 31.8% as compared to 2007, which can primarily be explained by the decrease in Onshore activity in this region. Indeed, the Onshore segment, the main contributor to the region, generated €2,165.5 million in 2008, as compared to €3,183.9 million in 2007, representing 97.8% of the region's revenues in 2008, the same percentage as in 2007. The most significant contracts in the region are comprised of, on the one hand, large LNG and gas treatment contracts executed in Qatar (Qatargas II, Rasgas III, Qatargas III & IV, AKG2–signed in 2004, 2005 and 2006 in partnership with Chiyoda), in Yemen (Yemen LNG signed in 2005), in Saudi Arabia (Khursaniyah) and in the United Arab Emirates (Adgas OAG), and, on the other hand, major ethylene contracts: Sabic Yanbu in Saudi Arabia, Ras Laffan in Qatar and Pic Dow in Kuwait. The Offshore segment contributed €47.0 million in 2008, representing 2.1% of this region's revenues, as compared to €62.7 million in 2007, representing 1.9% of this region's revenues. The main contract contributing to revenues was Zakum/GPF (ADMA-OPCO).

Asia Pacific

This geographical area generated revenues of €1,034.5 million, representing 13.8% of 2008 consolidated revenues, as compared to €1,032.2 million, which represented 13.1% of 2007 consolidated revenues. The two main contributors are the Subsea and Onshore segments, with respective revenues of €487.8 million (as compared to €463.4 million in 2007) and €451.2 million (as compared to €484.8 million in 2007), which represent 47.2% and 43.6% of the geographical area's revenues, respectively. Contributions from these two segments remained stable as compared to 2007. In the Subsea segment, the MAD6 project (Aker) in India, as well as Kupe Surf (Origin) in New Zealand and Vincent (Woodside) in Australia were the main contributors. In the Onshore segment, the most significant contract was the Dung Quat refinery in Vietnam (Petrovietnam), entered into in 2005 in partnership with JGC and Tecnicas Reunidas. In addition, Technip executed a project for the construction of a nickel smelter unit located in New Caledonia, and a contract for the construction of steam-cracking furnaces for an ethylene plant located in Thailand. The Offshore segment represented 9.2% of the region's revenues in 2008 with revenues of €95.5 million, as compared to revenues of €84.0 million in 2007, which represented 8.1% of the region's revenues.

Americas

This geographical area generated revenues of €1,770.4 million, representing 23.7% of 2008 consolidated revenues, as compared to 18.2% in 2007 (€1,434.1 million). The Subsea segment is now the main contributor with €935.0 million, representing 52.8% of the geographical area's revenues (as compared to €690.0 million in 2007). The Subsea segment's main projects were P51, P52, P54 and Canapu (Petrobras) in Brazil, as well as Thunderhorse 2007-9 Works (BP) and Shenzi Flowlines (BHP) in the United States and White Rose North Amethyst (Husky Oil) in Canada. The Onshore segment's revenues were €549.4 million (as compared to €475.9 million in 2007), representing 31.0% of 2008 revenues, as compared to 33.2% in 2007. The most significant Onshore contracts for this region in 2008 included two contracts for CNRL in Canada (one for a hydrogen production unit built by Technip USA and one for a bituminous sand treatment unit built by Technip Italy), the contract for the Freeport LNG terminal and the contract for Valero entered into in 2008 (in the context of the extension of the Port Arthur refinery). The Offshore segment contributed €286.0 million in 2008, representing 16.2% of this region's revenues as compared to €268.2 million in 2007, which represented 18.7% of the region's revenues. The main contributors to this segment's revenues were Perdido Spar (Shell) in the Gulf of Mexico, as well as the P51 and P56 semi-submersible production platforms (Petrobras) in Brazil.

9.3. Presentation of Operating Costs

Cost of Sales

Cost of sales amounted to €6,341.7 million in 2008, as compared to €7,245.1 million in 2007, representing a decrease of 12.5%. Between 2007 and 2008, revenues decreased by 5.1%.

The decrease in cost of sales can be explained by the non-recurring charge of €270 million recorded at the end of 2007 for the four gas projects in Qatar, as well as two projects in Asia Pacific and one in North America.

Gross margin in 2008 was 15.2%, as compared with 8.1% in 2007.

The main components of cost of sales were the following:

- other purchase and external charges: €5,085.8 million, representing 80.2% of cost of sales, which includes, in particular, equipment purchases and the subcontracting of construction work;
- payroll expenses: €1,040.6 million, representing 16.4% of cost of sales;
- amortization and depreciation of assets: €157.3 million, representing 2.5% of cost of sales;
- long-term renting costs: €58.0 million, representing 0.9% of cost of sales.

Cost of sales in 2008 broke down by segment as follows:

	Subsea	Offshore	Onshore	Corporate	Total
Cost of Sales	(1,977.7)	(594.4)	(3,770.6)	1.0	(6,341.7)
Gross Margin Rate	26.5%	14.5%	8.0%	NA	15.2%

The Onshore segment accounted for €3,770.6 million, representing 59.4% of the total cost of sales in 2008, as compared to 61.9% in 2007, while the Subsea and Offshore segments accounted for €2,572.1 million, representing 40.6% of the 2008 total cost of sales, as compared to 35.4% in 2007.

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

Research and Development Expenses

Research and development expenses amounted to €44.9 million in 2008, as compared to €42.0 million in 2007, representing an increase of €2.9 million (i.e., 6.9%). Tax credits on research and development, which are deducted from research and development expenses, increased by approximately €2.8 million between 2007 and 2008, which mitigated the increase of these expenses and, in particular, Subsea research and development. In this regard, prior to applying research tax credits, the Subsea segment's research and development costs amounted to €32.5 million, an increase of €1.8 million as compared to 2007.

The increase was also due to an increase in research and development efforts in the Onshore segment (an increase of €4.1 million) as a result of new refinery, LNG, and ethylene projects launched by the Group.

Selling and Administrative Expenses

In 2008, selling and administrative expenses amounted to €409.1 million, i.e., 5.5% of revenues, as compared to €351.7 million in 2007 (i.e., 4.5% of revenues), representing an increase of 16.3%. This increase is due primarily to payroll expenses (see below).

Payroll Expenses

The income statement discloses expenses by function. Therefore, payroll expenses are included in the expense line items mentioned above. Payroll expenses represented €1,190.3 million in 2008, an increase of 12.1% as compared to 2007 (€1,061.6 million). 2008 payroll expenses included, within the framework of the October 2008 capital increase reserved for employees, non-recurring charges of €3.1 million for the employer-matching contribution and of €3.1 million for a discount granted to employees on the subscription price. New free share plans and stock option plans for employees were implemented in July 2008, thus accounting for the increase in the corresponding expense of €13.1 million between 2007 and 2008. The increase in payroll expenses was primarily due to an increase in the number of employees.

Other Operating Income and Expenses

In 2008, other operating income amounted to €25.5 million, as compared to €19.6 million in 2007, and other operating expenses amounted to €54.3 million, as compared to €20.3 million in 2007, i.e., a net expense of €28.8 million as compared to a net expense of €0.7 million in 2007. Other operating income basically covers insurance premiums and reversals of provisions for charges recognized by Technip's captive re-insurer, which amounted to €17.2 million in 2008, as compared to €14.5 million in 2007. Other operating expenses cover expenses related to the cancellation of certain IT projects and allowances of provisions for reinsurance, which amounted to €12.0 million in 2008, as compared to €13.7 million in 2007.

9.4. Comments on the Results of Operations for the year ended December 31, 2008, as compared to the year ended December 31, 2007

Operating Income/(Loss) from Recurring Activities

Operating income from recurring activities in 2008 was €656.9 million, as compared to €247.0 million in 2007, representing an increase of 166.0%. The operating margin from recurring activities was 8.8%, as compared to 3.1% in 2007. Change in foreign currency had a €32.0 million negative impact on 2008 operating income from recurring activities in comparison with the operating income from recurring activities in 2007.

Operating Income/(Loss) from Recurring Activities by Business Segment

In millions of Euro	Subsea	Var.	Offshore	Var.	Onshore	Var.	Corporate	Var.	Total Continuing Operations	Var.	Discontinued Operations	Total	Var.
Operating Income/(Loss) from Recurring Activities 2008	523.2	33.8%	38.6	9.7%	153.7	-197.7%	(58.6)	168.8%	656.9	166.0%	-	656.9	166.0%
% Operating Margin from Recurring Activities 2008	**19.5%**		**5.6%**		**3.8%**				**8.8%**			**8.8%**	
Operating Income/(Loss) 2008	523.2	28.3%	38.6	1.3%	153.7	-197.7%	(58.6)	168.8%	656.9	146.1%	-	656.9	146.1%
% Operating Margin 2008	**19.5%**		**5.6%**		**3.8%**				**8.8%**			**8.8%**	
Operating Income/(Loss) from Recurring Activities 2007	390.9		35.2		(157.3)		(21.8)		247.0		-	247.0	
% Operating Margin from Recurring Activities 2007	**15.8%**		**4.8%**		**-3.4%**				**3.1%**			**3.1%**	
Operating Income/(Loss) 2007	407.9		38.1		(157.3)		(21.8)		266.9		-	266.9	
% Operating Margin 2007	**16.5%**		**5.2%**		**-3.4%**				**3.4%**			**3.4%**	

The Onshore segment experienced the strongest growth, generating an operating income from recurring activities of €153.7 million in 2008, as compared to a loss of €157.3 million in 2007 (i.e., an operating margin from recurring activities of 3.8%, as compared to -3.4% in 2007). The 2007 operating income from recurring activities was negatively impacted by the significant losses recorded at the end of the year on the gas projects in Qatar, two projects in Asia Pacific, and one in North America, for a total amount of €270 million.

The Subsea segment, which generated an operating income from recurring activities of €523.2 million in 2008, i.e., 19.5% of revenues, as compared to €390.9 million in 2007, i.e., 15.8% of revenues, was the largest contributor to Technip's operating income from recurring activities in 2008. The segment's strong performance was due to the successful execution of projects in progress, and to the high utilization rates of flexibles plants.

The Offshore segment generated an operating income from recurring activities of €38.6 million in 2008, as compared to €35.2 million in 2007, i.e., 5.6% of revenues, as compared to 4.8%.

The Corporate segment recorded an operating loss of €58.6 million in 2008, as compared to a loss of €21.8 million in 2007, resulting, in particular, from the costs related to the stock options and free share grants in an amount of €23.0 million.

Operating Income/(Loss) from Recurring Activities by Geographical Area

In millions of Euro	Europe, Russia, Central Asia	Var.	Africa	Var.	Middle East	Var.	Asia Pacific	Var.	Americas	Var.	Not Allocable	Var.	Total	Var.
Operating Income/(Loss) from Recurring Activities 2008	266.8	66.5%	158.2	-19.6%	(28.5)	-78.7%	141.2	245.2%	177.8	35,5 x	(58.6)	168.8%	656.9	166.0%
% Operating Margin from Recurring Activities 2008	**15.9%**		**20.3%**		**-1.3%**		**13.6%**		**10.0%**				**8.8%**	
Operating Income/(Loss) 2008	266.8	60.0%	158.2	-19.6%	(28.5)	-78.7%	141.2	245.2%	177.8	9,7 x	(58.6)	168.8%	656.9	146.1%
% Operating Margin 2008	**15.9%**		**20.3%**		**-1.3%**		**13.6%**		**10.0%**				**8.8%**	
Operating Income/(Loss) from Recurring Activities 2007	160.2		196.7		(134.0)		40.9		5.0		(21.8)		247.0	
% Operating Margin from Recurring Activities 2007	**13.1%**		**20.6%**		**-4.1%**		**4.0%**		**0.3%**				**3.1%**	
Operating Income/(Loss) 2007	166.8		196.7		(134.0)		40.9		18.3		(21.8)		266.9	
% Operating Margin 2007	**13.7%**		**20.6%**		**-4.1%**		**4.0%**		**1.3%**				**3.4%**	

Europe, Russia and Central Asia

Operating income from recurring activities amounted to €266.8 million in 2008, as compared to €160.2 million in 2007, resulting in an operating margin from recurring activities of 15.9%, as compared to 13.1%. This increase can primarily be explained by the successful execution of contracts in both the Subsea and Onshore segments in 2008.

The Subsea segment contributed €142.0 million (i.e., an operating margin from recurring activities of 20.1%), as compared to €110.2 million in 2007 (i.e., an operating margin from recurring activities of 15.6%) as a result of the Yme Redevelopment, Alve and Morvin projects in Norway, and the DSVI and Don Southwest contracts in the United Kingdom.

The Onshore segment contributed €119.9 million (i.e., an operating margin from recurring activities of 14.0%) in 2008, as compared to €35.0 million in 2007 (i.e., an operating margin from recurring activities of 8.7%) as a result, in particular, of the progress and successful execution of contracts in Poland, including PKN HDS, the paraxilene complex and the Grupa Lotos refinery in Gdansk.

The Offshore segment contributed €4.9 million in 2008, representing an operating margin from recurring activities of 4.2%, as compared to €15.0 million in 2007, which represented an operating margin from recurring activities of 13.6% in 2007.

The decrease in income in this region between 2007 and 2008 can primarily be explained by the decline in industrial production activity in Finland.

Africa

Operating income from recurring activities amounted to €158.2 million in 2008, i.e., an operating margin from recurring activities of 20.3%, as compared to €196.7 million in 2007 (i.e., an operating margin from recurring activities of 20.6%).

The Subsea segment contributed €155.7 million in 2008 (i.e., an operating margin from recurring activities of 27.9%), as compared to €151.4 million in 2007 (i.e., a margin of 24.4%), owing to the Agbami contracts in Nigeria, Gimboa, Dalia UFL and Block 18 in Angola.

The Onshore segment showed a loss of €7.0 million in 2008, as compared to a profit of €27.8 million in 2007 (i.e., a negative operating margin from recurring activities of 9.5% compared to an operating margin from recurring activities of 22.8% in 2007). This drop in performance resulted from a global decrease in activity, in particular, in Nigeria.

The Offshore segment recorded income of €9.5 million in 2008 (i.e., an operating margin from recurring activities of 6.4%), as compared to €17.5 million in 2007 (i.e., an operating margin from recurring activities of 8.2%).

Middle East

Operating income from recurring activities in the Middle East remained negative, with a loss of €28.5 million, as compared to a loss of €134.0 million in 2007, which represent, respectively, a negative operating margin from recurring activities of 1.3% and 4.1%.

This increase was primarily due to the Onshore segment, which recorded a loss of €139.7 million in 2007, largely accounted for by the decision to record an expense in the fourth quarter of 2007, based on the estimated income from completion of the LNG and gas treatment projects underway in Qatar.

The Offshore segment contributes a loss of €0.5 million in 2008 (i.e., an operating margin from recurring activities of -1.1% in this region), as compared to a positive result of €5.7 million in 2007 (i.e., an operating margin from recurring activities of 9.1%).

Asia Pacific

Operating income from recurring activities in Asia Pacific was €141.2 million, as compared to €40.9 million in 2007, i.e., an operating margin from recurring activities of 13.6%, as compared to an operating margin from recurring activities of 4.0% in 2007.

In this geographical area, the largest contributor was the Subsea segment, which recorded a substantial increase in operating income from recurring activities of €88.0 million (i.e., an operating margin from recurring activities of 18.0%), as compared to €57.7 million in 2007 (i.e., an operating margin from recurring activities of 12.5%), primarily resulting from the MAD6 project in India and, to a lesser extent, the Kupe Surf and Vincent projects in Oceania.

The Offshore segment again showed losses, in an amount of €15.2 million in 2008 (i.e., a negative operating margin from recurring activities of 15.9%), as compared to a loss of €6.1 million in 2007 (i.e., a negative operating margin from recurring activities of 7.3%) due to costs related to the replacement of mooring shackles for the Kikeh SPAR off the coast of Borneo.

The Onshore segment's negative contribution of €10.7 million in 2007 (i.e., a negative operating margin from recurring activities of 2.2%), showed significant improvement with a contribution of €68.4 million (i.e., an operating margin from recurring activities of 15.2%) in 2008. This can be explained by the successful execution of ongoing projects, in particular, the Dung Quat refinery in Vietnam, the Koniambo project in New Caledonia (nickel smelter unit construction contract) and the contract with Map Ta Phut Olefins Co. Ltd. (MOC) for the construction of a steam-cracking furnace for an ethylene plant located in Thailand.

Americas

Operating income from recurring activities in this region was €177.8 million, as compared to €5.0 million in 2007, which represent, respectively, an operating margin from recurring activities of 10.0% and 0.3%.

The Subsea segment's operating income from recurring activities amounted to €137.0 million in 2008, representing a negative operating margin from recurring activities of 14.6%, as compared to €71.6 million in 2007, which represented an operating margin from recurring activities of 10.4%. The main contracts contributing to the operational income from recurring activities for the region were P51, P52, P54 and Canapu for Brazil, and Thunderhorse and Shenzi for North America.

The income for the Onshore segment is slightly positive, with €0.9 million in 2008 (i.e., an operating margin from recurring activities of 0.2%), as compared to a loss of €69.7 million in 2007 (i.e., a negative operating margin from recurring activities of 14.6%). The region's performance in 2007 was negatively impacted by a loss recorded for a project in North America.

The Offshore segment contributed an amount of €39.9 million in 2008 (i.e., an operating margin from recurring activities of 14.0%), as compared to €3.1 million in 2007 (i.e., an operating margin from recurring activities of 1.2%). This improvement was due to the delivery of the Perdido Spar's Hull to Shell under good conditions (Gulf of Mexico).

Net Income from Sale of Activities

No sale operations were carried out in 2008, as compared to a €19.9 million profit from sale operations recorded in 2007.

In 2007, net income was derived largely from gains made on the sale of Perry Slingsby Systems Inc. and Perry Slingsby Systems Ltd. (€17.0 million) in the Subsea segment, and from gains made on the sale of securities of Gulf Island Fabricators Inc. (€2.9 million) in the Offshore segment.

Net Operating Income

Net operating income in 2008 was €656.9 million, as compared to €266.9 million in 2007, representing an increase of €390.0 million (i.e., an increase of 146.1%) as a result of successful project execution in all segments during the year. Broken down by segment, the net operating income is as follows:

- Subsea: €523.2 million (vs. €407.9 million in 2007), representing an operating margin of 19.5% in 2008 (vs. 16.5% in 2007);
- Offshore: €38.6 million (vs. €38.1 million in 2007), representing an operating margin of 5.6% in 2008 (vs. 5.2% in 2007);
- Onshore: €153.7 million (vs. a loss of €157.3 million in 2007), representing an operating margin of 3.8% in 2008 (vs. -3.4% in 2007);
- Corporate: a negative contribution of €58.6 million in 2008 (vs. a negative contribution of €21.8 million in 2007) (see Note 4 to the Consolidated Financial Statements at December 31, 2008).

Financial Income and Expenses

Net financial expenses were €-11.0 million in 2008, representing an increase of 83.0% as compared to net financial expenses in 2007, which amounted to €-64.6 million. This variation is primarily due to the net foreign exchange result: net foreign exchange gains amounted to €21.4 million in 2008, whereas net foreign exchange losses amounted to €21.4 million in 2007.

Financial expenses amounted to €67.7 million, which included interest on bond loans of €30.1 million, the depreciation of GIFI shares in an amount of €7.2 million, financial charges relating to other loans and bank overdrafts of €7.6 million and financial costs relating to employee benefits in an amount of €10.0 million.

Financial income amounted to €56.7 million, which mainly included interest from treasury management in an amount of €28.8 million (primarily proceeds from the disposal of marketable securities and interest on deposits with agreed maturity), and financial income relating to employee benefits of €5.1 million.

The yield on funds provided under turnkey contracts does not appear under this heading but is included in revenues. For 2008, financial income on contracts represented a contribution to revenues of €45.8 million, as compared to €90.9 million in 2007.

Income Tax

The 2008 income tax expense amounted to €193.8 million (on pre-tax earnings of €648.1 million), as compared to €77.1 million in 2007. Technip's tax rate in 2008 was 29.9% as compared to the French tax rate which was 34.43% in 2008. The tax rate decreased as compared to the 2007 tax rate of 37.3%. The significantly higher tax rate in 2007 resulted from losses realized in parts of the world where tax rates were lower than in France and where the use of tax losses was more difficult.

Net Income from Discontinued Activities

As in 2007, no operations were shut down or discontinued in 2008.

Net Income Attributable to Minority Interests

Net income attributable to minority interests increased from €1.7 million in 2007 to €6.3 million in 2008.

Net income from affiliates accounted for using the equity method amounted to €2.2 million in 2008, as compared to €2.8 million in 2007. As in 2007, only Technip KTI Spa was accounted for using the equity method in 2008.

Net Income

Technip's net income amounted to €448.0 million in 2008, as compared to €126.3 million in 2007, which represented 6.0% and 1.6%, respectively, of Technip's consolidated revenues.

Earnings per Share

Calculated on a diluted basis of 105,325,760 shares, earnings per share amounted to €4.25 in 2008, as compared to €1.20 in 2007. This strong increase mainly results from an increase in net income by a factor of 3.5. Indeed, the number of shares calculated on a diluted basis remained stable: 105,325,760 shares taken into account in the 2008 calculation, as compared to 104,996,104 shares taken into account in the 2007 calculation. This increase primarily resulted from the October 2008 capital increase reserved for employees and new free shares and stock-options plans implemented in July 2008, which had an anti-dilutive impact on the period and therefore were not taken into account in the calculation of the average number of diluted shares.

Basic earnings per share were €4.27 in 2008, as compared to €1.22 in 2007.

To the best of Technip's knowledge, no significant change in Technip's financial or business position occurred since the accounting period ended December 31, 2008.

9.5. Changes in Balance Sheet and Financial Position between the year ended December 31, 2008 and the year ended December 31, 2007

Fixed Assets

As of December 31, 2008, net intangible assets amounted to €2,409.2 million, as compared to €2,419.5 million as of December 31, 2007. They primarily consisted of €2,369.1 million in net goodwill, including €2,239.3 million from the purchase of Coflexip, which was allocated to the Subsea and Offshore business segments. In accordance with impairment tests performed and which have confirmed the value of goodwill, no depreciation was recorded in 2008. In 2008, the goodwill allocated to the Offshore segment increased by €6.1 million due to the acquisition of Eurodim and the goodwill allocated to the Onshore segment increased by €5.6 million due to the acquisition of EPG (€3.9 million), Sofremines (€1.0 million) and Setudi (€0.7 million). In 2007, the goodwill allocated to the Subsea segment was reduced by €2.5 million following the use of tax losses initially unrecognized at the time of the Coflexip group acquisition. Other net intangible assets represented €40.1 million at December 31, 2008, as compared to a net amount of €62.1 million at December 31, 2007, and consisted of software, patents and brand names, as well as development costs for Technip's E-Procurement platform and internally-developed software (see Note 10 to the Consolidated Financial Statements at December 31, 2008). The decrease of €22.0 million is mainly due to the cancellation of certain IT projects.

Net tangible fixed assets amounted to €945.0 million at December 31, 2008, as compared to €818.0 million at December 31, 2007 (representing an increase of 15.5%) and mainly included the vessels used in Subsea operations, carried at €348.9 million, and land and buildings for administrative use or production (production plants and construction yards). The increase in net value of €127.0 million over the 2007 fiscal year was due to new capital expenditures of €389.2 million, reduced primarily by amortization and depreciation expenses for the year of €168.3 million (see Note 9 to the Consolidated Financial Statements at December 31, 2008).

Capital expenditures amounted to €401.3 million in 2008, as compared to €261.8 million in 2007, representing an increase of 53.3%.

These investments were primarily related to vessels (in an amount of €100.9 million), machines and equipment (in an amount of €50.1 million), construction (in an amount of €29.1 million), patents, licenses and software rights (in an amount of €12.1 million), plus assets under construction (in an amount of €168.0 million). Technip continued to carry out its investment program through the ongoing construction of three new vessels: a diving-support vessel, the *Skandi Arctic,* scheduled for delivery in 2009 (€55.3 million capitalized in 2008), a pipe-laying vessel for rigid pipe *(NPV)* scheduled for delivery in 2010 (€58.7 million capitalized in 2008), and a new flexlay vessel, the *Skandi Vitoria,* scheduled for delivery by the end of 2009 (€24.7 million capitalized in 2008). The new production facility for flexibles under construction in Malaysia, Asiaflex, should also be highlighted.

The amount of pledged assets is not material and amounted to €9.4 million at December 31, 2008.

Current Assets

Entries under the line item "Construction contracts" include accumulated costs incurred, as well as the margin recognized on the basis of the contract's percentage-of-completion, less payments received from clients, with the net balance appearing on the asset side or the liability side depending on whether the balance is a debit or a credit. At December 31, 2008, the line item "Construction contracts–Amounts in assets" shown on the asset side amounted to €140.8 million, as compared to €280.6 million in 2007, representing a decrease of 49.8%. The line item "Construction contracts–Amounts in liabilities" amounted to €1,253.0 million at December 31, 2008, as compared to €1,860.2 million at December 31, 2007 (see Note 15 to the Consolidated Financial Statements at December 31, 2008), representing a decrease of 32.6%. These changes are related to the progress made on different contracts.

Inventories, trade receivables and other receivables amounted to €1,997.3 million in 2008, a slight increase of 2.2% as compared to 2007 (€1,953.4 million).

Net cash position remained stable at €2,404.7 million in 2008, as compared to €2,401.5 as of December 31, 2007. Technip also had sufficient available resources to finance, if necessary, operating and investing activities (see "Financing Structure" in Section 10.2 of this document). Cash generated from operating activities amounted to €454.7 million in 2008, as compared to €825.7 million in 2007.

Provisions

Provisions for liabilities and charges amounted to €286.2 million in 2008, as compared to €232.7 million in 2007, representing an increase of 23.0%. These amounts mainly consisted of provisions made for employee pensions of €98.8 million in 2008 (€104.5 million in 2007) as well as provisions for liabilities on completed contracts in an amount of €80.0 million (€30.8 million in 2007), provisions for litigation of €8.8 million (€10.3 million in 2007), provisions for charges recorded at the level of Technip's captive re-insurer of €18.3 million (€21.6 million in 2007) and provisions for taxes of €11.6 million (€7.7 million in 2007) (see Note 23 to the Consolidated Financial Statements at December 31, 2008). The increase in this line item is primarily due to new provisions for contract risks in 2008 in an amount of €66.7 million.

Financial Debts

At December 31, 2008, Technip's consolidated debt amounted to €760.1 million, which included €25.9 million of current financial debts (see details of financial debts in Section 10.1 of this document). Consolidated debt increased by 9.0% from the previous year (€697.2 million at December 31, 2007), primarily due to new bank loans granted to the Brazilian subsidiaries. The current portion of financial debt primarily includes €6.2 million in overdrafts and in short-term bank credit lines (drawing on subsidized loans granted to one of the Brazilian subsidiaries in the context of pre-financing exports and refinancing investments) and €19.6 million in accrued bond interest. Long-term financial debts of €734.2 million are mainly comprised of the bond issued on May 26, 2004 for €650 million and the bank loans of the Brazilian subsidiaries of €84.2 million as at December 31, 2008 (see Note 21 to the Consolidated Financial Statements at December 31, 2008).

Off-balance Sheet Commitments

(See Note 31 to the Consolidated Financial Statements at December 31, 2008)

Off-balance sheet commitments at December 31, 2008 were as follows:

	As of December 31, 2008	2007
Operating Leases	572.3	556.7
Foreign Exchange Rate Financial Instruments	2,060.1	1,803.7
Parent Company Guarantees	28,190.2	25,598.0
Other Commitments Given	3,169.9	3,027.1
Total Commitments Given	**33,992.5**	**30,985.5**
Total Commitments Received	**1,004.4**	**933.8**

Off-balance sheet commitments by maturity were as follows:

In millions of Euro	As of December 31, 2008 Commitments by period				2007
	Less than 1 year	1 to 5 years	Over 5 years	Total	Total
Operating Leases	92.1	293.8	186.4	572.3	556.7
Foreign Exchange Rate Financial Instruments	1,572.3	487.8	-	2,060.1	1,803.7
Total Contractual Commitments	**1,664.4**	**781.6**	**186.4**	**2,632.4**	**2,360.4**

In millions of Euro	As of December 31, 2008 Commitments by period				2007
	Less than 1 year	1 to 5 years	Over 5 years	Total	Total
Parent Company Guarantees	8,531.0	19,392.7	266.5	28,190.2	25,598.0
Other Commitments Given	1,013.1	2,129.8	27.0	3,169.9	3,027.1
Total Commitments Given	**9,544.1**	**21,522.5**	**293.5**	**31,360.1**	**28,625.1**

In millions of Euro	As of December 31, 2008 Commitments by period				2007
	Less than 1 year	1 to 5 years	Over 5 years	Total	Total
Commitments Received	568.2	435.7	0.5	1,004.4	933.8
Total Commitments Received	**568.2**	**435.7**	**0.5**	**1,004.4**	**933.8**

The main off-balance sheet commitments consisted of parent company guarantees.

Parent company guarantees provided by Technip or by its intermediary subsidiaries to clients guarantee the successful execution of ongoing contracts, for which the average expiration period until the release of the guarantees is approximately five years.

The parent company guarantees, which amounted to €28,190.2 million at December 31, 2008 (€25,598.0 million at December 31, 2007), also include the partners' share when Technip participates in joint ventures, and are not decreased to reflect a project's percentage-of-completion. They are also not reduced by any parent company guarantees received by Technip from its partners in the framework of joint ventures, while Technip issues parent company guarantees to these partners.

Commitments resulting from contractual obligations amounted to €2,632.4 million and include foreign exchange instruments in an amount of €2,060.1 million (mainly the purchase of hedging instruments) and commitments in relation to lease contracts. In this regard, the Group leases a range of equipment, vessels and real estate, which are generally acquired through leasing contracts that will expire over the next 10 years.

Other commitments provided amounted to €3,169.9 million in 2008 (€3,027.1 million in 2007) and principally include deposits, guarantees or counter-guarantees given by banks or insurance companies to various customers to cover the successful execution of contracts, in particular, their successful completion, or following the payment of advances or retention guarantees.

Commitments received mainly correspond to deposits or sureties received from suppliers or subcontractors in the context of ongoing contracts. They represented €1,004.4 million in 2008, as compared to €933.8 million in 2007.

10

Capital Resources

10.1. Comparison of Net Cash Position and Cash Flows for the year ended December 31, 2008 and the year ended December 31, 2007

(See Note 18 to the Consolidated Financial Statements at December 31, 2008)

Technip's net cash position at December 31, 2008 and 2007 was as follows:

Cash and Cash Equivalents			Financial Debts		
In millions of Euro	12/31/2008	12/31/2007		12/31/2008	12/31/2007
Cash	477.3	585.6	Bond Loan	650.0	650.0
Cash Equivalents	1,927.4	1,815.9	Other Financial Debts	110.1	47.2
Total Cash and Cash Equivalents	**2,404.7**	**2,401.5**	**Total Financial Debts**	**760.1**	**697.2**
Net Cash Position	**1,644.6**	**1,704.3**			

Net cash position amounted to €1,644.6 million at December 31, 2008, representing a decrease of 3.5% (€59.7 million) as compared to December 31, 2007 (€1,704.3 million). This change was mainly due to an increase in financial debts of €62.9 million and, in particular, a new BNDES loan for the Brazilian subsidiary of €82.6 million, while cash and cash equivalents remained stable at €2,404.7 at December 31, 2008, as compared to €2,401.5 at December 31, 2007.

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

Net Cash Generated from Operating Activities

Net cash generated from operating activities amounted to €454.7 million, as compared to €825.7 million in 2007, representing a decrease of 44.9%, which is primarily due to the variation in the working capital requirement between 2007 and 2008 (€-860.5 million between 2007 and 2008).

Free cash flow amounted to €681.7 million, as compared to €192.2 million in 2007 (representing an increase of 254.7%). This significant improvement can be explained by the following items:

- 2008 net income (including from minority interests) increased strongly as compared to 2007 (up €326.3 million);
- depreciation and amortization of tangible and intangible assets rose slightly from €162.9 million in 2007 to €188.6 million in 2008.

Net losses on disposals of tangible assets amounted to €29.0 million in 2008, as compared to €20.2 million of net gains on disposals in 2007 and resulted primarily from the cancellation of certain IT projects. Gains on disposals of tangible assets resulted primarily from the sale of PSSI and PSSL (Perry Slingsby Systems Inc. and Perry Slingsby Systems Ltd.) in an amount of €17.0 million and the sale of the GIFI (Gulf Island Fabricators, Inc.) securities in an amount of €2.9 million.

Change in working capital requirements amounted to €-227.0 million in 2008, as compared to €633.5 million in 2007 (i.e., a decrease of 135.8%). Indeed, working capital requirements, structurally strongly negative, decreased by €227.0 million in 2008 due to progress made on projects, in particular, Qataris.

Net Cash Used in Investing Activities

Net cash used in investing activities amounted to €-411.3 million in 2008, as compared to €-174.4 million in 2007, representing an increase of 135.8%, which can be explained by the following:

- capital expenditures amounted to €401.3 million in 2008, as compared to €261.8 million in 2007, representing an increase of 53.3%. This sharp increase was due to the implementation of the announced policy to increase Technip's capacity both in terms of its fleet of vessels and its flexible pipe production;
- proceeds from sales of assets amounted to €5.1 million in 2008, as compared to €20.5 million in 2007, representing a decrease of 75.1%. In 2007, this primarily involved proceeds from the sale of GIFI (Gulf Island Fabricators Inc.) securities in an amount of €19.3 million;
- the net cash position decrease due to changes in the scope of consolidation represents the total purchase price or disposal price of the company in question, less the net cash position of purchased or sold companies, measured as at the purchase or disposal date, *i.e.*, a decrease of €15.0 million in 2008, as compared to an increase of €66.9 million in 2007. In 2008, this was mainly due to cash outflow in the context of the acquisitions of Eurodim (€11.5 million) and EPG (€4.7 million), companies that entered the scope of consolidation in 2008. In 2007, this was mainly due to cash received from the disposal of PSSL and PSSI (Perry Slingsby Systems Inc. and Perry Slingsby Systems Ltd.) in an amount of €62.1 million, disposal of the stake in Nargan in an amount of €4.2 million and of the net cash position of Setudi, a company acquired during the fiscal year (€0.6 million).

Net Cash Generated from Financing Activities

Net cash generated from financing activities amounted to €25.2 million in 2008, as compared to €-500.2 million in 2007. Debt increased in 2008 by €78.5 million, representing an increase of 11.3%, as compared to a reduction in debt in 2007 by €175.9 million, representing a decrease of 20.4%. Dividends paid amounted to €125.1 million. In 2007, the sums allocated amounted to €274.7 million, which included an extraordinary dividend for 2007 of €217.5 million and the remaining balance from the 2006 dividend of €57.2 million. Capital increases in 2008 amounted to €71.3 million as a result of subscriptions to the capital increase reserved for employees (€60.0 million) and the exercise of stock options (€11.3 million). In 2007, capital increases resulted from the subscription to the capital increase reserved for employees (€20.0 million) and the exercise of stock options (€16.6 million).

10.2. Comparison of Shareholders' Equity and Financing between the year ended December 31, 2008 and the year ended December 31, 2007

Shareholders' Equity

At December 31, 2008, equity attributable to the Group amounted to €2,473.4 million, as compared to €2,178.4 million at the end of 2007. This change can primarily be explained by the net income realized over the period (€448.0 million), the dividend paid in 2008 (€125.1 million, i.e., €1.20 per share), capital increases of €71.3 million, including €60.0 million resulting from capital increases reserved for employees and €11.3 million related to the exercise of stock options, changes in the foreign currency translation reserve of €67.2 million and changes in fair value reserves of €-42.8 million (see Note 20 to the Consolidated Financial Statements at December 31, 2008).

As of the date of this Reference Document, there are no restrictions on the use of capital, which had any impact over the 2008 fiscal year or which may significantly affect Technip's business.

Financing Structure

(See Note 21 to the Consolidated Financial Statements at December 31, 2008)

At December 31, 2008, the amount of credit facilities confirmed available to Technip and unused amounted to €1,293.7 million, including €1,270.0 million available beyond December 31, 2009. This amount is stable as compared to December 31, 2007. In light of market conditions, the Group had no commercial paper outstanding at December 31, 2008. The Group had authorization from the National Bank of France (Banque de France) for a maximum amount of €600.0 million. Technip believes that these lines of credit, together with the cash and marketable securities available, provide Technip with the necessary resources to finance its operational needs. As regards borrowing conditions, Technip's floating rate indebtedness amounts to €91.8 million as compared to total indebtedness of €760.1 million. The bond loan that Technip issued on May 26, 2004 represents the largest portion of financial debt and amounts to €650 million, with a maturity date of May 26, 2011. The annual interest rate is 4.625%, and is payable on each anniversary date of the date of issuance. Over the 2008 year, the average rate of the fixed rate debt was 4.62% per year, as in 2007. Over the same period, the average rate of the Group's total debt (both floating and fixed rates) amounted to 4.90% and is comparable to the rate of 4.84% per year in 2007. 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) by the average outstanding debt for the fiscal year.

11

Research and Development, Patents and Licenses

11.1. Research and Development

Research and Development are essential to Technip's success in all of its business sectors.

Technip's Research and Development operations strive to meet its customers' future needs and to improve its competitiveness. Technip is working on development and engineering programs in a certain number of advanced technical fields related to deepwater oil and gas production (including new drilling platforms and floating production units, low-temperature, deepwater liquid natural gas and crude oil transport systems).

Technip has a three-phase strategy for acquiring new technologies related to its operations: (i) internal development through Research and Development carried out by its teams, (ii) external growth through the acquisition of specialized companies, and (iii) mixed organic and external growth through research partnerships.

The Group's main Research and Development sites are located in Paris and in Le Trait (France) and in Aberdeen (Scotland) and in Houston, Texas (United States). These teams include approximately 250 staff.

Technip also works with external Research and Development teams to develop strategic technological partnerships intended to facilitate commercial development in these sectors.

Technip's Research and Development expenditures for the 2008 and 2007 financial years amounted to 44.9 million euros and 42.0 million euros, respectively. Most of its research and engineering operations are focused on specific projects, which are not taken into account in these figures.

Subsea

Research and Development activities in the Subsea segment focus on improving the quality of the products and services provided to its customers and developing new flexible pipes and "reeled" pipes technologies.

The growing Subsea market presents new technological challenges related to increasingly extreme water depths, pressures and temperatures. Technip's technological priorities include finding solutions for installing risers at depths reaching 3,000 meters, isolation and active heating techniques, the development of flexible pipes for extreme pressure, temperature and corrosive fluid conditions, as well as "intelligent" riser systems that permit flowline surveillance.

Onshore

Onshore Research and Development programs in 2007 and 2008 resulted in improved energy efficiency and in the reduction of the environmental impact of industrial complexes built by Technip:

- with respect to LNG, as a result of the high efficiency Wieland heat exchange tubes, the cryogenic pipe-in-pipe, the cryogenic flexible pipe and the concept of floating LNG plants;
- with respect to ethylene, as a result of more selective cracking coils and a higher efficiency in the separation section;
- with respect to hydrogen, as a result of developing an exchanger/reformer for large capacities.

In 2008, Technip acquired EPG, a Dutch engineering company specialized in upgrades of Onshore production plants.

Offshore

Throughout 2007 and 2008, Technip, already widely renowned for its Offshore technologies for the energy industry, pursued its research into several innovative concepts:

- The adaptation of the Spar platform to ultra-deep waters–Technip is working on solutions to meet the challenges of exploiting hydrocarbon fields at water depths beyond 3,000 meters by adapting its Spar concept for projects located in the deepest waters of the Gulf of Mexico and, in the near future, the North Atlantic. The development work focuses on the floatability of the central well in order to reduce costs and facilitate transportation and installation.
- Arctic Spar–With the Arctic Spar, Technip is developing a platform concept able to withstand the extreme conditions of the Arctic Ocean. This unconventional environment presents new challenges in terms of harsh climate conditions (very low temperatures, the ice shelf and icebergs) and environmental protection.
- Floatover–Technip is a leader in topside installations for fixed and floating platforms. The Floatover High Air Gap technology developed by Technip has improved its technological capability for the installation of bridges that are heavier and higher in relation to water levels in regions where platforms are exposed to heavy swell and hurricane conditions (Southeast Asia, Australia and New Zealand).
- TLP–Technip is also developing a Tension Leg Platform concept for water depths of 270 meters to 1,500 meters. This platform concept is designed to meet new market needs in relation to projects in the Gulf of Mexico, Brazil, Southeast Asia and Australia.

Technip's acquisition of Eurodim in 2008 strengthens its technological portfolio in relation to cryogenic flexible pipes used in liquefied natural gas (LNG) transfer, offshore LNG plants and the adaptation of offshore facilities to harsh maritime environments.

11.2. Patents and Licenses

Technip holds a large number of patents, registered trademarks and other intellectual property rights, including industrial and intellectual property rights acquired from third parties, for its operations. At February 28, 2009, Technip held approximately 400 patent families *(i.e.,* approximately 2,800 patents in effect in over 80 countries), mainly in the Offshore and Subsea sectors (subsea pipes, umbilicals, flexible systems, platforms and equipment), but also in the Offshore sector (cryogenics, refining, cement, hydrometallurgy and ethylene and hydrogen production). Technip jointly holds a limited number of patents with IFP and other industrial partners.

Petrochemical operations depend on the implementation of licenses belonging to third parties (such as UOP, Air Products and BASF). They are implemented on a project-by-project basis and the fees are passed on to customers.

11.3. Technological Partnerships

Technip participates in technological partnerships in the Onshore sector, in particular, with Air Products for hydrogen units, BP Chemicals for PTA, Dow Chemicals for ethylene furnaces, Ineos for linear low-density polyethylene, high-density polyethylene and polypropylene, Sabtec for low-density polyethylene, Asahi Kasei for chlorine and caustic soda membrane electrolysis, Solvay for VCM/PVC and Wieland for enhanced heat transfer tubes for LNG and ethylene applications. In the Offshore sector, Technip and IFP work together on research operations, in particular, for deepwater oil and gas production.

11.4. Acquisitions

Technip also acquires major technologies when it buys companies that have developed them, as was the case with the acquisition of KTI's businesses, which have since been renamed Technip Benelux, Technip USA and Technip KT India. These acquisitions have allowed Technip to reinforce its skills and acquire first class technologies in the ethylene and hydrogen sectors. Coflexip's acquisition in 2001 of Aker Maritime ASA's Deep Sea Division gave Technip access to technologies related to "Spar" Offshore platforms.

The main acquisitions in 2008 are mentioned under Section 6.1.2 of this Reference Document.

12

Information on Trends

12.1. Prospects

Technip believes that in the future, the recent decrease in energy demand, coupled with uncertain, albeit decreasing, commodity prices and therefore projects costs, will affect the entire supply chain. In this regard, projects that are in the procurement or construction phase continue to advance, but certain new projects or those that are in an early stage are being deferred. Significant delays have occurred in unconventional hydrocarbon exploitation (such as the Canadian tar sands), the US refining sector and petrochemical industries. Large-scale projects are being re-evaluated and rescheduled to take advantage of the lower cost environment stated at the date of this Reference Document. Technip believes that the current inertia affecting the decision process is likely to continue until hydrocarbon demand and costs stabilize–a timeframe that is difficult to forecast in the current economic downturn. As a result, customer reactions are highly dependent on the strength of their balance sheets: certain small or highly leveraged companies are reducing their investments, while those with more robust financial resources continue to invest.

Despite the inherent challenges, this environment should provide Technip with the opportunity to differentiate itself: first, the Company is well diversified in terms of its customers, business and geographical presence, and its regional structure is empowered to adapt to local needs; second, its vertical integration in the Subsea segment gives it better control over its supply chain and cost structure; third, its continued R&D investments enable it to develop cost-effective and cutting-edge technologies; and finally, the Company has a proven track record in large-scale project execution and has a robust balance sheet, which are two key factors allowing it to differentiate itself in a period where oil and gas companies are looking for technically and financially solid partners to execute multi-year, highly complex projects.

In the medium term, Technip believes that the delays in investments observed at the date of this Reference Document, combined with natural production declines from existing reservoirs, will create the conditions for a strong rebound in activity. This is why, while it is closely monitoring cost reduction and changes in order intake, the Company intends to maintain its key R&D investments and capital expenditures in order to strengthen its technology leadership position and to expand its fleet and production capacity.

Technip's backlog provides good visibility for the 2009 fiscal year. In the longer term, Technip believes that market developments have increased the uncertainty in relation to order intake. However, the Company's balance sheet is strong, allowing it to invest to take advantage of longer-term opportunities. For 2009, the Company is targeting Group revenues of between €6.1 billion and €6.4 billion based on current exchange rates. The Company expects stable or moderate increases in revenue in the Subsea segment, with an operating margin from recurring activities of between 16% and 18%, which is consistent with its investment program. The Company is targeting a continued increase in operating margin for the Onshore and Onshore segments. The operating margin for the Onshore and Onshore segments is expected to improve over 2009.

These statements and other forward-looking statements included in this Reference Document describe objectives and prospects that the Group believes are based on reasonable assumptions. These statements involve numerous risks and uncertainties: the Group's actual results may differ materially from those described in these statements. As a result, the reader is encouraged to carefully read the most important risks, which are described in Section 4–"Risk factors"–of this Reference Document.

12.2. Financial Communications Agenda

The 2009 financial communications agenda is as follows:

April 30, 2009	2009 First Quarter Results
April 30, 2009	Annual Shareholders' Meeting
July 23, 2009	2009 Second Quarter and First Six Months' Results
November 13, 2009	2009 Third Quarter Results

13

Profit Estimates and Forecasts

None.

14

Administrative, Management, Supervisory and General Management Bodies

Compliance with code

In accordance with the provisions of Article 26 of French law no. 2008-649 dated July 3, 2008, adapting various provisions of corporate law to European law, the Company declares voluntarily referring to and applying the entire AFEP-MEDEF corporate governance code for listed companies resulting from the consolidation of the AFEP-MEDEF report of October 2003 and the AFEP-MEDEF recommendations of January 2007 and of October 2008 concerning the compensation of executive directors of listed companies (the "AFEP-MEDEF Code"). The AFEP-MEDEF Code is available on the MEDEF's website (www.medef.fr).

14.1. Board of Directors

14.1.1. Composition of the Board of Directors

At February 28, 2009, the Board of Directors was comprised of 11 members. It does not include any directors representing employees or employee shareholders. Four directors are not of French nationality.

The average age of the directors is 62.

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

In accordance with the recommendations made in the AFEP-MEDEF Code and based on an amendment of the Articles of Association adopted by the Company's Combined Shareholders' Meeting of April 27, 2007, in order to foster smooth transitions in Board renewal and to prevent "renewal *en masse*", the Board of Directors, at its meeting of April 27, 2007, introduced a rolling renewal system, pursuant to which one-half of its members' terms of office will be renewed every two years. Under this new system, the terms of office of Jacques Deyirmendjian, Jean-Pierre Lamoure, Daniel Lebègue, Roger Milgrim, Rolf-Erik Rolfsen and Bruno Weymuller will expire at the time of the Shareholders' Meeting convened to approve the financial statements for the year ended December 31, 2008, which will be held on April 30, 2009.

A proposal will be made to this Shareholders' Meeting to renew the terms of office of Daniel Lebègue, Jean-Pierre Lamoure and Bruno Weymuller and to appoint Gérard Hauser, Marwan Lahoud and Joseph Rinaldi as directors for four-year terms expiring at the end of the Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2012. These appointments will replace Jacques Deyirmendjian, Roger Milgrim and Rolf-Erik Rolfsen whose terms expire at the end of such Shareholders' Meeting and who do not seek to renew their terms.

In accordance with the AFEP-MEDEF Code recommendations, the qualification of a Board member as an "independent director" is discussed and reviewed every year by the Board of Directors upon the Nominations and Remunerations Committee's proposal.

At its meeting of February 1, 2008, the Nominations and Remunerations Committee examined the qualification of the Company's Board members as "independent director" in light of the definition and criteria used in the AFEP-MEDEF Code, which states that "A director is independent when he or she has no relationship of any kind whatsoever with the corporation, its group or the management of either that is such as to colour his or her judgment." The Committee presented its conclusions to the Board of Directors, which adopted them at its meeting of February 20, 2008.

The Nominations and Remunerations Committee also met on February 16, 2009 to examine the qualification as an "independent director" of Board members who were in office at the date of the Committee's meeting. The Committee presented its conclusions to the Board of Directors, which adopted them at its meeting of February 18, 2009.

According to the Board of Directors, the three candidates whose appointments as Board members will be proposed to the Shareholders' Meeting of April 30, 2009 are considered independent directors.

At February 28, 2009, the Board was comprised of eight independent members. It therefore exceeds the recommendations made in the AFEP-MEDEF Code, which stipulates that one-half of the Board members should be independent in widely-held companies that have no controlling shareholders.

At February 28, 2009, the Board of Directors was comprised of the following members:

Name Main position Professional address Age, Nationality	Position within the Board of Directors	Term
Thierry Pilenko Technip's Chairman and Chief Executive Officer 6-8, allée de l'Arche–Faubourg de l'Arche–92400 Courbevoie 51–French	Technip's Chairman and Chief Executive Officer	Date of first appointment: April 27, 2007. Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ending December 31, 2010.
Olivier Appert Chairman of the *Institut Français du Pétrole* ("IFP") *Institut Français du Pétrole*–1 et 4, avenue de Bois-Préau–92852 Rueil-Malmaison Cedex 59–French	Director	Date of first appointment: May 21, 2003. Date of last appointment: April 27, 2007. Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ending December 31, 2010.
Pascal Colombani Associate Director and Senior Advisor at A.T. Kearney strategic consultancy A.T. Kearney–44, rue de Lisbonne–75008 Paris 63–French	Independent Director	Date of first appointment: April 27, 2007. Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ending December 31, 2010.
Jacques Deyirmendjian Chairman of Deynergies SAS Deynergies SAS–62, rue de Courcelles–75008 Paris 64–French	Independent Director	Date of first appointment: June 21, 2000. Date of last appointment: April 27, 2007. Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ended December 31, 2008, which will be held on April 30, 2009.
Germaine Gibara Chairman of Avvio Management Inc. strategic consultancy firm Avvio Management–1470 Peel Street–Suite 200–Montreal H3A 1T1–Canada 64–Canadian	Independent Director	Date of first appointment: April 27, 2007. Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ending December 31, 2010.
Jean-Pierre Lamoure Chairman and Chief Executive Officer of Solétanche SA Solétanche Freyssinet–133, boulevard National–92500 Rueil-Malmaison 59–French	Independent Director	Date of first appointment: March 13, 1998. Date of last appointment: April 27, 2007. Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ended December 31, 2008, which will be held on April 30, 2009.
Daniel Lebègue Chairman of the *Institut Français des Administrateurs* IFA–*Institut Français des Administrateurs*–7, rue Balzac–75382 Paris Cedex 08 65–French	Independent Director	Date of first appointment: April 11, 2003. Date of last appointment: April 27, 2007. Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ended December 31, 2008, which will be held on April 30, 2009.
Roger Milgrim Lawyer 6-8, allée de l'Arche–Faubourg de l'Arche–92400 Courbevoie 71–American	Independent Director	Date of first appointment: December 13, 2001 (Supervisory Board). Date of last appointment: April 27, 2007. Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ended December 31, 2008, which will be held on April 30, 2009.
John C. G. O'Leary Chairman and Chief Executive Officer of Strand Energy (Dubai) 6-8, allée de l'Arche–Faubourg de l'Arche–92400 Courbevoie 53–Irish	Independent Director	Date of first appointment: April 27, 2007. Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ending December 31, 2010.
Rolf-Erik Rolfsen Haakon VII's GT.1–PO Box 1679 VIKA 0120 Oslo–Norway 68–Norwegian	Independent Director	Date of first appointment: December 13, 2001 (Supervisory Board). Date of last appointment: April 27, 2007. Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ended December 31, 2008, which will be held on April 30, 2009.
Bruno Weymuller 12, rue Christophe-Colomb–75008 Paris 60–French	Director	Date of first appointment: February 10, 1995. Date of last appointment: April 27, 2007. Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ended December 31, 2008, which will be held on April 30, 2009.

14.1.2. Biographies of the Directors

Thierry PILENKO has been Chairman and Chief Executive Officer of Technip since April 2007. In March 2004, he was appointed Chairman and Chief Executive Officer of Veritas DGC, a geophysical services company based in Houston, a position which he occupied until January 2007 when Veritas DGC merged with the Compagnie Générale de Géophysique. Thierry Pilenko has spent most of his career (1984-2004) in the Schlumberger Group, where he acquired vast experience in the international oil and gas industry in numerous countries (Venezuela, Italy, Gabon, Nigeria, Dubai, Indonesia, United States, France) and with respect to various types of products.
Thierry Pilenko is a graduate of the *École Nationale Supérieure de Géologie* in Nancy as well as of the *École Nationale Supérieure des Pétroles et Moteurs*.

Olivier APPERT has been Chairman of the *Institut Français du Pétrole* (IFP) since April 2003. Since October 1, 1999, he has been director of Long-Term Cooperation and Energy Policy Analysis at the International Energy Agency. In 1998, he was appointed Vice-Chairman of ISIS, a holding company in which IFP was the majority shareholder and which held shares in companies from the oil and gas industry sectors. He had joined the corporate management of IFP in 1994 where he took charge of research and development activities. In 1989, he became Director of hydrocarbons in the Ministry for Industry, after having managed, in 1987, the strategy for *Télécommunications Radioélectriques et Téléphoniques* (TRT). After holding several posts in the French Ministry for Industry and in the Prime Minister's Cabinet, he held the post of Deputy Director of the Cabinet of the Minister for Industry from 1984 to 1986. He began his career at the *École des Mines* in Lyon.
Former student of the French *École Polytechnique,* Olivier Appert is a Civil Engineer.

Pascal COLOMBANI is the Associate Director and Senior Advisor for innovation, high technology and energy at the A.T. Kearney strategic consultancy firm; he is also a Director of Alstom, British Energy Group p.l.c. and Rhodia, a member of Rolls Royce Fuel Cell Systems' Technical Advisory Board and a member of the *Académie des Technologies*. In 2000, he was appointed as Managing Director of the French Atomic Energy Commission *(Commissariat à l'Énergie Atomique*–CEA), a post that he held until December 2002, a period when much new nuclear and technological research was launched. He chaired the Supervisory Board from the start of the restructuring of the industrial holdings of the CEA and the creation of Areva in 2000 until May 2003. Between 1997 and 1999, he was the Director of Technology at the Ministry for Research. Pascal Colombani spent close to 20 years (1978-1997) at Schlumberger in various posts, in Europe and in the United States, before chairing the group's Japanese subsidiary in Tokyo and creating its first R&D office in China. He began his career at CNRS.
Pascal Colombani is a graduate of the French *École Normale Supérieure,* a professor of physics (1969) and Doctor of sciences (1974).

Jacques DEYIRMENDJIAN has been Chairman of Deynergies SAS since July 2005. He joined Gaz de France in 1967 where, after various positions, he notably held the posts of International Director (1990-1996), Assistant Managing Director (1996-2000) and Deputy Managing Director (2000-2002). From 2002 to 2005, he held the posts of Group President of the Gaz de France Group and Chairman and Chief Executive Officer of GDF International.
Former student of the *École Polytechnique,* Jacques Deyirmendjian is also a graduate of the *École Nationale de la Statistique et de l'Administration Économique*.

Germaine GIBARA chairs the Avvio Management Inc. Strategy Advisory practice that she founded in 1992. She is a registered financial analyst and also gives conferences on technology management and marketing at McGill University and at the Massachusetts Institute of Technology. She also sits on the Boards of Directors of Agrium, Cogeco Cable and Sun Life Financial. She previously sat on the Boards of Directors of Pechiney, the Chamber of Commerce in Canada, Videotron, Ault Food and the Economic Council of Canada.
From 1994 to 1995, Germaine Gibara was Vice-Chairman in charge of holdings in companies from the technological sector at the *Caisse des Dépôts et Placements* in Quebec. She joined Alcan Aluminium Ltd in 1975 where she successively held the posts of Director of Investor Relations (1975-1984), Director of Strategic Studies (1985-1986), and Chairman of the Alcan Automobile Structure (1986-1991). She began her career at Lombard Odier managing private assets (1970-1975).
Germaine Gibara is a graduate of the American University of Cairo (1966) and the University of Dalhousie, Halifax (1968) as well as Harvard Business School (1984).

Jean-Pierre LAMOURE has been Chairman and Chief Executive Officer of Solétanche S.A. (now Solétanche Freyssinet) since 1989 and of Solétanche Bachy Entreprise since 1997. He joined the Solétanche Group in 1983 as a Development Manager. Within the Solétanche Group, he was also Chairman of Forasol-Foramer from 1988 to 1997. He has also been Chairman of the Supervisory Board of the family-owned Atlantic Group since 1998. From 1981 to 1983, he worked at Saint-Gobain after holding various posts at the French Ministry for Industry (1975-1981).
Former student of the *École Polytechnique,* Jean-Pierre Lamoure is also a graduate of the *École des Mines* in Paris.

Daniel LEBÈGUE has been Chairman of the Study Center for Corporate Social Responsibility since October 2008 and has chaired the *Institut Français des Administrateurs* ("IFA"), a professional association of directors of companies exercising their duties in France since July 2003. From 1998 to 2002, he held the post of Chief Executive Officer of the *Caisse des Dépôts et Consignations*. He was also Chairman of the *Institut du Développement Durable et des Relations Internationales,* Chairman of the French section of Transparency International and Co-Chairman of Eurofi. In 1987, he joined the *Banque Nationale de Paris* as Managing Director, and then became Vice Chairman in 1996.
Daniel Lebègue held the post of Treasury Director from 1984 to 1987 after becoming Deputy Director to the Treasury Management in 1983. In 1981, he was appointed Technical Advisor to the Prime Minister's Cabinet, in charge of economic and financial affairs. He held various posts at the Treasury Department from 1976 to 1981 after being a Financial Attaché at the French Embassy in Japan from 1974 to 1976. He began his career in 1969 at the Ministry of Economy and Finances as a Civil Director for the Treasury Department.
Daniel Lebègue is a graduate of the *Institut d'Études Politiques* in Lyon and is also a former student of the French *École Nationale d'Administration*.

Roger MILGRIM has written two major law treatises on intellectual property and licenses. He has sat on a number of charitable/educational/public interest boards. From 1992 to 2005, he was Senior Partner of Paul, Hastings, Janofsky and Walker LLP. From 1963 to 1992, after beginning his career as a lawyer in the Paris office of Baker & McKenzie, he then worked with the New York law firm Nixon, Mudge, before founding Milgrim Thomjan & Lee (1968-1992), a national law firm.
He served as a Professor of Law at New York University for over two decades.
Roger Milgrim is a graduate of the University of Pennsylvania and of the New York University School of Law.

John C. G. O'Leary has, since January 2007, held the post of Chairman and Chief Executive Officer of Strand Energy (Dubai), a company involved in seeking out investment and development opportunities in the oil and gas sector and also sits on the Supervisory Boards of Huisman Itrec and Khan Shipping. From 2004 to 2006, he was a partner in Pareto Offshore ASA, a Norwegian company specialized in advising customers in the exploration/production sector. In 1985, he joined the Forasol-Foramer group where he successively held the posts of Development and Partnerships Manager (1985-1989) and Vice Chairman for Marketing (1990-1997). After the takeover in 1997 of Forasol-Foramer by Pride International, a company specialized in onshore and offshore drilling, he became the Chief Executive Officer of the new group until 2004. He joined Total as a drilling engineer (1980-1985) after beginning his career as a trader in the Irish National Petroleum Corporation (1979-1980).
John C. G. O'Leary is a graduate of Trinity College in Dublin, the University College in Cork as well as the *Institut Français du Pétrole*.

Rolf-Erik ROLFSEN is currently Chairman of the Board of Directors of CGGVeritas Services (Norway) AS. He is also Chairman of the Board of Directors of Wavefield Inseis ASA and member of the Board of Directors of GDFSUEZ E&P Norway AS. From 1987 to 2000, he held the post of Chief Executive Officer of Total Norge AS. From 1999 to 2000, he was also Chief Executive Officer of Fina Exploration Norway. Rolf-Erik Rolfsen was Executive Vice President of Konsberg Våpenfabrikk AS from 1980 to 1986.
He is a graduate of the Oslo College of Commerce.

Bruno WEYMULLER held the position of Advisor to Total's Chief Executive Officer from 2008 to the beginning of 2009, after being Director for Strategy and Risk Assessment at Total (2000-2008) and a member of the Executive Committee. Bruno Weymuller held various management posts within the Elf Aquitaine Group from 1981 to January 2000, in particular, as Group Financial Director from 1994 to 2000. He began his career at the Ministry for Industry from 1972 to 1978, after which he joined the Prime Minister's Cabinet from 1978 to 1981 as an Official Representative.
Bruno Weymuller is a former student of the *École Polytechnique*, he is also a graduate of the *École des Mines* in Paris, and holds a Master of Science from the Massachusetts Institute of Technology.

Patrick PICARD is Secretary of the Board of Directors.

14.1.3. Company's shares held by the directors

Pursuant to the provisions of Article 14 of the Company's articles of association at the date of this Reference Document, each director is required to hold at least 400 Company shares in registered form.

At February 28, 2009, to the Company's knowledge, each of the Board members held the following number of shares in registered form:

Members of the Board of Directors	Number of Technip shares held at February 28, 2009
Thierry PILENKO	3 400
Olivier APPERT	560
Pascal COLOMBANI	400
Jacques DEYIRMENDJIAN	404
Germaine GIBARA	400
Jean-Pierre LAMOURE	2 004
Daniel LEBÈGUE	400
Roger MILGRIM	6 000
John C. G. O'LEARY	800
Rolf-Erik ROLFSEN	400
Bruno WEYMULLER	400
Total	**15 168**

14.2. The Company's Management

On January 15, 2007, the Board of Directors, upon the Nominations and Remunerations Committee's proposal, appointed Thierry Pilenko as the Company's Executive Vice President.

The Combined Shareholders' Meeting of April 27, 2007 appointed Thierry Pilenko to the Board of Directors for a four-year term expiring after the Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2010.

At its meeting on April 27, 2007, the Board of Directors appointed Thierry Pilenko as Chairman of the Board of Directors. At its meeting on the same day and in accordance with Article 18 of the Company's Articles of Association, the Board opted to combine the offices of Chairman and Chief Executive Officer of the Company, determining that this management organization is best suited for the Company, and appointed Thierry Pilenko as Chairman and Chief Executive Officer for the duration of his term of office as a director.

At the date of this Reference Document, the Board of Directors had not appointed any Executive Vice President.

Declarations concerning the administrative, management, supervisory and corporate management bodies

To the Company's knowledge:

- there is no family relationship between or among the members of the Company's Board of Directors;
- no judgment for fraud has been rendered over the past five years against a member of the Board of Directors or the Chairman and Chief Executive Officer;
- none of the members of the Board of Directors or the Chairman and Chief Executive Officer has been, over the past five years, the subject of a bankruptcy, sequestration or liquidation procedure as a member of an administrative, management or supervisory body or as a chief executive officer;
- no incrimination and/or official public sanction has been made against any of the members of the Board of Directors of the Company or the Chairman and Chief Executive Officer by any regulatory authority (including appointed professional organizations) over the past five years; and
- none of the members of the Board of Directors or the Chairman and Chief Executive Officer has agreed to any restrictions on the disposal of their holdings in Technip's shares, within a certain period of time, which are more restrictive than those resulting from the Board Members Charter described in Section 16.1.1. of this Reference Document.

14.3. Committees of the Board of Directors

In order to assist it in carrying out its duties, the Board of Directors has established four specialized Committees: an Audit Committee, a Nominations and Remunerations Committee and a Strategic Committee, all three of which were created in 2003, and an Ethics and Governance Committee created in 2008.

The existence of these Committees satisfies the recommendations made in the AFEP-MEDEF Code.

The role and the practices of these Committees are described in Section 16.3 of this Reference Document.

14.3.1. The Audit Committee

At February 28, 2009, the Audit Committee's members were as follows:

Member	Title	Date of 1st appointment
Daniel LEBÈGUE	Chairman	May 21, 2003
Jacques DEYIRMENDJIAN	Member	April 27, 2007
Roger MILGRIM	Member	May 21, 2003
John O'LEARY	Member	April 27, 2007

The Committee's internal charter provides that the Committee must be comprised of at least three directors appointed by the Board of Directors. In considering directors for membership to the Audit Committee, the Board carefully reviews their independence and ensures that at least one member has specific qualifications in financial and accounting matters, as required by Article 14 of the French regulation no. 2008-1278 of December 8, 2008.

At February 28, 2009, all of the Audit Committee members had qualifications in financial and accounting matters and were independent directors. The Committee is thus comprised of more independent directors than (i) required by Article 14 of the French regulation no. 2008-1278 of December 8, 2008, which provides that at least one member must be independent, or (ii) recommended by the AFEP-MEDEF Code, which recommends that at least two-thirds of its members must be independent directors. None of the Audit Committee members is an executive director.

The Committee appoints its Chairman and its Secretary.

14.3.2. The Nominations and Remunerations Committee

At February 28, 2009, the Nominations and Remunerations Committee's members were as follows:

Member	Title	Date of 1st appointment
Bruno WEYMULLER	Chairman	May 21, 2003
Pascal COLOMBANI	Member	April 27, 2007
Germaine GIBARA	Member	April 27, 2007
Jean-Pierre LAMOURE	Member	May 21, 2003

The Committee's internal charter provides that the Committee must be comprised of at least three directors designated by the Board of Directors, the majority of whom must be independent. The Chairman and Chief Executive Officer, who is the only executive director, is not a member of the Committee.

At February 28, 2009, the majority of the Nominations and Remunerations Committee's members were independent directors, thus complying with the recommendations made in the AFEP-MEDEF Code, according to which the majority of the Committee's members must be independent directors and none of them can be an executive director.

The Committee appoints its Chairman and its Secretary.

14.3.3. The Strategic Committee

At February 28, 2009, the Strategic Committee's members were as follows:

Member	Title	Date of 1st appointment
Jacques DEYIRMENDJIAN	Chairman	May 21, 2003
Olivier APPERT	Member	May 21, 2003
Pascal COLOMBANI	Member	April 27, 2007
Germaine GIBARA	Member	April 27, 2007
Rolf-Erik ROLFSEN	Member	April 27, 2007

The Committee's internal charter provides that the Committee must be comprised of at least three directors designated by the Board of Directors.

At February 28, 2009, the majority of the Strategic Committee's members were independent directors.

The Committee appoints its Chairman and its Secretary.

14.3.4. The Ethics and Governance Committee

At February 28, 2009, the Ethics and Governance Committee's members were as follows:

Member	Title	Date of 1st appointment
Pascal COLOMBANI	Chairman	December 9, 2008
Olivier APPERT	Member	December 9, 2008
Bruno WEYMULLER	Member	December 9, 2008

In accordance with the Committee's internal charter, it is comprised of at least three directors appointed by the Board of Directors.

At February 28, 2009, one-third of the Ethics and Governance Committee's members were independent directors.

The Committee appoints its Chairman and its Secretary.

14.4. Conflicts of Interest at the Level of Administrative, Management, Supervisory and General Management Bodies

14.4.1. Absence of current or potential conflicts of interests

To the Company's knowledge, there are no current or potential conflicts of interest between the duties owed to the issuer and the private interests and/or other duties of the members of the Company's Board of Directors.

14.4.2. Shareholders' agreements

None.

15

Compensation and Benefits

15.1. Compensation and other Benefits granted to Directors

15.1.1. Tables regarding compensation of executive directors

The following tables present the compensation of Thierry Pilenko, the Company's only executive director at the date of this Reference Document.

The total amount of compensation, options and performance shares for the 2007 and 2008 financial years of each executive director are as follows:

1. Summary table of the compensation, options and shares accruing to each executive director

In Euros	2007 financial year (from April 27, 2007 through December 31, 2007) [(a)]	2008 financial year
Thierry Pilenko, Chairman and Chief Executive Officer		
Compensation due in respect of the financial year (detailed in table 2)	1,221,663	1,823,931
Valuation of stock options awarded during the financial year (detailed in table 3) [(b)]	1,991,816	955,758
Valuation of performance shares awarded during the financial year (detailed in table 4)	N/A	1,166,631
Total	**3,213,479**	**3,946,320**

(a) The relevant period for the 2007 financial year begins on April 27, 2007, when Thierry Pilenko was appointed as Chairman and Chief Executive Officer.

(b) Theoretical valuation according to the binomial model (Cox Ross Rubinstein model) used for the consolidated financial statements. The actual valuation is equal to zero if the share price is less than or equal to 49.17 euros and 58.15 euros for the shares granted in 2007 and in 2008, respectively.

The total amount of compensation that fell due and was paid, as well as all other benefits granted, over the 2007 and 2008 financial years to each executive director is as follows:

2. Summary table of Thierry Pilenko's compensation

	2007 financial year (from April 27, 2007 through December 31, 2007) [(a)]		2008 financial year	
Thierry Pilenko, Chairman and Chief Executive Officer	**due**	**paid**	**due**	**paid**
Fixed compensation [(b)]	485,945	404,945	756,000	711,000
Variable compensation	631,100	–	1,060,920	631,100
Extraordinary compensation [(c)]	100,000	100,000	–	–
Director's fees	–	–	–	–
Fringe benefits [(d)]	4,618	4,618	7,011	7,011
Total	**1,221,663**	**509,563**	**1,823,931**	**1,349,111**

(a) The relevant period for the 2007 financial year begins on April 27, 2007, when Thierry Pilenko was appointed as Chairman and Chief Executive Officer.

(b) Composed of the annual base compensation paid over 12 months, on a pro rata basis in the event of an incomplete financial year, (600,000 euros in 2007 and 630,000 euros in 2008) and of a fixed travel allowance equal to 20% of the annual base compensation, on a pro rata basis in the event of an incomplete financial year (81,000 euros in 2007 and 126,000 euros in 2008).

(c) In 2007, an exceptional premium of 100,000 euros was paid for a particularly fast and successful integration within the Company.

(d) Company car.

The total amount of share purchase or share subscription options granted over the 2008 financial year to each executive director by the Company or by other companies of the Group is as follows:

3. Share purchase or share subscription options granted by Technip over the financial year to executive directors [(a)]

Name of the executive director	Number and date of plan	Nature of options (purchase or subscription)	Valuation of options according to the method used for the consolidated financial statements [(b)]	Number of options awarded during the financial year	Exercise price	Exercise period
Thierry Pilenko	2008 Plan Tranche 1 07/01/2008	Share purchase options	955,758	80,000	58.15	07/02/2012 – 07/01/2014
	2005 Plan Tranche 3 03/12/2007	Share subscription options	1,991,816	255,655	49.17	03/13/2011 – 03/13/2013

(a) The number of shares resulting from the exercise of share purchase or share subscription options granted by the Board of Directors on July 1, 2008 is subject to the achievement by Technip of a performance measured by the progression over the 2008-2011 period of the Group's Consolidated Operating Income in relation to a representative sample of the Group's competitors. 50% of the options that may be exercised are subject to the level of achievement of the aforementioned performance recorded at the option exercise start date.

(b) The valuation assumptions regarding these options are described in Note 20(h) of the Group's Consolidated Financial Statements (see Section 20.1 of this Reference Document).

Share purchase or share subscription options exercised over the 2008 financial year by each executive director:

Thierry Pilenko, the Company's only executive director, did not exercise any share purchase or share subscription options over the 2008 financial year.

The total amount of free shares granted by the Company to executive directors over the 2008 financial year is as follows:

4. Performance shares granted during the financial year to the executive director

Name of the executive director	Number and date of plan	Number of performance shares granted	Valuation of shares according to the method used for the consolidated financial statements [(a)]	Acquisition date	Availability date	Performance conditions
Thierry Pilenko	2008 Plan Tranche 1 07/01/2008	30,000	1,166,631	07/02/2011	07/02/2013	Yes [(b)]

(a) The valuation assumptions regarding these shares are described in Note 20(i) of the Group's Consolidated Financial Statements (see section 20.1 of this Reference Document).

(b) Performance will be measured over the three-year acquisition period and is based on the increase in the Group's Consolidated Operating Income as compared to that of a representative sampling of the Group's main competitors, according to the following scale:

- *if the increase in the Group's Consolidated Operating Income is greater than or equal to that of the sample, all of the shares will be granted according to the terms and conditions provided in the plan's regulations;*
- *if the increase in the Group's Consolidated Operating Income is less than 80% of that of the sample, 50% of the shares will be granted according to the terms and conditions provided in the plan's regulations;*
- *if the increase in the Group's Consolidated Operating Income falls between 80% and 100% of that of the sample, the portion of the shares granted will be determined based on linear interpolation between 50% and 100% and according to the terms and conditions provided in the plan's regulations.*

5. Other information regarding the executive director

	Employment contract	Supplementary retirement plan	Compensations or benefits due or potentially due in case of suspension or change in the functions	Compensations relating to a non-compete agreement
Thierry Pilenko	No	Yes [(a)]	No [(a)]	Yes [(a)]

(a) Further details are provided in Section 15.1.3. of this Reference Document.

15.1.2. Directors' fees

The amount of directors' fees allocated to members of the Board of Directors for the 2008 financial year was set at 375,000 euros by the Combined Shareholders' Meeting of May 6, 2008. The amount actually paid for this fiscal year amounted to 374,600 euros. In accordance with the recommendations made in the AFEP-MEDEF Code, directors' fees should include a variable portion to be paid depending on the rate of attendance at Board and Committee meetings.

The Board meeting of December 9, 2008 finalized the distribution of directors' fees for 2008 as follows:

- 120,000 euros divided equally among Board members (with the exception of the Chairman and Chief Executive Officer who does not receive directors' fees), *i.e.*, 12,000 euros per director;
- an additional amount of 10,000 euros for the director residing in Europe (but outside of France);
- an additional amount of 60,000 euros divided equally among the three directors residing outside of Europe;
- an additional amount for 2008 divided among directors (other than the Chairman and Chief Executive Officer), depending on the attendance rate of the Board members since January 1, 2008, as follows:
  - 1,100 euros per Board meeting,
  - 1,000 euros per meeting of the Strategic Committee and the Nominations and Remunerations Committee (and 1,800 euros for each of the Chairmen of these Committees),
  - 1,500 euros per meeting of the Audit Committee (and 2,800 euros for its Chairman).

The individual amounts of directors' fees for the 2007 financial year, which were paid in January 2008 to each of the Board members (or to the company in which he or she conducts his or her main business, where applicable), were as follows:

In Euros	
Olivier Appert	21,300
Roger Cairns	23,500 (1)
Miguel Caparros	24,900 (1)
Pascal Colombani	19,300
Jacques Deyirmendjian	32,200
Germaine Gibara	39,300 (1)
Jean-Pierre Lamoure	21,100
Daniel Lebègue	29,300
Roger Milgrim	44,600 (1)
John O'Leary	39,700 (1)
Rolf E. Rolfsen	35,400 (1)
Pierre Vaillaud	15,700
Bruno Weymuller	26,800

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

The individual amounts of directors' fees for the 2008 financial year, which were paid in January 2009 to each of the Board members (or to the company in which he or she conducts his or her main business, where applicable), were as follows:

In Euros	
Olivier Appert	23,800
Pascal Colombani	29,800
Jacques Deyirmendjian	36,300
Germaine Gibara	49,800 (1)
Jean-Pierre Lamoure	27,900
Daniel Lebègue	38,700
Roger Milgrim	50,900 (1)
John O'Leary	50,900 (1)
Rolf E. Rolfsen	34,900 (1)
Bruno Weymuller	31,600

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

Directors (other than the Chairman and Chief Executive Officer) do not receive any other compensation from the Company or other companies of the Group.

The amount of directors' fees that will be proposed to the Shareholders' Meeting of April 30, 2009 for the 2009 financial year and the following financial years will be 440,000 euros per financial year.

15.1.3. Compensation of the Chairman and Chief Executive Officer

The Company's Chairman and Chief Executive Officer's compensation is determined by the Board of Directors, upon the Nominations and Remunerations Committee's proposal.

The total amount of compensation paid in 2008 by the Company to Thierry Pilenko amounted to 1,349,111 euros (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 2008, the target variable portion was equal to 100% of the annual base compensation. 50% of the target variable portion is linked to the Group's financial performance based on 2008 operating income, 25% is linked to the achievement of individual objectives and 25% to the implementation of Group values and cooperation within the Group. The share of the variable portion linked to the Group's financial performance is (i) nil if actual performance is below 75% of the budgeted amount (performance floor), (ii) between 50% and 100% for a performance equal to 75% to 100% of the budgeted amount, and (iii) between 100% and 200% for a performance equal to 100% to 125% of the budgeted amount (outperformance). If achieved financial results are superior to the budgeted objective, a multiplier rate is calculated, up to a maximum of 2. The multiplier is calculated based on the financial portion of the objectives, representing 50% of the variable portion criteria. It is then applied to the other variable portion criteria in order to calculate the final variable portion, which is capped at 200% of the target variable portion. The variable portion to be paid to Thierry Pilenko in 2009 for the 2008 financial year is 1,060,920 euros.

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

There is no specific retirement plan for the Chairman and Chief Executive Officer. The Chairman and Chief Executive Officer is a beneficiary of the supplementary retirement plan for Group executives, with fixed contributions of 8% of gross annual compensation paid up to income bracket 3, *i.e.,* eight times the annual French Social Security limit. The contribution for 2008 amounted to 21,297 euros.

The Chairman and Chief Executive Officer is also a beneficiary of the Company's existing supplementary retirement plan for Executive Committee members: a retirement income guarantee of 1.8% per year of service, up to a limit of 15 years with a minimum of five years as member of the Executive Committee, on income bracket 4 of gross annual compensation paid, *i.e.,* exceeding eight times the French Social Security limit. The amount of gross compensation to which this retirement income guarantee applies corresponds to the average of the gross base compensation (including variable compensation within the limit complete of the target variable portion of 100%), received over the five complete financial years ended prior to the date of departure from the Company. The retirement income guarantee will only be due where the beneficiary leaves the Company after his or her 60th birthday, where such beneficiary suffers a 2nd or 3rd category disability (as defined under French law), or where such beneficiary leaves the Company after his or her 55th birthday provided that such departure is not the result of gross misconduct and that no salaried activity is resumed between the departure from the Company and receiving a pension under the general French Social Security scheme.

80,000 share purchase options and 30,000 free shares were granted to Thierry Pilenko over the 2008 financial year (see Section 15.1.1, tables 3 and 4, for further details). Thierry Pilenko did not exercise any Technip share subscription or share purchase options during the 2008 financial year. Thierry Pilenko is not a beneficiary of any share subscription warrants from the Company or any other companies of the Group.

At the time of his appointment, Thierry Pilenko signed a world-wide non-compete agreement. In order to take into account the AFEP-MEDEF recommendations of October 6, 2008, the Board of Directors, at its meeting of February 18, 2009, decided to limit the indemnity amounting to a compensation of 24 months calculated from the fixed compensation plus the target variable portion of the last 12 months, corresponding to a non-compete provision of two years.

At the same meeting, the Board decided that there will be no severance indemnity for the executive director in the event his mandate is revoked or is not renewed by the Company.

15.2. Compensation and Retirement Commitments of the Group's principal Executives

15.2.1. Compensation of the Group's principal executives

The total amount of all direct and indirect compensation paid in 2008 by the Group's French and foreign companies to all of the Group's principal executives *(i.e.,* the eight members of the Executive Committee) amounted to 4,250,046 euros. The variable portion represented 33.4% of the overall amount.

The charges relating to share purchase and share subscription options, as well as free shares, granted to the Company's executive officers, and accounted for in 2008, amounted to 2.1 million euros.

15.2.2. Retirement commitments

Payments made in 2008 by those of the Group's companies under the supplementary retirement plans applicable to the principal executives discussed above amounted to 978,008 euros, including 825,086 euros under the retirement income guarantee plan for Executive Committee members.

The amount for retirement commitments for Executive Committee members amounted to 3 million euros at December 31, 2008. The amount provisioned for these commitments was nil at December 31, 2008 because contributions had been paid.

16

Operation of Administrative and Management Bodies

16.1. Description of the Role and Practices of the Board of Directors

16.1.1. Role and Practices

The Board of Directors' practices are governed by an internal charter that was adopted on May 21, 2003 by the Board of Directors. This charter is periodically updated (it was last updated on February 18, 2009). The four specialized Committees also have their own charters describing their particular duties, responsibilities and practices.

A Directors' Charter, which was adopted on May 21, 2003 (and distributed to each director at the start of his or her term of office, along with the Board's internal charter) and updated on December 9, 2008, outlines the rights and responsibilities of the Company's directors. Each director must undertake to exercise his or her independent analysis, judgment and action, and to actively participate in the Board's work. Each director must inform the Board of any conflicts of interest and must clearly express, where applicable, his or her opposition to any matter under consideration by the Board.

In addition, the Charter stipulates that the directors are subject to the Group's Rules of Good Conduct relating to the communication and use of privileged information and that they are required to refrain from trading in any of the Company's securities whenever such directors are in possession of material, non-public information, as well as during the period beginning three weeks prior to the public announcement of consolidated annual and half-year results and two weeks prior to the public announcement of the consolidated results for the first and third quarters and ending at the close of the second trading day on Euronext Paris following such public announcement, or later in the event the Company communicates at a later date.

Each director is required to notify the Company and the AMF of any transactions in the Company's securities, which are carried out either directly or indirectly and either on his or her behalf or on behalf of a third party.

In accordance with recommendations made in the AFEP-MEDEF Code, the Directors' Charter provides that each director will be provided with training sessions on the Company's specificities, its activities and its business sectors, to the extent he or she considers it necessary.

Excerpt from the Board of Directors' internal charter, as updated by the Board of Directors on February 18, 2009:

The Board determines the direction of the Company's activities and oversees its implementation. Subject to the powers expressly assigned to the shareholders' meetings, and within the scope of the corporate purpose, it shall take up any and all issues affecting the Company's proper operation and shall decide in its meetings any issues concerning it.

The non-exhaustive list of its duties is as follows:

- appoint the Chairman, the Chief Executive Officer and the executive vice presidents *(directeurs généraux délégués);*
- define Technip's strategy with the assistance of the Strategic Committee;
- discuss, with the assistance of the Strategic Committee, major transactions considered by the Group, determine the conditions subject to which such transactions will be undertaken and provide its prior approval to significant transactions that depart from the strategy announced by the Company;
- remain informed of all important events concerning Technip's business, in particular, investments and divestitures in an amount of over 3% of shareholders' equity;
- remain regularly informed of the financial position, the treasury position and the Company's commitments;
- proceed with checks and verifications that are deemed appropriate and ensure, in particular:
  - with the assistance of the Audit Committee, that internal control entities are functioning properly and that the Statutory Auditors are carrying out their work in a satisfactory manner,
  - that the specialized committees it has created are functioning properly;
- monitor the quality of disclosure provided to shareholders and to the financial markets through the financial statements that it examines and the annual report or in case of major transactions;
- convene and set the agenda for shareholders' meetings;
- establish, on an annual basis, the list of directors considered independent pursuant to corporate governance criteria, taking into consideration the standards and recommendations applicable in France, as well as, where applicable, in the markets where the Company's securities are traded; and
- authorize regulated agreements and security interests, guarantees and warranties given by the Company.

The Board of Directors meets at least four times per year, or more frequently as may be required by the circumstances.

Directors may attend the Board of Directors' meetings physically, or be represented by proxy or, in all cases legally authorized, participate by videoconference or other telecommunications means that meets the technical qualifications provided for by applicable regulations.

The Board of Directors may establish specialized committees and determine their composition and responsibilities. Committees that are established will exercise their activities under the responsibility of the Board of Directors.

The Board of Directors determines the terms of payment of directors' fees *(jetons de présence)* and may allocate additional directors' fees to directors who are members of Board committees, subject to the total amount approved by the shareholders' meeting.

The Board of Directors evaluates, at intervals of no more than three years, its operating policies. In addition, it holds an annual discussion on its operations.

16.1.2. The Board of Directors' work in 2008

The Board of Directors met nine times during the 2008 financial year. The attendance rate for all directors was 96%. With the exception of the Board meeting held on October 2 and 3, 2008 in a two-day Strategic Seminar, the average duration of the Board of Directors' meetings was approximately four hours.

Members of the Board of Directors	Attendance rate at the meetings of the Board of Directors in 2008
Thierry PILENKO	100%
Olivier APPERT	89%
Pascal COLOMBANI	89%
Jacques DEYIRMENDJIAN	100%
Germaine GIBARA	89%
Jean-Pierre LAMOURE	100%
Daniel LEBÈGUE	100%
Roger MILGRIM	100%
John C.G. O'LEARY	100%
Rolf-Erik ROLFSEN	100%
Bruno WEYMULLER	89%

In accordance with the recommendations made in the AFEP-MEDEF Code, directors who are external to the Company (neither executive directors nor employees) meet periodically without the "in-house" directors in order to evaluate the performance of the Chairman, the Chief Executive Officer or the Executive Vice Presidents. Such meetings are regular opportunities to think about the future of the executive management.

Directors receive all of the information that may be useful to the exercise of their duties, depending on the agenda, prior to each Board meeting. For these purposes, the Company complies with the rule it established, according to which documents that will be examined in a Board meeting are provided the week before the meeting.

Minutes of each Board meeting are among the documents sent to directors prior to the subsequent Board meeting, and are approved at the beginning of such meeting.

After examining the reports of the Audit Committee, the Strategic Committee and the Nominations and Remunerations Committee regarding the issues within the scope of their missions, the matters on which the Board of Directors worked in 2008 included, in particular, the following:

- Financial and accounting matters:
  - review of the statutory accounts and consolidated financial statements for the 2007 financial year, the half-year consolidated financial statements and quarterly information for 2008, upon the Audit Committee's recommendation and the Statutory Auditors' observations;
  - review of the press release on the financial results for the period examined;
  - review of the half-year financial report and interim financial information;
  - assessment of the provisional management accounts.
- Preparation of the Annual Shareholders' Meeting:
  - determination of the agenda and notice of the meeting;
  - finalization of the Board's draft report and of the draft resolutions;

- preparation of answers to written questions submitted by a shareholder.
- Decisions, in particular, regarding:
  - the list of independent directors;
  - proposals for improving the operating policies of the Board of Directors;
  - the distribution of directors' fees;
  - the creation of an Ethics and Governance Committee, the appointment of its members and approval of its internal charter;
  - the update of the code on insider trading, the code of ethics applicable to directors, executive management and senior financial officers of the Group and the Directors' Charter;
  - the 2009 budget;
  - the share repurchase program;
  - approval of a share purchase option and free share plan; the grant of additional options under the 2005 share subscription option plan and of a second tranche of free shares;
  - the share capital increase reserved for employees;
  - finalization of the share capital increase resulting from exercises of share subscription options and of the capital increase reserved for employees.
- Review, in particular, of:
  - the Group's strategic policy over a two-day seminar;
  - information on the Group's activities;
  - treasury forecasts;
  - the Quality Charter;
  - the whistleblowing procedure.

16.2. Company's Management

16.2.1. The Chairman and Chief Executive Officer

The Board of Directors gave to the Chairman and Chief Executive Officer the most extensive powers to act in all circumstances in the Company's name, with the possibility of delegating these powers in specific areas. The Chairman and Chief Executive Officer exercises his powers subject to the corporate purpose, the provisions of the internal charter of the Board of Directors and the powers expressly assigned by law to the shareholders' meetings and the Board of Directors.

He represents the Company in its relations with third parties.

16.2.2. The Executive Committee (Excom)

The Executive Committee assists the Chairman and Chief Executive Officer in his management duties.

At February 28, 2009, the members of the Executive Committee were as follows:

- Thierry Pilenko, Chairman and Chief Executive Officer;
- Bernard di Tullio, Chief Operating Officer (COO);
- Julian Waldron, Chief Financial Officer (CFO);
- Guy Arlette, Head of Global Processes and Development;
- Anne Decressac, Head of Human Resources and Communications;
- John Harrison, General Counsel;
- Dominique de Soras, Head of Subsea Division;
- Nello Uccelletti, Senior Vice President of Region B.

The Executive Committee prepares decisions for submission to Technip's Board of Directors, concerning, in particular, the approval of the financial statements, the determination of objectives and budgets, strategic orientations and the acquisitions or divestitures of assets and companies. It reviews the progress of major contracts and important investment decisions and also examines plans and recommendations relating to internal auditing, IT and telecommunications, human resources and asset management issues.

It met 26 times in 2008.

16.3. Role and Practices of the Committees of the Board of Directors

16.3.1. The Audit Committee

The Board of Directors adopted the Audit Committee's internal charter on December 17, 2003 and updated it on February 18, 2009.

Purpose

The Audit Committee's duty is to enable the Board of Directors to ensure the quality of internal controls and the integrity of the disclosure made to the Company's shareholders and to the financial markets.

The Audit Committee ensures the follow-up of issues regarding the preparation and control of accounting and financial information and, to this end, is mainly responsible for:

- monitoring the preparation process of financial information;
- monitoring the effectiveness of internal control and risk management systems, in particular:

- evaluating internal control procedures as well as any measures adopted to correct significant problems encountered,
- reviewing the scope of work of internal and external auditors,
- evaluating the relevance of risk analysis procedures;

- monitoring the Statutory Auditors' legal verification of the annual accounts and the consolidated financial statements, especially:
  - analyzing the assumptions used in the closing of accounts and reviewing the Company's financial statements and the consolidated annual and interim financial statements or information prior to the Board of Directors' review by remaining informed of the Company's financial situation, liquidity and commitments,
  - evaluating the relevance of the adopted accounting principles and methods in conjunction with the Statutory Auditors,
  - at some time between the end of the financial year and the date on which the Audit Committee reviews a draft of the financial statements, discussing the relevance of the adopted accounting principles and methods, the effectiveness of accounting control procedures and any other relevant matters with Technip's Chairman and Chief Financial Officer;
- recommending the appointment and compensation of the Statutory Auditors to the shareholders' meeting;
- ensuring the independence of the Statutory Auditors, in particular, by:
  - recommending procedures to be followed when engaging the Statutory Auditors for purposes other than the auditing of the financial statements in order to guarantee the independence of the auditing provided by the Statutory Auditors, in accordance with rules, regulations and recommendations applicable to Technip, and ensuring that such procedures are appropriately followed,
  - authorizing all engagements of the Statutory Auditors for purposes other than in connection with the auditing of the financial statements;
- reviewing the conditions applicable to the use of derivative products;
- remaining informed of significant legal proceedings;
- examining the procedures required to be implemented regarding the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, as well as documents sent anonymously and confidentially by employees raising concerns regarding questionable accounting or auditing matters; and
- generally advising and providing all appropriate recommendations on the above issues.

Operating procedures

The Audit Committee may interview the Company's Chairman and Chief Executive Officer and any operational or functional business heads in order to carry out its duties. In particular, the Committee may interview persons involved in the preparation or control of the accounts (Chief Financial Officer and main managers of the Financial Division, the Audit Director, General Counsel).

The Audit Committee also interviews the Statutory Auditors, and may do so outside the presence of Company representatives.

Directors who are not members of the Committee can freely attend the Committee's meetings. This participation does not entitle them to receive directors' fees in this respect.

Work report

The Audit Committee's Chairman presents a written report regarding the Committee's work to the Board of Directors.

If, over the course of exercising its duties, the Committee detects a significant risk that appears as though it has not been adequately addressed, the Committee's Chairman must immediately report it to the Chairman of the Board of Directors and the Chief Executive Officer.

The Committee presents an annual evaluation of its operating policies, in accordance with the requirements of its internal charter, and proposes improvements to its practices.

The Committee's internal charter requires it to meet at least four times per year, in particular, to examine the annual consolidated financial statements and quarterly financial information.

The Committee met six times during the 2008 financial year. The attendance rate of all members at each meeting was 100%.

The Audit Committee's work in 2008 mainly focused on the following points:

- review of the annual financial statements for 2007 and the financial information for the fourth quarter of 2007;
- review of contracts requiring particular attention;
- review of financial information for the first quarter of 2008;
- review of financial information for the first quarter of 2008 and of the consolidated financial statements for the first half of 2008;
- Statutory Auditors' fees;
- the 2008 audit budget;
- review of financial information for the third quarter of 2008.

Compensation

With the exception of reimbursement for expenses, Audit Committee members may not receive any compensation from the Company or its subsidiaries, other than (i) directors' fees *(jetons de présence)* for their services as a director and as a member of the Audit Committee, where applicable, (ii) compensation and pension income for work previously performed for the Company, but not dependant on future activity.

Directors' fees paid for 2008 and 2007 are discussed in Section 15.1.2. of this Reference Document.

16.3.2. The Nominations and Remunerations Committee

The Board of Directors adopted the Nominations and Remunerations Committee's internal charter on May 21, 2003 and updated it on February 18, 2009.

Purpose

In accordance with the recommendations made in the AFEP-MEDEF Code, the Nominations and Remunerations Committee carries out preparatory work regarding appointments of Board members and corporate officers, the compensation policy and the policy for granting share subscription or share purchase options.

The Committee is mainly responsible for the following:

- making recommendations to the Board of Directors for the appointment of directors, the Chairman, the Chief Executive Officer and executive vice presidents *(directeurs généraux délégués),* where applicable; and
- examining executive compensation policies implemented in the Group and the compensation of senior management, proposing the compensation of the Chairman, the Chief Executive Officer and executive vice presidents, where applicable, and preparing any reports required of the Company on the foregoing.

Its main duties include the following:

a) With respect to appointments:

1. presenting recommendations to the Board of Directors regarding the composition of the Board of Directors and its Committees;
2. proposing to the Board of Directors, on an annual basis, a list of directors qualified as "independent directors" pursuant to applicable recommendations in France and on the regulated markets where the Company's securities are traded;
3. designing a plan for replacement and assisting the Board of Directors in the choice and evaluation of the Chairman, the Chief Executive Officer and executive vice presidents, where applicable;
4. preparing a list of persons whose appointment as directors could be recommended;
5. preparing a list of directors whose appointment as a member of a Committee of the Board of Directors could be recommended;
6. preparing and presenting the annual report on the Committee's work.

b) With respect to compensation:

1. reviewing the main objectives proposed by Management regarding the compensation of senior officers of the Company and of the Group, including free share plans, share purchase and share subscription option plans and equity-based plans;
2. making recommendations and proposals to the Board of Directors regarding:
   - the compensation, retirement and health plans, benefits-in-kind and other financial rights, including in the form of severance, of the Company's Chairman, Chief Executive Officer and executive vice presidents, where applicable. The Committee will propose amounts, compensation structures and, in particular, rules for determining the variable portion of compensation, after taking into account the Company's strategy, objectives and financial results as well as market practices,
   - the grant of free shares and share purchase and share subscription options and, in particular, those granted to the Chairman, the Chief Executive Officer and executive vice presidents, where applicable;
3. reviewing the compensation of the members of the Executive Management, including in the form of free share plans, share purchase and share subscription option plans, equity-based plans, retirement and health plans and benefits-in-kind;
4. reviewing the total amount of directors' fees, their distribution among Board members, as well as reimbursement terms for expenses incurred by directors;
5. preparing and presenting the reports provided for by the internal charter of the Board of Directors;
6. preparing any other recommendations regarding compensation, which may be requested at any time by the Board of Directors or the Executive Management.

In a general manner, the Committee advises and provides all appropriate recommendations on the above issues.

The Committee's proposals are presented to the Board of Directors.

Operating procedures

The Nominations and Remunerations Committee may seek proposals from the Company's Chairman and Chief Executive Officer.

The Company's Chairman and Chief Executive Officer may, with no voting power, attend the Committee's meetings, except those where matters relating to him are deliberated.

Directors who are not members of the Committee can freely attend the Committee's meetings. This participation does not entitle them to receive directors' fees in this respect.

Subject to confidentiality requirements in respect of its discussions, the Committee can ask the Chairman and Chief Executive Officer for the assistance of any Company executives whose expertise may be relevant to the Committee's agenda.

Work report

The Committee's Chairman presents a written report regarding the Committee's work to the Board of Directors.

The Committee examines a draft of the Company's report on executive compensation as well as any reports on all matters within its scope of duties as required by applicable regulations.

The Committee presents an annual evaluation of its operating policies, in accordance with the requirements of its internal charter, and proposes improvements to its practices.

The Committee's internal charter requires it to meet at least twice per year.

The Committee met six times during the 2008 financial year. The attendance rate of all members at each meeting was 100%.

The Nominations and Remunerations Committee's work in 2008 mainly focused on the following points:

- With respect to appointments:
  - proposing to the Board of Directors a list of directors qualified as independent directors in accordance with the rules and recommendations applicable in France and on the regulated markets where the Company's securities are traded;
  - evaluating the operating practices of the Board of Directors, taking into account the Board's composition and the terms of offices to be renewed in 2009.

- With respect to compensation:
  - reviewing a draft of the Company's report on executive compensation for the annual report;
  - reviewing the amount of directors' fees *(jetons de présence)* for 2008 and making a recommendation as to their distribution;
  - initiating a study on compensation and examining its conclusions;
  - reviewing the AFEP-MEDEF recommendations of October 6, 2008 regarding the compensation of directors and executive officers of listed companies;
  - making a recommendation regarding the compensation of the Chairman and Chief Executive Officer to the Board of Directors;
  - proposing to the Board of Directors performance conditions applicable to severance payments made to the Chairman;
  - reviewing the compensation of the Group's Executive Committee members (variable portion for 2007, base compensation for 2008 and criteria for determining the variable portion for 2008);
  - examining a proposed grant of a new tranche of stock subscription options;
  - examining a proposed grant of free shares;
  - examining a proposed employee shareholding plan;
  - reviewing changes in the supplementary retirement plan for executive officers and the proposed introduction of a supplementary retirement plan for Executive Committee members;
  - examination of changes in the Group's bonus criteria.

Compensation

Members of the Nominations and Remunerations Committee may not receive from the Company or its subsidiaries, with the exception of reimbursement for expenses, any compensation other than (i) directors' fees *(jetons de présence)* owed in exchange for their services as a director and a member of the committee, and, where applicable, (ii) retirement and pension income for work previously performed for the Company, but not dependant on future activity.

Directors' fees paid for 2008 and 2007 are mentioned in Section 15.1.2. of this Reference Document.

16.3.3. The Strategic Committee

The Board of Directors adopted the internal charter of the Strategic Committee on May 21, 2003 and updated it on February 18, 2009.

Purpose

The Strategic Committee assists the Board of Directors in examining and making decisions regarding important transactions involving the Group's main strategic orientations.

In order to assist the Company's Board of Directors, the Strategic Committee's main duties are to:

- review the Group's global strategy, as proposed by the Company's Chairman or the Chief Executive Officer;
- review the Group's capital expenditures and investment budget;
- examine any major asset acquisitions (and associated financing) or divestitures; and
- review any transactions proposed by the Company's Chairman or Chief Executive Officer, which may present a serious business risk.

The Committee's proposals are presented to the Board of Directors.

Operating procedures

The Strategic Committee may seek proposals from the Company's Chairman. The Company's Chairman attends every meeting.

Directors who are not members of the Committee can freely attend the Committee's meetings. This participation does not entitle them to receive directors' fees in this respect.

The Committee can ask the Chairman and Chief Executive Officer for the assistance of any Company executives whose expertise may be relevant to the Committee's agenda.

Work report

The Committee's Chairman presents a written report regarding the Committee's work to the Board of Directors.

The Committee presents an annual evaluation of its operating policies, in accordance with the requirements of its internal charter, and proposes improvements to its practices.

The Committee's internal charter requires it to meet at least twice per year.

The Committee met three times during the 2008 financial year. The attendance rate of all members at each meeting was 100%.

The Strategic Committee's work in 2008 mainly focused on the following topics:

- the Group's external growth policy;
- the review of proposed acquisitions of smaller companies;
- Technip's business development in markets with high-growth potential;
- potential cooperation projects with large oil and gas companies;
- the 2009 budget and the investment plan.

Furthermore, the Strategic Committee determined the overall agenda and objectives of the Strategic Seminar, which took place on October 2 and 3, 2008, with all Board members to discuss changes in Technip's markets, its positions as well as the main strategic issues facing the Group.

Compensation

With the exception of reimbursement for expenses, Strategic Committee members may not receive any compensation from the Company or its subsidiaries, other than (i) directors' fees *(jetons de présence)* for their services as a director and as a member of the Audit Committee, where applicable, (ii) compensation and pension income for work previously performed for the Company, but not dependant on future activity.

Directors' fees paid for 2008 and 2007 are discussed in Section 15.1.2. of this Reference Document.

16.3.4. The Ethics and Governance Committee

The Ethics and Governance Committee's internal charter was adopted by the Board of Directors on December 9, 2008 when it was created.

Purpose

The Committee assists the Board of Directors in promoting best practices regarding governance and ethics within the Group.

The Committee's main duties include:

- developing and recommending to the Board of Directors French and international best practices regarding corporate governance applicable to the Company and to monitor their implementation;
- monitoring compliance with ethics principles and discussing all matters that the Board of Directors (or its Chairman) may send to it for examination;
- proposing evaluation methods for Board practices and monitoring their implementation based on the following:
  - the Board of Directors must include, on an annual basis, a discussion on its operating procedures in its agenda,
  - a formal evaluation must be carried out at least once every three years.

Operating procedures

Directors who are not members of the Committee can freely attend the Committee's meetings. This participation does not entitle them to receive directors' fees in this respect.

The Committee can ask the Chairman and Chief Executive Officer for the assistance of any Company executives whose expertise may be relevant to the Committee's agenda.

Work report

The Committee's Chairman presents a written report regarding the Committee's work to the Board of Directors.

The Committee presents an annual evaluation of its operating policies, in accordance with the requirements of its internal charter, and proposes improvements to its practices.

The Committee's internal charter requires it to meet at least twice per year.

As it was created on December 9, 2008, the Committee met for the first time on February 9, 2009.

Compensation

With the exception of reimbursement for expenses, Ethics and Governance Committee members may not receive any compensation from the Company or its subsidiaries, other than (i) directors' fees *(jetons de présence)* for their services as a director and as a member of the Audit Committee, where applicable, (ii) compensation and pension income for work previously performed for the Company, but not dependant on future activity.

16.4. Corporate Governance: Evaluation of the Board of Directors and of the Board's Committees

In accordance with the provisions of its internal charter and with the recommendations made in the AFEP-MEDEF Code, the Board of Directors formally evaluates, at intervals of no more than three years, its operating policies, in order to:

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

The purpose of this evaluation is to ensure adherence to the Board's operating policies and to identify ways to improve its performance and effectiveness.

In this regard, the Board of Directors, with the assistance of an external consultant, carried out an in-depth evaluation over the first half of 2008. The consultant's report provides a positive assessment of the Board's operating policies and proposes recommendations in order to pursue improvements.

The Board of Directors approved the implementation of these proposals at its meeting of December 9, 2008, which involved, in particular:

- renewal criteria for Board members, which resulted in the proposal to appoint three new Board members at the Shareholders' Meeting on April 30, 2009;
- the creation of an Ethics and Governance Committee;
- a strategic seminar for the Board of Directors to be held every year at an operational site of the Group.

At the same meeting of December 9, 2008, the Board reviewed the AFEP-MEDEF recommendations of October 6, 2008, regarding the compensation of executive officers of listed companies. The Board considers these recommendations to be in line with the Company's corporate governance approach. As a result, the Company adheres to the AFEP-MEDEF Code.

16.5. Contracts between the Board Members and the Company or one of the Group's company

Absence of service agreements

None of the members of the Board of Directors or the Chairman and Chief Executive Officer has a service agreement in place with the Company or one of its subsidiaries, which provides for benefits to be granted under such an agreement.

Employees

17.1. Workforce

17.1.1. Change in and breakdown of workforce

Breakdown of employees by geographic zone	12/31/2008	12/31/2007
Europe	10,243	11,672
Americas	5,125	5,073
Asia Pacific	4,930	4,873
Middle East	1,738	1,540
Africa	548	377
Russia & Central Asia	169	143
Regular workforce(1)	**22,753**	
Other contracted workforce	**3,152**	
Total	**25,905**	**23,678**

(1) Employees on payroll and contracted workers in plants, yard and fleet.

By the end of 2008, the Group's total workforce had increased by 9.4%. While the number of employees in Europe decreased significantly (45% as compared to 49% in 2007), the number of employees in all other geographic zones increased more or less. Following the acquisition of two companies in the Netherlands and in France, as well as the creation of new engineering centers in Nigeria and Mexico, the reporting scope covered 54 entities in 30 countries at December 31, 2008.

Breakdown of expatriates by geographic origin	12/31/2008	12/31/2007
Europe	637	746
Asia Pacific	268	212
Middle East	291	209
Americas	81	48
Africa	7	1
Russia & Central Asia	0	0
Total	**1,284**	**1,216**

Technip's activities require mobility within the Group and involve expatriations to project construction sites (52%) and personnel assigned to offices abroad either for project-related or functional positions (48%). 92 nationalities are represented within the Group, a reflection of its increasingly multicultural nature.

Breakdown of employees	12/31/2008	12/31/2007
Employees on payroll	**20,578**	**18,627**
Permanent contracts	18,065	16,339
Fixed-term contracts	2,513	2,288
Contracted employees	**5,327**	**5,051**
Contracted workers in plants, yard and fleet	2,175	
Other contracted personnel	3,152	
Total	**25,905**	**23,678**

Use of contracted personnel:

Personnel from outside companies are involved in operations at the Group's industrial and naval facilities (2,175 people in 2008) and reinforce teams when required by workload (3,152 people in 2008). The use of sub-contracted personnel is most prevalent in the United Kingdom, France, Angola, India and the United States.

Breakdown by gender	12/31/2008	12/31/2007
Executive Committee	**8**	**6**
Women	13%	17%
Men	87%	83%
Managers	**3,290**	**2,939**
Women	15%	14%
Men	85%	86%
Other	**17,280**	**15,682**
Women	27%	26%
Men	73%	74%
Total	**20,578**	**18,627**
Women	25%	24%
Men	75%	76%

In accordance with the principles set forth in its Social Charter*, Technip is committed to promoting diversity within the Group particularly relating to professional equality between men and women, internationalization, equal opportunity and the integration of people with disabilities.

Compared to 2007, the number of employees with disabilities increased by 38%. Furthermore, in more than one-half of the Group's companies, the advantages provided to employees with disabilities go beyond those required by law.

In 2008, the number of women increased. One out of four employees was a woman (compared to 24% in 2007). This trend is the most pronounced among management (where there was an increase of 20% in 2008).

Payroll employee arrivals and departures	12/31/2008	12/31/2007
Arrivals	**4,747**	**5,215**
Permanent contracts	3,041	3,247
Fixed-term contracts	1,706	1,968
Departures	**3,269**	**3,579**
of which economic lay-offs	15	50
Renewal rate of permanent positions(1)	1.43	1.43

(1) Start/termination of permanent positions.

The number of fixed-term contracts decreased significantly (a decrease of 13% as compared to 2007), in favor of hiring outside personnel through permanent contracts (an increase of 3,041 such contracts) and the conversion of fixed-term contracts to permanent contracts (an increase of 553 such contracts, *i.e.*, 22% of the average number of fixed-term contracts in 2008).

Technip is adapting to its international growth and the shortage of qualified personnel in certain highly-specialized disciplines in its traditional recruitment zones by recruiting in countries where human resources are most available. In 2008, nearly 500 people were recruited in India, 160 in Thailand and close to 100 in China.

Moreover, the Group recruited a significant number of people in a large majority of its centers in 28 out of 30 countries.

There were 212 dismissals in 2008, which included 197 dismissals on personal grounds and 15 dismissals on economic grounds.

17.1.2. Organization of working hours

Part-time employees benefit from flexible work-time arrangements. In 2008, part-time employees represented 2.07% of payroll employees (as compared to 1.94% in 2007).

729,487 overtime hours were recorded by the Group's French entities and principal Regional centers in 2008, a slight increase of 1% as compared to 2007.

Organization of working hours	12/31/2008	12/31/2007
Full-time employees	20,152	18,266
Part-time employees	426	361
Employees working in teams	1,723	1,727
Overtime (regional headquarters)	729,487	722,455

Absenteeism	12/31/2008	12/31/2007
Total rate of absenteeism (sickness/accident)	1.78%	1.79%
Number of strike days lost to strikes	0	184

* *Technip's Social Charter, established in June 2005, defines the Group's objectives in relation to Social Responsibility and the corresponding Guidelines. The Social Charter applies to all entities within the Group, which adapt it to the local legislation, cultural differences and the local specificities in which they operate. It is provided to all employees of the Group's companies by the local entities and can be consulted on Technip's website (www.technip.com).*

17.1.3. Training

Technip's objective is to develop the skills and expertise of its employees in light of their individual career development expectations and the Company's growth outlook. This approach was demonstrated in 2008 by the fact that 77% of employees received annual performance reviews, representing an increase of 2 points as compared to 2007, and by a significant increase in training hours, *i.e.*, 659,000 hours, representing an increase of approximately 32% as compared to 2007:

Training of employees on payroll	12/31/2008	12/31/2007
Hours of training	**659,144**	**498,955**
Technical training	310,071	252,102
Non-technical training (including management, cross disciplines)	173,080	128,117
Health, Safety, Security	109,904	54,868
Languages	58,753	61,178
Human Rights, Ethics and Technip Values awareness training	7,336	2,690
Number of employees on payroll who benefited from at least one training course during the year	**15,405**	**12,703**
Women	3,823	3,178
Men	11,582	9,525
Average hours of training per payroll employee	32	27

Annual performance reviews	12/31/2008	12/31/2007
Percentage of employees assessed during the year	77%	75%

17.1.4. Other social information

17.1.4.1. Compensation

The Group's payroll expenses increased from 827.5 million euros in 2007 to 901.2 million euros in 2008. The Group's social security costs increased from 154.5 million euros in 2007 to 188 million euros in 2008.

Profit Sharing

Profit sharing In thousands of Euro	12/31/2008	12/31/2007
Amounts allocated to incentive profit sharing (France, Spain, Italy)	2,594	2,884
Amounts allocated to mandatory profit sharing (France)	19,852	17,859

Technip's policy is to associate its teams with the Company's economic performance.

In 2008, this policy was demonstrated by a new capital increase reserved for employees carried out on October 17, 2008, to which 38.9% of employees participated, and which resulted in an increased employee shareholding (2.9% of the share capital), as well as by the continuation of initiatives designed to recognize and reward individual performance (*i.e.*, grants of free shares and share purchase and share subscription options to top management and key employees as described in Section 17.2 of this Reference Document).

Furthermore, information relating to incentive and mandatory profit sharing can be found in Section 17.3 of this Reference Document.

Labor Relations and Collective Agreements

146 collective agreements were in effect in 2008, a 20% increase as compared to 2007, due for the most part to new agreements signed in Angola and in Finland. These agreements relate to compensation, the organization of working hours, training, working conditions and equal opportunity.

Civic Responsibility

In all countries where it operates, Technip is committed to ensuring that local communities reap economic and social benefits from the Group's activities, and undertakes community action initiatives in favor of local populations.

Helping to develop the local economy wherever Technip is based

In order to ensure that its projects integrate seamlessly into local economies, Technip has a policy of giving priority to local resources and contractors.

Technip has chosen to locate its operational centers and industrial assets in all of the regions that are key to its activity, in proximity to its clients. The construction of the Asiaflex Products plant in Malaysia, which began in 2008, will allow the Group to tap into the emerging market for deepwater oil and gas activities in the Asia Pacific region, India and the Middle East. The plant will also provide specialized training programs and create local job opportunities in the region over the long term.

In order to contribute to the Group's cultural diversity, Technip strives to recruit staff locally whenever possible. In non-OECD countries, 77% of the workforce is from the country in which the entity or project is based. For example, at the Angoflex umbilical production plant in Lobito, Angola, 93% of the 100 employees are Angolan. In order to optimize the sharing of internal expertise, Technip encourages staff mobility between regions and offers international career opportunities to employees who are recruited locally. In 2008, expatriation from Technip's sites in the Middle East and the Asia-Pacific region to the Group's sites in other regions increased by 39% and 26%, respectively, as compared to 2007.

Technip encourages the sharing of expertise and cooperation between its centers, through training and multi-center project management, in order to provide its clients with the same level of expertise and the same quality of service worldwide and to allow new sites, in particular those located in emerging countries, to benefit from the experience of the Group's established sites.

Solidarity initiatives in host regions

In 2008, nearly 200 community-focused initiatives were reported by Technip entities, for the most part in the areas of health, education and humanitarian aid.

In order to meet the needs of its employees and local subcontractors, Technip develops medical programs and infrastructure in conjunction with existing organizations in the countries where it operates. For instance, more than 50,000 medical consultations were conducted for all of the employees working on the Yemen LNG project and 372 staff members were trained to dispense first aid in the workplace. Many of Technip's entities and projects worldwide implement preventive care programs and encourage their personnel to donate blood, organize vaccination campaigns and carry out initiatives for charitable organizations.

Across the world, Technip actively supports locally-initiated and managed educational programs. Thus, in France, Technip has joined forces with the Télémaque foundation, which helps high school students from economically-deprived backgrounds.

Technip's global commitment to fostering local initiatives also involves taking part in social and humanitarian action. Technip's centers in India, the United States, Malaysia, Australia and China were involved in fundraising on behalf of victims of the natural disasters that struck China and Burma in 2008. Throughout the world, Technip's employees are involved in charitable initiatives, especially during the year-end holiday season.

Social Works

In addition to the subsidies paid to Works Councils *(Comités d'Entreprise)*, Technip offers various types of assistance services to its personnel (concierge service, travel expenses and/or meal subsidies) and organizes events to raise awareness among employees regarding the importance of education and physical exercise for health (in particular, Technip Brazil organizes events on a regular basis as part of its "Technip in Movement" program; every year, Technip KT India distributes prizes to children of employees who have obtained excellent academic results).

Health and Safety Conditions

Through the implementation of alert and analysis tools as well as prevention and awareness and training, Technip continues to develop and spread a culture of health, safety and security throughout the Group's entities and sites with the aim of creating a safe and healthy working environment.

In addition to the numerous training programs conducted throughout 2008, Technip has, in particular:

- with regard to security, put in place a new accident reporting and analysis system and started the operational phase of the "Pulse" program, the purpose of which is to develop a culture of health, security and environmental protection throughout the Group;
- in relation to health, issued 24 alerts of epidemic diseases and gave prevention advice, and created a medical intranet site for traveling employees. Technip examines the medical structures located near the entities and construction sites and organizes emergency medical means prior to the start of work at construction sites;
- where safety is concerned, improved its "Travel Safety" database, organized six exercises in safety and formalized safety procedures with the "Technip Incident Management System". Technip also carried out audits of projects, entities and vessels in order to harmonize the implementation of emergency response and crisis management procedures as well as audits of the IT systems and networks.

17.2. Participating Interests and Share Subscription or Purchase Options held by Members of the Board of Directors and other Directors and Officers

17.2.1. Summary statement of the transactions referenced in Article L. 621-18-2 of the French Monetary and Financial Code during the 2008 financial year

Summary statement (Article 223-26 of the AMF's general regulations) of the transactions listed in Article L. 621-18-2 of the French Monetary and Financial Code during the 2008 financial year

First and Last Names	Position	Financial Instrument	Date and place of transaction	Type of transaction	Quantity	Unit price	Amount of the transaction
Thierry Pilenko	Chairman and Chief Executive Officer	Share	10/13/2008 Paris	Acquisition	3,000	€27.5467	€82,640.10
Olivier Appert	Director	Share	11/21/2008 Paris	Acquisition	50	€19.3800	€969.00

17.2.2. Company share subscription or share purchase options

Share subscription and share purchase options plan

The table below presents an overview of the information related to the share subscription and share purchase options granted by the Company, and outstanding at December 31, 2008.

At its meeting on May 14, 2008, the Board of Directors decided to adjust the rights of the beneficiaries of options to take into account the distribution of a dividend through deductions from "Other reserves", approved by the Combined Shareholders' Meeting of May 6, 2008.

History of share subscription and share purchase options and information on share subscription and share purchase options

	1999/2001 Plan (2nd tranche 2000) subscription options	2002 Plan (tranches A and B) subscription options	2002 Plan (balance of tranche B) subscription options	2005 Plan (1st tranche) subscription options	2005 Plan (2nd tranche) subscription options	2005 Plan (3rd tranche) subscription options	1st additional grant to tranches 1, 2 and 3 of the 2005 Plan subscription options	2nd additional grant to tranches 1, 2 and 3 of the 2005 Plan subscription options	2008 Plan 1st tranche purchase options
Date of the Shareholders' Meeting	April 28, 2000	August 24, 2001 and June 20, 2002	June 20, 2002	April 29, 2005	April 29, 2005	April 29, 2005	April 29, 2005	April 29, 2005	May 6, 2008
Date of the Board of Directors' meeting	December 14, 2000	December 9, 2002	May 21, 2003	December 14, 2005	July 26, 2006	March 12, 2007	December 12, 2007	June 12, 2008	July 1, 2008
Number of options granted	1,972,112	2,788,000	20,960	965,213	965,213	965,214	85,000	106,858	953,100
Number of options that may be subscribed/ purchased after adjustment by:									
■ the Chairman and Chief Executive Officer, director and officer (*mandataire social*)(1)	N/A	N/A	N/A	N/A*	N/A*	255,655*	0*	0*	80,000**
■ the 10 employees granted the largest number of options	328,000	406,800	20,800	461,106	68,788	129,264	58,221	70,000	112,000
Option exercise start date	December 15, 2003	December 10, 2005	May 22, 2006	December 14, 2009	July 26, 2010	March 13, 2011	December 13, 2011	June 13, 2012	July 2, 2012
Expiry date(2)	December 14, 2008	December 9, 2008	May 21, 2009	December 13, 2011	July 25, 2012	March 12, 2013	December 12, 2013	June 12, 2014	July 1, 2013
Subscription/purchase price per option after adjustment(3)	€34.888	€17.5244	€18.0188	€46.9395	€41.3862	€49.1705	€55.6727	€59.96	€58.15
Number of options subscribed/purchased at December 31, 2008	1,437,020	2,426,526	16,655	0	0	2,054	0	0	0
Options cancelled at December 31, 2008	543,982	379,191	2,206	94,685	87,703	58,404	5,019	0	11,040
Number of shares subscribed/purchased at February 28, 2009	N/A	N/A	16,655	0	0	2,054	0	0	0
Shares remaining available for subscription/purchase at December 31, 2008	0	0	2,465	895,316	903,025	934,400	80,310	106,858	942,060
Number of beneficiaries	1,186	1,272	7	59	323	252	24	21	542

(1) The other directors and officers (mandataires sociaux) are not beneficiaries of Plans.

(2) All of the plans are subject to certain restrictions limiting the exercise of options in the event that the employee or executive ceases to work for the Company.

(3) The Combined Shareholders' Meeting of May 6, 2008 decided to distribute a dividend for 2008 taken in part from the Company's available reserves. The Board of Directors' meeting of May 14, 2008 made adjustments in accordance with applicable regulations. Consequently, the exercise prices and the number of options were adjusted so as to maintain a constant total exercise price for beneficiaries. These adjustments were made in accordance with methods provided for by regulations and resulted in a decrease in the exercise price and an increase in the number of options.

** With respect to options granted under tranches 1, 2 and 3 of the 2005 Plan and the two additional grants to the tranches of this Plan, the exercise of options is dependent on Technip's achievement of a satisfactory level of performance for its shareholders. This performance will be measured by the change in the Company's fully diluted net profits per share as compared to the average of that of a representative sample of the Group's competitors. Thus, the number of options that may be exercised is subject to the level of achievement of the performance condition discussed above, recorded at the option exercise start date.*

*** The number of purchase options granted by the Board of Directors of July 1, 2008 is subject to the achievement by Technip of a performance over 2008-2011 period measured by the progression of the Group's Consolidated Operating Income in relation to a representative sample of the Group's competitors. 50% of the options may be exercised are subject to the level of achievement of the aforementioned recorded at option exercise start date.*

Takeover of Coflexip's obligations

Further to Coflexip's merger into the Company, the Company's Combined Shareholders' Meeting of July 11, 2003 authorized the takeover of Coflexip's commitments resulting from the share subscription and share purchase options it granted to its employees and directors and officers *(mandataires sociaux)*, as well as those of affiliated companies.

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

Given the merger exchange ratio *(i.e.,* nine Technip shares for every eight Coflexip shares), the new bases for exercising the share purchase and share subscription options granted by Coflexip have been calculated, for each of the options granted and not yet exercised at the date of the merger, in order to reflect the exchange ratio.

The Board of Directors' meeting of May 14, 2007 decided to adjust the rights of the beneficiaries of options to take into account the distribution of an exceptional dividend through deductions from "Other reserves", approved by the Combined Shareholders' Meeting of April 27, 2007.

The Board of Directors' meeting of May 14, 2008 also decided to adjust the rights of the beneficiaries of options to take into account the distribution of a dividend through deductions from "Other reserves", approved by the Combined Shareholders' Meeting of May 6, 2008.

Taking into account the elements above, the following table presents information relating to the share subscription and share purchase options previously granted by Coflexip, which were outstanding at December 31, 2008 or had expired during the fiscal year ended December 31, 2008.

History of share subscription and share purchase options and information on share subscription and share purchase options

Share subscription options plan	CSO 9.3 Plan	CSO 10 Plan	CSO 11 Plan
	Subscription options	Subscription options	Subscription options
Date of the Shareholders' Meeting[(1)]	May 21, 1996	June 2, 1999	May 30, 2000
Date of the Board of Directors' meeting[(2)]	May 18, 1998	December 14, 1999	March 20, 2001
Number of options granted	493,600	508,544	720,000
Number of shares that may be subscribed/purchased after adjustment:	495,561	511,116	725,954
▪ Chairman and Chief Executive Officer, director and officer *(mandataire social)*	0	0	0
▪ the 10 employees granted the largest number of options	0	21,082	55,235
Option exercise start date	June 7, 2000	December 15, 2001	March 21, 2003
Expiry date[(3)]	June 6, 2008	December 14, 2009	March 20, 2011
Subscription/purchase price per option after adjustment	€26.7822	€16.5866	€33.3998
Number of options subscribed/purchased at December 31, 2008	371,161	395,437	356,553
Options cancelled at December 31, 2008	124,400	84,736	219,751
Options remaining available for subscription/purchase at December 31, 2008	0	30,943	149,650
Number of shares subscribed/purchased at February 28, 2009	N/A	395,437	356,553
Number of beneficiaries	50	100	144

(1) Date of Coflexip's Shareholders' Meeting that authorized the grant of Coflexip's share purchase and share subscription options plans.
(2) Date of Coflexip's Board of Directors' meeting that implemented the option plans.
(3) All of the plans are subject to certain restrictions limiting the exercise of options in the event that the employee or executive ceases to work for the Company.

At December 31, 2008, the total number of shares that may be issued pursuant to the exercise of outstanding share subscription options described in the tables above is 3,098,967 shares with a par value per share of 0.7625 euros, representing approximately 2.83% of the Company's share capital as of that date, *i.e.,* a share capital of 83,354,642.55 euros divided into 109,317,564 shares with a par value per share of 0.7625 euros.

Share purchase or share subscription options granted to or exercised by directors *(mandataires sociaux)* during the 2008 financial year

Share purchase or share subscription options granted to and exercised by directors *(mandataires sociaux)*	Number of granted shares/ bought or subscribed options */**	Subscription/ purchase price per option */**	Expiry date	Plan Number
Options granted during the financial year to each director *(mandataire social)* by the Company and by the Group's companies				
Thierry Pilenko	80,000	€58.15	July 1, 2014	Plan 2008 Tranche 1
Options exercised during the financial year by each director *(mandataire social)*				
N/A	0	N/A	N/A	N/A

* *The number of shares obtained upon exercise of the share subscription/purchase options granted by the Board of Directors of July 1, 2008 is dependent on Technip's achieving a performance measured by the Group's Consolidated Income in relation to the average of that of a representative sample of the Group's competitors over the 2008-2011 period. One-half of the options that can be exercised is subject to the level of achievement of the aforementioned performance recorded at the option exercise start date.*

** *The Combined Shareholders' Meeting of May 6, 2008 decided to distribute a dividend for 2008 taken in part from the Company's available reserves. The Board of Directors' meeting of May 14, 2008 made adjustments in accordance with applicable regulations. Consequently, the exercise prices and the number of options were adjusted so as to maintain a constant total exercise price for beneficiaries. These adjustments were made in accordance with methods provided for by regulations and resulted in a decrease in the exercise price and an increase in the number of options.*

Share purchase or share subscription options granted to and exercised by the 10 employees (other than directors *(mandataires sociaux)*) with the largest number of options during the 2008 fiscal year

Share purchase or share subscription options granted to and exercised by the 10 employees (other than directors *(mandataires sociaux)*) with the largest number of options	Total number of options granted/of shares subscribed or purchased */**/***	Weighted average price */**/***	Plan number
Options granted during the fiscal year by the issuer and by any company included in the scope of the allocation of options to the 10 employees of the issuer and of any company included in the scope of the allocation in receipt of the largest number of options (aggregate information)	25,000 96,000	€58.5240	2005 Plan 2nd additional grant 2008 Plan Tranche 1
Options held on the issuer and the aforementioned companies exercised during the fiscal year by the 10 employees of the issuer and of these companies having purchased or subscribed to the greatest number of options (aggregate information)	95,542	€54.8310	Plan of June 7, 1998 1999/2001 Plan (2nd tranche 2000) CSO 11 Plan 2002 Plan (Tranches A and B)

* *The number of shares obtained upon exercise of the share purchase options granted by the Board of Directors of June 12, 2008 is subject to the achievement by Technip of a performance measured by the Company's fully diluted net profits per share in relation to the average of that of a representative sample of the Group's competitors over the 2008-2011 period. One-half of the options that can be exercised is subject to the level of achievement of the performance condition discussed above recorded at the option exercise start date.*

** *The number of shares obtained upon exercise of the share purchase options granted by the Board of Directors of July 1, 2008 is dependent on Technip's achieving a performance measured by the Group's Consolidated Income in relation to the average of that of a representative sample of the Group's competitors over the 2008-2011 period. One-half of the options that can be exercised is subject to the level of achievement of the performance condition discussed above recorded at the option exercise start date.*

*** *The Combined Shareholders' Meeting of May 6, 2008 decided to distribute a dividend for 2008 taken in part from the Company's available reserves. The Board of Directors' meeting of May 14, 2008 made adjustments in accordance with applicable regulations. Consequently, the exercise prices and the number of options were adjusted so as to maintain a constant total exercise price for beneficiaries. These adjustments were made in accordance with methods provided for by regulations and resulted in a decrease in the exercise price and an increase in the number of options.*

17.2.3. Awards of free shares pursuant to Articles L. 225-197-1 *et seq.* of the French Commercial Code

The following table sets forth information relating to the free share grants outstanding at December 31, 2008:

Free share grant	2007 Plan	2007 Plan	2007 Plan	2007 Plan	2007 Plan	2007 Plan	2008 Plan	2008 Plan	2008 Plan	2008 Plan
	List 1	List 2	1st additional grant to list 1	1st additional grant to list 2	2nd additional grant to list 1	2nd additional grant to list 2	List 1 Tranche 1	List 2 Tranche 1	List 1 Tranche 2	List 2 Tranche 2
Date of Shareholders' meeting	April 28, 2006	April 28, 2006	April 28, 2006	April 28, 2006	April 28, 2006	April 28, 2006	May 6, 2008	May 6, 2008	May 6, 2008	May 6, 2008
Date of Board of Directors' meeting	March 12, 2007	March 12, 2007	December 12, 2007	December 12, 2007	July 1, 2008	July 1, 2008	July 1, 2008	July 1, 2008	December 9, 2008	December 9, 2008
Number of shares granted	398,800*	711,870*	25,300*	19,200*	8,800**	11,500**	371,450**	487,600**	18,300**	1,800**
Share acquisition date	March 13, 2010	March 13, 2011	December 12, 2010	December 12, 2011	July 2, 2011	July 2, 2012	July 2, 2011	July 2, 2012	December 10, 2011	December 10, 2012
Expiry date of the conservation period (conversion of shares)	March 13, 2012	March 13, 2011	December 12, 2012	December 12, 2011	July 2, 2013	July 2, 2012	July 2, 2013	July 2, 2012	December 10, 2013	December 10, 2012
Number of shares acquired at December 31, 2008	0	0	0	0	0	0	0	0	0	0
Grants cancelled at December 31, 2008	18,100	76,500	800	1,000	0	0	2,550	9,150	0	0
Shares remaining available for acquisition at December, 2008	380,700	635,370	24,500	18,200	8,800	11,500	368,900	478,450	18,300	1,800
Number of shares acquired at February 28, 2009	0	0	0	0	0	0	0	0	0	0
Number of beneficiaries	514	1,199	34	29	21	51	455	1,085	1	1
Number of executives concerned	0	0	0	0	0	0	10	4	1	0

* *The number of free shares granted by the Board of Directors' meetings of March 12, 2007 and December 12, 2007 is dependent on a satisfactory level of performance as measured by the change in the Company's net profits per share as compared to the average of that of a representative sample of the Group's competitors over the 2007-2010 period. One-half of the granted shares is subject to the level of achievement of the performance condition discussed above recorded at the share acquisition start date.*

** *The number of free shares granted by the Board of Directors' meetings of July 1, 2008 and December 9, 2008 is subject to the achievement by Technip of a performance as measured by the change in Consolidated Operating Income as compared to that of a representative sample of the Group's competitors over the 2008-2011 period. One-half of the granted shares is subject to the level of achievement of the performance condition discussed above recorded at the share acquisition start date.*

The following table shows the number of Technip shares granted free of charge to the Company's directors *(mandataires sociaux)* during the 2008 fiscal year:

Free shares granted to each director and officer *(mandataire social)*	Number of free shares*	Price	Grant date	Acquisition date, subject to compliance with the conditions set by the Board of Directors	Plan number
Free shares granted during the year to each director *(mandataire social)* by the issuer and by any Group company					
Thierry Pilenko	30,000	N/A	July 1, 2008	July 2, 2011	2008 Plan
Free shares acquired during the year by each director *(mandataire social)* (list of names)	N/A	N/A	N/A	N/A	N/A

* *The number of free shares granted by the Board of Directors' meeting of July 1, 2008 is subject to the achievement by Technip of a measured by the increase in the Consolidated Operating Income in relation to the average of that of a representative sample of Group's competitors over the 2008-2011 period. One-half of the granted shares is subject to the level of achievement of the performance condition discussed above recorded at the share acquisition start date.*

The following table shows the number of Technip shares granted free of charge to the Company's 10 employees (other than directors and officers *(mandataires sociaux)*) who were granted the largest number of free shares during the 2008 financial year:

Free shares granted to the 10 employees (other than directors *(mandataires sociaux)*) with the largest number of shares	Total number of free shares */**	Price	Grant date	Acquisition date, subject to compliance with the conditions set by the Board of Directors	Plan number
Free shares granted during the financial year by the issuer and by any company included in the scope of the free share grant, to the 10 employees of the issuer and of any company included within such scope who were granted the largest number of free shares (aggregate information)	60,000 (France) 14,000 (outside France) 18,300	N/A N/A	July 1, 2008 July 1, 2008 December 9, 2008	July 2, 2011 July 2, 2012 December 10, 2011	2008 Plan (Tranche 1) 2008 Plan (Tranche 2)
Free shares held on the issuer and on the aforementioned companies that were acquired during the financial year by the 10 employees of the issuer and of these companies who have the largest number of free shares (aggregate information)	N/A	N/A	N/A	N/A	N/A

* *The number of free shares granted by the Board of Directors' meeting of July 1, 2008 is dependent on a satisfactory level of performance as measured by the increase in the Consolidated Operating Income as compared to the average of that of a representative sample of the Group's competitors over the 2008-2011 period. One-half of the granted shares is subject to the level of achievement of the performance condition discussed above recorded at the share acquisition start date.*

** *The Board of Directors' meeting of July 1, 2008 granted 859,050 shares as part of the 2008 Plan.*

17.3 Employee Incentive and Mandatory Profit Sharing

17.3.1. Mandatory profit sharing

Pursuant to applicable law, those of the Group's French companies that have at least 50 employees, and which generate sufficient profits, must distribute a profit-sharing amount to their employees. For the 2008 financial year, the total profit-sharing amount to be paid in France was estimated at 19.8 million euros. Each company negotiates and signs a profit-sharing agreement. The Group Savings Plan *(Plan d'Épargne de Groupe,* or "PEG") and the Group Pension Savings Plan *(Plan d'Épargne pour la Retraite Collectif,* or "PERCO") provide for the possibility of distributing profit-sharing amounts into different company mutual funds *(Fonds Communs de Placement d'Entreprise,* or "FCPE").

17.3.2. Incentive profit sharing

For the 2008 financial year, several of the Group's French companies had an incentive profit sharing agreement in place: Technip, Flexi France, Technip TPS, Seal Engineering and Setudi. Calculation methods vary for each company according to their business. Employees choose between a direct payment option, a transfer to the PEG where the amounts are locked-up for a period of five years and an allocation to the PERCO where the amounts are locked-up until retirement.

The employees of Technip Iberia and Technip Italy also benefit from a similar mechanism implemented pursuant to locally applicable regulations.

For the 2008 financial year, the total amount of incentive profit sharing paid in the Group's subsidiaries was approximately 2.6 million euros.

17.3.3. Group Saving Plan – Employee Share Ownership

The Group Savings Plan *(Plan d'Épargne de Groupe,* or "PEG") has been in place since May 31, 1991 and has been revised several times. It was last updated on April 25, 2008.

Its purpose is to enable employees to build, with the help of their company, a collective portfolio of marketable securities and to benefit, where applicable, from social security and tax benefits applicable to this form of collective savings. The total amount invested in the PEG at December 31, 2008 amounted to 97.4 million euros, including 68.8 million euros in the form of employee shareholding.

At any time during the year, members may invest assets in the PEG and can choose between the various company mutual funds *(Fonds Communs de Placement d'Entreprise,* or "FCPE"), whose portfolios are invested in shares, bonds or monetary instruments pursuant to a management strategy corresponding to a specific investment goal. One of these funds is fully invested in Technip's listed shares and allows employees to be associated with the Group's development.

Other FCPEs created within the PEG are reserved for purposes of share capital increases reserved for employees, including employees of foreign companies that have joined the PEG.

The PEG provides a common framework for all Group companies that have joined in terms of the payments that can be made, the means by which company profits can be shared, investment options and general operating regulations.

A share capital increase reserved for Group employees was carried out on October 17, 2008, resulting in the creation of 1,446,260 new Technip shares. 6,614 Technip employees in 18 countries worldwide participated in this offering and invested a total of 60.9 million euros, corresponding to a 38.9% participation rate. This is the highest participation rate recorded since the Group introduced this type of offering.

17.3.4. Group Pension Savings Plan

The Group Pension Savings Plan *(Plan d'Épargne pour la Retraite Collectif,* or "PERCO") was first introduced on July 1, 2006 following the Group agreement of June 16, 2006. It is open to all employees who have a seniority of at least three months and who are employed by any of the Group's French companies that have joined the PERCO.

Its purpose is to enable employees to build, with the help of their company, pension savings and to benefit, where applicable, from social security and tax benefits applicable to this form of collective savings.

The total amount invested in the PERCO at December 31, 2008 was 6.3 million euros.

It is composed of various company FCPEs whose portfolios are invested in shares, bonds or monetary instruments depending on the management strategy chosen by each employee.

18

Principal Shareholders

18.1. The Company's Principal Shareholders

18.1.1. Change in share capital and voting rights over the past three years

Breakdown of the share capital as at December 31, 2008

As at December 31, 2008, to the Company's knowledge and on the basis of statements received by the Company, the breakdown of those of the Company's shareholders holding 1% or more of the share capital and voting rights was as follows:

Shareholders	Number of shares	Percentage shareholding	Number of voting rights*	Percentage voting rights
AXA INVESTMENT (AllianceBernstein)	5,180,953	4.75%	5,180,953	4.65%
OPPENHEIMER FUNDS INC.	5,192,221	4.75%	5,192,221	4.65%
ING GROEP NV	5,492,612	5.00%	5,492,612	4.95%
CAUSEWAY CAPITAL MANAGEMENT	5,918,641	5.40%	5,918,641	5.30%
CAPITAL RESEARCH	5,065,295	4.65%	5,065,295	4.50%
BARCLAYS GROUP	5,073,409	4.65%	5,073,409	4.55%
TRADEWINDS NWQ	6,199,373	5.70%	6,199,373	5.60%
INSTITUT FRANÇAIS DU PÉTROLE	3,088,212	2.80%	6,176,424	5.55%
UBS	1,781,208	1.60%	1,781,208	1.60%
T. ROWE PRICE ASSOCIATES INC.	1,625,439	1.50%	1,625,439	1.45%
NATIXIS	1,402,983	1.30%	1,402,983	1.25%
FCP GROUPAMA	1,254,471	1.15%	1,254,471	1.10%
Self-owned**	3,066,144	2.80%	0	0.00%
Group employees***	3,153,284****	2.90%	4,787,154	4.30%
Public	55,823,319	51.05%	56,311,148	50.55%
Total	**109,317,564**	**100%**	**111,461,331**	**100%**

* *Including double voting rights (article 12 of the Company's articles of association).*
As at December 31, 2008, 5,209,911 shares carried double voting rights. As at December 31, 2008, the total number of voting rights calculated on the basis of all of the shares to which they are attached, including shares stripped of voting rights (in accordance with the last paragraph of Article 223-11 of the AMF's General Regulations), amounted to 114,527,475.

** *As at December 31, 2008, the Company did not own any treasury shares.*

*** *Employees according to Article L. 225-102, paragraph 2 of the French Commercial Code.*

**** *Including 2,909,757 shares held through company mutual funds.*

Change in the breakdown of share capital and voting rights over the past three years

Over the past three years, to the Company's knowledge and on the basis of statements received by the Company, the breakdown of those of the Company's shareholders holding 1% or more of the share capital and voting rights was as follows:

	December 31,					
	2006		2007		2008	
	Share capital	Voting rights*	Share capital	Voting rights*	Share capital	Voting rights*
TRADEWINDS NWQ	6.50%	6.30%	3.60%	3.60%	5.70%	5.60%
CAUSEWAY CAPITAL MANAGEMENT	-	-	5.10%	5.00%	5.40%	5.30%
ING GROEP NV	-	-	5.15%	5.10%	5.00%	4.95%
AXA INVESTMENT (AllianceBernstein)	-	-	-	-	4.75%	4.65%
OPPENHEIMER FUNDS	5.50%	5.30%	5.40%	5.30%	4.75%	4.65%
BARCLAYS GROUP	-	-	-	-	4.65%	4.55%
CAPITAL RESEARCH	4.80%	4.60%	4.70%	4.60%	4.65%	4.50%
INSTITUT FRANÇAIS DU PÉTROLE	2.90%	5.60%	2.90%	5.60%	2.80%	5.55%
UBS	-	-	-	-	1.60%	1.60%
T. ROWE PRICE ASSOCIATES INC.	-	-	1.50%	1.50%	1.50%	1.45%
NATIXIS	-	-	-	-	1.30%	1.25%
FCP GROUPAMA	-	-	1.15%	1.10%	1.15%	1.10%
AMBER CAPITAL	-	-	1.10%	1.05%	-	-
ARTISAN FUNDS INC.	3.35%	3.20%	3.95%	3.90%	-	-
Self-owned	1.25%	0.00%	2.90%	0.00%	2.80%	0.00%
Group employees***	1.70%	3.10%	2.40%	4.10%	2.90%	4.30%
Public	74.00%	71.90%	60.15%	59.15%	51.05%	50.55%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

* *Including double voting rights.*
The total number of Company shares as at the end of the 2006, 2007 and 2008 financial years amounted to, respectively, 106,117,174 shares, 107,353,774 shares and 109,317,564 shares.

** *The number of shares held by employees takes into account employees who hold shares as a result of the exercise of options.*

*** *Employees according to Article L. 225-102, paragraph 2 of the French Commercial Code.*

18.1.2. Crossing of thresholds

Between January 1, 2008 and December 31, 2008, the Company received the following notices from its shareholders, relating to the crossing of thresholds as provided by law or by its articles of association:

Shareholder	Notification Date	Effective Date	Number of shares held	Share capital threshold crossed*	Number of voting rights held	Voting rights threshold crossed*
AMBER CAPITAL	01/11/2008	01/09/2008	2,226,617	2.07% (u)	2,226,617	1.98%
		01/10/2008	2,293,367	2.14% (u)	2,293,367	2.04%
AMBER CAPITAL	02/06/2008	02/01/2008	2,234,175	2.08% (d)	2,234,175	1.99%
CAUSEWAY CAPITAL MANAGEMENT	02/06/2008	01/31/2008	5,645,518	5.27% (u)	5,645,518	5.02%
UBS	02/08/2008	02/06/2008	2,174,312	2.03% (u)	2,174,312	1.93%
T. ROWE PRICE ASSOCIATES INC	02/21/2008	12/31/2007	1,625,439			
UBS	02/25/2008	02/20/2008	3,417,842	3.18% (u)	3,417,842	3.04%
AMBER CAPITAL	03/03/2008	02/29/2008	2,344,175	2.18% (u)	2,344,175	2.08%
UBS	03/04/2008	03/04/2008	874,074	0.81% (d)	874,074	0.81% (d)
OPPENHEIMER FUNDS INC	03/06/2008	03/05/2008	5,192,221	4.84%	5,192,221	4.61%
UBS	03/27/2008	03/20/2008	2,594,563	2.42% (u)	2,594,563	2.30%
ARTISAN	03/28/2008	03/28/2008	4,406,718	4.106% (u)	4,406,718	3.92%
AXA INVESTMENT MANAGERS	04/09/2008	04/07/2008	7,933,105	(u)	7,933,105	
AMBER CAPITAL	04/10/2008	04/03/2008	2,200,175	2.05% (d)	2,200,175	1.95%
		04/04/2008	1,950,175	1.82% (d)	1,950,175	1.73%
AMBER CAPITAL	04/18/2008	04/14/2008	1,077,866	1.00% (d)	1,077,866	0.96%
		04/15/2008	787,866	0.73% (d)	787,866	0.70%
BARCLAYS PLC	05/16/2008	05/07/2008	6,557,248	6.10% (u)	6,557,248	5.82%
BARCLAYS GLOBAL INVESTORS UK HOLDING	05/23/2008	05/23/2008	1,814,478	1.68% (u)	1,814,478	1.61%
BARCLAYS PLC	05/27/2008	05/15/2008	5,073,409	4.72% (d)	5,073,409	4.50%
UBS	05/22/2008	05/19/2008	1,885,665	1.76% (d)	1,885,665	1.67%
UBS	05/29/2008	05/27/2008	1,577,365	1.47% (d)	1,577,365	1.40%
CAUSEWAY CAPITAL MANAGEMENT	06/03/2008	05/30/2008	4,706,735	4.38% (d)	4,706,735	4.18%
UBS	06/06/2008	06/04/2008	2,389,291	2.22% (u)	2,389,291	2.12%
CAUSEWAY CAPITAL MANAGEMENT	07/10/2008	06/03/2008	5,609,841	5.23% (u)	5,609,841	4.98%
CAUSEWAY CAPITAL MANAGEMENT	07/16/2008	07/10/2008	5,918,641	5.51% (u)	5,918,641	5.25%
ARTISAN	09/19/2008	07/09/2008	4,215,706	3.91% (d)	4,215,706	3.74%
AXA INVESTMENT MANAGERS (AllianceBernstein)	09/29/2008	09/25/2008	5,180,953	4.81% (d)	5,180,953	4.59%
ARTISAN	10/01/2008	10/01/2008	4,313,151	4.004% (u)	4,313,151	3.82%
ARTISAN	10/08/2008	10/08/2008	4,300,369	3.992% (d)	4,300,369	3.81%
ARTISAN	10/24/2008	10/24/2008	4,310,415	4.001% (u)	4,310,415	3.82%
ARTISAN	10/28/2008	10/28/2008	3,855,537	3.58% (d)	3,855,537	3.41%
UBS	10/29/2008	10/23/2008	1,781,208	1.65% (d)	1,781,208	1.58%
ARTISAN	10/31/2008	10/31/2008	3,267,628	3.03% (d)	3,267,628	2.89%
ARTISAN	11/03/2008	11/03/2008	2,798,160	2.60% (d)	2,798,160	2.48%
ARTISAN	11/21/2008	11/21/2008	2,178,441	1.99% (d)	2,178,441	1.90%
ING	11/28/2008	10/31/2008	5,392,612	4.94% (d)	5,392,612	4.71%
ING	12/08/2008	12/01/2008	5,492,612	5.03% (u)	5,492,612	4.80%
TRADEWINDS GLOBAL INVESTORS	12/18/2008	12/12/2008	6,199,373	5.68% (u)	6,199,373	5.42%
ARTISAN	12/19/2008	12/19/2008	928,855	0.812% (d)	928,855	0.812%
NATIXIS	12/18/2008	12/12/2008	1,402,983	1.28% (u)	1,402,983	

** d = crossing of threshold downwards / u = crossing of threshold upwards.*
This table only includes information provided in the notices received by the Company.

At the Company's request, Euroclear France drew up a statement ("TPI statement"), dated December 31, 2008, on identifiable bearer shares with no restriction on the number of shares held by shareholders or by financial intermediaries. The TPI statement listed 52,050 shareholders holding shares in bearer form. At December 31, 2008, 1,642 shareholders held their shares in registered form in their name *(inscrit au nominatif pur)*.

Between January 1, 2009 and February 26, 2009, the Company received the following notices from its shareholders, relating to the crossing of thresholds as provided by law or by its articles of association:

Shareholder	Notification Date	Effective date	Number of shares held	Share capital threshold crossed*	Number of voting rights held	Voting rights threshold crossed*
FCP Groupama	01/15/2009	01/15/2009	1,461,388	1.34% (u)	1,461,388	
Barclays	02/11/2009	02/05/2009	5,492,901	5.02% (u)	5,492,901	4.80%
Barclays	02/26/2009	02/23/2009	5,746,689	5.26% (u)	5,746,689	5.02%

** d = crossing of threshold downwards / u = crossing of threshold upwards.*
This table only includes information provided in the notices received by the Company.

18.2. Shareholder Voting Rights

Among the Company's main shareholders as indicated in Section 18.1 of this Reference Document, only the *Institut Français du Pétrole* holds double voting rights.

18.3. Controlling Interest

At the date of this Reference Document and to the Company's knowledge, none of the shareholders has more than 5.67% (Tradewinds Global Investors) of the Company's share capital, as indicated in the table included in Section 18.1.2 of this Reference Document. None of the shareholders thus holds a controlling interest in the Company, either directly or indirectly.

18.4. Agreements that may result in a Change of Control

To the Company's knowledge, there are no arrangements between or among its main shareholders, the implementation of which could at a subsequent date result in a change in control of the Company.

The articles of association and the Internal Charter of the Company do not contain any provisions that could delay, defer or prevent a change in control of its shareholding.

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

19

Related Party Transactions

19.1. Main Related Party Transactions

Technip's related party transactions mainly consist of re-invoicing Group management and organization costs through a management fee, as well as costs related to insurance policies, and fees on guarantees given by the Company (see Note 6.14 to the Statutory Financial Statements as of December 31, 2008, included in section 20.2 of this Reference Document).

Regulated agreements are described in the Special Report of the Statutory Auditors on Certain Related Party Transactions included in section 19.2 of this Reference Document.

19.2. Special Report of the Statutory Auditors on Certain Related Party Transactions

This is a free translation in English of the Statutory Auditors's Special Reports on certain related party transactions issued in French language. It is solely provided for English speaking readers. This report includes information specifically required by French Law. This report on certain related party transactions should be read in conjunction with and construed in accordance with French Law and professional auditing standards applicable in France.

PricewaterhouseCoopers Audit

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

ERNST & YOUNG et Autres

41, rue Ybry
92200 Neuilly-sur-Seine Cedex
France

Special Report of the Statutory Auditors on Certain Related Party Transactions

For the Year Ended December 31, 2008

To the Shareholders,

Technip
Tour Technip
6-8 allée de l'Arche
92973 Paris-la Défense

In our capacity as Statutory Auditors of Technip, we hereby present our report on certain related party transactions.

Related Party Transactions Authorized Until the Date of Approval of the Accounts by the Board

In accordance with article R. 225-40 of the French Commercial Code *(Code de commerce),* we have been advised of the following agreements which were authorized by the Board of Directors.

Our responsibility does not include identifying any undisclosed agreements. We are required to report to shareholders, based on the information provided, the main terms and conditions of the agreements that have been disclosed to us, without commenting on their relevance or substance. Under the provisions of article R. 225-31 of the French Commercial Code, it is the responsibility of shareholders to determine whether the agreements are appropriate and should be approved.

We carried out our work in accordance with the professional standards applicable in France. These standards require that we perform procedures to verify that the information given to us agrees with the underlying documents.

Subsidy Granted to Technip Marine (M) SDN BHD (Malaysia)

In its meeting of December 9, 2008, the Board of Directors authorized Technip's granting of a subsidy to its subsidiary Technip Marine (M) SDN BHD (Malaysia). This subsidy aims at restoring the net shareholder's equity of the subsidiary owning the Group activity license in Malaysia on the Offshore segment.

The amount of the subsidy is capped at € 102 million. The amount of the subsidy attributed in 2008 takes into account some forecasted assurance benefits. A complementary subsidy might be granted to Technip Marine (M) SDN BHD in 2009 whether the assurance benefits effectively perceived were lower than those forecasted.

The subsidy granted by Technip to Technip Marine (M) SDN BHD in 2008 amounted to € 21.0 million.

Commitments Towards Mr. Thierry Pilenko in Case of Cessation of his Offices

In its meeting of February 18, 2009, the Board of Directors decided to limit the commitments signed for the benefit of Mr. Thierry Pilenko in such case to a non-compete clause allowing the payment of an indemnity capped at two years of gross compensation (base compensation plus the target variable compensation), in compliance with AFEP-MEDEF recommendations.

Moreover, the Board deleted all other measures applicable before in such case.

Continuing Agreements Which Were Entered into in Prior Years

In application of the French Commercial Code, we were advised that the following agreements which were entered into in prior years remained in force during the year:

Consulting Contract With Mr Daniel Valot

In its meeting of September 27, 2006, the Board of Directors decided to sign with Mr. Daniel Valot a consulting contract for a two year period. This contract is based on a daily rate of € 4,000 (excluding taxes) for 80 days of service per year. In 2008, Mr. Daniel Valot was paid € 382,720 in relation to this consulting contract.

Mr Thierry Pilenko's Complementary Pension Plan

Like other directors of Technip, Mr. Thierry Pilenko will benefit from a complementary defined contribution benefit pension plan which is calculated as follows: 8% of the annual gross compensation capped to 8 times the upper limit of salary deductions for social security contributions. He will also have a complementary defined contribution benefit pension plan as a member of Technip Executive Committee which is calculated as follows: for each year of presence, but limited to 15 years, a retirement resource guarantee equal to 1.8% of "Tranche 4" of the annual gross paid compensation, *i.e.* the one above 8 times the upper yearly limit of salary deductions for French social security regime.

In 2008, the contribution paid by your company to Mr. Thierry Pilenko as for his complementary pension plan amounted to € 21,297.

Neuilly-sur-Seine, March 16, 2009

The Statutory Auditors

PricewaterhouseCoopers Audit
Louis-Pierre Schneider

Ernst & Young et Autres
Gilles Puissochet

20

Financial Information on the Company's Assets, Financial Situation and Results

20.1. Consolidated Financial Statements as of December 31, 2008

20.1.1. Statutory Auditors' Report on the Consolidated Financial Statements

This is a free translation into English of the Statutory Auditors' report issued in French and 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 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 captions or on information taken outside of the consolidated financial statements.

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

PricewaterhouseCoopers Audit

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

ERNST & YOUNG et Autres

41, rue Ybry
92576 Neuilly-sur-Seine Cedex
France

Statutory Auditors' Report on the Consolidated Financial Statements

For the year ended December 31, 2008

To the Shareholders

Technip – Tour Technip – 6-8, allée de l'Arche – 92973 Paris-La Défense – France

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2008, on:

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

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

I. Opinion on the 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our 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 of December 31, 2008 and of the results of its operations for the year then ended in accordance with IFRSs as adopted by the EU.

Without questioning the above expressed opinion, we draw your attention on note 32 (a) “Litigations and Contingent Liabilities” which describes the risk concerning an on-going procédure in connection with a project in Nigeria carried by a joint-venture held in 25% by Technip.

II. Justification of our assessments

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

- As indicated in Notes 1.C.(a) and 1.C.(b) to the consolidated financial statements, Technip uses significant accounting estimates to determine the margin at completion for each long term contract which is based on an analysis of total costs and income at completion, which are reviewed periodically and regularly throughout the life of the contract. Within the scope of our assessment of the significant estimates used to prepare the financial statements, we reviewed the processes set up by the Company in this respect, assessed the date and assumptions used as a basis for these estimates, and compared the accounting estimates of the previous periods with the corresponding actual figures.
- As indicated in Notes 1.C.(a) and 1.C.(d) to the consolidated financial statements, Technip annually carries out an impairment test for goodwill by using the discounted future cash flow method, as determined on the basis of strategic plans drawn up by the Company and presented to the Board. Within the scope of our assessment of the significant estimates used to prepare the financial statements, we reviewed the assumptions adopted, the calculations made by the Company and the consistency of the methods used, and we ensured that Note 10 provides adequate information in this regard.
- The recoverability of deferred income tax assets recognized as of December 31, 2008, and more specifically those resulting from carry forward of unused tax losses, have been evaluated by Technip on the basis of the forecasted data from the Group strategic plans for each fiscal perimeter. We have reviewed the recoverability tests on those tax assets made by Technip and described within Note 1.C.(u).
- We have ensured that the established procedures enable inventory, evaluation and accountability of any litigation in satisfactory conditions. We have specifically ensured that the litigations identified by Technip while applying these procedures were accurately described within the appendix notes to the financial statements and particularly within Note 32.

We carried out an assessment of the reasonableness of these estimates. As described in Note 1.C, we point out that, since forecasts are inherently uncertain, actual figures may sometimes vary significantly.

These assessments were made in the context 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

We have also performed the specific verification required by law on the information relating to the Group given in the management report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine, March 16, 2009

The Statutory Auditors

PricewaterhouseCoopers Audit	ERNST & YOUNG et Autres
Louis-Pierre Schneider	Gilles Puissochet

20.1.2. Consolidated Financial Statements

1. Consolidated Income Statement

In millions of Euro	Notes	12 months 2008	2007
Revenues	**4 (a)**	**7,481.4**	**7,886.5**
Cost of Sales	4 (b)	(6,341.7)	(7,245.1)
Gross Margin		**1,139.7**	**641.4**
Research and Development Expenses	4 (c)	(44.9)	(42.0)
Selling Costs		(121.4)	(100.2)
Administrative Costs	4 (d)	(287.7)	(251.5)
Other Operating Income	4 (e)	25.5	19.6
Other Operating Expenses	4 (f)	(54.3)	(20.3)
Operating Income/(Loss) from Recurring Activities		**656.9**	**247.0**
Income from Sale of Activities	4 (g)	-	85.6
Charges from Sale of Activities	4 (g)	-	(65.7)
Operating Income/(Loss)		**656.9**	**266.9**
Financial Income	5 (a)	56.7	20.1
Financial Expenses	5 (b)	(67.7)	(84.7)
Share of Income/(Loss) of Associates Accounted for Using the Equity Method	11	2.2	2.8
Income/(Loss) before Tax		**648.1**	**205.1**
Income Tax Expense	6	(193.8)	(77.1)
Income/(Loss) from Continuing Operations		**454.3**	**128.0**
Income/(Loss) from Discontinued Operations	7	-	-
Net Income/(Loss) for the Year		**454.3**	**128.0**
Attributable to:			
Shareholders of the Parent Company		448.0	126.3
Minority Interests		6.3	1.7
Earnings per Share **(in Euros)**	8	4.27	1.22
Diluted Earnings per Share **(in Euros)**	8	4.25	1.20

2. Consolidated Balance Sheet

Assets

In millions of Euro	Notes	As of December 31, 2008	2007
Property, Plant and Equipment, Net	9	945.0	818.0
Intangible Assets, Net	10	2,409.2	2,419.5
Investments in Associates Accounted for Using the Equity Method	11	6.7	4.9
Other Financial Assets	12	18.6	21.0
Deferred Tax Assets	6 (c)	201.4	183.4
Available-for-Sale Financial Assets	13	8.2	17.0
Total Non-Current Assets		**3,589.1**	**3,463.8**
Inventories	14	226.2	173.7
Construction Contracts – Amounts in Assets	15	140.8	280.6
Advances Paid to Suppliers		192.5	464.4
Derivatives	26	40.4	5.2
Trade Receivables	16	1,123.5	783.4
Current Income Tax Receivables		82.6	68.4
Other Current Receivables	17	332.1	458.4
Cash and Cash Equivalents	18	2,404.7	2,401.5
Total Current Assets		**4,542.8**	**4,635.5**
Assets of Disposal Group Classified as Held for Sale	19	-	-
Total Assets		**8,131.9**	**8,099.3**

Equity and Liabilities

In millions of Euro	Notes	As of December 31, 2008	2007
Common Stock	20 (a)	83.4	81.9
Paid-in-Surplus		1,709.8	1,640.0
Retained Earnings		469.6	458.0
Treasury Shares	20 (c)	(143.8)	(144.3)
Foreign Currency Translation Reserve		(113.9)	(46.7)
Fair Value Reserve	20 (d)	20.3	63.2
Net Income		448.0	126.3
Total Equity Attributable to Shareholders of the Parent Company		**2,473.4**	**2,178.4**
Minority Interests		22.3	18.4
Total Equity		**2,495.7**	**2,196.8**
Other Non-Current Financial Debts	21	734.2	653.3
Provisions	23	104.2	109.7
Deferred Tax Liabilities	6 (c)	100.8	128.7
Other Non-Current Liabilities	25	41.2	45.5
Total Non-Current Liabilities		**980.4**	**937.2**
Current Financial Debt	21	25.9	43.9
Trade Payables	24	1,703.9	1,866.3
Construction Contracts – Amounts in Liabilities	15	1,253.0	1,860.2
Derivatives	26	119.9	5.1
Provisions	23	182.0	123.0
Current Income Tax Payables		99.8	201.7
Other Current Liabilities	25	1,271.3	865.2
Total Current Liabilities		**4,655.8**	**4,965.3**
Total Liabilities		**5,636.2**	**5,902.5**
Liabilities Directly Associated with the Assets Classified as Held for Sale	19	-	-
Total Equity and Liabilities		**8,131.9**	**8,099.3**

3. Consolidated Cash Flow Statement

In millions of Euro	Notes	12 months 2008	2007
Net Income for the Year (Minority Interests included)		454.3	128.0
Adjustments for:			
Amortization and Depreciation of Property, Plant and Equipment and Intangible Assets	9-10	188.6	162.9
Stock Option and Free Shares Charge	4 (h)	26.1	9.9
Non-Current Provisions (including Employee Benefits)	23	6.0	(9.3)
Share of Income / (Loss) of Associates Accounted for Using the Equity Method	11	(2.2)	(2.6)
Net (Gains) / Losses on Disposal of Assets and Investments		29.0	(20.2)
Reduction of Goodwill related to Realized Income Tax Loss Carry Forwards	10 (b)	-	2.5
Deferred Tax	6 (c)	(20.1)	(79.0)
		681.7	**192.2**
Decrease/(Increase) in Advance to Suppliers		244.2	119.1
Decrease/(Increase) in Construction Contracts – Amounts in Assets	15	156.4	358.8
Decrease/(Increase) in Trade and Other Receivables	16	(562.2)	(401.3)
(Decrease)/Increase in Construction Contracts – Amounts in Liabilities	15	(599.9)	(92.2)
(Decrease)/Increase in Trade Payables and Other Payables	24-25	534.5	649.1
Net Cash Generated from Operating Activities		**454.7**	**825.7**
Purchases of Property, Plant and Equipment	9	(389.2)	(250.3)
Proceeds from Sales of Property, Plant and Equipment	4 (e)	3.3	0.8
Purchases of Intangible Assets	10	(12.1)	(11.5)
Acquisitions of Investments, Net of Cash Acquired	4 (e)	(0.1)	-
Proceeds from Sales of Investments	4 (e) (g)	1.8	19.7
Changes in Scope of Consolidation	4 (g)	(15.0)	66.9
Net Cash Used in Investing Activities		**(411.3)**	**(174.4)**
Increase in Borrowings	21	127.8	21.9
Decrease in Borrowings	21	(49.3)	(197.8)
Capital Increase	20 (a)	71.3	36.6
Share Buy-Back	20 (c)	0.5	(86.2)
Dividends Paid	20 (g)	(125.1)	(274.7)
Net Cash (Used in)/Generated from Financing Activities		**25.2**	**(500.2)**
Effects of Foreign Exchange Rate Changes on Cash and Cash Equivalents		(68.5)	(152.4)
Net Increase in Cash and Cash Equivalents		**0.1**	**(1.3)**
Cash and Cash Equivalents as of January 1,	18	2,401.5	2,402.8
Bank Overdrafts as of January 1,		(1.1)	-
Cash and Cash Equivalents as of December 31,	18	2,404.7	2,401.5
Bank Overdrafts as of December 31,		(4.2)	-
		0.1	**(1.3)**

Interests paid in 2008 amount to €M 34.6 *vs.* €M 43.8 in 2007.

Interests received in 2008 amount to €M 50.6 *vs.* €M 82.4 in 2007.

Income taxes paid in 2008 amount to €M 150.7 *vs.* €M 87.1 in 2007.

4. Consolidated Statement of Changes in Shareholders' Equity

In millions of Euro	Common Stock	Paid-in-Surplus	Re-tained Earnings	Treasury Shares	Foreign Currency Transla-tion Reserve	Fair Value Reserve	Net Income (Parent Com-pany)	Share-holders' Equity (Parent Com-pany)	Minor-ity Inter-ests	Total Equity
As of January 1, 2007	**80.9**	**1,604.5**	**531.8**	**(58.1)**	**(19.8)**	**61.9**	**200.1**	**2,401.3**	**15.5**	**2,416.8**
Fair Value Adjustment on Financial Assets Available for Sale	-	-	-	-	-	(5.3)	-	(5.3)	-	(5.3)
Cash-Flow Hedging	-	-	-	-	-	1.1	-	1.1	(0.2)	0.9
Total Income and Expense Recognized Directly in Equity	**-**	**-**	**-**	**-**	**-**	**(4.2)**	**-**	**(4.2)**	**(0.2)**	**(4.4)**
Net Income 2007	-	-	-	-	-	-	126.3	126.3	1.7	128.0
Total Recognized Income 2007	**-**	**-**	**-**	**-**	**-**	**(4.2)**	**126.3**	**122.1**	**1.5**	**123.6**
Capital Increase	1.0	35.6	-	-	-	-	-	36.6	-	36.6
Capital Decrease	-	-	-	-	-	-	-	-	-	-
Appropriation of Net Income 2006	-	-	142.9	-	-	-	(200.1)	(57.2)	-	(57.2)
Extraordinary Dividend	-	-	(217.5)	-	-	-	-	(217.5)	-	(217.5)
Treasury Shares	-	-	-	(86.2)	-	-	-	(86.2)	-	(86.2)
Foreign Currency Translation Reserves	-	-	-	-	(26.9)	-	-	(26.9)	0.9	(26.0)
Stock Option Charge	-	-	-	-	-	9.9	-	9.9	-	9.9
Others	-	(0.1)	0.8	-	-	(4.4)	-	(3.7)	0.5	(3.3)
As of December 31, 2007	**81.9**	**1,640.0**	**458.0**	**(144.3)**	**(46.7)**	**63.2**	**126.3**	**2,178.4**	**18.4**	**2,196.8**
Fair Value Adjustment on Financial Assets Available for Sale	-	-	-	-	-	(2.0)	-	(2.0)	-	(2.0)
Cash-Flow Hedging	-	-	-	-	-	(77.0)	-	(77.0)	(0.4)	(77.4)
Total Income and Expense Recognized Directly in Equity	**-**	**-**	**-**	**-**	**-**	**(79.0)**	**-**	**(79.0)**	**(0.4)**	**(79.4)**
Net Income 2008	-	-	-	-	-	-	448.0	448.0	6.3	454.3
Total Recognized Income 2008	**-**	**-**	**-**	**-**	**-**	**(79.0)**	**448.0**	**369.0**	**5.9**	**374.9**
Capital Increase	1.5	69.8	-	-	-	-	-	71.3	-	71.3
Capital Decrease	-	-	-	-	-	-	-	-	-	-
Appropriation of Net Income 2007	-	-	126.3	-	-	-	(126.3)	-	-	-
Dividend	-	-	(125.1)	-	-	-	-	(125.1)	-	(125.1)
Treasury Shares	-	-	-	0.5	-	-	-	0.5	-	0.5
Foreign Currency Translation Reserves	-	-	-	-	(67.2)	-	-	(67.2)	(2.8)	(70.0)
Stock Option Charge	-	-	-	-	-	44.5	-	44.5	-	44.5
Others	-	-	10.4	-	-	(8.4)	-	2.0	0.8	2.8
As of December 31, 2008	**83.4**	**1,709.8**	**469.6**	**(143.8)**	**(113.9)**	**20.3**	**448.0**	**2,473.4**	**22.3**	**2,495.7**

5. Notes to the Consolidated Financial Statements

Technip's principal business includes the following:

- 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;
- turnkey projects related to complex industrial facilities with engineering, procurement, construction and start-up, in respect of industrial performances and a contractual schedule. The average duration of these contracts is three years, but can vary depending on the contract.

Note 1 – Summary of Significant Accounting Principles

A. Accounting Framework

Due to the listing of Technip' securities on Euronext Paris and in accordance with the European Union's regulation No. 1606/2002 of July 19, 2002, the 2008 consolidated financial statements of the Group have been prepared as of December 31, 2008 in accordance with IFRS (IFRS–International Financial Reporting Standards) approved by IASB (International Accounting Standard Board) and adopted by the European Union as of the date when the Board of Directors approved consolidated financial statements on February 18, 2009. These standards are available on the internet site of the European Union (http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commision).

New Standards and Interpretations Issued in 2008

Technip has adopted the following standards, amendments and interpretations issued in 2008:

IFRIC 11 / IFRS 2: Group and Treasury Share Transactions. This interpretation provides guidance on share-based payment arrangements involving an entity's own equity instruments or equity instruments of another entity in the same group. This interpretation does not have an impact on financial statements of the Group.

IFRIC 14: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. This interpretation is effective for annual period as from January 1, 2008 and gives guidance on how to assess the limit in IAS 19 Employee Benefits on the amount of the surplus that can be recognised as an asset. This interpretation does not have impact on financial statements of the Group.

Standards and Interpretations not Effective yet but which application has been anticipated by the Group

IFRS 8: This standard concerns additional information related to operating segment that must be disclosed in the notes. It is effective for annual periods beginning on or after January 1, 2009. The Group has elected to apply IFRS 8 by anticipation starting December 31, 2008. There has been no change in the segment information disclosed by the Group–see Note 3-(a) Segment Information by Business Segment.

Published Accounting Standards and Interpretations not Effective yet

Technip's financial statements as of December 31, 2008, do not include the possible impact of standards published as of December 31, 2008 of which application is only mandatory for periods starting after December 31, 2008. Among these standards and interpretations those which could affect the Group financial statements are as follows:

IAS 23 (amendment): Borrowing Costs. The revised IAS 23 requires capitalisation of borrowing costs that are directly attributable to the acquisition, construction or production of an asset. The option that allowed to record borrowing costs as an expense has been removed. The standard is effective for financial years beginning on or after January 1, 2009.

IFRS 2 (amendment): Share-based payment. This amendment clarifies the definition of vesting condition and specifies the treatment for all cancellations. The standard is effective for financial years beginning on or after January 1, 2009.

IFRS 3 revised: Business Combinations. This standard prescribes accounting treatment and financial information to be disclosed in case of business combinations. The standard is effective for financial years beginning on or after July 1, 2009.

IFRS 5 (amendment): Non-current assets held for sale and discontinued operations. This amendment specifies some disclosures for these items in balance sheet and profit and loss statements. This amendment requires to be applied for annual period beginning on or after July 1, 2009.

IAS 1 revised: Presentation of Financial Statements. The revised IAS 1 will modify presentation of financial statements, in particular presentation of income and expenses previously booked in equity. This standard requires to be applied for annual period as from January 1, 2009.

IFRIC 16: Hedges of a Net Investment in a Foreign Operation. This interpretation provides guidance on the accounting for a hedge of a net investment. This interpretation has not yet been endorsed by the European Union.

IFRIC 18: Transfers of Assets from Customers. This interpretation clarifies the accounting treatment when an entity receives from a customer an item of property, plant, and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services. This interpretation is effective for annual periods beginning on or after July 1, 2009. The European Union has not yet adopted this interpretation.

IAS 39 (amendment): Eligible hedge items. This amendment provides additional guidance on what can be designated as a hedge item in two situations: Inflation in a financial hedged item and one-sided risk in a hedged item. This amendment is effective for annual periods beginning on or after July 1, 2009. The European Union has not adopted yet adopted this amendment.

Technip is currently assessing the potential impact of these new standards on its financial statements. At this stage, Technip does not anticipate any significant impact on the Group's financial situation and net income.

B. Consolidation Principles

Companies over which the Group has significant control are fully consolidated, in particular when the voting rights exceed 50% or when the Group controls financial or operating policies.

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 operating and financial policies. Unless otherwise indicated, such influence is presumed to exist for investments in companies in which the Group's direct or indirect ownership is between 20% and 50%.

Investments in which the Group's ownership is less than 20% or for non-significant investee or subsidiaries (such as empty entities) are recorded under "Other Financial Assets (Non-Current)" line item and only impact net income through dividends received. When fair value cannot be estimated reliably, these investments are maintained at historical cost, net of depreciation.

The list of the main Group's consolidated companies and their respective method of consolidation are provided in Note 2-(b) Scope of Consolidation as of December 31, 2008.

The financial statements of main affiliates are prepared for the same reporting period as the parent company, using consistent accounting policies.

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

Subsidiaries are consolidated from the date of acquisition, being the date when the Group obtains control and continue to be consolidated until the date when such control ceases.

The classification between current assets and liabilities, and non-current assets and liabilities is based on contracts' operating cycle and if not related to contracts, on their maturity classified as less or greater than 12 months.

C. Rules and Estimates

Consolidated financial statements have been prepared in accordance with the IFRSs.

The consolidated assets have been evaluated under the historical cost convention, except for financial assets and derivative financial instruments, which have been measured at fair value.

The Group consolidated financial statements are presented in million of Euros and all values are rounded to the nearest thousand, except when otherwise indicated.

The classification between current assets and liabilities, and non-current assets and liabilities is based on contracts' operating cycle. 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 is greater than 12 months.

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. The 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

The preparation of the consolidated financial statements requires estimates to be used 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 alter, if new information becomes available, or through greater experience. Consequently, the actual result from these operations may differ from these estimates.

The main assessments and accounting assumptions made in the Group's financial statements relate to the construction contracts, to the valuation of Group exposure to litigations towards third parties, to residual goodwill valuation and to valuation of income tax assets resulting from carry-forward tax losses (the latter being measured in compliance with accounting principles shown in Note 1-C-(u) 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 draws up lists and performs analyses of main litigations in progress, so as to record the adequate provisions when necessary. Possible uncertainties related to ongoing litigations are described in Note 32–Litigations and Contingent Liabilities.

Goodwill is no longer amortized but is tested for impairment at least annually and whenever there is an indication that it may be impaired. This impairment test enables to determine whether its carrying amount does not exceed its recoverable amount. Goodwill is allocated to cash-generating units (CGU) for the purpose of impairment testing. Each of these CGU corresponds to the Group's businesses, representing independent cash-generating flows. The recoverable amount is the higher of selling prices and values in use related to CGU. The latter corresponds to the discounted future cash flows forecasted for these CGU.

Technip also performs sensitivity analyses on main assumptions with regards to impairments tests, in order to make sure that no reasonable change of an hypothesis on which the Group has determined its CGU's recoverable value, jeopardizes the conclusions of these impairment tests.

(b) Long Term Contracts

Long term contracts are booked in accordance with IAS 11 ("Construction contracts") when they include construction and delivery of a complex physical asset, or in accordance with IAS 18 ("Revenues") in the other cases.

Costs incurred on contracts include the following:

- the purchase of material, the subcontracting cost of engineering, the cost of markets, and every other related cost directly linked to the contract;
- the labour cost and its related social charges which are directly connected with contracts. The man-hour rates taken into

account are based on standard level of activity. Selling costs, research and development costs and the potential charge of "overabsorption" are excluded from those evaluations;

- other costs which could be reinvoiced to the client when specified as such in the contract clauses.

Costs on construction contracts do not include financial expenses.

Revenues on contracts at completion include:

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

Revenues on contracts are measured on the basis of costs incurred and of margin recognized at the percentage of completion:

- for all contracts, which include construction services subjected to performance commitments (lump-sum turnkey contracts), the percentage of completion is based on technical milestones defined for the main components of the contracts, once their progress is deemed sufficient;
- for other construction contracts, the percentage of completion is recognized 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 made for the entire loss.

Long term contract gross margin 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 balance sheet 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 deducting the payments received from the clients, are shown on the asset side under the "Construction Contracts–Amounts in Assets" if the balance of those combined components is a debit; if the balance is a credit, these ones are shown on the liability side under the "Construction Contracts–Amounts in Liabilities" line item.

A construction contract is considered to as completed contracts when the last technical milestone is achieved, which is materialized by contractual transfer of ownership of the asset or temporary delivery, even under conditions. Upon completion of the contract:

- the balance of "Construction Contracts–Amounts in Assets" (which at that time amounts to the total contract's sale price), less accumulated payments received under this contract at this date, is invoiced to the customer and recorded as current receivables on contracts (see Note 16–Trade Receivables);
- to get the acceptance certificate from the client, if necessary, accrued liabilities may be recorded to cover pending expenses and are recorded as Other Current Payables in the balance sheet.

As per IAS 18, the other long-term contacts are booked as follows in the balance sheet: early invoicing compared to revenue to be recognized is booked in advances received in "other liabilities current" (see Note 25–Other Liabilities current non-current); late invoicing compared to revenues to be recognized is booked in "trade receivables" (see Note 16–Trade Receivables).

Costs incurred before signature of contract ("bid costs"), when they can be directly linked to a future construction contracts of which the signature is certain, are booked in "Construction Contracts–Amounts in Assets" (see Note 15–Construction Contracts), en then included in costs of ongoing contracts when contract is obtained. Bid costs are directly booked into profit & loss on the line "selling costs" when 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 at 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 at that date. Resulting exchange gains or losses are directly recorded in the income statement, excepting 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 for Foreign Companies

The income statements of foreign subsidiaries are translated into Euro at the average rate of exchange prevailing during the year. Balance sheets are translated at the exchange rate at the balance sheet date. Differences arising in the translation of financial statements of foreign subsidiaries are recorded in shareholders' equity as foreign currency translation reserve. The functional currency of the foreign subsidiaries is the local currency, except for some African subsidiaries which have the US dollar as functional 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 performance of the contracts. 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 designed for a contract and used to finance its future expenses in foreign currencies may qualify for foreign currency cash flow hedge.

Finally, an economic hedging may occasionally be obtained by offsetting cash inflows and outflows on a same contract (natural hedging).

When implementing hedging transactions, each Group's subsidiary enters into forward exchange contracts with banks or with the Group treasury company, Technip Eurocash SNC (a general partnership). However, only instruments that involve a third party to 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 all along the life of the contract. A fair value hedge aims at reducing risks incurred by the changes in market value of some assets, liabilities or firm commitments. A cash flow hedge aims at reducing risks incurred by the variations of value of future cash flows that may impact net income.

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

- Its hedging role must be clearly defined and documented at inception.
- Its efficiency should be proved at inception and for the entirety of its period of use. If the efficiency test is included between 80 and 125 per cent, changes in fair value of the covered element should be almost offset by the changes in fair value of the derivative instrument.

All derivative instruments are recorded and disclosed in the balance sheet at fair value:

- Derivatives qualified for hedging are classified as current assets and liabilities, as they follow the operating cycle.
- Derivatives not qualified for hedging are classified as current assets and liabilities.

Changes in fair value are recognized as follows:

- Regarding cash flow hedge, the portion of the gain or loss corresponding to the effectiveness of the hedging instrument is recognized directly in equity, and the ineffective portion of the gain or loss on the hedging instrument is posted on the profit and loss account. The exchange gain or loss on derivative cash flow hedging instruments, deferred in equity, is reclassified in the net income of the period(s) whenever the forecast hedged transaction affects the profit or loss.
- The variations of fair value hedge incurred by derivative instruments are posted as financial income or expenses. The ineffective portion of the gain or loss immediately impacts net income. The carrying amount of a hedged item is adjusted by the gain or loss on this hedged item allocable to the hedged risk and is recorded in the income statement.
- The changes in fair value of derivative financial instruments that do not qualify for hedging are directly recognized as financial income or expenses.

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 at the balance sheet 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, upon which foreign currencies are exchanged at a specified rate and at a specified future date only if the contemplated new contract is awarded. A premium paid at the outset by the Group to enter into such 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 cash settlements or penalties.

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

(d) Business Combinations

Assets and liabilities acquired within business combinations are valued using the purchase method. Assets and liabilities are valued at their fair value. The residual value is posted on the "Goodwill" line item when significant, under the "Intangible Assets" category. Goodwill is no longer amortized as per IFRS 3.

The net value of intangible assets is subject to impairment tests performed on a regular basis, using the discounted cash flow method on the basis of the most likely assumptions considered 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. Approved by the Board of Directors, those assumptions come from the business plan over 3 years for each business segment.

The goodwill as well as the related assets and liabilities are allocated to the appropriate segment of activity.

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

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

(e) Segment Information

As mentioned in Note 1–A "Summary of Significant Accounting Principles", Technip decided to apply IFRS 8 "Operating Segments" starting December 31, 2008.

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;
- for which discrete financial information is available.

Anticipated application of IFRS 8 has not led to redefine operating segments of the Group.

Since 2008 Technip organized the reporting of its operating performance along four segments:

- the Subsea segment, which includes the design, manufacture, procurement and installation of subsea equipment;
- the Offshore segment, which includes the design and construction of fixed or floating Facilities and surface installations;
- the Onshore segment, which includes the entire engineering and construction business for petrochemical and refining plants as well as facilities for developing onshore oil and gas fields, including gas treatment units, liquefied natural gas (LNG) units and onshore pipelines as well as the engineering and construction of non-petroleum facilities;

- the Corporate segment, which includes our holding company activities, the re-invoicing of Group services including IT Corporate expenses and re-insurance activity.

Up to December 31, 2007 Technip's financial reporting was done along five business segment, the four above mentioned segments and the Industries segment which was dedicated to the engineering and construction of non-petroleum facilities, particularly in the following sectors: mines and metals, chemicals, industrial construction and pharmaceuticals. Starting January 1, 2008 the Industries segment has been merged with the Onshore segment.

Segment information relating to balance sheet and profit and loss statements are prepared in accordance with IFRSs.

The segment result disclosed by Technip in its business segment information is the "Operating Income / (Loss) from Recurring Activities" and the "Operating Income / (Loss)". Consequently, the segment result does not include financial income and expenses (except financial result on contracts), income tax expense and the share of income / (loss) of associates accounted for using the equity method. 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;
- Americas.

The segment result disclosed by Technip in its geographical segment information is the "Operating Income / (Loss) from Recurring Activities" and the "Operating Income / (Loss)".

Consequently, the segment result does not include financial income and expenses (except financial result on contracts), income tax expense and the share of income / (Loss) of associates accounted for using the equity method. Segment assets do not include asset items related to the latter, such as income tax assets.

Geographical areas were 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 split per 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 on disposal of activity are included in operating income. They are disclosed on a separate line ("Income/Charges from Sale of Activities"), between Operating Income/(Loss) from Recurring Activities and Operating Income/(Loss).

(g) Financial Result on Contracts

The financial result realized on treasury related to construction contracts is recorded together with the revenues. Only financial result on treasury not related to construction 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 the 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 the treasury shares.

Diluted earnings per share amounts are calculated by dividing the net profit of the period, in case of need restated of dilutive financial charge after tax, by the weighted average number of outstanding shares, plus weighted average number of stock options not yet exercised plus weighted average number of attributed free shares calculated using share purchase method, and in case of need the impact of any other dilutive instrument.

In conformity with share purchase method, anti dilutive stock options are ignored in calculating EPS. Dilutive options are taken into account if the subscription price of the stock options plus the future IFRS 2 expense (*i.e.* the sum of annual expenses to be recorded until the end of the plan of stock) is lower than the average market price during the 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 depreciates separately components of property, plant and equipment, when the useful life differs from the main asset. Following are the main useful lives 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
EDP Equipment	3 to 5 years

Every material residual value of an asset is taken into account to define its depreciable amount.

On a regular basis, the Group reviews the useful lives of the 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 when all risks and benefits related to the asset property have been transferred to the Group. This standard is not applicable in Technip Group Consolidated Financial Statements as of December 31, 2008.

As per IAS 16, dry dock expenses are capitalized as a distinct component of the main related asset. They are amortized over a period of 3 to 5 years.

Amortization costs are classified by function of the expenses. Therefore amortization costs are classified as cost of sales, research and development costs, 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 that case, an impairment loss is recognized.

Borrowing costs have been booked in expenses as allowed by IAS 23 until 2008.

(k) Intangible Assets

Research and Development Costs Generated Internally

Research costs are expensed when incurred. In compliance with IAS 38, development costs are capitalized as long as criteria mentioned hereunder are simultaneously fulfilled:

- the projects are clearly identified;
- the Group is able to measure reliably the expenditure 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;
- 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.

At the closing date of these financial statements, all conditions were not fulfilled, and therefore no development expense was capitalized, except some expenses related to IT projects developed internally.

Other Intangible Assets

Patents are amortized over their useful life, on average 10 years. Costs related to software rights are capitalized, as well as those attached to material industrial projects, such as the E-procurement platform or group management projects. Those projects costs are amortized over their useful life, 5 years on average.

(l) Other Financial Assets (Non-Current)

Other financial assets are recorded at fair value, or at original cost, at the transaction date, if there is no way to evaluate them reliably. Impairment is recorded if its recoverable amount is lower than its historical cost. The estimated recoverable amount 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

Non-consolidated investments are recognized at their acquisition cost including directly attributable transaction costs.

At each balance sheet 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.

These companies are mainly entities without any business activity. Therefore, their investments are fully depreciated.

Receivables related to Investments

This category comprises loans and advances through current accounts granted to unconsolidated companies or associates accounted for using the equity method.

Security Deposits and Others

This category essentially includes guarantee security deposits and escrow accounts related to litigations or arbitrations.

(m) Inventories

Inventories are recognized at the lower of cost or market value with cost being determined on the weighted-average cost basis. Every year, the inventories are subject to impairment tests, based on market data and their likely use within the framework of Group's activities.

Valuation allowance is booked as soon as net value of realization is lower than net book value of inventories.

(n) 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 balance sheet.

(o) Trade Receivables

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

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

(p) Cash and Cash Equivalents

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

(q) Treasury Shares

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

(r) Stock Options and Free Shares Allocation

In accordance with IFRS 2, stock options and free shares allocation correspond to services granted to holders and represent an additional benefit given by the Group. This supplementary benefit is recognized as follows: the fair value of the granted stock options corresponding to the services rendered by the employees against the options received–is estimated at the grant date and recorded under the equity line item.

The fair value of the stock options is evaluated as per the Cox Ross Rubinstein binomial model. That model takes into account the features of the stock option plan (net price, period of exercise) and the market data at the grant date (risk-free rate, volatility, share price).

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

(s) Capital Increase reserved for Employees

In compliance with IFRS 2, the discount on reference price which is granted to employees in the frame of capital increase reserved for employees is booked by the Group as expenses–see Note 20-(j) Capital Increase reserved for Employees.

(t) Provisions

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

- the Group has a present 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;
- the amount of the obligation can be reliably estimated; provisions are measured according to the risk assessment or the exposed charge, based upon the best-known elements.

Current Provisions

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

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

Non-Current Provisions

Employee benefits: The Group is committed in various long-term employee benefit plans. Those obligations will be settled either at the employee departure dates or later on. The main defined benefit plans can be, depending on the affiliates:

- end-of-career indemnities, which are to be paid at retirement date;
- deferred wages indemnities, which are to be paid when employees leave the company;
- retirement indemnities, which are to be paid as annuities.

In accordance with IAS 19, independent actuaries using the projected unit credit method determine charges related to those defined benefit plans. 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, turnover of staff, inflation rate and rate of return on investment.

The defined benefit asset or liability comprises the present value of the defined benefit obligation less past services cost not yet recognized and less the fair value of plan assets out of which the obligations are to be settled directly. The cost of providing benefits under the defined benefit plans is determined using the projected unit credit actuarial valuation method. 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 average expected life of defined benefit plan. 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 exceeded 10% of the higher of the defined benefit obligation and the fair value of plan assets at that date. These gains and losses are recognized over the expected average remaining working lives of the employees participating in the plans.

IAS 19 amendment opens the possibility to record actuarial gains and losses directly in Equity from January 1, 2006. This option has not been retained by the Group.

(u) Deferred Income Tax

Deferred income taxes are recognized in accordance with IAS 12, using the liability method (use of the last forecast tax rate voted at the closing date), on all temporary differences at the balance sheet 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 balance sheet date to take into account any effect of changes in tax law and in the prospects of recovery.

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

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

- taxable results forecasts;
- analysis of the past taxable results;
- existence of significant and non-recurrent 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 particular circumstances that may justify the non-recognition of this potential debt.

When a fiscal integration mechanism is in place 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 global situation of all subsidiaries of that country.

Assets and liabilities are not discounted except those of which basis are discounted by nature (for instance, pensions).

(v) 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 balance sheet, as an adjustment to the nominal amount of the debt. The difference between the initial debt and the redemption at maturity is amortized at the effective interest rate.

(w) 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 by a sale transaction rather than its continuous use. These assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Note 2 – Scope of Consolidation

(a) Changes in Scope of Consolidation

Year Ended December 31, 2008

In 2008, the Group realized the following acquisitions:

- Technip Benelux BV acquired on July 1, 2008 EPG Holding BV (and two subsidiaries). Operating entity (Technip EPG BV), a specialized engineering company based in The Netherlands, employes around 120 people and revenues amounted to €M 4.4 for the second half of 2008. EPG is dedicated to the Onshore segment. In the absence of any identifiable asset, the goodwill arising from this operation amounted to €M 3.9 and was allocated separately on this specific line item.
- Technip acquired Eurodim on July 10, 2008, an engineering and consulting company based closed to Paris. Eurodim employes around 20 people and revenues amounted to €M 1.0 for the period between July 10, 2008 and December 31, 2008. Eurodim is dedicated to the Offshore segment. Goodwill amounted to €M 9.8 and was accounted for as patents for €M 3.7 (amortized on 14.5 years in average) and separately on this specific line item for €M 6.1.
- Coflexip Développement acquired Sofremines on December 31, 2008, an engineering company based closed to Paris. Sofremines employes around 20 people and is dedicated to the Onshore segment. In the absence of any identifiable asset, the goodwill arising from this operation amounted to €M 1.0 and was allocated separately on this specific line item.

The following subsidiaries were created: Genesis Oil and Gas Consultant Canada, 100% owned by Technip and fully consolidated; Techdof, 50% owned by Technip, and TSU Projects, 60% owned by Technip, consolidated under proportionate method.

During the period, Citex was merged into Technip France and RJ Brown Deepwater was merged into Technip USA Holdings Inc.

Technip Biopharm, Technip Upstream Management, Coflexip Stena Offshore AS, TSKJ-US LLC, TSKJ Italia SRL, TS Usan and Consortio Jantec were closed.

No activity has been sold in 2008.

Year Ended December 31, 2007

On February 2, 2007, Technip sold two entities located in the United States and in the United Kingdom which manufacture subsea ROV (Remotely Operated Vehicles) and other subsea equipments. Their assets and liabilities had been classified as held for sale in the 2006 balance sheet.

In January 2007 investment in Nargan was sold. As of December 31, 2006 Nargan was consolidated using the equity method and was classified as assets held for sale.

Companies which entered the consolidation perimeter in 2007 do not have a significant activity.

(b) Scope of Consolidation as of December 31, 2008

Fully Consolidated Companies	Country	December 31, 2008 % Control
Technip	France	Consolidating Entity
Technip France	France	100%
Technip Eurocash	France	100%
Technip TPS	France	100%
T.T.I.L.	France	100%
Eurobatch	France	100%
SNPE Ingénierie Défense	France	100%
Seal Engineering	France	100%
Cofri	France	100%
Clecel	France	100%
SCI CB3 Défense	France	100%
Technipnet	France	100%
Technip Nouvelle-Calédonie	France	100%
Technip Offshore International	France	100%
Flexi France	France	100%
Middle East Projects International (Technip MEPI)	France	100%
Technip Marine	France	100%
Angoflex	France	100%
Coflexip Développement	France	100%
Consorcio Intep	France	90%
Setudi	France	100%
Safrel	France	100%
Safrelor	France	100%
Société Européenne d'Ingénierie Mécanique - Eurodim	France	100%
Technip Angola	Angola	60%
Angoflex Ltda	Angola	70%
Technip Oceania (Pty) Ltd.	Australia	100%
Technip CSO Australia (Pty) Ltd.	Australia	100%
Technip CSO Oil & Gas (Pty) Ltd.	Australia	100%
Genesis Oil & Gas Consultants (Pty) Ltd.	Australia	100%
Technip Maritime Overseas	Bahamas	100%
Technip Benelux NV	Belgium	100%
Technip Capital	Belgium	100%
ABAY Engineering	Belgium	100%
Technip Brasil Engenharia S/A	Brazil	100%
Flexibras Tubos Flexiveis	Brazil	100%
Technip Maritime Do Brazil	Brazil	100%
Brasflex Overseas	British Virgin Island	100%
Genesis Oil & Gas Consultants Ltd.	Canada	100%
Technip Canada	Canada	100%
Sea Oil Marine Services	Cayman Islands, British West-Indies	100%
CSO Oil & Gas Technology (West Africa)	Channel Islands	100%
Technip Engineering Consultant (Shanghai)	China	100%
Technip Tianchen Engineering	China	60%
Technip Offshore Finland OY	Finland	100%
Technip Germany	Germany	100%
Technip Seiffert	Germany	100%
M. Seiffert Industrieanlagen	Germany	100%
Technipetrol Hellas SA	Greece	99%
Technip KT India	India	100%
SEAMEC	India	75%
PT Technip Indonesia	Indonesia	90%

Fully Consolidated Companies	Country	December 31, 2008 % Control
Technip Italy	Italy	100%
TPL	Italy	100%
Stena Offshore (Jersey)	Jersey	100%
Technip Far East	Malaysia	100%
Technip Geoproduction (M)	Malaysia	44.10%
Asiaflex Products	Malaysia	100%
Coflexip Stena Offshore (Mauritius)	Mauritius	100%
Technip Servicios de Mexico S.C.	Mexico	100%
Flex service N.V.	Netherland Antilles	100%
Sunflex Offshore N.V.	Netherland Antilles	100%
Technip Benelux BV	Netherlands	100%
Technip Holding Benelux BV	Netherlands	100%
Technip E.P.G. BV	Netherlands	100%
BV Uitzendbureau U.P.G.	Netherlands	100%
E.P.G. Holding BV	Netherlands	100%
Technipnet BV	Netherlands	100%
Technip Oil & Gas BV	Netherlands	100%
Technip Offshore NV	Netherlands	100%
Technip Offshore Contracting BV	Netherlands	100%
Technip Offshore (Nigeria)	Nigeria	100%
Neptune Maritime Nigeria	Nigeria	66.91%
Technip Norge AS	Norway	100%
Technip Coflexip Norge AS	Norway	100%
Technip Overseas	Panama	100%
Technip Polska	Poland	100%
Technip C.I.S.	Russia	70%
Technip Saudi Arabia	Saudi Arabia	40%
TPL Arabia	Saudi Arabia	90%
Technip Singapore	Singapore	100%
Coflexip Singapore Pte Ltd.	Singapore	100%
TP-NPV Singapore	Singapore	100%
Technip Iberia	Spain	100%
Technip International AG	Switzerland	100%
Engineering Re	Switzerland	100%
Technip USA	U.S.A.	100%
Technip USA Holdings Inc.	U.S.A.	100%
DUCO Inc.	U.S.A.	100%
Coflexip Maritime	U.S.A.	100%
Technip Offshore Moorings	U.S.A.	100%
Genesis Oil & Gas Consultants Inc.	U.S.A.	100%
Aransas Partners	U.S.A.	100%
Gulf Deepwater Yards	U.S.A.	100%
Deepwater Technologies	U.S.A.	75%
Technip Middle East	United Arab Emirates	100%
TPG (UK)	United Kingdom	100%
Technip Offshore Holdings	United Kingdom	100%
Technip UK	United Kingdom	100%
Technip Ships One	United Kingdom	100%
Technip Ships Three	United Kingdom	100%
Technip-Coflexip UK Holdings	United Kingdom	100%
Coflexip UK	United Kingdom	100%
DUCO Ltd.	United Kingdom	100%
Genesis Oil & Gas Consultants Ltd.	United Kingdom	100%
Spoolbase UK	United Kingdom	100%

Fully Consolidated Companies	Country	December 31, 2008 % Control
Genesis Oil & Gas Ltd.	United Kingdom	100%
Technip Maritime U.K.	United Kingdom	100%
Technip Offshore Manning Service	United Kingdom	100%
Subsea Integrity Group	United Kingdom	100%
Technip Bolivar	Venezuela	100%
TPVI	Virgin Island, U.S.A.	100%

Consolidated Companies under Proportionate Method	Country	December 31, 2008 % Control
Dalia Floater Angola	France	55%
Saibos Akogep	France	30%
Yemen Project Coordination Services	France	33.33%
TSLNG	France	50%
TSU Projects	France	60%
TSS Dalia	France	55%
SPF-TKP Omifpro/SP-TKP Fertilizer	France/Italy	50%
Consorcio Contrina	France/Venezuela	34.40%
Technip Subsea 7 Asia Pacific (Pty) Ltd.	Australia	55%
FSTP Brasil Ltda.	Brazil	25%
Tipiel	Colombia	44.10%
ProTek Germany	Germany	50%
Technip India	India	50%
Consorzio Overseas Bechtel/Technip Italy	Italy	50%
Technip Subsea 7 Asia Pacific BV	Netherlands	55%
Nigetecsa Free Zone Enterprise	Nigeria	50%
Crestech Engineering	Nigeria	39%
Doftech DA	Norway	50%
Techdof DA	Norway	50%
TSKJ Servicos de Engenharia Lda./TSKJ II/LNG Servicos e Gestao de projectos Lda./Bonny Project Management Co./TSKJ Nigeria	Portugal/United Kingdom/U.S.A./ 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%
Bechtel Technip Goro LLC	U.S.A.	50%
Technip Zachry Saipem LNG LP	U.S.A.	43%
Deep Oil Technology	U.S.A.	50%
Spars International	U.S.A.	50%
C.T.M.E. FZCO	United Arab Emirates	50%
Yemgas FZCO	United Arab Emirates	33.33%
CTEP FZCO	United Arab Emirates	40%
Technip Subsea 7 Asia Pacific UK Ltd.	United Kingdom	55%

Consolidated Companies Under Equity Method	Country	December 31, 2008 % Control
Technip KTI and its subsidiaries	Italy	25%

Consolidated companies close their books on December 31 except Technip KT India, Technip India and Technip South Africa. Technip KT India and Technip India close their books on March 31, and Technip South Africa closes its books on June 30. However they perform an interim closing of books on December 31 on which external auditors perform a limited review.

Note 3 – Segment Information

As mentioned in Note 1–A "Summary of Significant Accounting Principles", Technip has decided to apply IFRS 8 "Operating Segments" starting December 31, 2008. The split by business segment and by geographical segment is done according to Note 1-C-(e) Segment Information.

(a) Information by Business Segment

	2008							
In millions of Euro	Subsea	Offshore	Onshore	Corporate	Not Allocable and Eliminations	Total Continuing Operations	Discontinued Operations	Total
Revenues	2,689.0	695.2	4,097.2	-	-	7,481.4	-	7,481.4
Gross Margin	711.3	100.8	326.6	1.0	-	1,139.7	-	1,139.7
Operating Income / (Loss) from Recurring Activities	**523.2**	**38.6**	**153.7**	**(58.6)**	**-**	**656.9**	**-**	**656.9**
Income from Sales of Activities	-	-	-	-	-	-	-	-
Operating Income / (Loss)	**523.2**	**38.6**	**153.7**	**(58.6)**	**-**	**656.9**	**-**	**656.9**
Financial Income / (Expenses)	-	-	-	(30.1)	19.1	(11.0)	-	(11.0)
Share of Income / (Loss) of Associates Accounted for Using the Equity Method	-	-	2.2	-	-	2.2	-	2.2
Income Tax Expense	-	-	-	-	(193.8)	(193.8)	-	(193.8)
Discontinued Operations	-	-	-	-	-	-	-	-
Net Income/(Loss) for the Year	**NA**	**NA**	**NA**	**NA**	**NA**	**454.3**	**-**	**454.3**
Segment Assets	3,907.8	787.5	2,100.2	220.2	-	7,015.7	-	7,015.7
Investments in Associates Accounted for Using the Equity Method	-	-	6.7	-	-	6.7	-	6.7
Unallocated Assets	-	-	-	-	1,109.5	1,109.5	-	1,109.5
Total Assets	**3,907.8**	**787.5**	**2,106.9**	**220.2**	**1,109.5**	**8,131.9**	**-**	**8,131.9**
Segment Liabilities(1)	1,727.6	354.7	2,498.5	811.2	-	5,392.0	-	5,392.0
Unallocated Liabilities(2)	-	-	-	-	2,739.9	2,739.9	-	2,739.9
Total Liabilities	**1,727.6**	**354.7**	**2,498.5**	**811.2**	**2,739.9**	**8,131.9**	**-**	**8,131.9**
Other Segment Information								
Backlog(3)	3,495.9	461.1	3,251.4	-	-	7,208.4	-	7,208.4
Order Intake(4)	2,854.4	517.6	2,382.7	-	-	5,754.7	-	5,754.7
Capital Expenditure:								
Property, Plant and Equipment	362.4	11.1	15.5	0.2	-	389.2	-	389.2
Intangible Assets	0.4	0.5	1.7	9.5	-	12.1	-	12.1
Amortization:								
Property, Plant and Equipment	(116.1)	(5.6)	(14.6)	(2.7)	-	(139.0)	-	(139.0)
Intangible Assets	(6.0)	(2.6)	(1.5)	(2.0)	-	(12.1)	-	(12.1)
Impairment of Assets	(29.3)	(7.3)	-	(30.4)	-	(67.0)	-	(67.0)

(1) The segment liabilities of the Corporate segment include financial debts such as bond loan and other borrowings.
(2) Unallocated liabilities correspond mostly to shareholders' equity.
(3) The backlog corresponds to ongoing contracts still to be delivered. The backlog is defined as the difference between the total contractual sale prices of all contracts in force and the cumulated revenues recognized at that date on these contracts.
(4) The order intake corresponds to signed contracts which have come into force.

In millions of Euro	2007 Subsea	Offshore	Onshore	Corporate	Not Allocable and Eliminations	Total Continuing Operations	Discontinued Operations	Total
Revenues	2,478.2	738.8	4,669.5	-	-	7,886.5	-	7,886.5
Gross Margin	558.8	95.6	(8.2)	(4.8)	-	641.4	-	641.4
Operating Income/(Loss) from Recurring Activities	**390.9**	**35.2**	**(157.3)**	**(21.8)**	**-**	**247.0**	**-**	**247.0**
Income from Sales of Activities	17.0	2.9	-	-	-	19.9	-	19.9
Operating Income/(Loss)	**407.9**	**38.1**	**(157.3)**	**(21.8)**	**-**	**266.9**	**-**	**266.9**
Financial Income/(Expenses)	-	-	-	(30.1)	(34.5)	(64.6)	-	(64.6)
Share of Income/(Loss) of Associates Accounted for Using the Equity Method	-	-	2.8	-	-	2.8	-	2.8
Income Tax Expense	-	-	-	-	(77.1)	(77.1)	-	(77.1)
Discontinued Operations	-	-	-	-	-	-	-	-
Net Income/(Loss) for the Year	**NA**	**NA**	**NA**	**NA**	**NA**	**128.0**	**-**	**128.0**
Segment Assets	3,635.0	836.7	2,780.9	115.3	-	7,367.9	-	7,367.9
Investments in Associates Accounted for Using the Equity Method	-	-	4.9	-	-	4.9	-	4.9
Unallocated Assets	-	-	-	-	726.5	726.5	-	726.5
Total Assets	**3,635.0**	**836.7**	**2,785.8**	**115.3**	**726.5**	**8,099.3**	**-**	**8,099.3**
Segment Liabilities(1)	1,398.1	343.4	3,064.3	812.4	-	5,618.2	-	5,618.2
Unallocated Liabilities(2)	-	-	-	-	2,481.1	2,481.1	-	2,481.1
Total Liabilities	**1,398.1**	**343.4**	**3,064.3**	**812.4**	**2,481.1**	**8,099.3**	**-**	**8,099.3**
Other Segment Information								
Backlog(3)	3,477.1	550.9	5,361.5	-	-	9,389.5	-	9,389.5
Order Intake(4)	3,295.5	563.9	3,338.4	-	-	7,197.8	-	7,197.8
Capital Expenditures :								
Property, Plant and Equipment	222.7	7.7	19.9	-	-	250.3	-	250.3
Intangible Assets	3.3	2.0	6.2	-	-	11.5	-	11.5
Amortization :								
Property, Plant and Equipment	(137.0)	-	(13.3)	(1.8)	-	(152.1)	-	(152.1)
Intangible Assets	-	(8.5)	(1.3)	(1.0)	-	(10.8)	-	(10.8)
Impairment of Assets	-	-	-	-	-	-	-	-

(1) The segment liabilities of the Corporate segment include financial debts such as bond loan and other borrowings.
(2) Unallocated liabilities correspond mostly to shareholders' equity.
(3) The backlog corresponds to ongoing contracts still to be delivered. The backlog is defined as the difference between the total contractual sale prices of all contracts in force and the cumulated revenues recognized at that date on these contracts.
(4) The order intake corresponds to signed contracts which have come into force.

(b) Information by Geographical Segment

In millions of Euro	2008						
	Europe, Russia, Central Asia	Africa	Middle East	Asia Pacific	Americas	Not Allocable(5)	Total
Revenues(1)	1,682.2	780.8	2,213.5	1,034.5	1,770.4	-	7,481.4
Operating Income/(Loss) from Recurring Activities	266.8	158.2	(28.5)	141.2	177.8	(58.6)	656.9
Operating Income/(Loss)	266.8	158.2	(28.5)	141.2	177.8	(58.6)	656.9
Intangible Assets (excluding goodwill)(2)	26.2	0.5	(0.0)	0.7	12.6	-	40.1
Property, Plant and Equipment(3)	348.9	24.0	3.8	127.3	92.2	348.9	945.0
Financial Assets(4)	17.4	3.3	1.1	2.0	9.6	-	33.5

(1) Of which revenues performed in France: €M 123.9 and in Qatar: €M 1,292.7.
(2) Of which intangible assets in France: €M 24.5 and in the United States: €M 12.5.
(3) Of which tangible assets in France: €M 129,7 and in the United Kingdom: €M 121.2.
(4) Of which financial assets in France: €M 6.9, in Italy: €M 10.1 and in Nigeria: €M 3.3.
(5) The segment assets which are not allocable correspond to vessels that operate in different geographical regions and therefore cannot be allocated to a specific region.

In millions of Euro	2007						
	Europe, Russia, Central Asia	Africa	Middle East	Asia Pacific	Americas	Not Allocable(5)	Total
Revenues(1)	1,218.8	954.8	3,246.6	1,032.2	1,434.1	-	7,886.5
Operating Income/(Loss) from Recurring Activities	160.2	196.7	(134.0)	40.9	5.0	(21.8)	247.0
Operating Income/(Loss)	166.8	196.7	(134.0)	40.9	18.3	(21.8)	266.9
Intangible Assets (excluding goodwill)(2)	47.1	0.5	(0.0)	0.9	13.6	-	62.0
Property, Plant and Equipment(3)	287.5	17.4	4.5	59.4	95.1	354.1	818.0
Financial Assets(4)	14.1	0.1	1.4	6.5	20.8	-	42.9

(1) Of which revenues performed in France: €M 161.5 and in Qatar: €M 1,818.0.
(2) Of which intangible assets in France: €M 45.2 and in the United States: €M 13.6.
(3) Of which tangible assets in France: €M 104.9, in the United Kingdom: €M 120.1 and in Brazil: €M 53.4.
(4) Of which financial assets in France: €M 4.8, in the United States: €M 17.1 and in Italy: €M 7.9.
(5) The segment assets which are not allocable correspond to vessels that operate in different geographical regions and therefore cannot be allocated to a specific region.

Note 4 – Operating Income / (Loss)

The breakdown of the different items of "Operating Income / (Loss)" per nature can be analyzed as follows:

(a) Revenues

Revenues are broken down as follows:

In millions of Euro	2008	2007
Rendering of Services	7,391.7	7,734.3
Sales of Goods	43.9	61.4
Financial Result on Contracts(1)	45.8	90.9
Revenues	**7,481.4**	**7,886.6**

(1) Financial income and expenses arising from ongoing contracts are included in revenues. They amounted to €M 45.8 in 2008 vs. €M 90.9 in 2007. The decrease is due to the progress on ongoing contracts.

In 2008, the five main customers of the Group represent the following contribution to Group's revenues: 8.5%, 7.6%, 3.9%, 3.9% and 3.4%. In 2007, the five main customers of the Group represent: 12.2%, 11.9%, 6.7%, 5.6% and 5.3% of Group revenues.

(b) Cost of Sales by Nature

The cost of sales comprises the following items:

In millions of Euro	2008	2007
Employee Benefit Expenses	(1,040.6)	(885.4)
Operating Leases	(58.0)	(58.9)
Amortization of Intangible Assets	(10.1)	(10.8)
Amortization and Depreciation of Tangible Assets	(147.2)	(138.2)
Purchases, External Charges and Other Expenses	(5,085.8)	(6,151.8)
Total Cost of Sales	**(6,341.7)**	**(7,245.1)**

(c) Research and Development Expenses

Research and development expenses amounted to €M 44.9 in 2008 compared to €M 42.0 in 2007. As the projects did not meet the requirements for capitalization, no development costs were capitalized during the period (see Note 1-C-(k) Intangible Assets), except expenses incurred on some software projects developed internally.

(d) Administrative Costs by Nature

Administrative costs by nature can be analyzed as follows:

In millions of Euro	2008	2007
Employee Benefit Expenses(1)	(141.3)	(98.6)
Operating Leases	(38.5)	(33.8)
Amortization of Tangible Assets	(17.3)	(13.9)
Purchases, External Charges and Other Expenses	(90.6)	(105.2)
Total Administrative Costs	**(287.7)**	**(251.5)**

(1) Including charges for stock options and allocation of free shares: €M 23.0 in 2008 compared to €M 9.9 in 2007; and in 2008 charges related to capital increase reserved for employees: €M 3.1.

(e) Other Operating Income

Other operating income breaks down as follows:

In millions of Euro	2008	2007
Proceeds from Sales of Assets	5.1	0.8
Reinsurance Income	17.2	14.5
Others	3.2	4.3
Total Other Operating Income	**25.5**	**19.6**

(f) Other Operating Expenses

Other operating expenses break down as follows:

In millions of Euro	2008	2007
Net Book Value of Disposed/Written-off Assets(1)	(34.1)	(1.7)
Depreciation of Intangible Assets(1)	(8.2)	-
Restructuring Costs	-	(2.6)
Reinsurance Costs	(12.0)	(13.7)
Others	-	(2.3)
Total Other Operating Expenses	**(54.3)**	**(20.3)**

(1) In 2008 mainly include expenses related to cancellation of some software projects.

(g) Income from Activity Disposal

No activity was sold in 2008 and therefore result from activity disposal is nil.

In 2007 income from activity disposal was mainly due to the sale of Perry Slingsby Systems Inc. and Perry Slingsby Systems Ltd. (see Note 2-(a) Changes in Scope of Consolidation) generating a net income of €M 17.0 (net book value of €M 45.1 and disposal price of €M 62.1) and the sale of minority ownership in GIFI (Gulf Island Fabricators Inc.), a company located in the United States, generating a net income of €M 2.9 (net book value of €M 16.4 and disposal price of €M 19.3).

(h) Employee Benefit Expenses

Employee benefit expenses can be analyzed as follows:

In millions of Euro	2008	2007
Wages and Salaries	901.2	827.5
Social Security Costs	188.0	154.5
Pension Costs–Defined Contribution Plans	23.2	22.1
Pension Costs–Defined Benefit Plans	14.9	8.7
Stock Options and Free Shares	23.0	9.9
Expenses related to Capital Increase reserved for Employees	6.2	3.4
Others	33.8	35.5
Employee Benefit Expenses	**1,190.3**	**1,061.6**

Employee benefits expenses are only related to own employees. Subcontractors are excluded.

Note 5 – Financial Income and Expenses

Net financial result breaks down as follows:

(a) Financial Income

In millions of Euro	2008	2007
Interest Income from Treasury Management[1]	28.8	12.2
Dividends from Non-Consolidated Investments	0.5	0.4
Financial Income related to Employee Benefits	5.1	4.6
Net Foreign Currency Translation Gains	21.4	-
Changes in Derivative Fair Value (excluding Hedging)	-	2.9
Inefficient Part of Hedging Instruments	0.9	-
Total Financial Income	**56.7**	**20.1**

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

(b) Financial Expenses

In millions of Euro	2008	2007
Bond Interest Expense	(30.1)	(30.1)
Fees Related to Credit Facilities	(1.2)	(0.8)
Financial Expenses related to Employee Benefits	(10.0)	(8.3)
Interest Expenses on Bank Borrowings and Overdrafts	(7.6)	(11.4)
Depreciation on Financial Assets	(7.2)	(0.2)
Net Foreign Currency Translation Losses	-	(21.4)
Changes in Derivative Fair Value (excluding Hedging)	(1.0)	-
Inefficient Part of Hedging Instruments	-	(2.4)
Others	(10.6)	(10.1)
Total Financial Expenses	**(67.6)**	**(84.7)**
Net Financial Result	**(11.0)**	**(64.6)**

Note 6 – Income Tax

(a) Income Tax Expense

The income tax expense can be analyzed as follows:

In millions of Euro	2008	2007
Current Income Tax Credit/(Expense)	(213.9)	(150.8)
Deferred Tax Credit/(Expense)	20.1	85.3
Reduction of Goodwill related to Realized Income Tax Loss Carry Forwards	-	(2.5)
Tax on Net Gains related to Investment Disposals	-	(9.1)
Tax Credit/(Expense) as reported in the Consolidated Income Statement	**(193.8)**	**(77.1)**
Deferred Income Tax related to Items Booked Directly to Opening Equity	0.1	(2.3)
Deferred Income Tax related to Items Booked to Equity during the Year	34.7	2.4
Other Equity Operations	-	-
Income Tax Expense as reported in the Consolidated Equity	**34.8**	**0.1**

(b) Income Tax Reconciliation

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

In millions of Euro	2008	2007
Net Income from Continuing Operations	454.3	128.0
Income/(Loss) from Discontinued Operations	-	-
Reduction of Goodwill related to Realized Income Tax Loss Carry Forwards	-	2.5
Income Tax Credit/(Expense) on Continuing Operations	(193.8)	(77.1)
Income Before Tax	**648.1**	**202.6**
At Parent Company Statutory Income Tax Rate of 34.43%	(223.1)	(69.8)
Share of Income/(Loss) of Associates Accounted for Using the Equity Method	0.8	1.0
Stock Option and Capital Increase	(3.5)	(3.5)
Charge related to Reduction of Goodwill	-	(1.7)
Territoriality and Local Taxes	(14.8)	(2.6)
Other Non-Deductible Expenses	(6.6)	(2.0)
Allowance/(Reversals) of Taxes	16.3	(5.3)
Tax Losses	9.0	11.0
Dividends not Taxable in Parent Company	(0.4)	(0.4)
Share of General Fees on Dividends	(2.2)	(3.9)
Difference between Parent Company and Foreign Income Tax Rates	36.6	(2.5)
Tax Savings/(Expenses) due to Tax Integration	(1.6)	1.9
Others	(4.3)	3.2
Effective Income Tax Credit/(Expense)	**(193.8)**	**(74.6)**
Tax Rate	*29.90%*	*36.82%*
Reduction of Goodwill related to Realized Income Tax Loss Carry Forwards	-	(2.5)
Income Tax Credit/(Expense) as reported in the Consolidated Income Statement	**(193.8)**	**(77.1)**

(c) Deferred Income Tax

Principles described in Note 1-C-(u) Deferred Income Tax result in the following:

In millions of Euro	As of December 31, 2008	2007
Employee Benefits	28.8	26.8
Fair Value Adjustments on Financial Instruments	25.3	5.9
Differences between Taxable and Accounting Depreciation(1)	19.8	17.1
Margin Recognition on Construction Contracts	78.3	32.3
Capital Leases	5.6	6.7
Provisions/(Expenses) Temporarily Non Deductible	43.3	60.6
Tax Losses Carried Forward(2)	44.7	84.8
Others	10.6	4.1
Total Deferred Income Tax Assets	**256.4**	**238.3**
Fair Value Adjustments on Financial Instruments	10.3	11.2
Differences between Taxable and Accounting Depreciation(1)	123.4	126.8
Margin Recognition on Construction Contracts	6.6	14.1
Tax Accruals	5.1	5.5
Fair Value Adjustments on Acquisitions	9.9	17.7
Others	0.5	8.3
Total Deferred Income Tax Liabilities	**155.8**	**183.6**
Net Deferred Income Tax Assets/(Liabilities)	**100.6**	**54.7**

(1) Differences between taxable and accounting depreciation arise mainly from vessel depreciation.
(2) The decrease of deferred tax assets related to tax loss carry-forward is mainly due to the use in 2008 of tax losses in the United States for €M 32.7 and in Brazil for €M 4.5.

In order to disclose the detail of deferred tax assets and liabilities per nature of temporary differences, it has been necessary to split up deferred tax assets and liabilities by subsidiary (every subsidiary shows in its balance sheet a net amount of deferred tax liabilities/assets). The net deferred tax asset of €M 100.6 as of December 31, 2008 breaks down in a deferred tax asset of €M 201.4 and a deferred tax liability of €M 100.8, as recorded in the balance sheet. In 2007 the net deferred tax asset of €M 54.7 as of December 31, 2007 breaks down in a deferred tax asset of €M 183.4 and a deferred tax liability of €M 128.7.

(d) Tax Loss Carry-Forwards and Tax Credits

Tax loss carry-forwards not yet utilized amount to €M 122.5 as of December 31, 2008. They mainly come from an Australian entity (€M 68.4), from two German entities (€M 34.3), from Nigerian subsidiaries (€M 8.0) and from Malaysian entities (€M 11.6). A total amount of €M 37.2 of deferred income tax related to these tax loss carry-forwards has not been recorded as of December 31, 2008. Most of these tax loss carry-forwards are reportable over unlimited period of time.

Note 7 – Income / (Loss) from Discontinued Operations

According to IAS 1 income/(loss) from activities closed or sold during the period are reported here.

In 2008 and 2007, no activity has been closed or sold.

Note 8 – Earnings per Share

Diluted earnings per share were 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	2008	2007
Net Income Attributable to Shareholders of the Parent Company	448.0	126.3
Net Income Attributable to Shareholders of the Parent Company	**448.0**	**126.3**
In thousands		
Weighted Average Number of Outstanding Shares during the Period (excluding Treasury Shares) used for Basic Earnings per Share	104,817	103,936
Effect of Dilution:		
■ Stock Options	66	693
■ Free Shares	443	367
Weighted Average Number of Outstanding Shares during the Period (excluding Treasury Shares) Adjusted for Diluted Earnings per Share	105,326	104,996
In Euro		
Diluted Earnings per Share	**4.25**	**1.20**
Basic Earnings per Share	**4.27**	**1.22**

During the fiscal year 2007 and 2008, the Group attributed free shares and stock-options under condition of performance and realized a capital increase reserved for the employees which brought a dilution of the earnings per share.

If number of shares issued for capital increase for employees performed on October 17, 2008 had been taken into account for earnings per share calculation in 2007, it would have had no significant impact on 2007 earnings per share.

In 2008, because of an average share price of € 45.55, 2005 stock-option plan part A and C were anti-dilutive; as well as share purchase options reallocated during the period (part 1, B, C of 2005 plan).

Note 9 – Property, Plant and Equipment (Tangible Assets)

The following tables illustrate the cost, the accumulated amortization and depreciation per type of tangible assets:

In millions of Euro	Land	Buildings	Vessels	Machinery and Equipment	Office Fixtures and Furniture	Assets under Construction	Others	Total
Costs	10.9	162.2	763.3	563.4	140.8	89.0	113.9	1,843.5
Accumulated Amortization	-	(98.0)	(409.2)	(350.0)	(101.3)	-	(66.0)	(1,024.5)
Accumulated Impairment Losses	(1.0)	-	-	-	-	-	-	(1.0)
Net Book Value as of December 31, 2007	**9.9**	**64.2**	**354.1**	**213.4**	**39.5**	**89.0**	**47.9**	**818.0**
Costs	9.0	187.1	759.6	494.1	152.9	219.4	113.8	1,935.8
Accumulated Amortization	-	(104.2)	(397.3)	(288.2)	(105.6)	-	(65.1)	(960.6)
Accumulated Impairment Losses	(0.9)	-	(13.4)	(15.9)	-	-	-	(30.2)
Net Book Value as of December 31, 2008	**8.1**	**82.9**	**348.9**	**189.9**	**47.2**	**219.4**	**48.6**	**945.0**

Changes in net property, plant and equipment during the previous two periods can be analyzed as follows:

In millions of Euro	Land	Buildings	Vessels	Machinery and Equipment	Office Fixtures and Furniture	Assets under Construction	Others	Total
Net Book Value as of January 1, 2007	**8.5**	**69.5**	**376.1**	**207.3**	**34.6**	**23.2**	**39.2**	**758.4**
Additions–Acquisitions–Internal Developments	2.2	10.3	55.8	53.8	22.3	86.8	19.1	250.3
Disposals	-	(0.4)	-	(3.1)	(0.5)	-	(0.6)	(4.6)
Disposals of Subsidiaries	(0.8)	-	-	-	-	-	-	(0.8)
Depreciation Expense for the Year	-	(13.6)	(61.5)	(53.3)	(16.5)	-	(7.2)	(152.1)
Impairment Losses	-	-	-	-	-	-	-	-
Net Foreign Exchange Differences	0.1	(1.8)	(16.6)	(8.4)	(1.5)	(4.0)	(0.4)	(32.6)
Others(1)	(0.1)	0.2	0.3	17.1	1.1	(17.0)	(2.2)	(0.6)
Net Book Value as of December 31, 2007	**9.9**	**64.2**	**354.1**	**213.4**	**39.5**	**89.0**	**47.9**	**818.0**
Additions–Acquisitions–Internal Developments	0.1	29.1	100.9	50.1	20.7	168.0	20.3	389.2
Disposals	(1.4)	2.1	(0.9)	(8.8)	7.3	-	(3.6)	(5.3)
Disposals of Subsidiaries	-	-	-	-	-	-	-	-
Depreciation Expense for the Year	-	(13.7)	(67.5)	(30.3)	(19.7)	-	(7.7)	(139.0)
Impairment Losses	(0.0)	-	(13.4)	(15.9)	-	-	-	(29.3)
Net Foreign Exchange Differences	(0.5)	(3.9)	(43.5)	(30.2)	(1.6)	(5.9)	(3.6)	(89.2)
Others(1)	-	5.0	19.3	11.6	0.9	(31.7)	(4.7)	0.4
Net Book Value as of December 31, 2008	**8.1**	**82.9**	**348.9**	**189.9**	**47.2**	**219.4**	**48.6**	**945.0**

(1) Includes mainly reclassification of assets under construction to specific category to be used when they are delivered.

Assets are not the subject of any capital lease.

The amount of pledged assets is not material and amounts to €M 9.4 at the end of 2008.

The Group decided to accelerate investments in particular in order to increase number of vessels (construction and delivery of new vessels). Main vessels booked on "Assets under construction" as of December 31, 2008 are as follows:

- The *Skandi Arctic*, 50% owned by Technip, is a new diving support vessel and will be dedicated to the Norwegian North Sea. Cumulated capital expenditures amount to €M 76.3 as of December 31, 2008 for Technip share, out of which €M 55.3 during the period.
- The *Skandi Vitoria*, 50% owned by Technip, is a new flexlay vessel and will be dedicated to the Brazilian market. Cumulated capital expenditures amount to €M 26.7 as of December 31, 2008 for Technip share, out of which €M 24.7 during the period.
- A new pipelay vessel dedicated to deep water. Cumulated capital expenditures amount to €M 92.4 as of December 31, 2008 for Technip share, out of which €M 58.7 during the period.

Note 10 – Intangible Assets

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

In millions of Euro	Goodwill	Licenses/ Patents/ Trademarks	Software	Others	Total
Costs	2,357.4	86.4	58.8	28.5	2,531.1
Accumulated Amortization	-	(51.0)	(51.2)	(9.5)	(111.6)
Accumulated Impairment Losses	-	-	-	-	-
Net Book Value as of December 31, 2007	**2,357.4**	**35.4**	**7.6**	**19.0**	**2,419.5**
Costs	2,369.1	93.9	58.1	2.4	2,523.5
Accumulated Amortization	-	(61.7)	(50.8)	(1.8)	(114.3)
Accumulated Impairment Losses	-	-	-	-	-
Net Book Value as of December 31, 2008	**2,369.1**	**32.2**	**7.3**	**0.6**	**2,409.2**

(a) Changes in Net Intangible Assets

Changes in net intangible assets during the previous two periods can be analyzed as follows:

In millions of Euro	Goodwill	Licenses/ Patents/ Trademarks	Software	Others(1)	Total
Net Book Value as of January 1, 2007	**2,359.9**	**45.3**	**5.0**	**12.7**	**2,422.9**
Additions–Acquisitions–Internal Developments	-	-	3.8	7.7	11.5
Amortization Charge for the Year	-	(8.0)	(2.8)	-	(10.8)
Impairment Losses	-	-	-	-	-
Net Foreign Exchange Differences	-	(1.9)	-	0.4	(1.5)
Others	(2.5)	-	1.6	(1.7)	(2.6)
Net Book Value as of December 31, 2007	**2,357.4**	**35.4**	**7.6**	**19.1**	**2,419.5**
Additions–Acquisitions–Internal Developments	11.6	0.1	4.0	8.0	23.7
Additions–Business Combinations	-	4,1	-	-	4,1
Disposals/Write-off	-	-	-	(22.2)	(22.2)
Amortization Charge for the Year	-	(7.9)	(4.2)	-	(12.1)
Impairment Losses	-	-	-	(8.2)	(8.2)
Net Foreign Exchange Differences	-	0.5	(0.1)	-	0.4
Others	-	-	-	3.9	3.9
Net Book Value as of December 31, 2008	**2,369.1**	**32.2**	**7.3**	**0.6**	**2,409.2**

(1) *It mainly relates to software projects developed internally. Some of these projects were cancelled during the period and costs which were capitalized were booked as expenses–see Note 4-(f) Other Operating Expenses.*

(b) Goodwill

The goodwill arising from an acquisition is the exceeding part of purchase price compared to share of identifiable assets and liabilities of the acquired entity measured at fair value. This goodwill is subject to impairment tests performed on an annual basis or whenever a meaningful event occurs (see Note 1-C-(d) Business Combinations).

The following table shows the detail of goodwill:

In millions of Euro	As of December 31, 2008	2007
Subsea(1)	1,928.6	1,928.6
Offshore(1)	310.8	304.6
Onshore	129.7	124.2
Total	**2,369.1**	**2,357.4**

(1) *The goodwill relative to Coflexip resulting from both instalments has been assigned–after allocation to identifiable items–to two business segments: Subsea and Offshore.*

In 2008, the goodwill allocated to the Offshore segment increased by €M 6.1 due to acquisition of Eurodim, and the goodwill allocated to the Onshore segment increased by €M 5.6 as a result of the acquisition of EPG (€M 3.9), Sofremines (€M 1.0) and allocation of goodwill generated by the acquisition of Setudi (€M 0.7)–see Note 2-Scope of Consolidation.

In 2007, the goodwill allocated to the Subsea segment decreased by €M 2.5 due to the use of tax losses unrecognized previously at the time when Coflexip was purchased.

Impairment tests were performed on the goodwill, using method described in Note 1-C-(d) Business Combinations.

Impairment tests performed by the Group are based on the most likely hypothesis using the discounted cash flow method. Assumptions made in 2008 rely on the business plans covering years 2009 to 2011 for each business segment and approved by the Board of Directors. Beyond 2011, the growth rate taken into account is 3.0%, of which 1.5% is related to inflation. The discount rate of cash flows is 10.0% before tax. The tax rate used in the model is 30.0%.

As of December 31, 2008 the net book value of goodwill was confirmed by the impairment tests performed. Any decrease of 10% in the operating margin for 2011 in comparison with the estimates of the Group management, or if growth rate taken into account had been 2%, or if discount rate had been changed by plus or minus 1%, these changes would not have any impact on the value of the goodwill.

No impairment loss was recorded in 2007.

Note 11 – Investments in Associates Accounted for Using the Equity Method

As of December 31, 2008 and 2007 only one entity, Technip KTI Spa, is consolidated under the Equity Method.

The main financial data of these companies accounted for using the equity method are disclosed hereafter on a 100% basis:

	As of December 31, 2008	
In millions of Euro	TP KTI Spa	Total
Country	Italy	
Percentage of Interest	25%	
Carrying Amount of the Investment	6.7	6.7
Financial Data at 100%[1]		
Total Assets	628.0	
Total Liabilities (except Equity)	604.0	
Net Assets	**24.0**	
Revenues	193.0	
Net Income	10.2	

(1) Financial data estimated as of December 31, 2008.

	As of December 31, 2007	
	TP KTI Spa	Total
Country	Italy	
Percentage of Interest	25%	
Carrying amount of the investment	4.9	4.9
Financial Data at 100%		
Total Assets	504.6	
Total Liabilities (except Equity)	486.9	
Net Assets	**17.7**	
Revenues	176.5	
Net Income	9.0	

Changes in investments in associates accounted for using the equity method can be analyzed as follows:

In millions of Euro	2008	2007
Carrying Amount of Investments as of January 1,	**4.9**	**2.3**
Additions	0.5	-
Disposals	-	-
Share of Income/(Loss) of Associates Accounted for Using the Equity Method	2.2	2.8
Paid Dividends	(0.9)	-
Foreign Exchange Differences	-	-
Net Gains/(Losses) from Fair Value Adjustments	-	-
Reclassifications	-	(0.2)
Carrying Amount of Investments as of December 31,	**6.7**	**4.9**

Note 12 – Other Financial Assets

As per Note 1-C-(l) Other Financial Assets, other financial assets are booked at their fair value or at their historical cost if there is no way to evaluate them reliably. In this latter case, depreciation is recorded if its recoverable amount is lower than its historical cost.

As of December 31, 2008, impairment tests performed on net book value of other financial assets (non-current) have not led the Group to account for an impairment loss. The analysis of this item by nature is presented hereafter:

	Carrying Amount		Fair Value	
	As of December 31,		As of December 31,	
In millions of Euro	2008	2007	2008	2007
Non-Consolidated Investments	4.3	4.8	4.3	4.8
Valuation Allowance	(1.9)	(1.3)	(1.9)	(1.3)
Net Value of Non-Consolidated Investments	**2.4**	**3.5**	**2.4**	**3.5**
Receivables related to Investments	0.2	0.5	0.2	0.5
Valuation Allowance	-	-	-	-
Net Value of Receivables Related to Investments	**0.2**	**0.5**	**0.2**	**0.5**
Loans	6.5	7.3	6.5	7.3
Valuation Allowance	(1.2)	(1.3)	(1.2)	(1.3)
Net Value of Loans	**5.3**	**6.0**	**5.3**	**6.0**
Security Deposits	11.2	10.0	11.2	10.0
Valuation Allowance	(3.2)	(3.2)	(3.2)	(3.2)
Net Value of Security Deposits	**8.0**	**6.8**	**8.0**	**6.8**
Others	2.7	4.2	2.7	4.2
Total Other Financial Assets (Non-Current), Net	**18.6**	**21.0**	**18.6**	**21.0**

Note 13 – Available-for-Sale Financial Assets

As of December 31, 2008 and 2007 the Group owns 789,067 shares of Gulf Island Fabricators Inc. (GIFI), an American company listed in New York (NASDAQ).

	Carrying Amount		Fair Value	
	As of December 31,		As of December 31,	
In millions of Euro	2008	2007	2008	2007
Share – Unlisted	-	-	-	-
Share – Listed	8.2	17.0	8.2	17.0
Total Available-for-Sale Financial Assets	**8.2**	**17.0**	**8.2**	**17.0**

A depreciation on GIFI shares was booked with counterpart in income statement for €M 7.3 at closing date, the loss on value being considered as durable and significant (loss of more than half of the value for two quarters).

Note 14 – Inventories

The inventories can be analyzed as follows:

	As of December 31,	
In millions of Euro	2008	2007
Raw Materials	115.9	100.0
Work in Progress	73.1	53.0
Finished Goods and Merchandise	45.4	29.5
Valuation Allowance	(8.2)	(8.8)
Total Inventories, Net	**226.2**	**173.7**

Note 15 – Construction Contracts

Long term contracts are booked in accordance with IAS 11 ("Construction contracts") when they include construction and delivery of a complex physical asset, or in accordance with IAS 18 ("Revenues") in the other cases – see Note 1-C-Long Term Contracts.

	As of December 31,	
In millions of Euro	2008	2007
Construction Contracts – Amounts in Assets	140.8	280.6
Construction Contracts – Amounts in Liabilities	(1,253.0)	(1,860.2)
Total Construction Contracts, Net	**(1,112.2)**	**(1,579.6)**
Costs and Margins Recognized at the Percentage of Completion	12,346.0	11,806.5
Payments Received from Clients	(13,333.0)	(13,201.7)
Losses at Completion	(125.2)	(188.5)
Bid Costs	-	4.1
Total Construction Contracts, Net	**(1,112.2)**	**(1,579.6)**

Note 16 – Trade Receivables

Given the specific nature of Group operations, clients are mainly 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 which are not construction contracts and miscellaneous invoices (trade, services…).

	As of December 31,	
In millions of Euro	2008	2007
Receivables on Contracts	1,123.5	783.4
Doubtful Accounts	38.3	36.5
Allowance for Doubtful Accounts	(38.3)	(36.5)
Total Trade Receivables, Net	**1,123.5**	**783.4**

Trade receivables are non-interest bearing. Their maturities are linked to the operating cycle of contracts.

Each customer's financial situation is periodically reviewed. Provisions for doubtful receivables, which are deemed to be sufficient at the Group scale, are recorded for all potential uncollectible receivables, and are as follows:

In millions of Euro	2008	2007
Provisions as of January 1,	**(36.5)**	**(18.7)**
Increase	(19.3)	(26.6)
Write-off	3.3	8.3
Unused Provisions Reversed	14.8	0.1
Others	(0.6)	0.4
Provisions as of December 31,	**(38.3)**	**(36.5)**

Note 17 – Other Current Receivables

The Other Current Receivables can be analyzed as follows:

	As of December 31,	
In millions of Euro	2008	2007
Value Added Tax Receivable	72.1	72.3
Other Tax Receivables	35.5	84.0
Receivables from Personnel	7.3	5.2
Prepaid Expenses	73.2	80.9
Insurance Indemnities to Be Received	9.0	5.7
Company Items	80.8	66.0
Others	54.2	144.3
Total Other Receivables, Net	**332.1**	**458.4**

Other current receivables are non-interest bearing.

Note 18 – Cash and Cash Equivalents

The Cash and Cash Equivalents can be analyzed as follows:

	As of December 31,	
In millions of Euro	2008	2007
Cash at Bank and in Hands	477.3	585.5
Cash Equivalents	1,927.4	1,816.0
Total Cash and Cash Equivalents	**2,404.7**	**2,401.5**
Euro	880.4	709.8
U.S. Dollar	844.8	1,062.6
British Pound	96.3	117.5
Japanese Yen	102.2	149.1
Canadian Dollar	32.6	26.5
Australian Dollar	31.0	36.5
Brazilian Real	136.1	94.0
Norwegian Crown	90.2	53.8
Others	191.1	151.7
Total Cash and Cash Equivalents per Currency	**2,404.7**	**2,401.5**
Historical Cost	1,927.4	1,816.0
Valuation Allowance	-	-
Total Marketable Securities' Market Value	**1,927.4**	**1,816.0**
Certificates of Deposits	336.4	91.4
Fixed Term Deposits	1,489.6	1,670.1
Others	101.4	54.5
Total Marketable Securities	**1,927.4**	**1,816.0**

A large part of cash and marketable securities are booked or invested in Euro or U.S. Dollar. The Group frequently uses these currencies within the framework of its commercial relations. Cash and cash equivalents in other currencies correspond to deposits retained by subsidiaries located in countries where such currencies are the national currency in order to ensure their liquidity or to amounts received from customers prior to the payment of expenses in these same currencies, or the payment of dividends. The nature of the short terms deposits leads us to classify all of them with marketable securities.

Note 19 – Assets and Liabilities Held for Sale

As of December 31, 2008 and 2007 there are no assets and liabilities held for sale.

Note 20 – Shareholders' Equity

(a) Changes in the Parent Company's Common Stock

As of December 31, 2008, Technip common stock consisted of 109,317,564 outstanding authorized shares with a par value of € 0.7625. The changes since January 1, 2007 can be analyzed as follows:

	Number of Shares Outstanding	Common Stock (In millions of Euro)
Common Stock as of January 1, 2007	**106,117,174**	**80.9**
Capital Increase due to Stock Option Exercised	720,393	0.6
Capital Increase reserved for Employees	516,207	0.4
Common Stock as of December 31, 2007	**107,353,774**	**81.9**
Capital Increase due to Stock Option Exercised	517,530	0.4
Capital Increase reserved for Employees	1,446,260	1.1
Common Stock as of December 31, 2008	**109,317,564**	**83.4**

(b) Technip Shareholders as of December 31

Technip main shareholders are as follows:

	As of December 31,	
	2008	2007
Tradewinds NWQ	5.7%	3.6%
Causeway	5.4%	5.1%
ING Groep NV	5.0%	5.2%
Oppenheimer Funds Inc.	4.8%	5.4%
Group Employees	2.9%	1.9%
Institut Français du Pétrole	2.8%	2.9%
Treasury Shares	2.8%	2.9%
Others	70.6%	73.0%
Total	**100.0%**	**100.0%**

The percentages correspond to the crossing of thresholds as declared to AMF.

(c) Treasury Shares

Treasury shares are as follows:

	Number of Shares	Treasury Shares (In millions of Euro)
Treasury Shares as of January 1, 2007	**1,336,664**	**(58.1)**
Cancellation of Treasury Shares	-	-
Increase	1,729,994	(86.2)
Decrease due to Stock Options Exercised	-	-
Treasury Shares as of December 31, 2007	**3,066,658**	**(144.3)**
Cancellation of Treasury Shares	-	-
Increase	27,669	(0.8)
Decrease due to Stock Options Exercised	-	-
Decrease due to Attribution to Employees	(28,183)	1.3
Treasury Shares as of December 31, 2008	**3,066,144**	**(143.8)**

Part of treasury shares are meant to be used for free shares allocation plan granted to employees in 2007 and 2008, and for share purchase options plans granted in 2008 for a maximum number of 2,888,580 shares.

(d) Fair Value Reserves

Fair value reserves are as follows:

In millions of Euro	Convertible Bond	Hedging Reserve[(1)]	Stock Options and Free Shares[(2)]	Revaluation of Available-for-Sale Financial Assets[(3)]	Other	Total
As of January 1, 2007	**14.6**	**18.0**	**19.5**	**7.3**	**2.5**	**61.9**
IAS 32/39 – Net Gains/(Losses) on Cash Flow Hedges	-	1.6	-	-	-	1.6
Tax Effect on IAS 32/39	-	(0.5)	-	-	-	(0.5)
Stock Options and Free Shares Charges	-	-	9.9	-	-	9.9
Fair Value Changes on Available-for-Sale Investments	-	-	-	(8.2)	-	(8.2)
Tax Effect on Fair Value Changes on Available-for-Sale Investments	-	-	-	2.9	-	2.9
Others	-	-	-	-	(4.4)	(4.4)
As of December 31, 2007	**14.6**	**19.1**	**29.4**	**2.0**	**(1.9)**	**63.2**
IAS 32/39 – Net Gains/(Losses) on Cash Flow Hedges	-	(92.1)	-	-	-	(92.1)
Tax Effect on IAS 32/39	-	15.1	-	-	-	15.1
Stock Options and Free Shares Charges	-	-	25.9	-	-	25.9
Tax Effect on Free shares	-	-	18.6	-	-	18.6
Fair Value Changes on Available-for-Sale Investments	-	-	-	(3.0)	-	(3.0)
Tax Effect on Fair Value Changes on Available-for-Sale Investments	-	-	-	1.0	-	1.0
Others	(14.6)	-	-	-	6.2	(8.4)
As of December 31, 2008	**-**	**(57.9)**	**73.9**	**(0.0)**	**4.3**	**20.3**

(1) *Is booked here part of gain or loss realized a hedging instrument in a relation of cover of cash considered as efficient – See Note 1-C-(c) Foreign Currency Transactions and Financial Instruments.*
(2) *This item records the counterpart of the stock-option and free shares charge booked in the profit and loss every year.*
(3) *Relates to GIFI shares. They are stated at fair value as of December 31, the variation in fair value is booked in equity until the sale of the shares. However as of December 31, 2008, loss on value being considered durable and significant, the loss was booked into profit and loss (see Note 13–Available-for-Sale Financial Assets).*

(e) Distributable Retained Earnings

The distributable retained earnings of the parent company amount to €M 369.9 as of December 31, 2008.

(f) Statutory Legal Reserve

Under French Law, companies must allocate each year 5% of their consolidated statutory net profit to their legal reserve fund before dividends may be paid with respect to 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. The statutory legal reserve was of €M 9.8 as of December 31, 2008.

(g) Dividends Paid and Proposed

In 2007, an extraordinary dividend of €M 217.5 was paid (€2.10 per share) partly taken out from retained earnings.

In 2008, paid dividend related to 2007 amounted to €M 125.1 (€1.20 per share) taken out from retained earnings for €M 23.0.

2008 recommended dividends amounting to €M 127.5 (€ 1.20 per share) will be submitted to General Shareholders' meeting planned to take place on April 30, 2009. Given that no decision was taken as of December 31, 2008, no impact was booked in 2007 accounts.

(h) Executive Stock Option Plans and Share Purchase Plans

The 2000 stock option and share purchase plans as well as the 2002 stock option plan (part A and part B) have reached their maturity date during the year.

The 2002 stock option plan (remaining portion of part B) was authorized by the General Shareholders' Meeting held on June 20, 2002 and implemented by the Board of Directors on May 21, 2003. These options are valid up to 6 years from the date of grant.

The 2005 stock option plan (part A) was authorized by the General Shareholders' Meeting held on April 29, 2005 and implemented by the Board of Directors on December 14, 2005. These options are valid up to 6 years from the date of grant.

The 2005 stock option plan (part B) was authorized by the General Shareholders' Meeting held on April 29, 2005 and implemented by the Board of Directors on July 26, 2006. These options are valid up to 6 years from the date of grant.

The 2005 stock option plan (part C) was authorized by the General Shareholders' Meeting held on April 29, 2005 and implemented by the Board of Directors on March 12, 2007. These options are valid up to 6 years from the date of grant.

Available stock options from 2005 stock option plan (part A and B) were redistributed according to the decision of Board of Directors held on December 12, 2007. These options are valid up to 6 years from the date of grant.

Available stock options from 2005 stock option plan (part A, B and C) were redistributed according to the decision of Board of Directors held on June 12, 2008. These options are valid up to 6 years from the date of grant.

A new share purchase options plan was implemented by the Board of Directors on July 1, 2008. These options are valid up to 6 years from the date of grant.

After the merger of Technip and Coflexip SA, Technip has taken over the former stock option plans of Coflexip. Following are the granted stock option plans:

- Stock option plan 9.2 is no more valid as the maturity date has been reached during the year.
- Stock option plan 9.3 was authorized by the General Shareholders' Meeting held on May 21, 1996 and implemented by the Board of Directors on May 18, 1998. These options are valid up to 10 years from the date of grant.
- Stock option plan 10 was authorized by the General Shareholders' Meeting held on June 2, 1999 and implemented by the Board of Directors on December 14, 1999. These options are valid up to 10 years from the date of grant.
- Stock option plan 11 was authorized by the General Shareholders' Meeting held on May 30, 2000 and implemented by the Board of Directors on March 20, 2001. These options are valid up to 10 years from the date of grant.

Before the share-split occurred in May 2005, every option attributed earlier gave the right to buy 4 shares. On November 15, 2006, to simplify the calculation and unify the plans, the Board of Directors has calculated the parity for one share in multiplying by 4 the number of options and in dividing simultaneously the exercise price by 4. As a consequence, the earlier situation (4 shares for one option) has been simplified from November 15, 2006: one option gives the right to buy one share. Therefore changes since 2006 are shown in quantity (1 option=4 shares).

The Board of Directors decided as of May 14, 2007 to adjust rights of options recipients in order to take into account extraordinary dividend taken out from retained earnings and voted by Combined Shareholders' Meeting on April 27, 2007. Consequently exercise prices and number of options were recalculated for all plans.

The Board of Directors decided as of May 14, 2008 to adjust rights of options recipients in order to take into account extraordinary dividend taken out from retained earnings and voted by Combined Shareholders' Meeting on May 6, 2008. Consequently exercise prices and number of options were recalculated again for all plans.

Technip plans	Plan 2000	Plan 2002		Plan 2005					Plan 2008	Total
Number of Stock Options	2nd part	Part A and B	Part B	Part A	Part B	Part C	Part A, B	Part A, B and C	Part A	
			Remaining Portion(1)	(2)	(3)	(4)	Re-Granted(5)	Re-Granted(6)	(7)	
Options Granted as of December 31, 1999	-	-	-	-	-	-	-	-	-	-
Options Granted (Purchase)	139,576	-	-	-	-	-	-	-	-	139,576
Options Granted (Subscription)	493,028	-	-	-	-	-	-	-	-	493,028
Options Granted as of December 31, 2000	**632,604**	-	-	-	-	-	-	-	-	**632,604**
Options Cancelled (Subscription)	(3,200)	-	-	-	-	-	-	-	-	(3,200)
Options Granted as of December 31, 2001	**629,404**	-	-	-	-	-	-	-	-	**629,404**
Options Cancelled (Subscription)	(13,950)	-	-	-	-	-	-	-	-	(13,950)
Options Granted (Subscription)	-	697,000	-	-	-	-	-	-	-	697,000
Options Granted as of December 31, 2002	**615,454**	**697,000**	-	-	-	-	-	-	-	**1,312,454**
Options Cancelled (Subscription)	(27,200)	(26,490)	-	-	-	-	-	-	-	(53,690)
Options Granted (Subscription)	-	-	5,200	-	-	-	-	-	-	5,200
Options Granted as of December 31, 2003	**588,254**	**670,510**	**5,200**	-	-	-	-	-	-	**1,263,964**
Options Exercised (Subscription)	-	(900)	-	-	-	-	-	-	-	(900)
Options Cancelled (Subscription)	(34,000)	(20,730)	-	-	-	-	-	-	-	(54,730)
Options Granted as of December 31, 2004	**554,254**	**648,880**	**5,200**	-	-	-	-	-	-	**1,208,334**
Options Granted (Subscription)	-	-	-	965,213	-	-	-	-	-	965,213
Options Exercised (Subscription)	(234,274)	(255,910)	-	-	-	-	-	-	-	(490,184)
Options Exercised (Purchase)	(139,576)	-	-	-	-	-	-	-	-	(139,576)
Options Cancelled (Purchase)	-	-	-	-	-	-	-	-	-	-
Options Cancelled (Subscription)	(14,000)	(15,930)	-	-	-	-	-	-	-	(29,930)
Options Granted as of December 31, 2005	**166,404**	**377,040**	**5,200**	**965,213**	-	-	-	-	-	**1,513,857**
Options Granted (Subscription)	-	-	-	-	965,213	-	-	-	-	965,213
Options Exercised (Subscription)	(73,283)	(165,710)	(1,300)	-	-	-	-	-	-	(240,293)
Options Cancelled (Subscription)	(900)	(8,640)	-	-	-	-	-	-	-	(9,540)
Options Granted as of December 31, 2006	**92,221**	**202,690**	**3,900**	**965,213**	**965,213**	-	-	-	-	**2,229,237**
Options Granted (Subscription)	1,988	3,997	129	21,339	21,867	987,192	-	-	-	1,036,512
Options Re-Granted (Subscription)	-	-	-	-	26,078	15,345	85,000	-	-	126,423
Options Exercised (Subscription)	(36,825)	(93,064)	(2,864)	-	-	-	-	-	-	(132,753)
Options Cancelled (Subscription)	(750)	(1,737)	(551)	(62,885)	(48,193)	(15,345)	-	-	-	(129,461)
Options Granted as of December 31, 2007	**56,634**	**111,886**	**614**	**923,667**	**964,965**	**987,192**	**85,000**	-	-	**3,129,958**
Options Granted (Purchase)	-	-	-	-	-	-	-	-	953,100	953,100
Options Granted (Subscription)	235	433	3	3,449	3,648	3,666	329	-		11,763
Options Re-Granted (Subscription)	-	-	-	-	-	-	-	106,858	-	106,858
Options Exercised (Subscription)	(14,873)	(91,048)	-	-	-	(2,054)	-	-	-	(107,975)
Options Cancelled (Subscription)	(41,996)	(21,271)	-	(31,800)	(65,588)	(58,404)	(5,019)	-	(11,040)	(235,118)
Options Granted as of December 31, 2008	**0**	-	**617**	**895,316**	**903,025**	**930,400**	**80,310**	**106,858**	**942,060**	**3,858,586**
Options Granted as of December 31, 2008 after the 2005 "Share Split"	-	-	**2,465**	**895,316**	**903,025**	**930,400**	**80,310**	**106,858**	**942,060**	**3,860,434**
Maturity Dates	Dec. 14, 2008	Dec. 9, 2008	May 21, 2009	Dec. 14, 2011	July 26, 2012	March 12, 2013	Dec. 12, 2013	June 12, 2014	July 1, 2014	

(1) Options exercisable after 3 years from May 21, 2003.
(2) Options exercisable after 4 years from December 14, 2005 and when meeting certain targets.
(3) Options exercisable after 4 years from July 26, 2006 and when meeting certain targets.
(4) Options exercisable after 4 years from March 12, 2007 and when meeting certain targets.
(5) Options exercisable after 4 years from December 12, 2007 and when meeting certain targets.
(6) Options exercisable after 4 years from June 12, 2008 and when meeting certain targets.
(7) Options exercisable after 4 years from July 01, 2008 and when meeting certain targets.

Except 2002 stock option plan (remaining portion of part B), these stock options have been granted under condition of achieving certain targets. It means that the final number of stock options granted to employees is linked to the achievement of a good performance for its shareholders.

For 2005 plan, this performance will be measured as follows: the growth of the earnings per share for the Group will be compared with the growth of the average earnings per share from a panel of competitors. For 2008 plan, this performance will be measured as follows: the growth of the consolidated net income for the Group will be compared with the growth of the average consolidated net income from a panel of competitors.

	Coflexip Plans			
Number of Stock Options	**Plan 9.3**	**Plan 10**	**Plan 11**	**Total**
Options Granted in	1998	1999	2001	
Purchase Options Granted	-	-	34,415	34,415
Subscription Options Granted	123,400	127,386	180,000	430,786
Options as of December 31, 2003	**97,750**	**91,384**	**178,415**	**367,549**
Options Exercised (Subscription)	(8,050)	(20,760)	-	(28,810)
Options Cancelled (Subscription)	(1,900)	(1,334)	(1,000)	(4,234)
Options Granted as of December 31, 2004	**87,800**	**69,290**	**177,415**	**334,505**
Options Exercised (Subscription)	(44,705)	(44,245)	(24,785)	(113,735)
Options Exercised (Purchase)	-	-	(34,415)	(34,415)
Options Cancelled (Subscription)	(2,000)	-	(16,915)	(18,915)
Options Granted as of December 31, 2005	**41,095**	**25,045**	**101,300**	**167,440**
Options Exercised (Subscription)	(18,220)	(6,950)	(36,207)	(61,377)
Options Cancelled (Subscription)	(2,000)	-	-	(2,000)
Options Granted as of December 31, 2006	**20,875**	**18,095**	**65,093**	**104,063**
Options Granted (Subscription)	471	356	1,311	2,138
Options Exercised (Subscription)	(9,828)	(8,642)	(18,845)	(37,315)
Options Cancelled (Subscription)	-	-	(1,023)	(1,023)
Options Granted as of December 31, 2007	**11,518**	**9,809**	**46,536**	**67,862**
Options Granted (Subscription)	20	37	178	235
Options Exercised (Subscription)	(11,538)	(2,110)	(9,301)	(22,949)
Options Cancelled (Subscription)	-	-	-	-
Options Granted as of December 31, 2008	**-**	**7,736**	**37,413**	**45,148**
Options Granted as of December 31, 2008 after the 2005 "Share Split"	**-**	**30,943**	**149,650**	**180,593**
Maturity Dates	June 6, 2008	Dec. 14, 2009	March 20, 2011	

IFRS 2 applies to stock option plans implemented after November 7, 2002 and whose rights are not acquired as of January 1, 2005. Consequently, the Group recorded a charge of €M 7.2 in 2008 compared to €M 4.9 in 2007.

So as to evaluate this plans, and considering the lack of relevant historical information, the Group has used the 6 common general assumptions to all options' valuation models (exercise price, useful life, and share price at the 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 stock price show great discrepancies according to the periods and the maturities chosen. In order to achieve a reliable measure of the future volatility, Technip has decided to use the approach to comparing measures of historical volatility over periods of 1 year, 2 years, 3 years and 5 years on one hand and the implicit share volatility on the other hand.

The following table illustrates the assumptions made for the charge computation. The method used by the Group is the Cox Ross Rubinstein (binomial type).

Technip Plans		Plan 2002[(1)]		Plan 2005					Plan 2008
In Euro		Part A and B	Remaining Portion of Part B	Part A	Part B	Part C	Part A and B Re-Granted	Part A, B and C Re-Granted	Part A
Share Price at the Grant Date		18.14	18.63	48.87	43.01	50.19	54.21	55.81	58.50
Exercise Price		17.99	18.50	48.19	42.48	50.47	55.88	59.96	58.15
Dividend Yield		2.6%	2.7%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Turnover Rate		2.0%	2.0%	5.0%	5.0%	5.0%	5.0%	2.0%	2.0%
Volatility		45.5%	46.2%	28.0%	31.0%	30.3%	32.0%	34.4%	34.4%
Annual Risk Free Interest Rate	6 months	2.9%	2.3%	2.6%	3.3%	4.0%	4.9%	5.1%	5.2%
	1 year	2.9%	2.2%	2.8%	3.5%	4.1%	4.9%	5.4%	5.4%
	3 years	3.3%	2.4%	2.9%	3.7%	3.9%	4.1%	4.7%	4.7%
	5 years	3.6%	3.0%	3.1%	3.8%	4.0%	4.2%	4.8%	4.8%
	10 years	4.5%	3.8%	3.3%	4.0%	4.0%	4.4%	4.8%	4.8%
Option Fair Value		6.40	6.50	10.97	11.22	12.75	13.74	14.90	17.30
Maturity Dates		Dec. 9, 2008	May 21, 2009	Dec. 14, 2011	July 26, 2012	March 12, 2013	Dec. 12, 2013	June 12, 2014	July 1, 2014

(1) The share prices and exercise prices of the 2002 plan have been divided by four to reflect the share-split decided by the Board of Directors on November 15, 2006.

Average market price per Technip shares amounted to € 45.55 in 2008 and € 56.29 in 2007.

(i) Free Shares Allocation Plans

The following free shares allocation plans were implemented:

- The subscription plan 2007 (part A) was allowed by the General Shareholders' Meeting on April 28, 2006, and implemented by the Board of Directors on March 12, 2007. The vesting period is of 3 years and the holding period is of 2 years.
- The subscription plan 2007 (part B) was allowed by the General Shareholders' Meeting on April 28, 2006, and implemented by the Board of Directors on March 12, 2007. The vesting period is of 4 years.
- Available shares from part A and B were re-granted following Board of Directors' decision taken on December 12, 2007. Vesting period and holding period are the same as described in the original plan.
- Available shares from part A and B were re-granted following Board of Directors' decision taken on July 1, 2008. Vesting period and holding period are the same as described in the original plan.
- The subscription plan 2008 was allowed by the General Shareholders' Meeting on May 6, 2008, and implemented by the Board of Directors on July 1 ,2008 for part A and by the Board of Directors held on December 9, 2008 for part B. The vesting period is either of 3 years (and in this case the holding period is of 2 years), either of 4 years (and in this case there is no holding period).

Free shares were granted under the same conditions of achieving certain performances as described in Note 20-(h) Executive Stock Option Plans and Share Purchase Plans.

Changes over the year are as follows:

	Plan 2007			Plan 2008		Total
	Part A	Part B	Part A and B Re-Granted	Part A	Part B	
Shares Granted as of January 1, 2007	-	-	-	-	-	-
Shares Granted	398,800	711,870	-	-	-	1,110,670
Shares Re-Granted	-	-	44,500	-	-	44,500
Shares Exercised	-	-	-	-	-	-
Shares Cancelled	(4,600)	(39,900)	-	-	-	(44,500)
Shares Granted as of December 31, 2007	**394,200**	**671,970**	**44,500**	-	-	**1,110,670**
Shares Granted	-	-	-	859,050	20,100	879,150
Shares Re-Granted	-	-	20,300	-	-	20,300
Shares Exercised	-	-	-	-	-	-
Shares Cancelled	(13,500)	(36,600)	(1,800)	(11,700)	-	(63,600)
Shares Granted as of December 31, 2008	**380,700**	**635,370**	**63,000**	**847,350**	**20,100**	**1,946,520**

IFRS 2 applies to free shares assessment. Consequently, the Group recorded a charge of €M 15.8 in 2008, compared to €M 5.0 in 2007.

The following table shows assumptions made for the fair value computation of the plans:

		Plan 2007			Plan 2008	
In Euros		Part A	Part B	Part A and B Re-Granted	Part A	Part B
Share Price at the Grant Date		50.19	50.19	54.21	58.50	58.50
Dividend Yield		3.2%	2.9%	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%
Volatility		30.0%	30.0%	32.0%	34.4%	34.4%
Annual Risk Free Interest Rate	6 months	4.0%	4.0%	4.9%	5.2%	5.2%
	1 year	4.1%	4.1%	4.9%	5.4%	5.4%
	3 years	3.9%	3.9%	4.1%	4.7%	4.7%
	5 years	4.0%	4.0%	4.2%	4.8%	4.8%
	10 years	4.0%	4.0%	4.4%	4.8%	4.8%
Fair Value of Free Shares(1)		45.57	44.57	50.65	55.10/54.00	55.10/54.00
Maturity Dates		March 13, 2012	March 13, 2011	Dec. 12, 2011/12 & July 1, 2012/13	July 1, 2012/13	Dec. 9, 2012/13

(1) *Turnover rate and fair value of free shares differ from a country to another.*

Free shares allocated to employees will be granted through treasury shares.

Average market price amounted to € 45.55 in 2008 and € 56.29 in 2007.

(j) Capital Increase Reserved for Employees

Technip realized a capital increase reserved for employees in 2008.

Following this capital increase, the number of shares issued on October 17, 2008 is 1,446,260 shares, the increase in common stock amounts to €M 1.1, and the increase in Paid-in-Surplus amounts to €M 59.8, reduced by €M 0.9 net charge being administrative costs linked to this operation, for a total of €M 60.0.

The capital increase has been realized by Technip SA, the mother company of the Group. Employees that could take advantage of this offer were from Technip SA as well as Technip affiliates in 18 countries.

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 3.6% 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 3.6% and 7.6 times the average increase in Technip share value compared to the reference price. In this case, the bank in charge of structuring the operation, finance nine Technip shares for one Technip share subscribed by one employee.

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).

The split by plan in the number of shares subscribed is the following:

	2008
Classic Plan	67,503
Multiple Plan	985,155
Secure Plan	93,389
Stock Appreciation Right (SAR)	300,213
Total of Subscribed Shares	**1,446,260**

According to IFRS 2, the advantage given to the employees in the case of shares granted at a lower price than the market value has to be recorded as a charge by the company. The computation of this charge has to take into account the holding period that is to say the fact that employees can not sell its shares during a certain period.

The reference price amounts to € 52.66, the subscription price is € 42.13 taking into account the 20% discount, and the share price at the end of the cancellation period is € 47.80, or a total gross discount of €M 8.2.

In accordance with the computation method as presented in December 2004, by the French CNC *(Conseil National de la Comptabilité)*, the discount linked with the holding period has been assessed to 14.8% for Technip Classic Plan and Technip Secure Plan and to 11.8% for Technip Multiple Plan. Assumptions taken into account for this evaluation are a market interest rate of 3.6% and a spread of consumer credit of 2%. Because of the decrease in the market price of Technip shares between the reference period (for computing subscription price) and the end of the cancellation period (when shares are definitely subscribed), there is no charge to record for any of these three plans.

The charge related to SAR amounts to €M 3.1, because in this case, there is no holding period during which the shares are non-transferable. This charge was accounted as administrative costs–see Note 4-(d) Administrative Costs by Nature.

The total cost for Employer's contribution for these three plans amounts to €M 3.1 recorded as a charge.

(k) Capital Management

Shareholders'equity amounts to €M 2,473.4 and financial debts amount to €M 760.1. Net cash position of the Group amounts to €M 1,644.6 and confirmed but not used credit lines amount to €M 1,293.7. Technip SA has distributable earnings at its disposal for €M 369.9.

Note 21 – Financial Debts

(a) Financial Debts, Breakdown by Nature

Financial Debts can be analyzed as follows:

	As of December 31,	
In millions of Euro	**2008**	**2007**
Bond Loan[(1)]	650.0	650.0
Bank Borrowings and Credit Lines[(2)]	84.2	3.3
Refundable Advances (Non-Current)	-	-
Others	-	-
Total Non-Current Financial Debts	**734.2**	**653.3**
Commercial Paper	-	-
Bank Overdrafts	6.2	25.2
Accrued Interest Payable	19.7	18.7
Refundable Advances (Current)	-	-
Total Current Financial Debts	**25.9**	**43.9**
Total Financial Debts	**760.1**	**697.2**

(1) On May 26, 2004, Technip issued a bond loan for an initial amount of €M 650. The redemption date is set on May 26, 2011. The coupon payable on May 26 of each year amounts to 4.625% per year of the bond nominal value.
(2) These bank credits represent mainly drawings on subsidised loans granted to one of the Brazilian subsidiaries in pre-financing exports and refinancing investments.

(b) Comparison of Carrying Amount and Fair Value of Non-Current Financial Debts

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

	As of December 31,			
	2008		**2007**	
In millions of Euro	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Bond Loan (Related Accrued Interests Included)	668.3	652.6	668.3	660.8
Bank Borrowings and Credit Lines	84.2	84.2	3.3	3.3
Refundable Advances (Non-Current)	-	-	-	-
Others	-	-	-	-
Total Non-Current Financial Debts	**752.5**	**736.8**	**671.6**	**664.1**

(c) Analysis by Type of Interest Rate

Analysis by type of interest rate is as follows:

	As of December 31,	
In millions of Euro	**2008**	**2007**
Fixed Rates	668.3	668.3
Floating Rates	91.8	28.9
Total Financial Debts	**760.1**	**697.2**

As of December 31, 2008 and 2007, the fixed-rate debt mainly comprises bond loans.

Over the year 2008, the average rate of the fixed-rate debt stands at 4.62% like in 2007. Over the same period, the average rate of the overall Group debt (fixed and floating rate) stands at 4.90% compared to 4.84% per year in 2007. 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) by the average outstanding debt for the fiscal year.

(d) Analysis by Currency

Analysis by currency is as follows:

In millions of Euro	As of December 31, 2008	2007
Euro	669.2	668.5
U.S. Dollar	3.3	0.3
Pound Sterling	-	-
Brazilian Real	86.6	25.6
Others	1.0	2.8
Total Financial Debts per Currency	**760.1**	**697.2**

(e) Schedule of Financial Debts

Schedule of financial debts is as follows:

In millions of Euro	2008	2009	2010	2011	2012	2013	2014 and beyond	Total
Fixed Rates	18.3	-	-	650.0	-	-	-	668.3
Floating Rates	25.6	1.2	1.2	0.7	0.2	-	-	28.9
Total Financial Debts as of December 31, 2007	**43.9**	**1.2**	**1.2**	**650.7**	**0.2**	**-**	**-**	**697.2**
Fixed Rates		18.3	-	650.0	-	-	-	668.3
Floating Rates		7.6	56.0	28.1	0.1	-	-	91.8
Total Financial Debts as of December 31, 2008		**25.9**	**56.0**	**678.1**	**0.1**	**-**	**-**	**760.1**

As of December 31, 2008 and 2007, no interest rate swap has been subscribed.

(f) Secured Financial Debts

Secured financial debts are as follows:

	As of December 31,					
	2008			2007		
In millions of Euro	Guarantee	Without Guarantee	Total	Guarantee	Without Guarantee	Total
Commercial Paper	-	-	-	-	-	-
Bank Overdrafts, Current Facilities and Others	1.0	5.2	6.2	1.0	24.2	25.2
Short-Term Part of Long-Term Debts	-	19.7	19.7	0.2	18.5	18.7
Total Current Financial Debts	**1.0**	**24.9**	**25.9**	**1.2**	**42.7**	**43.9**
Non-Current Financial Debts	**1.6**	**732.6**	**734.2**	**3.3**	**650.0**	**653.3**
Total Financial Debts	**2.6**	**757.5**	**760.1**	**4.5**	**692.7**	**697.2**

Note 22 – Pensions and other Post-Employment Benefit Plans

In accordance with laws and usual practices in each country, Technip contributes to retirement or post retirement benefit schemes.

The Group has assessed its obligations in employee benefit pension plans and other long-term benefits such as jubilees, post retirement medical and special termination benefits according to IAS 19. The plan assets are recorded at fair value. Evaluations were coordinated so that liabilities are measured with recognized and homogeneous actuarial methods, and were performed by an independant actuary.

(a) Description of the Current Benefit Pension Plans within the Group

Germany

Following plans are proposed in Germany:

- two pension plans offer a pension payable from people who have reached the age of 65 years old;
  - a differed benefit plan;
  - an early retirement plan (OAPT);
- a jubilee plan provides a lump sum payment from one to three month of salary when employees have reached 25, 40 and 45 year of services.

Brazil

A jubilee plan provides a lump sum payment from half a month of salary after 10, 15, 20 and 30 years of services. The plan provides also to pay a short journey to Paris after 20 and 30 years of service.

United Arab Emirates

A cost retirement benefit provides a capital payment according to the years of stay in the company: 21 days of salary by year of service until 5 years and one month of salary beyond.

France

Following plans are proposed in France:

- a pension plan which offers a capital payment based on the years of service and salary at retirement date;
- a post medical retirement benefit (closed to new comers);
- a jubilee plan which provides a lump sum payment after 20, 30, 35 and 40 years of services (minimum of years spent in Technip required);
- an additional defined contribution pension plan has been set up from January 1, 2005 dedicated to a precise and same level class of top managers. A 8% contribution on gross salary for these people is paid by the Company. This contribution respects the limits required by the Law;
- a complementary pension plan has been set up from May 1, 2007 for Members of the Group's Executive Committee. It consists of a guaranteed retirement wage of 1.8% of the annual gross compensation per year of presence.

The provisions of French law for Social Security financing *("Loi de Financement de la Sécurité Sociale")* in 2009 and changes in severance pay on July 20, 2008 have been taken into account for the calculation. The estimated impact on accrued amount for 2008 is €M 1.0.

Italy

A cost retirement benefit that provides a capital payment according to the wage and to the years of stay in the company is granted to employees. Following the change of law in Italy in 2007, this defined benefit plan has been changed into a defined contribution plan. Consequently, no future right is generated following IAS 19. The amount which remains in the books is relative to the rights generated before the change of plan.

Norway

A pension plan offers a guarantee income from 67 years old on (maximum 70% of final gross salary, social security included).

Netherlands

The company has a defined contribution pension plan.

United Kingdom

A pension plan offers a capital payment.

(b) Net Benefit Expense Recognized in the Income Statement

In millions of Euro	2008	2007
Current Service Cost	8.5	9.1
Financial Cost of Benefit Obligation	9.8	8.3
Expected Return on Plan Assets	(5.0)	(4.6)
Net Actuarial (Gain)/Loss Recognized	1.0	0.1
Past Service Cost	0.6	(0.2)
Special Events (Curtailment)	-	(3.2)
Net Benefit Expense as Recorded in the Income Statement	**14.9**	**9.5**

This schedule shows the defined benefit pension plan expense; defined contribution plan expenses amount to €M 23.2 in 2008, *vs.* €M 22.1 in 2007.

The expected defined benefit plan expense for 2009 amounts to €M 17.7.

Defined contribution plan cotisations for 2009 amount to €M 6.1.

(c) Benefit Asset/Liability Recognized in the Balance Sheet

The liability as recorded in the balance sheet can be analyzed as follows:

	As of December 31,	
In millions of Euro	2008	2007
Provisions	(98.8)	(104.5)
Accrued Expenses	-	0.6
Asset/(Liability) as Recorded in the Balance Sheet	**(98.8)**	**(103.9)**
Defined Benefit Obligation	(203.2)	(192.8)
Fair Value of Plan Assets	78.7	87.6
Net Defined Benefit Obligation	**(124.5)**	**(105.2)**
Unrecognized Actuarial (Gains)/Losses	15.6	(8.2)
Unrecognized Past Service Costs	10.1	9.5
Asset/(Liability) as Recorded in the Balance Sheet	**(98.8)**	**(103.9)**

The Defined Benefit Obligation includes funded plan assets for €M 107.1 and unfunded plan assets for €M 96.1.

Unrecognized actuarial gains and losses are as follows:

In millions of Euro	2008	2007
Unrecognized Actuarial (Gains)/Losses as of January 1,	**(8.2)**	**(4.1)**
Amortized during the Year	1.0	0.1
Amounts Generated during the Year due to Experience	9.7	0.1
Amounts Generated on Assets	8.9	5.2
Amounts Generated during the Year due to Changes in Assumptions	6.5	(9.4)
Exchange Difference	(2.3)	(0.1)
Unrecognized Actuarial (Gains)/Losses as of December 31,	**15.6**	**(8.2)**

Changes in benefit asset/(liability) of pensions plans and other post-employment benefits are presented hereafter:

In millions of Euro	2008	2007
Net Benefit Asset/(Liability) as of January 1,	**(103.9)**	**(115.8)**
Exchange Differences on Foreign Plans	1.0	0.4
Expenses Charged in the Income Statement	(14.9)	(9.5)
Contributions Paid	20.5	18.5
Disposals of Subsidiaries/Changes in Scope of Consolidation	-	-
Others	(1.5)	2.5
Net Benefit Asset/(Liability) as of December 31,	**(98.8)**	**(103.9)**

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

In millions of Euro	2008	2007
Defined Benefit Obligation as of January 1,	**192.8**	**191.2**
Current Service Cost	8.5	9.1
Contributions by Employee	0.2	0.2
Financial Cost on Benefit Obligation	9.8	8.3
Benefits Paid	(16.6)	(11.4)
Actuarial Gains/(Losses)	19.0	(9.4)
Curtailment	-	8.5
Exchange Difference	(8.1)	(1.5)
Others	(2.4)	(2.2)
Defined Benefit Obligation as of December 31,	**203.2**	**192.8**

Changes in fair value of plan assets are as follows:

In millions of Euro	2008	2007
Fair Value of Plan Assets as of January 1,	**87.6**	**81.8**
Expected Return	5.0	4.6
Contributions by Employer	6.7	7.9
Contributions by Employee	0.2	0.2
Benefits Paid	(2.8)	(2.8)
Actuarial Gains/(Losses)	(8.9)	(5.2)
Acquisitions and Disposals of Subsidiaries/Changes in Scope of Consolidation	-	0.2
Exchange Differences on Foreign Plans	(5.8)	(1.4)
Others	(3.3)	2.4
Fair Value of Plan Assets as of December 31,	**78.7**	**87.6**

Hereafter are detailed the main categories of pension plans by country in percentage of their total fair value:

In %	Bonds	Shares	Real Estate	Cash	Total
Norway	63%	17%	16%	4%	100%
Netherlands	75%	25%	0%	0%	100%
United Kingdom	12%	78%	1%	9%	100%

France has invested in general funds, so this breakdown cannot be disclosed. Similarly, the net expected return on assets amounts circa 4.5%.

The expected return on assets is the weighted average of the expected returns. Expected return on assets, by type of assets, is the following:

In %	Bonds	Shares	Real Estate	Cash
Norway	4.00%	6.82%	6.82%	4.00%
Netherlands	5.40%	6.74%	6.74%	5.40%
United Kingdom	6.00%	7.00%	7.00%	6.00%

(d) Actuarial Assumptions

The main assumptions made to define the benefit amounts related to pension plans are detailed in the following table:

	As of December 31,			
	2008		2007	
	Euroland	Others	Euroland	Others
Discount Rate	5.40%	4.00% to 11.00%	5.25%	5.25% to 10.00%
Expected Return on Plan Assets	4.50% to 5.30%	4.90% to 6.80%	4.50% to 5.90%	6.10% to 7.10%
Future Salary Increase (above Inflation Rate)	1.00% to 2.00%	1.00% to 2.00%	1.00% to 1.50%	1.00% to 1.25%
Healthcare Cost Increase	3.00%	N/A	3.00%	N/A
Inflation Rate	2.00%	2.50% to 5.00%	2.00%	2.00% to 4.00%

A decrease of 0.25% of discount rate will lead to an increase of the defined benefit obligation of around €M 6.1. Considering recognition of actuarial profit and losses using the so-called "corridor" method, this decrease of discount rate would not have significant impact on the accrued amount as of December 31, 2008.

A decrease of 1.0% of expected return on plan assets would increase the benefit expense for 2009 of around €M 0.8.

The effect of one percentage point increase and one percentage point decrease in the assumed health care cost trend rates is not material as it will lead to book an amount of €M 0.1 in plus or minus.

Note 23 – Provisions

The principles used for the assessment of accrued liabilities, as well as their specific natures, are described in Note 1-C-(s) Provisions.

(a) Changes in Provisions

Changes in provisions over the year 2008 can be analyzed as follows:

In millions of Euro	As of January 1, 2008	Increase	Used Provision Reversals	Unused Provision Reversals	Foreign Exchange Adjustments	Others	As of December 31, 2008
Employee Benefits[1]	96.0	16.1	(15.7)	(3.8)	(1.0)	(0.2)	91.4
Tax	0.3	0.1	-	(0.1)	-	-	0.3
Litigation	3.0	-	-	-	-	-	3.0
Reinsurance[2]	8.6	-	(1.6)	-	0.9	(0.1)	7.8
Other Provisions (Non-Current)	1.8	0.7	-	(0.7)	(0.1)	-	1.7
Total Non-Current Provisions	**109.7**	**16.9**	**(17.3)**	**(4.6)**	**(0.2)**	**(0.3)**	**104.2**
Employee Benefits[1]	8.5	0.3	(1.7)	-	0.1	0.2	7.4
Contingencies related to Contracts	30.8	66.7	(2.3)	(6.5)	(13.2)	7.5	83.0
Restructuring	3.9	1.0	-	(3.1)	(0.1)	-	1.7
Tax	7.4	6.5	-	(0.2)	(2.6)	0.2	11.3
Litigation	7.3	1.1	(1.4)	(0.4)	(0.2)	(0.6)	5.8
Reinsurance[2]	13.0	4.1	(7.8)	-	1.2	-	10.5
Other Provisions (Current)	52.1	17.3	(2.1)	(1.6)	(3.3)	(0.1)	62.3
Total Current Provisions	**123.0**	**97.0**	**(15.3)**	**(11.8)**	**(18.1)**	**7.2**	**182.0**
Total Provisions	**232.7**	**113.9**	**(32.6)**	**(16.4)**	**(18.3)**	**6.9**	**286.2**

(1) See Note 22–Pensions and other Post-Employment Benefit Plans.
(2) "Reinsurance" provisions have been recorded at the level of the Group's insurance captive (Engineering RE AG) as per IFRS 4.

(b) Schedule of Provisions

The following table reflects the maturity of provisions as forecasted as of December 31, 2008:

In millions of Euro	As of December 31, 2008	2009	2010	2011	2012	2013	2014	2015 and beyond
Employee Benefits	91.4	-	9.6	6.5	5.7	7.0	5.5	57.1
Tax	0.3	-	0.3	-	-	-	-	-
Litigation	3.0	-	3.0	-	-	-	-	-
Reinsurance	7.8	-	-	-	-	-	-	7.8
Other Provisions (Non-Current)	1.7	-	1.2	-	-	0.5	-	-
Total Non-Current Provisions	**104.2**	**-**	**14.1**	**6.5**	**5.7**	**7.5**	**5.5**	**64.9**
Employee Benefits	7.4	7.4	-	-	-	-	-	-
Contingencies related to Contracts	83.0	40.2	42.8	-	-	-	-	-
Restructuring	1.7	1.7	-	-	-	-	-	-
Tax	11.3	11.3	-	-	-	-	-	-
Litigation	5.8	5.8	-	-	-	-	-	-
Reinsurance	10.5	5.3	5.2	-	-	-	-	-
Other Provisions (Current)	62.3	62.3	-	-	-	-	-	-
Total Current Provisions	**182.0**	**134.0**	**48.0**	**-**	**-**	**-**	**-**	**-**
Total Provisions	**286.2**	**134.0**	**62.1**	**6.5**	**5.7**	**7.5**	**5.5**	**64.9**

The criteria of asset/liability classification as "current" or "non-current" in the balance sheet is described in Note 1-C.

Note 24 – Trade Payables

Trade payables are non-interest bearing. Their maturities are linked to the operating cycle of contracts.

Trade payables amounted to €M 1,703.9 as of December 31, 2008 *vs.* €M 1,866.3 as of December 31, 2007. The increase in trade payables is due to the increase of the activity and the percentage of completion of contracts.

Note 25 – Other Current and Non-Current Liabilities

Other current and non-current liabilities are as follows:

	As of December 31,	
In millions of Euro	**2008**	**2007**
Payroll Costs	169.1	155.2
Social Security Charges	42.9	38.2
Other Tax Payables	101.1	35.5
Deferred Income	16.5	21.9
Ongoing Project Accruals[(1)]	308.4	174.5
Rent to Be Paid[(2)]	16.2	27.5
Current Accounts on Contracts on Joint-Ventures	24.8	111.4
Advances Received[(3)]	487.6	218.9
Others	104.7	82.1
Total Other Current Payables	**1,271.3**	**865.2**
Payables on Fixed Assets	27.8	33.2
Others	13.4	12.3
Total Other Non-Current Payables	**41.2**	**45.5**
Total Other Payables	**1,312.5**	**910.7**

(1) When the contract is completed, accrued liabilities may be recorded to cover pending expenses until the signature of the completion certificate by the client (see Note 1-C-(b) Long Term Contracts).

(2) Technip has entered into a 12-year lease for its head office at La Défense (Paris, France) effective March 1, 2003. Under the terms of the lease, Technip was entitled to take advantage of the first year of occupancy at no charge. In accordance with IAS 17, an annual rental expense for the entire 12-year lease duration has been determined on the basis of a total lease value. This has led the Group to record a rental charge corresponding to the first year of occupancy vs. a debt in its opening balance sheet as of January 1, 2004.

(3) Advances received on contracts not identified as construction contracts are reported here.

Maturities are less than one year, except for items related with ongoing contracts that are part of the contracts' operating cycle.

Note 26 – Financial Instruments

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

(a) Financial Assets and Liabilities per Category

Financial assets and liabilities are analysed as follows:

	As of December 31, 2008						
	Value		Analysis by Category of Financial Instruments				
In millions of Euro	Carrying Amount	Fair Value	At Fair Value Through P&L	Loans and Receivables	Available-for-Sale Assets	Liabilities at Amortized Cost	Derivative Instruments
Investments in Non-Consolidated Companies	2.4	2.4	2.4	-	-	-	-
Other Non-Current Financial Assets	16.2	16.2	16.2	-	-	-	-
Available-for-Sale Financial Assets	8.2	8.2	-	-	8.2	-	-
Derivatives	40.4	40.4	-	-	-	-	40.4
Trade Receivables	1,123.5	1,123.5	-	1,123.5	-	-	-
Current Income Tax Receivables	82.6	82.6	-	82.6	-	-	-
Other Current Receivables	332.1	332.1	-	332.1	-	-	-
Cash and Cash Equivalents	2,404.7	2,404.7	2,404.7	-	-	-	-
Total Assets	**4,010.1**	**4,010.1**	**2,423.3**	**1,538.2**	**8.2**	**-**	**40.4**
Other Non-Current Financial Debts	734.2	718.5	(15.7)	-	-	734.2	-
Other Non-Current Liabilities	41.2	41.2	-	-	-	41.2	-
Current Financial Debts	25.9	25.9	-	-	-	25.9	-
Trade Payables	1,703.9	1,703.9	-	1,703.9	-	-	-
Derivatives	119.9	119.9	-	-	-	-	119.9
Current Income Tax Payables	99.8	99.8	-	99.8	-	-	-
Other Current Liabilities	1,271.3	1,271.3	-	1,271.3	-	-	-
Total Liabilities	**3,996.2**	**3,980.5**	**(15.7)**	**3,075.0**	**-**	**801.3**	**119.9**

	As of December 31, 2007						
	Value		Analysis by Category of Financial Instruments				
In millions of Euro	Carrying Amount	Fair Value	At Fair Value Through P&L	Loans and Receivables	Available-for-Sale Assets	Liabilities at Amortized Cost	Derivative Instruments
Investments in Non-Consolidated Companies	3.5	3.5	3.5	-	-	-	-
Other Non-Current Financial Assets	17.5	17.5	17.5	-	-	-	-
Available-for-Sale Financial Assets	17.0	17.0	-	-	17.0	-	-
Derivatives	5.2	5.2	-	-	-	-	5.2
Trade Receivables	783.4	783.4	-	783.4	-	-	-
Current Income Tax Receivables	68.4	68.4	-	68.4	-	-	-
Other Current Receivables	458.4	458.4	-	458.4	-	-	-
Cash and Cash Equivalents	2,401.5	2,401.5	2,401.5	-	-	-	-
Total Assets	**3,754.9**	**3,754.9**	**2,422.5**	**1,310.2**	**17.0**	**-**	**5.2**
Other Non-Current Financial Debts	653.3	646.0	(7.3)	-	-	653.3	-
Other Non-Current Liabilities	45.5	45.5	-	-	-	45.5	-
Current Financial Debts	43.9	43.9	-	-	-	43.9	-
Trade Payables	1,866.3	1,866.3	-	1,866.3	-	-	-
Derivatives	5.1	5.1	-	-	-	-	5.1
Current Income Tax Payables	201.7	201.7	-	201.7	-	-	-
Other Current Liabilities	865.2	865.2	-	865.2	-	-	-
Total Liabilities	**3,681.0**	**3,673.7**	**(7.3)**	**2,933.2**	**-**	**742.7**	**5.1**

(b) Gains and Losses per Category of Financial Instruments

Gains and losses per category of financial instruments are analysed as follows:

	2008					
		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	28.8	(0.2)	-	-	-	28.6
Loans and Receivables	-	(19.6)	-	-	-	(19.6)
Available-for-Sale Assets	-	-	-	(7.3)	-	(7.3)
Liabilities at Amortized Cost	(38.9)	-	-	-	-	(38.9)
Derivative Instruments	-	(1.0)	-	0.9	-	(0.1)
Total Net Gains/(Losses)	**(10.1)**	**(20.8)**	**-**	**(6.4)**	**-**	**(37.3)**

	2007					
		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	12.2	(0.2)	-	-	-	12.0
Loans and Receivables	-	(26.6)	-	-	-	(26.6)
Available-for-Sale Assets	-	-	-	-	2.9	2.9
Liabilities at Amortized Cost	(42.3)	-	-	-	-	(42.3)
Derivative Instruments	-	2.9	-	(2.4)	-	0.5
Total Net Gains/(Losses)	**(30.1)**	**(23.9)**	**-**	**(2.4)**	**2.9**	**(53.5)**

(c) Derivative Financial Instruments

Analysis per category of financial instruments is as follows:

	As of December 31			
	2008		2007	
In millions of Euro	Asset	Liability	Asset	Liability
Forward Foreign Exchange Contracts – Fair Value Hedge	9.9	2.9	0.8	-
Forward Foreign Exchange Contracts – Cash Flow Hedge	30.5	117.0	4.4	5.1
Total	**40.4**	**119.9**	**5.2**	**5.1**

Analysis of gains and losses on financial instruments with shareholders' equity impacts in fair value reserve is as follows:

In millions of Euro	2008	2007
As of January 1,	**18.0**	**16.4**
Fair Value Gains/(Expenses) on Financial Instruments – Cash Flow Hedges	(92.1)	1.6
As of December 31,	**(74.1)**	**18.0**

Analysis of gains and losses on financial instruments with income statement impacts is as follows:

In millions of Euro	2008	2007
Effective Gains/(Expenses) on Fair Value Hedges	5.9	0.9
Ineffectiveness Gains/(Expenses) on Fair Value Hedges	0.3	(0.1)
Ineffectiveness Gains/(Expenses) on Cash Flow Hedges	0.6	(2.3)
Total	**6.8**	**(1.5)**

Note 27 – Payroll Staff

Technip has a regular workforce of 23,000 people. In addition 3,000 external staff reinforce operating teams, bringing the total headcount to 26,000.

Note 28 – Related Party Disclosures

(a) Transactions with Related Parties

The IFP (Institut Français du Pétrole) is represented in Technip Board of Directors. Its percentage of ownership amounted to 2.8% as of December 31, 2008 and 2.9% as of December 31, 2007.

Technip signed an agreement of research cooperation on offshore deepwaters with IFP. Related royalties are calculated under normal competition conditions and amounted to €M 1.9 in 2008 and €M 3.6 in 2007, the expense booked amounted to €M 3.6 in 2008 and in 2007.

(b) Assets and Liabilities towards Associates in Joint-Ventures

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

In millions of Euro	As of December 31, 2008	2007
Assets	34.2	47.0
Liabilities	48.8	32.3
Net Assets/(Net Liabilities)	**(14.6)**	**14.7**

Income and expenses towards associates in joint-ventures are as follows:

In millions of Euro	As of December 31, 2008	2007
Income	103.8	220.1
Expenses	(145.8)	(154.9)

(c) Salary and Benefits of the Chief Executive Officer

The compensation of the Company's Chairman and Chief Executive Officer is determined by the Board of Directors, upon the proposal of the Nominations and Remunerations Committee.

The total compensation paid in 2008 by the Company to Thierry Pilenko amounted to € 1,349,111.

The variable portion of compensation is based on the fixed compensation for the previous year.

For 2008 the target variable portion is equal to 100% of the annual base compensation. 50% of the target variable portion is linked to the financial performance of the Group based on 2008 operating income, 25% is linked to the achievement of individual objectives and 25% to the implementation of Group values and cooperation within the Group. The share of the variable portion linked to Group financial performance is nil (i) if real performance is below 75% of the budgeted amount (performance floor), (ii) between 50% and 100% for a performance between 75% and 100% of the budgeted amount and (iii) between 100% and 200% for a performance equal to 100% to 125% of the budgeted amount (outperformance). If achieved financial results are superior to the budgeted objective, a multiplier rate is calculated, up to a maximum of 2.0. The multiplier is calculated based on the financial portion of the objectives, representing 50% of the variable portion criteria. It is then applied to other criteria in order to calculate the final variable portion, which is capped at 200% of the target variable portion. The variable portion to be paid in 2009 to Mr. Pilenko for 2008 is € 1,060,920.

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

There is no specific retirement plan for the Chairman and Chief Executive Officer. The Chairman and Chief Executive Officer is a beneficiary of the supplementary retirement plan for Group executives, with fixed contributions of 8% of gross annual compensation paid up to income bracket 3, *i.e.*, eight times the annual French Social Security limit. The contribution for 2008 amounted to € 21,297.

The Chairman and Chief Executive Officer also benefits from the Company's existing supplementary retirement plan for Executive Committee members: a retirement income guarantee of 1.8% per year of service on income bracket 4 of gross annual compensation paid, *i.e.*, exceeding eight times the Social Security limit. The years of service required in order to benefit from this plan is 5 years as a member of the Executive Committee, and limited to 15 years. The amount of gross compensation to which this retirement income guarantee applies corresponds to the average of the gross base compensation (including variable compensation within the limit of the target variable portion of 100%), received over the five complete financial years prior to the date of departure from the Company. The retirement income guarantee will only be due in the following events: a departure from the Company after his 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 on his part and that no salaried activity is resumed between leaving the Company and receiving a pension under the general French Social Security scheme.

During the 2008 financial year, 80,000 share purchase options and 30,000 free shares were granted to Mr. Pilenko. Mr. Pilenko has not exercised any Technip share subscription option or share purchase option. Mr. Pilenko does not benefit from any share subscription warrants from Technip or any other Group company.

At the time of his appointment, Mr. Pilenko signed a worldwide non-compete agreement. In compliance with the October 6,2008 AFEP-MEDEF recommendations, at its meeting on February 18, 2009 the Board of Directors decided to limit the amount of the indemnity to 24 months' compensation, calculated based on base compensation plus the target variable compensation of the last twelve months, corresponding to a two-year non-compete clause.

On the same date, the Board decided against paying an indemnity to the executive officer in case of the termination or non-renewal of his term of office by decision of the company.

(d) Salary and Benefits of the Main Group Managers

The aggregate amount of compensation directly or indirectly paid in 2008 by the Group and all of the Group's companies to its principal executives, that is to say the 8 Executive Committee members (Comex), amounted to €4,250,046. The variable portion represented 33.4% of the overall amount. The figures released in 2007 referred to a larger population of 15 people and are not comparable.

The charge related to the subscription and purchase of shares as well as the free shares granted to executives and included in 2008 accounts amounts to €M 2.1.

Payments made in 2008 by Group companies under supplementary retirement plans applicable to the principal executives discussed above amounted to € 978,008, including € 825,086 under the retirement income guarantee plan for Executive Committee members.

The amount of commitments for Executive Committee members amounts to €M 3.0 as of December 31, 2008. As of December 31, 2008 the amount provisioned for these commitments was nil given paid contributions.

Note 29 – Compensation of the Board of Directors' Members

The amount of Directors' fees paid by Technip to the members of the Board of Directors during 2008 was of € 374,600. The gross amount of compensation and benefits of all kinds paid by Technip to the members of the Board of Directors during 2008 was of € 1,349,111.

Note 30 – Joint-Ventures

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

The list of entities structured in joint-ventures is the one of affiliates consolidated under the proportionate method excluding the following companies: Technip South Africa, Pro Tek Germany, Technip India, Tipiel, Deep Oil Technology, and Spars International Inc. Besides, activities in joint-ventures are beared by Technip France (partnership with Chiyoda), Technip Oceania (partnership with Subsea 7) and TPGM (partnership with JGC).

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

	As of December 31,	
In millions of Euro	2008	2007
Non-Current Assets	42.3	3.1
Current Assets	959.4	1,590.0
Total Assets	**1,001.7**	**1,593.1**
Non-Current Liabilities	3.6	6.2
Current Liabilities	949.6	1,543.9
Total Liabilities	**953.2**	**1,550.1**
Net Assets	**48.5**	**43.0**

In millions of Euro	2008	2007
Income	1,566.5	2,227.4
Expenses	(1,542.0)	(2,247.1)
Net Income after Tax	**24.5**	**(19.7)**

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

Note 31 – Off-Balance Sheet Commitments and Contingencies

The off-balance sheet commitments by maturity date are presented as follows:

In millions of Euro	As of December 31 2008 Amounts of Commitments per Period Less than 1 year	1 to 5 years	More than 5 years	Total	2007 Total
Operating Leases	92.1	293.8	186.4	572.3	556.7
Foreign Exchange Rate Financial Instruments	1,572.3	487.8	-	2,060.1	1,803.7
Total Contractual Commitments	**1,664.4**	**781.6**	**186.4**	**2,632.4**	**2,360.4**

In millions of Euro	As of December 31 2008 Amounts of Commitments per Period Less than 1 year	1 to 5 years	More than 5 years	Total	2007 Total
Parent Company Guarantees	8,531.0	19,392.7	266.5	28,190.2	25,598.0
Other Commitments Given	1,013.1	2,129.8	27.0	3,169.9	3,027.1
Total Commitments Given	**9,544.1**	**21,522.5**	**293.5**	**31,360.1**	**28,625.1**

In millions of Euro	As of December 31 2008 Amounts of Commitments per Period Less than 1 year	1 to 5 years	More than 5 years	Total	2007 Total
Commitments Received	568.2	435.7	0.5	1,004.4	933.8
Total Commitments Received	**568.2**	**435.7**	**0.5**	**1,004.4**	**933.8**

(a) Capital Leases and Operating Leases

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

At the end of December 2007, the rental expense amounted to €M 96.4 (including rental expense on vessels for €M 31.7) against €M 93.3 in 2007 (including rental expense on vessels for €M 39.9), after taking into account restatements related to the application of IAS 17.

As of December 31, 2008, the Group's commitments related to operating leases break down as follows:

In millions of Euro	As of December 31 2008	2007
2009	92.1	79.8
2010	83.1	77.7
2011	79.4	71.8
2012	66.2	71.0
2013	65.1	58.1
2014 and beyond	186.4	198.3
Total Current Net Value of Operating Leases	**572.3**	**556.7**

In 2003, Technip entered into a lease contract related to an office building located in Paris-La Défense, which is the Group's new headquarters. This lease relates to the period from March 1, 2003 to February 27, 2015. For 2008 the lease amounts to €M 29.1 after taking into account the changes in the construction price index and the restatements connected to the application of IAS 17. The lease payment remains stable per period of 36 months except for changes in the construction index.

(b) Bank and Commercial Guarantees

Commitments given and received are summarized hereafter:

In millions of Euro	As of December 31, 2008	2007
Parent Company Guarantees	28,190.2	25,598.0
Other Commitments Given	3,169.9	3,027.1
Total Commitments Given	**31,360.1**	**28,625.1**
Total Commitments Received	**1,004.4**	**933.8**

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 about 5 years. The amounts disclosed in the parent company guarantees, which stand at €M 28,190, also include the contract part allocated to the Group's partners in joint-venture and are not reduced according to the projects' percentage of completion. They are not reduced from the amount of parent company received from Technip's partners within these joint-ventures, whereas Technip issues parent company guarantees in their favour.

The parent company guarantees issued by Technip for contracts out of joint-venture's framework amounts to €M 9,381 as of December 31, 2008.

The following table illustrates the breakdown of these €M 18,809 of parent company guarantees issued by Technip within joint-ventures' contracts, according to the Group's percentage of ownership in these joint-ventures, as of December 31, 2008.

In millions of Euro	As of December 31, 2008				2007
	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	2,585.5	11,837.0	4,386.9	18,809.4	16,977.0

Other commitments given mainly relate 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.

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

The present note does not forget to mention any significant off-balance sheet commitment.

Note 32 – Litigations and Contingent Liabilities

(a) Litigations

The Company is subject to various legal proceedings and claims arising in the normal course of its business. In management opinion, the probable outcomes of these actions will not materially affect nor have materially affected in a recent past the consolidated financial position, results of operations or, the net assets of the Company and its subsidiaries.

Provisions related to any litigation are recorded, when necessary, under the "Contingencies related to Contracts" line item, disclosed in Note 23 – Provisions, or in the costs of ongoing contracts.

The main current litigations consist in the following:

ITP Litigation

On December 21, 2001, Interpipe S.A. ("ITP"), a French company, filed a complaint with the Commercial Court of Versailles (Tribunal de Commerce de Versailles) against Coflexip, Coflexip Stena Offshore Ltd. and Coflexip Stena Offshore International (renamed Technip France and Technip UK Ltd) seeking compensation of damages based on alleged breaches of several confidentiality agreements. On May 16, 2006, the Tribunal de Commerce rendered a ruling partially in favor of ITP. On June 28, 2006, Technip filed an appeal. The appeal is still pending before the Paris Court of Appeal (Cour d'Appel de Paris).

Based on the elements in its possession, Technip believes that ITP's allegations are unfounded and that its exposure is not material.

ITP had also brought actions before the Scottish and U.S. courts for alleged infringement by Technip of a patent relating to "pipe-in-pipe" technologies. Concurrently, in February 2004, the European Patent Office ("EPO") invalidated the patent claimed by ITP. Subsequently, the court in Edinburgh considering that the EPO decision should be applied on British territory, rejected ITP's action. The Scottish proceedings are closed. Moreover, a settlement agreement was reached in October 2007 which ended the proceedings before the U.S. court of Alabama, without any financial compensation.

Finally, in April 2007, Technip filed a complaint against ITP to annul its French patent on the "pipe-in-pipe" technologies. Technip's action was rejected by a decision of the Tribunal de Grande Instance de Paris rendered on 28 January 2009. Technip has already lodged an appeal. However, Technip considers that it is not subject to an exposure for damages under this complaint.

A decision is expected during first half of 2009.

Pending Investigation

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") from 1994 onwards. The companies KBR (formerly a subsidiary of the US Group Halliburton), Snamprogetti Netherlands BV (a subsidiary of the Italian Group ENI) and JGC Corporation (Japan) each hold 25% of TSKJ's share capital.

The United States Securities and Exchange Commission ("SEC") and the United States Department of Justice ("DOJ") have since 2004 been conducting formal investigations into payments made in connection with the construction by TSKJ of a natural gas liquefaction complex for NNLG. A similar investigation by a French magistrate against «unidentified persons» which also commenced in 2004 is still ongoing.

During the summer of 2004, the SEC requested Technip (which registered its shares with the SEC between October 2001 and November 2007) to voluntarily provide information relating to the implementation of this project. Technip has fully cooperated on a voluntary basis with both formal and informal requests from the SEC and the DOJ since this request.

On 11 February 2009, KBR, which was at all relevant times, between 1994 and 2007, a domesctic issuer under US securities laws, pleaded guilty to a five count criminal information in the United States District Court involving charges related to the

United States Foreign Corrupt Practices Act ("FCPA") for conduct arising from its participation in TSKJ. In its plea agreement, KBR asserted that it had conspired to pay bribes to Nigerian Government Officials. As part of its plea agreement, KBR agreed to pay a criminal fine of $M 402.0. Contemporaneously, KBR and its former parent company Halliburton also reached a settlement of a related civil complaint filed by the SEC alleging civil violations of the FCPA. KBR and Hallibuton jointly agreed to pay $M 177.0 in settlement of the civil complaint. The US Government has also brought criminal charges against certain individuals for conduct related to the project.

A person or entity found in violation of the FCPA could be subject to criminal fines and civil penalties of up to $M 0.5 per violation and equitable remedies including disgorgement (if applicable) of profits including pre-judgment interest on such profits. Criminal penalties could range up to $M 2.0 per violation or twice the pecuniary gain or loss from the violation. The amount of any fines or monetary penalties depends on factual findings, including among others, the amount, timing, nature and scope of any improper payment and related business transactions and the level of cooperation provided to the authorities during the investigations. Investigations of this nature and any related settlements could result in (i) third party claims against Technip which could include claims for special, indirect or consequential damages (ii) adverse consequences on Technip's ability to obtain or continue financing for current or future projects and/ or (iii) damage to Technip's business or reputation via negative publicity adversely affecting Technip's prospects in the commercial market place.

French law was modified in September 2000 to attach for the first time, liability for the corruption of foreign public officials. Under that law, criminal fines of up to € 750,000, the confiscation of the direct and indirect profits of the offence and various prohibitions and civil damages may be imposed on a legal entity.

Technip and its counsel have held meetings with the US authorities since July 2008 and continue to cooperate with the US authorities in their investigation. While there are many complex factual and legal issues relating to this matter, based on currently available information, Technip cannot exclude an adverse conclusion of the investigations which could have a material financial impact on Technip. Technip is unable to estimate an amount of probable cost or a range of possible costs related to this matter.

(b) Contingent Liabilities

Individual Training Right

The law of May 4, 2004 provides French company employees with the right to receive individual training of at least 20 hours per year that can be accumulated over 6 years. At the end of the sixth year, the rights will be capped to 120 hours even if the hours have not been spent by the employee. According to the notice 2004-F of October 13, 2004 from the Emergency Committee of the National Counsel of Accounting *(Conseil National de la Comptabilité)* on the DIF *(Droit individuel à la formation:* Individual Training Right) accounting, expenses are a charge of the year and do not require the recognition of a liability. They constitute the remuneration of a past service and not a future one. The Group has maintained the French way of accounting under IFRS while the debt is uncertain. The employee could ask to use this right but it is not an obligation; he could never ask for it.

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

In 2008, in French entities of the Group, 2 resigning employees have asked for this right against 10 employees in 2007. No employee has a conflict with the Group on the subject.

Accumulated individual staff training unused rights amounted to 180,000 hours as of December 31, 2008.

In addition, the lifelong professional training agreement of the main French subsidiary offers training opportunities in 5 different topics: technical skills, office application IT, management and communication, quality and HSE and languages; these trainings are open to everybody. Technip spends around 3.5% of its payroll on training costs (that is around 2% more than the 1.6% required by the law). Each year, 60% of the employees attend at least one training session.

Note 33 – Market Related Exposure

(a) Liquidity Risk

A - Technip Group financing is carried out within the scope of a Group policy implemented by the Chief Financial and Control Department.

B - Cash management is centralized at the head office and coordinated through the financial centres located in the Group's main operating subsidiaries.

The SNC Technip Eurocash (general partnership) is acting as a cash pooling entity for the Group's main entities in respect of the various legislation and regulations in force locally. Thus, the SNC Technip Eurocash entered into cash pooling agreements with the Group's subsidiaries in order to pool the surplus cash, to meet their needs by pooling the Group's financial resources except when economic and financial conditions lead to giving priority to a local debt. Technip Eurocash's management committee is made up of Chief Financial Officers of each operating Region of the Group.

C - In May 2004, Technip issued a bond loan for an amount of €M 650.0 (see Note 21–Financial Debts).

D - As of December 31, 2008, the Group has the following unused financing sources:

1/ An authorized €M 850.0 credit facility, which was signed in 2004 and amended in 2005, 2006 and 2007 by Technip (single redemption date: June 20, 2012). This credit line is not secured with regard to immovable property granted on the Group's assets. This credit line comes with the usual commitments from Technip and the affiliates entitled to borrow, excluding all financial ratios.

The amendment signed in June 2005 mainly related to the credit maturity extension to June 2010 and to the decrease in financial conditions. The amendment signed in June 2006 extends the credit maturity to June 2011 and the one signed in June 2007 brought maturity to June 2012.

2/ Two credit facilities granted to Technip, for an amount of €M 125.0 each, usable in Euro or in U.S. Dollar. These expiry dates are respectively May 26, 2012 and June 27, 2012. They have the same commitments as the credit above described.

3/ Two credit facilities were signed in May 2008, usable in U.S. Dollar or in Euro:

- the first one for an amount of €M 90.0 reimbursable in 2015, out of which €M 30.0 reimbursable in 2011;
- the second one for an amount of €M 80.0 reimbursable for the first half in 2012 and the second half in 2013.

These two credit facilities include common covenants as the previous ones except any financial ratio to be respected.

4/ Various unused credit facilities amounting to €M 23.7.

The credit agreements with respect to these various financing arrangements do not include an early payment clause in case of deterioration of the borrower's rating. These credit agreements include a variable interest rate clause in case they are used.

As of December 31, 2008, the amount of credit facilities confirmed and available is €M 1,293.7 of which €M 1,270.0 are available beyond December 31, 2009. Given market conditions, the Group has no commercial paper as of December 31, 2008. The Group has authorization from "Banque de France" for a maximum amount of €M 600.0.

E - Due dates related to financial liabilities:

Payment due dates related to debts include provisional interests, even if they are not accrued on the closing date. Variable rates used for calculation of provisional interests are the rates in force as of December 31, 2008.

	As of December 31, 2008				
In millions of Euro	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Bond Loan	-	-	650.0	-	650.0
Bank Borrowings and Credit Lines	-	56.1	28.2	-	84.3
Interest Payables on Bond Loan	30.1	30.1	30.1	-	90.2
Other Interest Payables	-	7.7	0.7	0.1	8.5
Total Non-Current Liabilities	**30.1**	**93.8**	**709.0**	**0.1**	**833.0**
Commercial Paper	-	-	-	-	-
Bank Overdrafts	5.4	-	-	-	5.4
Interest Payables	7.4	-	-	-	7.4
Other Financial Debts–Current	1.0	-	-	-	1.0
Derivatives	91.9	19.0	9.0	-	119.9
Total Current Liabilities	**105.7**	**19.0**	**9.0**	**-**	**133.7**

	As of December 31, 2007				
In millions of Euro	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Bond Loan	-	-	650.0	-	650.0
Bank Borrowings and Credit Lines	0.1	4.3	2.6	-	6.9
Interest Payables on Bond Loan	30.1	30.1	60.1	-	120.3
Other Interest Payables	-	-	-	-	-
Total Non-Current Liabilities	**30.2**	**34.4**	**712.7**	**-**	**777.2**
Commercial Paper	-	-	-	-	-
Bank Overdrafts	25.2	-	-	-	25.2
Interest Payables	3.1	-	-	-	3.1
Other Financial Debts–Current	-	-	-	-	-
Derivatives	3.2	0.9	1.0	-	5.1
Total Current Liabilities	**31.5**	**0.9**	**1.0**	**-**	**33.4**

(b) Foreign 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 up between several counter parties who are selected after due analysis.

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

	As of December 31,			
	2008			2007
	Maturity		Nominal value	Nominal Value
In millions of Euro	2010 and beyond	2009		
Buy Foreign Currency, Sell National Currency	67.3	408.1	475.4	198.2
Sell Foreign Currency, Buy National Currency	317.0	834.0	1,151.0	1,209.6
Buy/Sell Foreign Currencies	103.5	330.2	433.7	395.9
Total Hedging Instruments	**487.8**	**1,572.3**	**2,060.1**	**1,803.7**

Exchange risk is mainly related to US dollar. Change of US dollar spot price by plus or minus 10% at closure date, calculated on the whole set of Euro/US dollar derivatives, would generate a change of plus or minus €M 3.4 on result before tax (because of financial instruments held for economic hedging but not qualified for hedging accounting) and €M 25.0 on fair value reserves in equity.

(c) Interest Rate Risk

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

Technip's debt at variable rate amounts to €M 91.8 compared to a total net debt of €M 760.1.

Cash is invested at short term in order to ensure its liquidity. Financial products vary following fluctuations of currency interest rates.

Net short-term cash position of the Group (cash and cash equivalents less short-term financial debts) amounts to €M 2,378.8.

A 1% (100 bp) increase in interest rates would generate a lower fair value by €M 13.8 before tax of the debt at fixed rate as of December 31, 2008; a 1% (100 bp) decrease in interest rate would generate a higher fair value by €M 13.5 before tax.

A 1% (100 bp) increase in interest rates would generate an additional profit of €M 23.8 before tax to the net cash position; a 1% (100 bp) decrease in interest rate would generate a loss of the same amount.

Method of monitoring the interest rate risk

Technip regularly analyzes its exposure to interest rate risk. This activity is the responsibility of the Treasury Department, who directly reports to Finance and Control Chief Executive Officer.

The Group does not use financial instruments for speculative purposes.

As of December 31, 2008, Technip has not entered into any interest rate swaps (rate swap, forward rate agreement…). The outstanding fixed-rate debt–whose residual maturity is greater than one year–amounts to €M 650.0, made only of the bond borrowing.

(d) Credit Risk

A significant portion of the Group's activity is concentrated with a limited number of clients since 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 not impaired and past due trade receivables is the following:

	As of December 31, 2008				
	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	188.8	61.2	78.7	328.7	1,123.5

	As of December 31, 2007				
	Not impaired on the Reporting Date and Past Due in the Following Periods				
	Less than 3 months	3 to 12 months	Over 1 year	Total	Total Trade Receivables
Trade Receivables	136.6	54.3	37.5	228.4	783.4

Among past due but not impaired trade receivables, main counterpart represents €M 34.0 as of December 31, 2008. Part of this trade receivable was paid beginning of 2009.

As far as cash and cash equivalents are concerned, main counterpart does only stand for 18.7% of total net cash position as of December 31, 2008. As far as derivative financial instruments are concerned, main counterpart does only stand for 18.7% of total Group's financial instruments. During the period the Group concentrated its counterparts on bank institutions considered as the safest.

Note 34 – Subsequent Events

There is no significant post-closing event.20.2.

20.2. Statutory Financial Statements as of December 31, 2008

20.2.1. Statutory Auditors' Report on the Financial Statements

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the financial statements. This information includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

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

PricewaterhouseCoopers Audit

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

ERNST & YOUNG et Autres

41, rue Ybry
92576 Neuilly-sur-Seine Cedex
France

Statutory Auditors' Report on the Financial Statements

For the year ended December 31, 2008

To the Shareholders

Technip–Tour Technip–6-8, allée de l'Arche–92973 Paris-La-Défense–France

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2008, on:

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

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

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the Company's financial position and its assets and liabilities, as of December 31, 2008, and of the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

Without questioning the above expressed opinion, we draw your attention on note 6.20 "Litigations and current procedures" which describes the risk concerning an on-going procédure in connection with a project in Nigeria carried by a joint-venture held in 25% by Technip.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

- As indicated in the note to the financial statements entitled "Provisions on affiliates", investments in subsidiaries were valued taking into account the share of adjusted equity they represent as well as the future profitability outlook. Within the scope of our assessment of the significant estimates used to draw up the financial statements, we reviewed the assumptions used for the forecasting future financial flows on which these estimates were based and the corresponding figures, for the most significant subsidiaries.
- As indicated in the note to the financial statements entitled "Treasury shares", a provision for risks is calculated based on the treasury shares allocated to stock options plans and to free shares plans spread over the maturity dates if the delivery is expected. The assessment of delivery is linked to turnover rate and performance conditions, for which a median hypothesis has been assumed. We have reviewed the relevance of communicated data and hypothesis on which estimates are based on.

We carried out an assessment of the reasonableness of these estimates. As forecasts are inherently uncertain, actual figures may sometimes vary significantly.

The assessments were made in the context of our audit of the financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed in the first part of this report.

III. Specific verifications and information

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

We have no matters to report regarding:

- the fair presentation and the conformity with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements;
- the fair presentation of the information provided in the management report of the Board of Directors in respect of remuneration granted to certain company officers and any other commitments made in their favor in connection with, or subsequent to, their appointment, termination or change in function.

In accordance with the law, we have verified that the Board of Directors' report contains the appropriate disclosures regarding acquisitions of investments and the identity of shareholders.

Neuilly-sur-Seine, March 16, 2009

The Statutory Auditors

PricewaterhouseCoopers Audit	ERNST & YOUNG et Autres
Louis-Pierre Schneider	Gilles Puissochet

20.2.2. Statutory Financial Statements as of December 31, 2008

1. Balance Sheet

Assets

		As of December 31,	
In millions of Euro	Notes	2008	2007
Intangible Assets		0.3	1.2
Intangible Assets under Construction		-	17.8
Total Intangible Assets		**0.3**	**19.0**
Land		-	-
Buildings		-	-
Machinery and Equipment		-	-
Other Tangible Assets		3.6	5.0
Advances Paid to Suppliers		-	-
Total Tangible Assets		**3.6**	**5.0**
Investments		3,348.6	3,227.0
Loans Related to Investments		50.8	61.0
Other Financial Assets		59.0	144.3
Total Financial Assets		**3,458.4**	**3,432.3**
Total Fixed Assets (I)	**6.1**	**3,462.3**	**3,456.3**
Advances Paid to Suppliers		0.1	-
Trade Receivables	6.2	53.1	52.1
Other Current Receivables	6.2	49.8	68.2
Receivables from Group Companies	6.2	9.6	14.1
Marketable Securities	6.3	6.4	-
Cash at Bank and in Hands		1.7	1.2
Total Current Assets, Cash and Cash Equivalent (II)		**120.7**	**135.6**
Accrued Assets (III)	**6.4**	**4.1**	**7.3**
Redemption Premiums on Bonds (IV)	**6.4**	**0.7**	**0.9**
Unrealized Exchange Losses (V)		**2.5**	**6.8**
Total Assets (I to V)		**3,590.3**	**3,606.9**

Equity and Liabilities

		As of December 31,	
In millions of Euro	Notes	2008	2007
Issued Capital		83.4	81.9
Share Capital Premiums		1,817.0	1,747.3
Reserves:			
■ Legal Reserves		9.8	9.8
■ Regulated Reserves		40.8	40.8
■ Other Reserves		119.0	141.9
Retained Earnings		-	10.7
Net Income		250.9	91.5
Interim Dividends		-	-
Net equity	**6.5**	**2,320.9**	**2,123.9**
Regulated Provisions	6.6	-	0.7
Total Shareholder's Equity (I)		**2,320.9**	**2,124.6**
Provisions for Risks		33.3	7.3
Provisions for Charges		-	0.6
Total Provisions for Risks and Charges (II)	**6.6**	**33.3**	**7.9**
Bonds		650.0	650.0
Bank Borrowings and Credit Lines		18.5	18.3
Other Financial Debts and Liabilities		-	-
Financial Debts towards Group Companies		500.1	725.9
Advances Received from Clients		-	-
Accounts Payables and Related Accounts		36.2	32.5
Tax and Social Liabilities		12.2	42.4
Payable on Assets		2.6	2.1
Other Liabilities		16.3	3.2
Total Liabilities (III)		**1,235.9**	**1,474.4**
Unrealized Exchange Gains (IV)		**0.2**	**-**
Total Equity and Liabilities (I to IV)		**3,590.3**	**3,606.9**

2. Income Statement

In millions of Euro	Notes	12 Months 2008	2007
Sales of Goods/Rendering of Services		138.7	113.3
Revenues	6.10	**138.7**	**113.3**
Capitalized Expenses		6.9	7.1
Reversals of Operating Provisions and Charges Transferred		7.4	1.8
Other Operating Income		0.1	0.1
Total Operating Income		**153.1**	**122.3**
General and Administrative Costs		144.5	128.4
Taxes		2.0	2.2
Wages and Salaries, Social Security Costs		8.5	8.4
Allowances for Provisions and Amortization			
■ on Fixed Assets	6.1	1.8	2.3
■ on Other Current Assets		0.3	0.1
■ for Risks and Charges		4.9	-
Other Operating Expenses		0.4	0.5
Total Operating Expenses		**162.4**	**141.9**
Income from Operating Activities (I)		**(9.3)**	**(19.6)**
Dividends and Interim Dividends		394.8	178.8
Other Financial Income related to Fixed Assets and Marketable Securities		3.5	3.1
Financial Interests		-	-
Reversals of Provisions and Charges Transferred		36.8	9.6
Exchange Gains Realized		19.5	5.6
Net Gain on Disposal of Marketable Securities		-	-
Total Financial Income		**454.6**	**197.1**
Allowance for Provisions and Amortization		108.7	3.6
Interest Charges		100.4	103.5
Exchange Loss Realized		23.2	10.9
Net Loss on Disposal of Marketable Securities		-	-
Total Financial Expenses		**232.3**	**118.0**
Financial Result (II)	**6.11**	**222.3**	**79.1**
Current Income before Tax (I-II)		**213.0**	**59.5**
Extraordinary Income from Operating Activities		2.3	-
Extraordinary Income from Investing Activities		0.6	4.7
Reversals of Provisions and Charges Transferred		0.8	3.6
Total Extraordinary Income		**3.7**	**8.3**
Extraordinary Expenses from Operating Activities		4.1	0.1
Extraordinary Expenses from Investing Activities		17.8	7.6
Allowance for Extraordinary Provisions		8.2	-
Total Extraordinary Expenses		**30.1**	**7.7**
Extraordinary Result (III)	**6.12**	**(26.4)**	**0.6**
Profit Sharing (IV)		**-**	**-**
Income Tax (V)	**6.13**	**(64.3)**	**(31.4)**
Income		611.4	327.7
Expenses		360.5	236.2
Net Income (I to V)		**250.9**	**91.5**

3. Cash Flow Statement

In millions of Euro	2008	2007
Net Income	250.9	91.5
Amortization and Depreciation of Fixed Assets and Prepaid Expenses(1)	10.7	2.9
Increase (Decrease) in Provisions(2)	74.0	(11.8)
Net (Gains) Losses on Disposal of Assets and Investments(3)	17.2	2.9
Cash Flow from Operations	**352.8**	**85.5**
Changes in Working Capital	**29.2**	**(7.5)**
Net Cash Generated from Operating Activities	**382.0**	**78.0**
(Purchases) Disposals of Intangible Assets	(7.0)	(7.2)
(Purchases) Disposals of Tangible Assets	-	(0.1)
(Purchases) Disposals of Financial Assets(4)	(104.9)	(1.4)
Net Cash Used in Investing Activities	**(111.9)**	**(8.7)**
(Increase) Decrease in Long-Term loans	10.2	8.9
Changes in Treasury Shares(5)	(0.1)	(86.2)
Increase (Decrease) in Current Account Cash Pooling	(226.3)	235.6
Increase (Decrease) in Short-Term Debts (Credit Facilities)	0.2	0.3
Increase (Decrease) in Long-Term Debts (Bond Loan)	-	-
Capital Increase and Issuance Premium(6)	71.3	36.5
Capital Decrease and Issuance Premium	-	-
Dividends Paid(7)	(125.1)	(274.7)
Net Cash Generated from Financing Activities	**(269.8)**	**(79.6)**
Net Increase (Decrease) in Cash and Cash-Equivalents	**0.3**	**(10.3)**
Cash and Cash-Equivalents as of January 1,	1.2	11.5
Cash and Cash-Equivalents as of December 31,	**1.5**	**1.2**
Cash and Cash Equivalent	1.7	1.2
Bank Overdrafts	(0.2)	-
Total	**1.5**	**1.2**

(1) In 2008, including the extraordinary amortization related to cancellation of software projects (€M 8.2).
(2) In 2008, including the provision for risks regarding free shares plans (€M 26.2), provision on treasury shares (€M 78.3), reversal of provisions on current accounts further to winding up of US subsidiary (€M 13.1), reversal of provisions on investments (€M 19.4).
(3) In 2008, write off of software projects (€M 17.0).
(4) In 2008, including acquisition of shares of French subsidiaries.
(5) In 2007, acquisition of 1,729,994 shares (€M 86.2).
(6) In 2007, capital increase dedicated to employees for €M 20.0 and stock option exercised for €M 16.5.
In 2008, capital increase dedicated to employees for €M 60.0 and stock option exercised for €M 11.3.
(7) In 2007, 2006 dividend and extraordinary dividend for €M 274.7.
In 2008, 2007 dividend for €M 125.1.

4. Notes on Accounting Principles

Accounting principles used by Technip in preparing the financial statements are in compliance with the generally accepted accounting principles in France.

Foreign Currency Transactions

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

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

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

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

Accounting Policies for Provisions on Affiliates

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

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

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

Subsidies and waivers of debts granted to subsidiaries are accounted in financial result.

Treasury Shares

1. The Company has applied the CRC *(Comité de réglementation comptable,* French Authority for accounting standards) note dated December 2008 regarding accounting principles to be used for stock options plans and for free shares plans granted to employees.

   The treasury shares allocated to Company employees are classified under marketable securities. A provision for risks is calculated based on the treasury shares allocated to stock options plans and to free shares plans spread over the maturity dates if the delivery is expected. The assessment of delivery is linked to performance conditions (for which a median hypothesis has been assumed) and turnover rate. Regarding the stock options plans, the assessment of delivery is also linked to a fair value at the closing date (if the exercise price of the stock option is less than the market value of Technip share). When the delivery is not expected, a provision on marketable securities is recognized for the difference between the market value (based upon the average of share prices for the last month of the year) and the gross carrying amount of the treasury shares.
2. The other treasury shares, especially those allocated to stock options plans and free shares plans granted to subsidiaries employees, are classified under other investments. At year-end, if the market value of Technip share (computed on the basis of the average prices for the last month of the year) is less than the gross carrying amount of treasury shares, a provision for depreciation is recognized for the difference. Moreover, for free shares granted to subsidiaries employees, a provision for risks is booked, based upon the net book value of the treasury shares, taking into account the performance conditions and turnover rate.
3. Treasury shares held by the Company are recorded at the acquisition cost, and gain/(loss) on sales of treasury shares are booked according to the FIFO method (First In, First Out).

Intangible Assets and Property, Plants and Equipment

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

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

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

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

Trade Receivables

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

5. Main Events of the Year

Technip activities consist in holding interests in affiliates, receiving dividends, centralizing and reinvoicing both management fees and other organizational costs, such as insurance and financing costs on guarantees.

- In April 2008, the subsidiary Technip Biopharm (US entity) has been liquidated. Considering the reversal of provisions previously booked, there is no impact on the Company profit and loss statement.
- In May 2008, Technip paid a dividend (€M 125.1) which was made of 1.20 euro per share.
- In July 2008, Technip bought for €M 11.5 all the shares of Eurodim SA, an engineering company located near Paris.
- In October 2008, Technip realized a capital increase reserved for employees by issuing 1,446,260 new shares, which resulted in an increase issued capital (€M 1.1) and increased share capital premiums (€M 59.8) minus net costs linked to this capital increase (€M 0.9), total amount being €M 60.0.
- In December 2008, Technip has recapitalized Technip Offshore International for €M 93.5. The percentage of company ownership remains unchanged (100%).
- In December 2008, Technip granted a subsidy (€M 21.0) to Technip Marine (M) SDN BHD, located in Malaysia, according to the decision of Technip Board dated December 9, 2008.
- In December 2008, Technip bought for €M 0.5 some additional shares of Technip Eurocash. The percentage of company ownership becomes 96%.
- The number of treasury shares is 3,066,144 as of December 31, 2008. 236,100 of these shares are allocated to executive stock options plans and free shares plans granted to the Company employees; 2,830,044 shares are allocated to executive stock options plans and free shares plans granted to subsidiaries employees, or are non-allocated.

6. Notes to the Financial Statements

6.1. Fixed Assets

(a) Change of the Year

In millions of Euro	Intangible Assets	Tangible Assets	Financial Assets	Fixed Assets
Gross value				
As of January 1, 2007	**16.5**	**13.1**	**3,484.6**	**3,514.2**
Acquisitions(1)	7.2	0.1	134.1	141.4
Disposals(2)	-	(0.4)	(58.3)	(58.7)
As of December 31, 2007	**23.7**	**12.8**	**3,560.4**	**3,596.9**
Acquisitions(3)	7.0	-	174.7	181.7
Disposals(4)	(18.8)	-	(90.4)	(109.2)
As of December 31, 2008	**11.9**	**12.8**	**3,644.7**	**3,669.4**
Amortization and Depreciation				
As of January 1, 2007	**(4.1)**	**(6.5)**	**(132.3)**	**(142.9)**
Allowance	(0.6)	(1.6)	(1.0)	(3.2)
Reversal	-	0.3	5.2	5.5
As of December 31, 2007	**(4.7)**	**(7.8)**	**(128.1)**	**(140.6)**
Allowance	(8.7)	(1.4)	(77.6)	(87.7)
Reversal	1.8	-	19.4	21.2
As of December 31, 2008	**(11.6)**	**(9.2)**	**(186.3)**	**(207.1)**
Net book value as of December 31, 2008	**0.3**	**3.6**	**3,458.4**	**3,462.3**

(1) Increase of intangible assets due to software projects, increase in financial assets due to equity increase of subsidiaries (€M 6.0), to increase of loan granted to subsidiaries (€M 41.9) and to increase of the number of treasury shares (€M 86.2).
(2) Decrease of financial assets due to disposals of shares in subsidiaries (€M 7.5), and repayments of loans by affiliates (€M 50.8).
(3) Increase of intangible assets due to software projects, increase in financial assets due to equity increase of subsidiaries (€M 105.5), to increase of loan granted to subsidiaries (€M 68.4) and to increase of the number of treasury shares (€M 0.8).
(4) Software projects write-off; decrease in financial assets due to disposals of shares in subsidiaries (€M 0.2), repayments of loans by affiliates (€M 78.6), decrease of treasury shares (€M 1.4) and reclassification of treasury shares to marketable securities (€M 10.1).
(5) Allowance of extraordinary amortization on software projects (€M 8.2); allowance for provision on treasury shares (€M 74.6).
(6) Reversal of provisions on investments (€M 19.4).

(b) Financial Assets

Financial assets can be analyzed as follows:

	As of December 31,			
In millions of Euro	Gross value 2008	Provisions 2008	Net value 2008	Net value 2007
Investments	3,459.2	(110.6)	3,348.6	3,227.0
Loans Related to Investments	51.9	(1.1)	50.8	61.0
Treasury Shares	133.6	(74.6)	59.0	144.3
Total Financial Assets	**3,644.7**	**(186.3)**	**3,458.4**	**3,432.3**

The detail of investments is given in note 7.

As the financial situation of a German subsidiary improves, the provision on this investment has been partly reversed in 2008 for €M 17.8.

Loans related to investments mainly consist in loans granted to subsidiaries both directly and indirectly held.

During the year, Technip bought 27,699 treasury shares and sold 28,183 of them. Also 236,100 treasury shares have been reclassified as marketable securities. As of December 31, 2008, the balance of treasury shares (2,830,044) is either allocated to stock options plans and free shares plans granted to subsidiaries employees, or not allocated.

6.2. Current Assets

Current assets can be analyzed as follows:

In millions of Euro	As of December 31, Gross value 2008	Provisions 2008	Net value 2008	Net value 2007
Trade Receivables	**53.4**	**(0.3)**	**53.1**	**52.1**
Other Receivables, Income Tax and VAT	45.7	-	45.7	43.2
Other Current Receivables	4.2	(0.1)	4.1	25.0
Total Other Current Receivables	**49.9**	**(0.1)**	**49.8**	**68.2**
Current Accounts with subsidiaries	**12.7**	**(3.1)**	**9.6**	**14.1**

6.3. Marketable Securities

The treasury shares allocated to executive stock options plans and free shares plans granted to Company employees have been reclassified from financial assets to marketable securities, according to the CRC note dated on December 2008. As of December 31, 2008, the number of treasury shares is 236,100 for a gross book value of €M 10.1 and a provision for €M 3.7.

6.4. Accrued Assets and Redemption Premium

Accrued Assets (€M 3.2 as of December 31, 2008)

They mostly include insurance costs.

Deferred Charges (€M 0.9 as of December 31, 2008)

They include:

- issuing fees (for a gross amount of €M 2.2) related to a €M 650 corporate bond loan issued in May 2004, to be amortized over 7 years. The amortization of the year amounts to €M 0.3 in 2008 and the net value is €M 0.8 as of December 31, 2008;
- issuing fees (for a gross amount of €M 1.6) related to a €M 850 credit facility to be amortized over 5 years. The amortization of the year amounts to €M 0.3 in 2008 and the net value is €M 0.1 as of December 31, 2008.

Redemption Premium (€M 0.7 as of December 31, 2008)

They relate to a €M 650 bond loan and are amortized on a straight line basis over 7 years.

6.5. Shareholders' Equity

(a) Change in Shareholders' Equity

Change in shareholders' equity is as follows:

In millions of Euro	2008	2007
As of January 1,	**2,123.9**	**2,270.5**
Stock Options Exercised	11.3	16.6
Capital Increase Reserved for Employees	60.0	20.0
Net Income	250.9	91.5
Dividends	(125.1)	(274.7)
As of December 31,	**2,320.9**	**2,123.9**

(b) Changes in Common Stock

Common stock changes as follows:

	2008	2007
Number of Shares as of January 1,	**107,353,774**	**106,117,174**
Increase Related to Equity Increase to Employees	1,446,260	516,207
Increase Related to Stock Options Exercised	517,530	720,393
Cancellation	-	-
Number of Shares as of December 31,	**109,317,564**	**107,353,774**
Share Nominal Value in Euro	0.7625	0.7625
Common Stock as of December 31, in millions of Euro	**83.4**	**81.9**

The number of shares that carry double voting rights amounts to 5,209,911 as of December 31, 2008.

(c) Stock Options and Free Shares Plans

1/ Technip Stock Options Plans

Technip stock options plans can be described as follows:

Year of the Plan	2002	2005				
	Remaining Portion of Part B	Part A	Part B	Part C	Re-Granting Part A and B	Re-Granting Part A, B and C
Date of the Shareholder's Meeting	June 20, 2002	April 29, 2005	April 29, 2005	April 29, 2005	April 29, 2005	April 29, 2005
Date of the Board of Directors that has Implemented the Plan	May 21, 2003	December 14, 2005	July 26, 2006	March 12, 2007	December 12, 2007	June 12, 2008
Validity	6 years	6 years	6 years	6 years	6 years	6 years
Remaining Number of Options to be Exercised	2,465	895,316	903,025	930,400	80,310	106,858
Current Exercise Price in Euro	18.0	46.9	41.4	49.2	55.7	60.0

Except for 2002 stock option plan (remaining portion of part B), these stock options have been granted under condition of achieving certain targets. The final number of stock options granted to employees is linked to the realization of a good performance by the Group. For 2005 stock option plan, performance will be based on earnings per share compared to the average earnings per share of a panel of competitors.

2/ Coflexip Stock Options Plans

Coflexip stock options plans can be described as follows:

Plan Numbers	10	11
Date of the Shareholder's Meeting	June 2, 1999	May 30, 2000
Date of the Board of Directors that has Implemented the Plan	December 14, 1999	March 20, 2001
Validity	10 years	10 years
Remaining Number of Options to be Exercised	30,943	149,650
Current Exercise Price in Euro	16.6	33.4

3/ Technip Stock Options Purchase Plans

Technip stock options purchase plans can be described as follows:

Year of the Plan	2008
Date of the Shareholder's Meeting	May 6, 2008
Date of the Board of Directors that has Implemented the Plan	July 1, 2008
Validity	6 years
Remaining Number of Options to be Exercised	942,060
Current Exercise Price in Euro	58.2

These stock options have been granted under condition of achieving certain targets. For 2008 stock option plan, performance will be based on consolidated result of the Group compared to the average consolidated result of a panel of competitors.

4/ Free Shares Plans

Free shares plans have been implemented in 2007 and 2008. They can be described as follows:

Year of the Plan	2007			
	Part 1	Part 2	Re-Granting	Re-Granting
Date of the Shareholder's Meeting	April 28, 2006	April 28, 2006	April 28, 2006	April 28, 2006
Date of the Board of Directors that has Implemented the Plan	March 12, 2007	March 12, 2007	December 12, 2007	July 1,2008
Validity	5 years	4 years	4 or 5 years	4 or 5 years
Remaining Number of Shares to be Exercised	380,700	635,370	42,700	20,300

Year of the Plan	2008			
	Part 1 List 1	Part 1 List 2	Part 2 List 1	Part 2 List 2
Date of the Shareholder's Meeting	May 6, 2008	May 6, 2008	May 6, 2008	May 6, 2008
Date of the Board of Directors that has Implemented the Plan	July 1, 2008	July 1, 2008	December 9, 2008	December 9, 2008
Validity	5 years	4 years	5 years	4 years
Remaining Number of Shares to be Exercised	368,900	478,450	18,300	1,800

These free shares have been granted under condition of achieving certain targets. For 2007 free shares plan, performance will be measured based on earnings per share compared to the average earnings per share of a panel of competitors.

For 2008 free shares plan, performance will be based on consolidated result of the Group compared to the average consolidated result of a panel of competitors.

(d) Capital Increase reserved for Employees

Technip realized a capital increase reserved for employees in 2008.

Following this capital increase, the number of shares issued on October 17, 2008 is 1,446,260 shares, the increase in common stock amounts to €M 1.1, and the increase in Paid-in-Surplus amounts to €M 59.8, minus €M 0.9 charge being administrative costs linked to this operation, for a total of €M 60.0.

The capital increase has been realized by Technip SA, the mother company of the Group. Employees that could take advantage of this offer were from Technip SA as well as Technip affiliates in 18 countries.

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 d'Entreprise, a* FCPE is a French collective savings vehicle allowing employees to hold a portfolio invested in securities). 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.
- 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 3.6% 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 3.6% and 7.6 times the protected average increase in Technip share value compared to the reference price, In this case, the bank in charge of structuring the operation, finance nine Technip shares for one Technip share subscribed by one employee.

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 of local constraints on legal, tax or social matters. In some countries, Technip Multiple Plan has been proposed as SAR subscription plan (Stock Appreciation Rights).

The split by plan in the number of shares subscribed is the following:

	2008
Classic Plan	67,503
Multiple Plan	985,155
Secure Plan	93,389
Stock Appreciation Rights (SAR)	300,213
Total of subscribed Shares	**1,446,260**

The reference share price is € 52.66, the subscription price is € 42.13 due to the 20% discount awarded to employees and the price of the share at the end of the withdrawal period is € 47.80.

(e) Distributable Retained Earnings

As of December 31, 2008, the distributable retained earnings of Technip amount to €M 369.9 after estimated due taxes.

6.6. Provisions

(a) Nature of Provisions for Risks and Charges

As of December 31, 2008, provisions for risks mostly include the provisions for foreign exchange losses for €M 2.5, the provision for risks on treasury shares allocated to stock options plans and free shares plans granted to Company employees (booked as marketable securities) and granted to subsidiaries employees (booked as financial assets) for €M 26,2.

Provisions for charges mostly include the provisions for pensions (€M 0.03). The calculation of this provision is based on an actuarial computation; the actuarial assumptions used are the French mortality table, staff turnover, salary increase discount and inflation rates.

(b) Change in Provisions

Change in provisions is as follows:

	December 31,				
In millions of Euro	2007	Allowance	Used Provisions Reversals	Unused Provisions Reversals	2008
Regulated Provisions	0.7	-	0.7	-	-
Provisions for Risks	7.3	30.2	4.2	-	33.3
Provisions for Charges	0.6	0.9	1.5	-	-
Total Provisions in Liabilities	**8.6**	**31.1**	**6.4**	**-**	**33.3**
Provisions on Investments	127.0	3.0	-	19.4	110.6
Provisions on Loans	1.1	-	-	-	1.1
Provisions on Treasury Shares	-	78.3	-	-	78.3
Provisions on Current Assets	1.8	0.2	1.7	-	0.3
Provisions on other Current Assets	-	0.1	-	-	0.1
Provisions on Current Accounts	14.4	0.1	11.4	-	3.1
Total Provisions on Assets	**144.3**	**81.7**	**13.1**	**19.4**	**193.5**
Total Provisions	**152.9**	**112.8**	**19.5**	**19.4**	**226.8**

(c) Breakdown of Provision Changes

Allowance and reversal of provisions can be analyzed as follows:

In millions of Euro	2008	2007
Operating Allowance	5.2	0.1
Financial Allowance	107.6	2.7
Extraordinary Allowance	-	-
Total Allowance	**112.8**	**2.8**
Operating Reversal	1.5	1.4
Financial Reversal	36.7	9.6
Extraordinary Reversal	0.7	3.6
Total Reversal	38.9	14.6
Operating Charges Transferred	5.9	0.4
Total Reversal of Provisions and Charges Transferred	**44.8**	**15.0**

6.7. Accrued Charges and Accrued Incomes Included in Assets and Liabilities

Accrued incomes included in assets amount to €M 31.3 as of December 31, 2008, against €M 43.0 as of December 31, 2007.

Accrued charges included in liabilities amount to €M 13.9 as of December 31, 2008, and €M 44.3 as of December 31, 2007.

6.8. Maturity of Assets and Liabilities

The maturity of assets (net of provisions) and liabilities can be analyzed as follows:

	As of December 31, 2008		
In millions of Euro	Total	Less than 1 Year	More than 1 Year
Financial Assets[1]	50.8	3.9	46.9
Trade Receivables	53.1	53.1	-
Receivables from Group Companies	9.6	9.6	-
Other Current Receivables	49.8	49.8	-
Accrued Assets	4.1	3.6	0.5
Total Assets	**167.4**	**120.0**	**47.4**

(1) Without investments and treasury shares.

	As of December 31, 2008			
In millions of Euro	Total	Less than 1 Year	Between 1 Year and 5 Years	More than 5 Years
Bond[1]	650.0	-	650.0	-
Bank Borrowings/Credit Lines	18.5	18.5	-	-
Other Financial Debts and Liabilities	-	-	-	-
Financial Debts and Liabilities towards Group Companies[2]	500.1	0.5	499.6	-
Accounts Payables	36.2	36.2	-	-
Tax and Social Liabilities	12.2	12.2	-	-
Payable on Assets	2.6	2.6	-	-
Other Liabilities	16.3	16.3	-	-
Deferred Income	-	-	-	-
Total Liabilities	**1,235.9**	**86.3**	**1,149.6**	**-**

(1) On May 26, 2004, Technip issued a corporate bond loan for an amount of €M 650.0.
Main characteristics of this bond (listed on the Luxembourg Stock Exchange on May 26, 2004), are the following:
- *Issuance price of € 997.07 per bond (650,000 issued bonds);*
- *The coupon payable on May 26 of each year amounts to 4.625% per year of the bond nominal value;*
- *Redemption date: May 26, 2011;*
- *Gross rate of yield at the issuance date for the bondholder: 4.675% per annum.*

(2) Including current account with the group cash pooling entity: €M 499.6.

6.9. Trade Bills Included in Assets and Liabilities

Technip does not have any outstanding trade bill as of December 31, 2008 and 2007.

6.10. Revenues

Revenues amount to €M 138.7 in 2008 and €M 113.3 in 2007. In 2008, they have been realized for €M 77.1 in France.

Revenues mostly consist in reinvoicing management fees and insurance costs to other Group entities.

6.11. Financial Result

Financial result can be analyzed as follows:

In millions of Euro	2008	2007
Dividend Income	394.8	178.9
Allowance/Reversal of Provisions on Investments	16.3	-
Allowance/Reversal of Provisions on Loans	-	1.1
Allowance/Reversal of Provisions on Trade Receivables	1.7	(1.7)
Allowance/Reversal of Provisions on Current Accounts	11.3	1.2
Allowance/Reversal of Provisions on Treasury Shares	(78.3)	-
Allowance/Reversal of Provisions on Free Shares	(26.2)	-
Amortization of Redemption/Issuance Premium Related to Bond Loan	(0.3)	(0.3)
Allowance/Reversal of Provision on Exchange Losses	4.2	6.3
Interest Income from Loans	3.6	3.0
Interest Expense on Bond	(30.1)	(30.1)
Subsidies and Write-Down on Financial Assets	(35.8)	(41.0)
Interest on Cash Pooling Current Account	(32.4)	(29.4)
Others	(6.5)	(8.9)
Financial Result	**222.3**	**79.1**

Change in financial result between 2007 and 2008 is mostly due to:

- Increase in received dividends (€M 215.9);
- Increase in change in provisions on current accounts (€M 11.3 in 2008 against €M 1.2 in 2007);
- Allowance of provisions on treasury shares (€M -78.3) and on risks on free shares (€M -26.2).

6.12. Extraordinary Result

Extraordinary result can be analyzed as follows:

In millions of Euro	2008	2007
Allowance for Amortization	(8.2)	-
Reversal of Provisions	0.8	3.6
Gains and Losses on Sales of Intangible Assets	(17.0)	-
Gains and Losses on Sales of Tangible Assets	-	-
Gains and Losses on Sales of Investments	0.4	(2.9)
Others	(2.4)	(0.1)
Extraordinary Result	**(26.4)**	**0.6**

In 2008, extraordinary result mainly comes from the cancellation of some software projects.

6.13. Income Tax

Technip is the leading company of a consolidated tax group. Due to the non-taxation of dividends (Parent Company and Subsidiaries' regime), Technip income tax is negative. This tax deficit is set off against the income tax of the other companies within the consolidated tax group.

The impact on 2008 income statement is a €M 64.3 tax credit that can be detailed as follows:

- Tax credit generated by Technip: €M 60.8;
- Tax credit generated by the tax group: €M 3.5.

Technip income tax (€M 60.8) comes for €M 51.8 from current income and for €M 9.0 from extraordinary result.

Temporary Differences: as of December 31, 2008, the temporary differences are not material (€M 0.1) and consist in Organic (Social French tax) and retirement benefit provision.

6.14. Related Parties Disclosure

The following amounts represent Technip's accumulated shares in the assets, liabilities, financial income and expense with respect to related parties (companies in which Technip holds directly or indirectly more than half of the share capital).

	As of December 31,	
In millions of Euro	2008	2007
Financial Assets	3,506.9	3,412.1
Current Assets, Receivables from Group Companies	64.7	88.1
Total Assets	**3,571.6**	**3,500.2**
Financial Debts (Group and Affiliates)	500.1	725.9
Current Liabilities	29.5	22.6
Total Liabilities	**529.6**	**748.5**
Financial Charges	46.4	32.8
Financial Income	385.3	172.8

6.15. Off-Balance Sheet Commitments

Off-balance sheet commitments can be analyzed as follows:

	As of December 31,	
In millions of Euro	2008	2007
Parent Company Guarantees(1)	27,009.5	24,595.7
Commitments Given(2)	805.8	829.9
Commitments Received	None	None
Trade Bills Discounted before Maturity	None	None

(1) Parent company guarantees given by Technip to clients cover the proper performance of the specified contracts for which the average period until the release of the commitment guarantees is around 5 years. Regarding joint ventures, the amounts disclosed in the parent company guarantees, also include the contract part allocated to the Group's partners in joint venture and are not reduced according to the projects' percentage of completion.

(2) These commitments are given on behalf of Group companies and mainly relate to:
- *guarantees given towards third parties;*
- *guarantees or counter-guarantees given to banks;*
- *guarantees given to various customers or partners for the realization of contracts.*

Moreover, Technip entered into the following commitments:

- Technip granted in 2007 a subsidy to Technip Saudi Arabia for €M 37.6, with a conditional clause under which Technip Saudi Arabia will reimburse Technip, until the subsidy is totally reimbursed, if its results are positive.
- Technip Board of Directors, dated December 9, 2008, authorized a subsidy to Technip Marine (M) SDN BHD. The maximum for this subsidy is MUSD 102 and it takes into account insurance reimbursements which should occur. 2008 subsidy amounts to €M 21.0 and a complementary subsidy, up to the authorized ceiling, could be paid in 2009 if insurance reimbursements to Technip Marine (M) SDN BHD are lower than expected.

Technip did not enter into any significant leasing contract in 2008 and 2007.

Adria Tower

At the end of 2002, Technip entered into a 12 year lease contract related to Adria Tower. This lease is for the period from March 1, 2003 to February 28, 2015. Technip benefited from a free rent until December 31, 2003.

In millions of Euro	Operating Leases
2009	33.9
2010	34.3
2011	34.3
2012	34.7
2013 and beyond	75.4
Total(1)	**212.6**

(1) Preliminary amount, as the rent amount varies according to the INSEE Construction cost index.

6.16. Financial Instruments

Technip has no financial instruments as of December 31, 2008 or as of December 31, 2007.

6.17. Liabilities Covered by Securities

Technip has no material liabilities covered by securities.

6.18. Average Number of Employees

The average number of employees amounts to 7 people in 2008 and 6 people in 2007.

6.19. Compensation of the Board of Directors' Members

The amount of director's fees paid by Technip to the members of the Board of Directors during 2008 was 374,600 euros.

No loan has been granted to the Members of the Board during the year.

The compensation of the Company's Chairman and Chief Executive Officer is determined by the Board of Directors, upon the proposal of the Nominations and Remunerations Committee.

The total compensation paid in 2008 by the Company to Mr. Pilenko amounted to €1,349,111.

The variable portion of compensation is based on the fixed compensation for the previous year.

For 2008 the target variable portion is equal to 100% of the annual base compensation. 50% of the target variable portion is linked to the financial performance of the Group based on 2008 operating income, 25% is linked to the achievement of individual objectives and 25% to the implementation of Group values and cooperation within the Group. The share of the variable portion linked to Group financial performance is nil (i) if real performance is below 75% of the budgeted amount (performance floor), (ii) between 50% and 100% for a performance equal to 75% to 100% of the budgeted amount and (iii) between 100% and 200% for a performance equal to 100% to 125% of the budgeted amount (outperformance). If achieved financial results are superior to the budgeted objective, a multiplier rate is calculated, up to a maximum of 2.0. The multiplier is calculated based on the financial portion of the objectives, representing 50% of the variable portion criteria. It is then applied to other criteria in order to calculate the final variable portion, which is capped at 200% of the target variable portion. The variable portion to be paid in 2009 to Mr. Pilenko for 2008 is 1,060,920 euros.

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

There is no specific retirement plan for the Chairman and Chief Executive Officer. The Chairman and Chief Executive Officer is a beneficiary of the supplementary retirement plan for Group executives, with fixed contributions of 8% of gross annual compensation paid up to income bracket 3, *i.e.,* eight times the annual French Social Security limit. The contribution for 2008 amounted to €21,297.

The Chairman and Chief Executive Officer also benefits from the Company's existing supplementary retirement plan for Executive Committee members: a retirement income guarantee of 1.8% per year of service on income bracket 4 of gross annual compensation paid, *i.e.,* exceeding eight times the Social Security limit. The years of service required in order to benefit from this plan is 5 years as a member of the Executive Committee, and limited to 15 years. The amount of gross compensation to which this retirement income guarantee applies corresponds to the yearly average of the gross base compensation (including variable compensation within the limit of the target variable portion of 100%), received over the five complete financial years prior to the date of departure from the Company. The retirement income guarantee will only be due in the following events: a departure from the Company after his 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 on his part and that no salaried activity is resumed between leaving the Company and receiving a pension under the general French Social Security scheme.

During the 2008 financial year, 80,000 share purchase options and 30,000 free shares were granted to Mr. Pilenko. Mr. Pilenko has not exercised any Technip share subscription option or share purchase option. Mr. Pilenko does not benefit from any share subscription warrants from Technip or any other Group company.

At the time of his appointment Mr. Pilenko signed a worldwide non-compete agreement. In compliance with the October 6,2008 AFEP-MEDEF recommendations, at its meeting on February 18, 2009 the Board of Directors decided to limit the amount of the indemnity to 24 months' compensation, calculated based on base compensation plus the target variable compensation of the last twelve months, corresponding to a two-year non-compete clause.

On the same date, the Board decided against paying an indemnity to the executive officer in case of the termination or non-renewal of his term of office by decision of the Company.

6.20. Litigations and Pending Investigations

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") from 1994 onwards. The companies KBR (formerly a subsidiary of the US Group Halliburton), Snamprogetti Netherlands BV (a subsidiary of the Italian Group ENI) and JGC Corporation (Japan) each hold 25% of TSKJ's share capital.

The United States Securities and Exchange Commission ("SEC") and the United States Department of Justice ("DOJ") have since 2004 been conducting formal investigations into payments made in connection with the construction by TSKJ of a natural gas liquefaction complex for NNLG. A similar investigation by a French magistrate against "unidentified persons" which also commenced in 2004 is still ongoing.

During the summer of 2004, the SEC requested Technip (which registered its shares with the SEC between October 2001 and November 2007) to voluntarily provide information relating to the implementation of this project. Technip has fully cooperated on a voluntary basis with both formal and informal requests from the SEC and the DOJ since this request.

On 11 February 2009, KBR, which was at all relevant times, between 1994 and 2007, a domesctic issuer under US securities laws, pleaded guilty to a five count criminal information in the United States District Court involving charges related to the United States Foreign Corrupt Practices Act ("FCPA") for conduct arising from its participation in TSKJ. In its plea agreement, KBR asserted that it had conspired to pay bribes to Nigerian Government Officials. As part of its plea agreement, KBR agreed to pay a criminal fine of $M 402.0. Contemporaneously, KBR and its former parent company Halliburton also reached a settlement of a related civil complaint filed by the SEC alleging civil violations of the FCPA. KBR and Hallibuton jointly agreed to pay $M 177.0 in settlement of the civil complaint. The US Government has also brought criminal charges against certain individuals for conduct related to the project.

A person or entity found in violation of the FCPA could be subject to criminal fines and civil penalties of up to $M 0.5 per violation and equitable remedies including disgorgement (if applicable) of profits including pre-judgment interest on such profits. Criminal penalties could range up to $M 2.0 per violation or twice the pecuniary gain or loss from the violation. The amount of any fines or monetary penalties depends on factual findings, including among others, the amount, timing, nature and scope of any improper payment and related business transactions and the level of cooperation provided to the authorities during the investigations. Investigations of this nature and any related settlements could result in (i) third party claims against Technip which could include claims for special, indirect or consequential damages (ii) adverse consequences on Technip's ability to obtain or continue financing for current or future projects and/ or (iii) damage to Technip's business or reputation via negative publicity adversely affecting Technip's prospects in the commercial market place.

French law was modified in September 2000 to attach for the first time, liability for the corruption of foreign public officials. Under that law, criminal fines of up to € 750,000, the confiscation of the direct and indirect profits of the offence and various prohibitions and civil damages may be imposed on a legal entity.

Technip and its counsel have held meetings with the US authorities since July 2008 and continue to cooperate with the US authorities in their investigation. While there are many complex factual and legal issues relating to this matter, based on currently available information, Technip cannot exclude an adverse conclusion of the investigations which could have a material financial impact on Technip. Technip is unable to estimate an amount of probable cost or a range of possible costs related to this matter.

7. Subsidiaries and Investments

In millions of Euro	Country	Percentage of Ownership (%)	Issued Capital	Reserves and Retained Earnings Before Allocation	Share Book Value Gross	Share Book Value Net	Outstanding Loans and Advances	Bonds Posted and Guarantees Given	Revenues 2008	Net Income 2008	Dividends Received 2008
A - Detailed information concerning investments for which gross-value exceeds 1% of Technip's issued capital											
Subsidiaries with more than 50% of issued capital held by Technip											
Technip France	France	77.79%	22.7	(42.8)	43.5	43.5	-	9,506.5	1,819.9	75.7	78.3
Technip Offshore International	France	100.00%	6.9	847.0	2,960.5	2,960.5	19.9	-	-	371.0	252.0
Technipnet	France	100.00%	2.0	(0.1)	2.0	2.0	-	2.2	22.9	(1.1)	-
SCI CB3 Défense	France	100.00%	0.4	0.1	86.1	-	-	-	-	0.1	-
Seal Engineering	France	99.76%	0.1	0.4	1.1	1.1	-	-	4.5	0.9	0.8
Eurodim	France	99.89%	0.2	1.5	11.5	11.5	-	-	1.8	0.3	-
Technip International AG	Switzerland	99.90%	3.4	(2.3)	3.1	-	-	-	-	(0.4)	-
Engineering Re	Switzerland	99.50%	1.4	2.4	1.7	1.7	-	10.3	7.3	2.8	-
Technip Italy	Italy	100.00%	25.8	45.0	22.1	22.1	-	3,717.1	940.7	37.0	16.0
TPL–Tecnologie Progetti Lavori	Italy	100.00%	9.0	1.1	7.8	7.8	-	-	-	(0.9)	-
Technip Iberia	Spain	99.99%	0.6	2.0	0.8	0.8	-	0.5	25.8	1.4	1.9
Technip Capital	Belgium	100.00%	19.3	(0.1)	19.3	19.3	-	-	-	0.5	-
Technip Far East	Malaysia	100.00%	6.2	(3.0)	5.9	5.9	-	-	26.3	1.0	-
Technip Holding Benelux BV	Netherlands	100.00%	9.1	(9.8)	26.7	26.7	-	-	-	30.5	34.0
Technip Germany	Germany	100.00%	12.8	4.6	100.2	80.2	-	189.5	82.6	4.1	2.0
Investments between 10% and 50% of issued capital held by Technip											
TPG (M)	Malaysia	30.00%	0.2	10.6	1.2	1.2	0.8	770.4	116.5	4.0	-
Technip USA Holding Inc	USA	30.75%	-	0.4	160.0	160.0	-	-	-	-	15.7
B - Other subsidiaries and investments											
Other Subsidiaries											
French Subsidiaries		NA	NA	NA	2.1	1.7	1.0	70.4	NA	NA	4.3
Foreign Subsidiaries		NA	NA	NA	2.0	1.8	2.4	59.2	NA	NA	-
Other Investments											
French Investments		NA	NA	NA	-	-	-	-	NA	NA	-
Foreign Investments		NA	NA	NA	1.4	0.6	0.4	1,646.6	NA	NA	12.8
Total		**NA**	**NA**	**NA**	**3,459.0**	**3,348.4**	**24.5**	**15,972.7**	**NA**	**NA**	**417.8**

20.3. Statement of Statutory Auditor's Fees

	Ernst & Young				PricewaterhouseCoopers			
	2008		2007		2008		2007	
In thousands of Euro	Amount	%	Amount	%	Amount	%	Amount	%
AUDIT								
■ Auditing, certification of financial statements, examination of Company and consolidated financial statements :								
Technip SA	812	16%	614	11%	581	24%	614	31%
Subsidiaries	3,109	62%	3,342	62%	1,530	63%	1,023	50%
■ Other assignments :								
Technip SA	301	6%	-	0%	99	4%	-	0%
Subsidiaries	52	1%	50	1%	70	3%	12	1%
Sub-total	**4,274**	**85%**	**4,006**	**74%**	**2,280**	**94%**	**1,649**	**82%**
OTHER SERVICES								
■ Legal and tax :								
Technip SA	-	0%	5	0%	-	0%	-	0%
Subsidiaries	725	15%	820	15%	148	6%	105	5%
■ Sarbanes-Oxley :								
Technip SA	-	0%	568	11%	-	0%	251	13%
Subsidiaries	-	0%	-	0%	-	0%	-	0%
Sub-total	**725**	**15%**	**1,393**	**26%**	**148**	**6%**	**356**	**18%**
TOTAL	**4,999**	**100%**	**5,399**	**100%**	**2,428**	**100%**	**2,005**	**100%**

This table includes fees borne by proportionately integrated companies.

20.4. Dividend Distribution Policy

The Combined Shareholders' Meeting of May 6, 2008 approved the payment to shareholders of an ordinary dividend of 1.20 euro per share for the year ended December 31, 2007.

The Shareholders' Meeting also observed that for the past three years, the amount of dividends eligible for the 40% French tax credit (*avoir fiscal*), were as follows:

Year	Dividend per share	Amount of the distribution eligible for the 40% tax credit (since 2005)
2005*	€0.92	€0.92
2006	€1.05	€1.05
	€2.10	€2.10
2007	€1.20	€1.20

* *The par value of the Company's shares was divided by four on May 18, 2005.*

Confident in Technip's capacity to create long-term shareholder value in a challenging environment, the Board of Directors proposes to the Shareholders' Meeting of April 30, 2009 to maintain the amount of 2008 dividend at 1.20 euro per share.

This dividend would be paid on May 12, 2009.

The payment of dividends, which is handled by Société Générale, is made to the financial intermediary account holders through Euroclear France's direct payment procedure.

JP Morgan Chase Bank will handle of the payment of dividends to ADR holders.

Dividends that are not claimed within five years of the date of payment revert to the French State.

20.5. Legal and Arbitration Procedures

ITP dispute

On December 21, 2001, Interpipe SA (ITP), a French company, filed a complaint with a French Commercial Court *(Tribunal de Commerce)* against Coflexip, Coflexip Stena Offshore Ltd and Coflexip Stena Offshore International (renamed Technip France and Technip UK Ltd) seeking damages based on alleged breaches of confidentiality agreements related to "pipe-in-pipe" technology.

This dispute relates to contractual and other relationships among the companies between 1993 and 1998. ITP worked on certain subsea pipeline installation projects managed subsequently by Coflexip (and then Technip).

On May 16, 2006, the Commercial Court of Paris rendered a ruling partially in favor of ITP, imposing a fine of 48,930,000 euros on Technip. The Court's decision was not, however, automatically enforceable.

On June 28, 2006, Technip filed an appeal of this ruling. ITP then amended its complaint by adding grounds of unfair commercial practices and tort liability.

On March 18, 2009, the Appeals Court of Paris ruled in favor of Technip by overruling the Commercial Court's decision as it related to Technip's contractual breach and by rejecting ITP's other complaints.

Technip has always believed ITP's complaints to be unfounded and that its exposure to this litigation was weak, which was confirmed by the Court.

Moreoever, the Court, in the same decision, ruled in favor of Technip's counter-argument by finding that ITP had committed acts of defamation against Technip and by requiring that it pay damages.

This decision can be appealed to the highest court *(Cour de Cassation)* only after the Appeals Court's decision has been executed.

ITP had also brought an action against Technip before the Scottish and U.S. courts for infringement of a patent relating to pipe-in-pipe technology. In the meantime, the disputed patent was revoked by the European Patent Office on February 17, 2004, which rendered ITP's claim on British territory invalid. As a result, the Appeals Court of Edinburgh terminated the proceedings before it on November 19, 2004. In addition, a settlement agreement that was reached at the end of 2007, requiring no financial compensation, terminated the proceedings before the U.S. court in Alabama.

However, even though the revocation of ITP's European patent terminated its rights to the patent, it had no effect on the French patent obtained to protect the "pipe-in-pipe" technology.

As a result, on April 27, 2007, Technip brought an action against ITP to nullify its French patent. Technip's claim was rejected by the Paris Court of first instance on January 28, 2009, which has already been appealed. Technip believes that its exposure in terms of damages is negligible.

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") from 1994 onwards. The companies KBR (formerly a subsidiary of the US Group Halliburton), Snamprogetti Netherlands BV (a subsidiary of the Italian Group ENI) and JGC Corporation (Japan) each hold 25% of TSKJ's share capital.

The United States Securities and Exchange Commission ("SEC") and the United States Department of Justice ("DOJ") have since 2004 been conducting formal investigations into payments made in connection with the construction by TSKJ of a natural gas liquefaction complex for NLNG. A similar investigation by a French magistrate against "unidentified persons" which also commenced in 2004 is still ongoing.

During the summer of 2004, the SEC requested Technip (which registered its shares with the SEC between October 2001 and November 2007) to voluntarily provide information relating to the implementation of this Project. Technip has fully cooperated on a voluntary basis with both formal and informal requests from the SEC and the DOJ since this request.

On February 11, 2009 KBR, which was at all relevant times, between 1994 and 2007, a domestic issuer under US securities laws, pleaded guilty to a five count criminal information in the United States District Court involving charges related to the United States Foreign Corrupt Practices Act ("FCPA") for conduct arising from its participation in TSKJ. In its plea agreement, KBR asserted that it had conspired to pay bribes to Nigerian Government Officials. As part of its plea agreement, KBR agreed to pay a criminal fine of $US 402 million. Contemporaneously, KBR and its former parent company Halliburton also reached a settlement of a related civil complaint filed by the SEC alleging civil violations of the FCPA. KBR and Hallibuton jointly agreed to pay $US 177 million in settlement of the civil complaint. The US Government has also brought criminal charges against certain individuals for conduct related to the Project.

A person or entity found in violation of the FCPA could be subject to criminal fines and civil penalties of up to US$ 500,000 per violation and equitable remedies including disgorgement (if applicable) of profits including pre-judgment interest on such profits. Criminal penalties could range up to US$ 2,000,000 per violation or twice the pecuniary gain or loss from the violation.

The amount of any fines or monetary penalties depend on factual findings, including among others, the amount, timing, nature and scope of any improper payment and related business transactions and the level of cooperation provided to the authorities during the investigations. Investigations of this nature and any related settlements could result in (i) third party claims against Technip which could include claims for special, indirect or consequential damages (ii) adverse consequences on Technip's ability to obtain or continue financing for current or future projects and/ or (iii) damage to Technip's business or reputation via negative publicity adversely affecting Technip's prospects in the commercial market place.

French law was modified in September 2000 to attach, for the first time, liability for the corruption of foreign public officials. Under that law, criminal fines of up to € 750,000, the confiscation of the direct and indirect profits of the offence and various prohibitions and civil damages may be imposed on a legal entity.

Technip and its counsel have held meetings with the US authorities since July 2008 and continue to cooperate with the US authorities in their investigation.

While there are many complex factual and legal issues relating to this matter, based on currently available information, Technip cannot exclude an adverse conclusion of the investigations which could have a material financial impact on Technip. Technip is unable to estimate an amount of probable cost or a range of possible costs related to this matter.

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 significant impact on the Group's financial position or profitability.

20.6. Significant Changes in the Financial or Commercial Position

None.

21

Additional Information

21.1. Share Capital

21.1.1. Amount of share capital

As of January 1, 2008, the start of the fiscal year, Technip's share capital amounted to 81,857,252.68 euros, divided into 107,353,774 fully paid-up ordinary shares.

At the end of the fiscal year, *i.e.,* December 31, 2008, Technip's share capital amounted to 83,354,642.55 euros, divided into 109,317,564 fully paid-up ordinary shares.

As of February 28, 2009, Technip's share capital amounted to 81,857,252.68 euros, divided into 109,317,564 shares.

21.1.2. Non-equity securities

None.

21.1.3. Treasury shares and share repurchase programs

Overview of share repurchase programs as of February 28, 2009

The Combined Shareholders' Meetings of April 27, 2007 and May 6, 2008, in the 18th and 7th resolutions, respectively, authorized the Board of Directors to repurchase Technip shares in an amount of up to 10% of the share capital for the following purposes:

- to satisfy commitments related to stock option plans or other grants of shares in favor of employees or directors or officers *(mandataires sociaux)* of the Company or its affiliates;
- to deliver shares for payment or exchange in relation to external growth transactions;

- to create a market for the shares for purposes of ensuring liquidity, pursuant to a liquidity contract with a financial services intermediary, which complies with the professional code of ethics approved by the AMF;
- to cancel shares;
- to deliver securities upon the exercise of rights attached to securities giving access to share capital; and
- to implement any market practice that could subsequently become recognized by law or by the AMF.

The maximum repurchase price for the Company's shares was set at 80 euros per share under each of the programs authorized by the Shareholders' Meetings of 2007 and 2008.

As of February 28, 2009, the program that was authorized by the Shareholders' Meeting of 2007 had not been implemented.

Summary of the Company's transactions involving its own shares

The tables below summarize Technip's transactions involving its own shares, as of February 28, 2009, under the share repurchase programs discussed above.

Transactions completed by the Company on its own shares over the period from March 1, 2008 to February 28, 2009*	
Percentage of share capital held directly or indirectly by the Company at February 28, 2009	2.80%
Number of shares cancelled over the previous 24 months (end of February 2007 to February 28, 2009)	0
Number of shares held in the Company portfolio at February 28, 2009	3,066,144
Initial value of portfolio	€143.8 million
Book value of portfolio at December 31, 2008**	€65.5 million
Market value of portfolio***	€79.5 million

* *Technip's Reference Document for the fiscal year ended December 31, 2007 described Technip's transactions on its own shares over the period from April 28, 2006 to February 29, 2008. No share repurchases were carried out pursuant to the 18th resolution of the Combined Shareholders' Meeting of April 27, 2007. Repurchases over the period indicated in the above table were carried out pursuant to the 7th resolution of the Combined Shareholders' Meeting of May 6, 2008.*

** *Provision for risk related to the grant of free shares (26 million euros) not included.*

*** *On the basis of the February 27, 2009 closing price of Technip's shares on Eurolist, i.e., 25.92 euros.*

Over the course of the financial year ended December 31, 2008, 27,669 shares were purchased at an average price of 27.25 euros (excluding fees), and represented 0.025% of the Company's share capital as at December 31, 2008. Over the same financial year, 25,428 shares were sold at an average price of 27.24 euros. Transaction fees amounted to 0 euro.

Summary of transactions completed by the Company on its own shares over the period from March 1, 2008 to February 28, 2009:

	Cumulated gross flows*		Positions open on February 28, 2009**			
	Purchases	Sales/ Transfers***	Positions open for purchase		Positions open for sale	
Number of shares	27,669	25,428	Calls bought	Forward purchases	Calls sold	Forward sales
Average maximum due date(1)			N/A	N/A	N/A	N/A
Average transaction price(2)	€27.25	€27.24				
Average exercise price	N/A	N/A	N/A	N/A	N/A	N/A
Amounts	€754,041	€692,634				

(1) The April 27, 2007 share repurchase program was not implemented and the corresponding authorization expired at the time of the Combined Shareholders' Meeting of May 6, 2008. The Combined Shareholders' Meeting of May 6, 2008, in its 7th resolution, authorized a new program that will be valid until November 6.

(2) Relates to cash transactions.

* *Cumulated gross flows include cash purchase and sale transactions as well as forward or options transactions that have been exercised or that have expired.*

** *Open positions include non-expired forward sales or purchases, as well as non-exercised call options.*

*** *This is a sale.*

Use of treasury shares

All treasury shares held at February 28, 2009, *i.e.*, 3,066,144 shares, with a par value per share of 0.7625 euros and a purchase price value of 143.8 million euros, and which represented 2.80% of the Company's share capital at February 28, 2009, were used to satisfy obligations related to stock option plans or other grants of shares in favor of the Company's employees and directors and officers.

Out of the 3,066,144 treasury shares held at February 28, 2009, which were used to satisfy obligations related to stock option plans or other grants of shares in favor of the Company's employees and directors and officers, 1,110,670 shares were more specifically used for the Plan 2007 free share program, implemented by the Board of Directors at its meetings on March 12, 2007, December 12, 2007 and July 1, 2008, and 1,070,692 shares were used for the Plan 2008 free share program implemented by the Board of Directors at its meetings on July 1, 2008, December 9, 2008 and February 18, 2009. Moreover, 953,100 shares were used for the Plan 2008 free share program implemented by the Board of Directors at its meeting on July 1, 2008.

The potential dilutive effect amounts to 2.83% of the Company's share capital at February 28, 2009.

Renewal of the Company's share repurchase program

A proposal will be submitted to the Shareholders' Meeting of April 30, 2009 (14th resolution) to authorize the Board of Directors to repurchase Technip shares in an amount of up to 10% of the share capital as of the date of such meeting. The maximum purchase price will be proposed to be set at 60 euros (excluding costs) per share.

Legal framework

The implementation of this plan is subject to the approval of Technip's Shareholders' Meeting of April 30, 2009 through the 14th resolution, which reads as follows:

"The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the report of the Board of Directors,

authorizes the Board of Directors to purchase shares of the Company, in accordance with the provisions of Articles L. 225-209 *et seq.* of the French Commercial Code, on one or more occasions, for the following primary purposes:

- to honor commitments related to stock-option plans or other share grants to employees or directors or officers *(mandataires sociaux)* of the Company or its affiliates;
- to use shares in payment or in exchange in connection with external growth transactions;
- to promote share trading, in order, in particular, to ensure liquidity, pursuant to a liquidity contract with an investment services provider in compliance with the ethics charter approved by the *Autorité des marchés financiers;*
- to cancel such shares;
- to deliver shares upon the exercise of rights attached to securities giving access to the share capital;
- to implement any market practice that becomes recognized by law or the *Autorité des marchés financiers*.

The purchase, holding, sale or transfer of the purchased shares may be carried out, depending on the case, on one or more occasions, in any manner on the market (regulated or not), through multilateral trade facilities ("MTFs"), *via* systematic internalizers or through negotiated transactions, in particular, through the acquisition or sale of blocks, or by using financial derivatives and warrants, in compliance with applicable regulations. The portion of the repurchase program that may be carried out by negotiation of blocks may be as large as the entire program.

The Shareholders' Meeting sets the maximum purchase price at 60 euros (before charges) per share and decides that the maximum number of shares that may be acquired may not exceed 10% of the shares comprising the share capital as of the date of this Shareholders' Meeting.

In the event of a share capital increase by incorporation of premiums, reserves and benefits, resulting in either an increase in the nominal value, or in a free grant of shares, and in the event of a split or reverse split of shares or any other transaction affecting the share capital, the Board of Directors may adjust the aforementioned purchase price to take into account the effect of those transactions on the value of the shares.

Full powers are granted to the Board of Directors, with power of delegation to the Chief Executive Officer or, with his consent, to one or more executive vice presidents *(directeurs généraux délégués)*, to place, at any time, except during the period of a public offering on the Company's securities, any orders on a securities exchange or through negotiated transactions, to allocate or re-allocate repurchased shares to the primary repurchase purposes in accordance with applicable law and regulations, to enter into any agreements, specifically for the keeping of purchase and sale registers, to draft any documents, to carry out any formalities, to make any declarations and communications to any agencies, particularly to the *Autorité des marchés financiers,* concerning the transactions carried out pursuant to this resolution, to set the terms and conditions to preserve, as necessary, any rights of holders of securities giving access to the Company's share capital and any rights of beneficiaries of options in accordance with applicable regulations and, generally, to take any necessary action. The Shareholders' Meeting also grants full powers to the Board of Directors, if applicable laws or the *Autorité des marchés financiers* were to extend or supplement the primary purposes authorized for share repurchase programs, to inform the public according to applicable regulations of potential modifications to the repurchase program pertaining to the amended purposes.

This authorization invalidates any previous authorization for the same purpose and, in particular, the 7th resolution of the Ordinary Shareholders' Meeting of May 6, 2008. It is granted for a period of eighteen months from the date of this Shareholders' Meeting.

The Board of Directors shall provide the shareholders with information relating to the purchases and sales of shares carried out pursuant to this resolution in its report to the annual Shareholders' Meeting."

Terms

The maximum number of shares that may be acquired cannot exceed 10% of the share capital as of the day of the Shareholders' Meeting.

Acquisitions made by the Company can in no case result in its holding, directly or indirectly, more than 10% of the share capital.

Under the terms of the authorization submitted for approval by the Shareholders' Meeting of April 30, 2009, and on the basis of the treasury shares held and share capital at February 28, 2009 *(i.e.,* 3,066,144 shares and 109,317,564 shares, respectively), the maximum number of shares that may be repurchased would amount to 7,865,612 shares, which would represent a maximum theoretical investment of 471,936,720 euros, based on the maximum purchase price of 60 euros.

21.1.4. Potential capital

Summary of authorizations granted by the Combined Shareholders' Meeting, which expired or were in effect in 2008

The table below summarizes the resolutions adopted by the Combined Shareholders' Meeting authorizing the Board of Directors to increase the share capital, and presents the Board's implementation of such authorizations in 2008:

Purpose	Validity	Limit	Use during the 2008 financial year
Authorization granted to the Board of Directors to grant share subscription or share purchase options	Extraordinary Shareholders' Meeting of April 29, 2005 10th resolution - Term: 38 months Expires: June 28, 2008	3% of the share capital	1% of the share capital
Free grant of new or existing shares to be issued to eligible employees and directors or officers of the Company or other associated companies	Extraordinary Shareholders' Meeting of April 28, 2006 10th resolution - Term: 38 months Expires: June 28, 2009	1% of the share capital	1% of the share capital
Share capital increase reserved for Company Savings Plan members	Extraordinary Shareholders' Meeting of April 28, 2006 11th resolution - Term: 26 months Expires: June 28, 2008	3% of the share capital	None
Share capital increase, with preferential subscription rights	Extraordinary Shareholders' Meeting of April 27, 2007 20th resolution - Term: 26 months Expires: June 26, 2009	Par value: €37.5 million (1) €2.5 billion for securities representing debt certificates granting access to share capital (2)	None
Share capital increase, without preferential subscription rights	Extraordinary Shareholders' Meeting of April 27, 2007 21st resolution - Term: 26 months Expires: June 26, 2009	Par value: €15 million (1) €2.5 billion for securities representing debt certificates granting access to share capital (2)	None
Share capital increase through incorporation of reserves, profits or premiums or other sums for which capitalization would be accepted	Extraordinary Shareholders' Meeting of April 27, 2007 23rd resolution - Term: 26 months Expires: June 26, 2009	€75 million	None
Share capital increase through the issue of shares or securities granting access to the share capital in favor of Company Savings Plan members	Extraordinary Shareholders' Meeting of April 27, 2007 25th resolution - Term: 26 months Expires: June 26, 2009	3% of the share capital (1)	1.35% of the share capital
Share capital increase through the issue of shares in favor of certain categories of beneficiaries, without preferential subscription rights	Extraordinary Shareholders' Meeting of April 27, 2007 26th resolution - Term: 18 months Expires: October 26, 2008	3% of the share capital (1)	None
Authorization granted to the Board of Directors to buy the Company's shares	Extraordinary Shareholders' Meeting of May 6, 2008 7th resolution - Term: 18 months Expires: November 5, 2009	10% of the share capital	0.025% of the share capital
Free grant of existing shares to be issued to eligible employees and directors or officers of the Company or other associated companies	Extraordinary Shareholders' Meeting of May 6, 2008 8th resolution - Term: 24 months Expires: May 5, 2010	1% of the share capital	0.79% of the share capital
Free grant of existing shares to be issued to the Company's Chairman and Chief Executive Officer	Extraordinary Shareholders' Meeting of May 6, 2008 9th resolution - Term: 24 months Expires: May 5, 2010	0.03% of the share capital	0.02% of the share capital
Grant of share purchase options in favor of eligible employees and directors or officers of the Company or other associated companies	Extraordinary Shareholders' Meeting of May 6, 2008 10th resolution - Term: 24 months Expires: May 5, 2010	1% of the share capital	0.88% of the share capital
Grant of share purchase options in favor of the Company's Chairman and Chief Executive Officer	Extraordinary Shareholders' Meeting of May 6, 2008 11th resolution - Term: 24 months Expires: May 5, 2010	0.10% of the share capital	0.07% of the share capital

(1) Share capital increases carried out pursuant to the 20th, 21st, 25th and 26th resolutions of the Extraordinary Shareholders' Meeting of April 27, 2007 must not exceed a total nominal value of 37.5 million euros.

(2) The total amount of debt securities granting access to the share capital issued pursuant to the 20th and 21st resolutions of the Extraordinary Shareholders' Meeting of April 27, 2007 must not exceed 2.5 billion euros.

With a certain number of these authorizations relating to share capital increase reaching expiration, the Combined Shareholders' Meeting of April 30, 2009 is being requested to authorize the Board of Directors:

- to increase the share capital, on one or more occasions over a period of 26 months, with shareholder preferential subscription rights, in an amount of up to 37.5 million euros (15th resolution);
- to increase the share capital, on one or more occasions over a period of 26 months, without shareholder preferential subscription rights, for a public offering or an offering referenced in Article L. 411-2 of the French Monetary and Financial Code in an amount of up to 37.5 million euros (16th resolution). This amount, together with the authorization in the 15th resolution, must not exceed a total nominal increase in capital of 37.5 million euros;
- to increase the share capital, on one or more occasions over a period of 26 months, in favor of members of savings plan of the Company and the French and foreign companies related to the Company in accordance with Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code, in an amount of up to 2% of the share capital on the date of the implementation of such increase (17th resolution);
- to grant, on one or more occasions over a period of 24 months, free, existing shares in an amount of up to 1% of the share capital on the date this Shareholders' Meeting in favor of Technip's employees and directors *(mandataires sociaux)* and to those of companies related to Technip within the meaning of Article L. 225-197-2 of the French Commercial Code (18th resolution);
- subject to the adoption of the 18th resolution, to grant, on one or more occasions over a period of 24 months, free, existing shares in an amount of up to 0.03% of the share capital on the date of this Shareholders' Meeting in favor of the Chairman and Chief Executive Officer *(mandataire social)* (19th resolution);
- to grant, on one or more occasions over a period of 24 months, share purchase or share subscription options in an amount of up to 1% of the share capital on the date of this authorisation in favor of Technip's employees and directors *(mandataires sociaux)* and to those of companies related to the Company (20th resolution);
- subject to the adoption of the 20th resolution, to grant, on one or more occasions over a period of 24 months, share purchase or share subscription options in an amount of up to 0.10% of the share capital on the date of of this authorisation in favor of the Chairman and Chief Executive Officer *(mandataire social)* (21st resolution).

Authorization to reduce share capital

The Combined Shareholders' Meeting of April 29, 2005 authorized the Board of Directors to cancel shares purchased under share repurchase programs carried out by the Company in an amount of up to 10% of the share capital per 24-month period. This authorization was granted for a period of five years pursuant to the following resolution (11th resolution):

"The Shareholders' Meeting, acting under the conditions of quorum and majority required for extraordinary shareholders' meetings, and having reviewed:

- *the Board of Directors' report; and*
- *the Statutory Auditors' Special Report,*

and in accordance with Article L. 225-209 of the French Commercial Code:

1. *Authorizes the Board of Directors to reduce the share capital, on one or more occasions, by cancelling all or part of the shares repurchased pursuant to share repurchase programs authorized by the Shareholders' Meeting in an amount of up to 10% of the share capital per 24-month period and to allocate the difference between the repurchase value of the cancelled shares and their par value to the premiums and available reserves.*
2. *The Board of Directors will have all the powers required to determine the terms and conditions of this or these cancellations and to proceed with the resulting amendment of the articles of association and to carry out all the necessary formalities.*
3. *This authorization is granted for a period of five years. It invalidates any previous authorization for the same purpose."*

The Company did not cancel any shares pursuant to this authorization in 2008.

21.1.5. Information on the terms applicable to rights and obligations attached to subscribed, but unpaid, capital or on any company intending to increase share capital

None.

21.1.6. Information on the share capital of any Group member, which is subject to an option or to a conditional or unconditional agreement for transformation to an option, and details regarding these options (including the identity of the persons to which they belong)

See Section 17.2.2.

21.1.7. Changes in share capital

Change in share capital over the three previous years

Date of Board of Directors' meeting recording the share capital variation	Type of transaction	Number of shares issued/ cancelled	Nominal amount of the share capital increase/ reduction In euros	Global issuance premium	Successive amounts of share capital In euros	Total number of shares	Par value of the shares In euros
02/22/2006	Exercise of share subscription options	1,501,800	1,145,122.50		75,391,556.15	98,874,172	0.7625
04/28/2006	Exercise of share subscription options	600,787	458,100.08		75,849,656.23	99,474,959	0.7625
04/28/2006	Conversion of OCEANEs (convertible bonds) into new shares	11,592,066	8,838,950.33	-	84,688,606.56	111,067,025	0.7625
07/26/2006	Exercise of share subscription options	167,453	127,682.91	-	84,816,289.48	111,234,478	0.7625
11/15/2006	Exercise of share subscription options	30,200	23,027.50	-	84,839,316.98	111,264,678	0.7625
12/14/2006	Exercise of share subscription options	123,508	94,174.85	-	84,933,491.83	111,388,186	0.7625
12/14/2006	Share capital decrease (shares cancelled)	5,569,409	4,246,674.30	-	80,686,817.46	105,818,777	0.7625
02/21/2007	Exercise of share subscription options	298,397	227,527.72	-	80,914,345.18	106,117,174	0.7625
05/14/2007	Recording of the share capital increase under the Group savings plan	516,207	393,607.84	-	81,307,953.02	106,633,381	0.7625
05/14/2007	Exercise of share subscription options	188,876	144,017.95	-	81,451,970.96	106,822,257	0.7625
07/25/2007	Exercise of share subscription options	296,059	225,744.99	-	81,677,715.95	107,118,316	0.7625
11/14/2007	Exercise of share subscription options	102,987	78,527.59	-	81,756,243.54	107,221,303	0.7625
02/20/2008	Exercise of share subscription options	132,471	101,009.14	-	81,857,252.68	107,353,774	0.7625
05/14/2008	Exercise of share subscription options	20,830	15,882.87	-	81,873,135.55	107,374,604	0.7625
07/30/2008	Exercise of share subscription options	210,489	160,497.86	-	82,033,633.41	107,585,093	0.7625
11/12/2008	Exercise of share subscription options	178,199	135,876.74	-	82,169,510.15	107,763,292	0.7625
11/12/2008	Recording of the share capital increase under the Group savings plan	1,446,260	1,102,773.25	-	83,272,283.40	109,209,552	0.7625

Change in share capital over the period from January 1, 2009 to February 28, 2009

Date of Board of Directors' meeting recording the share capital variation	Type of transaction	Number of shares issued/ cancelled	Nominal amount of the share capital increase/ reduction In euros	Global issuance premium	Successive amounts of share capital In euros	Total number of shares	Par value of the shares In euros
02/18/2009	Exercise of share subscription options	108,012	82,359.15	-	83,354,642.55	109,317,564	0.7625

21.2. Articles of Association

21.2.1. Corporate purpose (Article 3 of the Articles of Association)

The company has the following purpose in all countries:

- all engineering studies and services, and construction of complex industrial plants, in particular, for hydrocarbons, as well as all fields of industry, notably chemicals and life sciences;
- the conception, manufacturing, purchase, sale, construction, assembly and installation of materials, products, equipment and systems intended for said installations, in particular, fixed or floating platforms and pipelines for the development of oil fields at sea;
- the provision of all services related to these products, equipment and installations;
- the development and implementation of all processes and products for practical use in industry of the results of research carried out by the Company or by any other individual or entity;
- the registration, acquisition, obtaining, direct or indirect use, sale or purchase of all brands, processes, patents, and licenses for the use of patents;
- the direct or indirect participation by the Company in all operations of the said type, either by way of formation of companies, contributions to existing companies or mergers with such companies, transfer to companies of all or part of its assets or rights in real and personal property, subscriptions, purchases and sales of securities and corporate interests, partnerships, advances, loans or otherwise;
- the investment, by any means and in any form, in companies or industrial, commercial, financial and real property enterprises, whether French or foreign, regardless of legal form or organization and, where necessary, the disposition of these investments;
- more generally, all transactions of a commercial, financial, industrial or civil nature or in real or personal property, related directly or indirectly to any of the purposes listed above and to any similar or related purposes, both on its own behalf or on behalf of third parties, and more generally all transactions facilitating or related to the realization of these purposes.

21.2.2. Members of Administrative, Executive and Supervisory Bodies

Composition of the Board of Directors (Article 14 of the Articles of Association–excerpts)

The Company is regulated by a Board of Directors with no fewer than three and no more than 18 members, subject to exceptions provided for by law.

Each director shall hold at least 400 Company's shares in registered form.

Individuals or legal entities may be directors.

Members of the Board of Directors are appointed by the Ordinary Shareholders' Meeting for a term of four years to expire at the end of the Ordinary Shareholders' Meeting convened to approve the financial statements for the preceding financial year, and held in the financial year during which the term expires.

The Board of Directors will be renewed on a rolling basis every two years as concerns one-half of the members of the Board of Directors if the Board of Directors is comprised of an even number of directors, or one-half of the members plus one if the Board of Directors is comprised of an odd number of directors. For purposes of this provision, the order of the termination of office will be decided by the Board of Directors on the date of its first meeting following the adoption of this provision, unanimously approved by the directors present or represented or, failing that, by a random draw. The terms of office of directors thus chosen or drawn will automatically become null.

The number of directors who are over the age of 70 may not exceed one-third of the number of directors in office at the end of the fiscal year.

Operation of the Board of Directors

Deliberations of the Board of Directors (Article 16 of the Articles of Association–excerpts)

At least one-half of the members of the Board of Directors must be present in person for meetings to be valid.

In accordance with the conditions and limits set by applicable regulations, directors who are not physically present, but participate in meetings of the Board of Directors by means of videoconference or other telecommunications, will be considered present for purposes of quorum and majority requirements.

Decisions are adopted by a majority of the members present in person or represented. The Chairman shall have the casting vote in the event of a tie.

Powers of the Board of Directors (Article 17 of the Articles of Association)

The Board of Directors shall set the guidelines for the business of the Company and shall see to it that they are implemented.

Subject to the powers expressly assigned to Shareholders' Meetings, and within the scope of the corporate purpose, it shall take up any and all issues affecting the proper operation of the Company and shall decide in its meetings any business concerning the Company.

In relationships with third parties, the Company shall be bound even by actions of the Board of Directors which are not related to the corporate purpose, unless it can prove that the third party knew that the action exceeded such purpose or that it could not be unaware of it given the circumstances; publication of the articles of association shall not in and of itself constitute proof.

The Board of Directors shall undertake any and all audits and controls it may deem appropriate. The Chairman or the Company's Chief Executive Officer is responsible for communicating to each director all necessary documentation and information so that they may accomplish their duties.

21.2.3. Rights and duties attached to the shares (Article 11 of the Articles of Association)

Each share shall give a right to the corporate assets, to the distribution of the profits and to any liquidation surplus *(boni de liquidation)*, in proportion to the number of shares issued.

The shareholders shall be liable only up to the amount of their capital contributions.

Share ownership automatically implies adherence to the Company's articles of association and to the decisions of the General Shareholders' Meetings.

The rights and duties attached to each share shall pass with the title of the share, to whomever becomes the owner thereof.

Whenever it is necessary to own a certain number of shares in order to exercise a right of any kind, in particular, in the event of an exchange, consolidation or allotment of shares, or following an increase in or reduction of share capital—whatever the terms and conditions thereto may be—a merger or any other transaction, shareholders holding a number of shares fewer than that required may exercise their rights only on condition that they make their own personal arrangements with regard to consolidation and, where applicable, to the purchase or sale of the number of shares or rights forming the necessary fractional share.

Double voting rights (Article 12 of the Articles of Association)

Since November 24, 1995, double voting rights, taking into account the fraction of the share capital that they represent, have been attributed to all fully paid-up shares which can be proved to have been registered in the name of the same shareholder for at least two years.

In the event of an increase of share capital by capitalization of reserves, profits or premiums, double voting rights shall also be granted as from the time of their issue to registered shares granted free of charge to a shareholder in respect of existing shares entitling such shareholder to the benefit of the said right.

Registered shares benefiting from double voting rights that are converted into bearer form for any reason whatsoever shall lose such double voting rights.

Identifiable bearer shares (Article 13, paragraph 1 of the Articles of Association)

In accordance with applicable laws and regulations, the Company may at any time ask the body responsible for clearing securities for information enabling it to identify the holders of shares carrying immediate or future voting rights at Shareholders' Meetings, as well as the number of shares held by each of them and, where applicable, any restrictions that may affect such shares.

Distribution of profits (Article 27 of the Article of Association)

From distributable profit, as defined by law, the General Shareholders' Meeting may withhold any sums it thinks fit to allocate to any optional reserve fund or to carry it forward.

The balance, if any, shall be divided between all the shareholders in proportion to the number of shares that they own.

In addition, the Shareholders' Meeting may decide to distribute sums withheld from the reserve funds at its disposal, by indicating expressly the particular reserve funds from which the deductions should be made. However, the dividends must be withheld first from the distributable profits for the fiscal year.

21.2.4. Amendment of Shareholders' Rights

In the absence of any provisions regarding changes to shareholders' rights in the Company's articles of association, any changes to shareholders' rights are subject to applicable law.

21.2.5. Shareholders' Meeting (Article 23 of the Articles of Association)

Convening and Holding of Shareholders' Meetings–Deliberations

Shareholders' Meetings shall be convened in accordance with the conditions set out by applicable laws and regulations. Shareholders' Meetings shall meet at the registered office or at any other place specified in the notice convening the meeting.

Shareholders' Meetings shall be chaired by the Chairman of the Board of Directors or, in his absence, by a director so appointed by the Board of Directors, or failing this, the Shareholders' Meeting shall appoint a Chairman.

The vote tellers' functions are performed by two shareholders who are present and who agree to perform these duties, and who have by themselves or as proxies the largest number of votes.

The presiding committee appoints a secretary, who can be chosen from outside of the Meeting's members.

Attendance

Every shareholder has the right, after proof of identity, to participate in Shareholders' Meetings, either physically, or by proxy given to another shareholder or to his or her spouse, or by sending a proxy to the Company without indication of a mandate, provided the shares are registered in the name of the shareholder or his or her intermediary listed pursuant to Article L. 228-1 of the French Commercial Code as of midnight of the third business day preceding the Shareholders' Meeting in accordance with applicable regulations.

Any legal entity shareholder may participate in the Shareholders' Meetings through its legal representatives or by any other person appointed by it for this purpose.

The shareholders may, subject to the conditions set forth under the applicable laws and regulations, send their proxy and mail voting forms for any Shareholders' Meeting either on paper or by electronic means.

The Board of Directors may decide that the shareholders may participate in and vote at any Shareholders' Meeting by videoconferencing means in the conditions set forth by law. In such a case, any shareholder participating by any of the referred means shall be deemed to be present for the purposes of quorum and majority.

21.2.6. Provisions in the Articles of Association that may impact a change in control

To the Company's knowledge, neither the Company's Articles of Association nor its internal charter contains any provisions that could delay or prevent a change in control.

The Company's Articles of Association provide for double voting rights as described above in Section 21.2.3. (Article 12 of the Articles of Association).

21.2.7. Crossing of thresholds (Article 13, paragraphs 2 and 3, of the Articles of Association)

Any shareholder acting alone or in a group *(de concert)*, in addition to the thresholds referred to in Article L. 233-7 of the French Commercial Code, who comes to hold or ceases to hold, directly or indirectly, 1% of the Company's share capital or voting rights, or a multiple of said percentage less than or equal to 33%, shall notify the Company within five trading days of having crossed any one of these thresholds, by registered letter with return receipt requested, of the aggregate number of shares, voting rights or securities giving rights to the Company's share capital, which it holds, directly or indirectly, alone or in a group *(de concert)*.

Any failure to comply with the notification of the crossing of a statutory threshold shall give rise to forfeiture of those voting rights exceeding the fraction that was required to have been declared pursuant to the provisions detailed above, for all Shareholders' Meetings that may be held during a period of two years following the curing of a failure to notify, at the request of one or more shareholders, together holding at least 1% of the Company's share capital or voting rights, such request being recorded in the minutes of the Shareholders' Meetings.

21.2.8. Specific provisions related to changes in share capital

In the absence of any provisions regarding changes to the share capital in the Company's articles of association, any changes to the share capital are subject to applicable law.

22

Significant Contracts

22.1. Revolving Credit Agreement

The 850 million euros revolving agreement is described in Section 4.5 of this Reference Document.

22.2. Bond Issue

The 650 million euros bond issue is described in Section 4.5 of this Reference Document.

23

Information from Third Parties, Declarations Filed by Experts and Declarations of Interest

To the Company's knowledge, the sources referred to in this Reference Document were accurately reproduced and no fact has been omitted, which would render the reproduced information, in any significant way, inaccurate or false.

24

Publicly Available Documents

Throughout this Reference Document's period of validity, a copy of the articles of association, the Statutory Auditors' reports and the financial statements for the preceding three financial years, as well as all reports, correspondence and other documents, historical financial information for the Company and its subsidiaries relating to the preceding three financial years, assessments and declarations drawn up by an expert at the request of the issuer, part of which is included or discussed in this Reference Document, and all other documents provided for under law may be consulted in accordance with the applicable legal and regulatory conditions at the Company's registered office, 6-8, allée de l'Arche, Faubourg de l'Arche, ZAC Danton, 92400 Courbevoie - France.

Persons responsible for financial information releases

Investor and Analyst Relations
6-8, allée de l'Arche–92973 Paris La Défense Cedex–France
Fax: +33 (0)1 47 78 33 40

Kimberly Stewart
Phone: +33 (0)1 47 78 66 74
E-mail: kstewart@technip.com

Antoine d'Anjou
Phone: +33 (0)1 47 78 30 18
E-mail: adanjou@technip.com

25 Information on Equity Interests

See Section 7.2 of this Reference Document and Note 7 of the Company's Statutory Financial Statements for the financial year ended December 31, 2008 (see Section 7 of this Reference Document).

Annex: Current Offices held by Board Members, at December 31, 2008 and other Offices held over the past five years (1)

First name	Surname	Current offices	Expired offices in the last five years
Thierry	PILENKO	Chairman of Technip Italy Director of CGG Veritas (France) Director of Hercules Offshore (United States)	Permanent representant of Technip on Technip's Board of Directors
Olivier	APPERT	Chairman of the Institut Français du Pétrole ("IFP") Director of CGG Veritas Director of the *Institut de Physique du Globe* Director of Storengy	
Pascal	COLOMBANI	Director of Alstom Director of Rhodia Director of Valeo Director of the C-Génial Foundation Director of *"Pour le partage du savoir"* Foundation (Switzerland) Director of British Energy Group p.l.c. (United Kingdom)	Managing Director of CEA Director of IFP Chairman of the Supervisory Board of Areva Director of Cogema Chairman of the Board of Directors of ENS Cachan Chairman of the French Association for the Advancement of the Sciences
Jacques	DEYIRMENDJIAN	Chairman of Deynergies SAS Director of Fingaz (Switzerland)	Group President of Gaz de France Chairman and Chief Executive Officer of GDF International Member of the Supervisory Board of Gasag (Germany) Member of the Supervisory Board of SPP (Slovakia) Director of IFP
Germaine	GIBARA	Director of Sunlife Financial (Canada) Director of Agrium (Canada) Director of Cogeco Cable (Canada) Chairman of Avvio Gestion Inc (Canada)	Director of St Lawrence Cement (Canada)

(1) This table does not include the office within the Board of Directors of the Company neither the main position of the Board members of the Company. These positions are presented in Section 14.1. of this Reference Document.

First name	Surname	Current offices	Expired offices in the last five years
Jean-Pierre	LAMOURE	Chairman of Solétanche Freyssinet Manager of the Compagnie du Sol Manager of Clamar Director of Vinci Director of Solétanche Bachy Chairman of Psila Chairman of Solétanche Bachy Entreprise Chairman of Comemi Chairman of the Supervisory Board of Atlantic SFDT Chairman of the Management Board of Sedeco Member of the Supervisory Board of Fortis Banque France Secretary Director of the *Fédération Nationale des Travaux Publics* Director of Bachy Solétanche Holdings Ltd. (United Kingdom)	Director of IFP Co-manager of HIGB
Daniel	LEBÈGUE	Chairman of the Institut Français des Administrateurs ("IFA") Chairman of the Study Center for Corporate Social Responsibility Director of Alcatel Lucent Director of SCOR SA Director of SCOR US (United States)	Director of Gaz de France Director of Areva Director of Crédit Agricole SA
Roger	MILGRIM		Director of Coflexip Stena SA Director of Fulbright Association (United States) Director of College of Wooster (United States) Director of Brooklyn Hospital (United States) Director of New York University School of Law (United States)
John	C.G. O'LEARY	Director and Member of the Audit Committee of Vantage Drilling Company (United States) Member of the Supervisory Board of Huisman-Itrec (the Netherlands) Member of the Supervisory Board of Jumbo Shipping (the Netherlands)	Director of Atlantic Oilfield Services (United Arab Emirates)
Rolf-Erik	ROLFSEN	Director of GDFSUEZ E&P Norway AS (Norway) Chairman of CGG Veritas Services (Norway) AS (Norway) Chairman of Wavefield Inseis ASA (Norway)	Director of Umoe Mandal AS (Norway) Director of PGS ASA (Norway)
Bruno	WEYMULLER	Director of Elf Aquitaine Director of Rexecode	Director of Sanofi-aventis Elf Aquitaine representative for Total Exploration Production France Director of Eurotradia International

(1) This table does not include the office within the Board of Directors of the Company neither the main position of the Board members of the Company. These positions are presented in Section 14.1. of this Reference Document.

Annex: Financial Results of the Last Five Years as of December 31, 2008

Financial Results of the Last Five Years as of December 31, 2008

Nature of Information		As of December 31,			
In millions of Euro	2004	2005	2006	2007	2008
I. Year End Financial Position					
A) Called Up Capital	73.5	75.4	80.9	81.9	83.4
B) Outstanding Shares[(a)]	24,110,654	98,874,172 [(b)]	106,117,174	107,353,774	109,317,564
C) Convertible Debentures	3,719,111	3,601,411	-	-	-
II. Overall Operating Result					
A) Net Revenues	101.6	103.7	105.4	113.3	138.7
B) Income Before Tax, Depreciation and Provisions	78.1	82.6	138.6	51.4	271.5
C) Income Tax	(20.7)	(27.2)	(34.0)	(31.4)	(64.3)
D) Net Income	104.2	105.7	148.8	91.5	250.9
E) Dividends Paid	79.6	89.3 [(c)]	327.1	125.1	127.5 [(d)]
III Operating Income per Share (in Euro)					
A) Net Income Before Depreciation and Provisions	4.1	1.1 [(b)]	1.6	0.8	3.1
B) Net Income	4.3	1.1 [(b)]	1.4	0.9	2.3
C) Dividends Paid per Share	3.3	0.9 [(b)]	3.2	1.2	1.2 [(d)]
IV Staff					
A) Number of Employees	9	9	6	7	7
B) Wages and Salaries	5.5	6.7	6.8	8.4	8.5

(a) Does not include the exercise of options arising from the current stock option plan. Includes 3,066,144 treasury shares held as of December 31, 2008.
(b) The Board of Directors of April 29, 2005 has decided to divide by four the nominal amount of the shares and to multiply by four the number of shares issued.
(c) Dividends paid M€ 91 less M€ 1.7 from treasury shares regularization.
(d) This amount corresponds to the dividend proposed by the Board of Directors, before approval by the Shareholders Meeting: € 1.20 per share.

C

Annex: Report of the Chairman of the Board of Directors to the Shareholders' Meeting on the composition of the Board of Directors and the preparation and organization of its work, as well as the internal control and risk management procedures put in place by the Company

(Article L. 225-37 of the French Commercial Code)

This report was prepared pursuant to the provisions of Article L. 225-37 of the French Commercial Code as amended by French law No. 2008-649 of July 3, 2008. Its purpose is to describe the composition of the Board of Directors, the preparation and organization of its work, the rules and principles established by the Board of Directors in relation to the compensation and benefits awarded to corporate representatives, as well as the internal control and risk management procedures put in place by the Group, in particular, the procedures relating to the preparation and processing of accounting and financial information for the statutory accounts and the consolidated accounts.

This report aims to provide a description of the work completed, undertaken or scheduled by the Company. It does not, in any manner, intend to suggest that the Company has brought the risks it faces entirely under its control.

This report makes reference to the management report, included in the Company's Reference Document for the year ended December 31, 2008, as regards the publication of the information provided for in Article L. 225-100-3 of the French Commercial Code on the structure of the Company's capital and on the data that may have an impact in the event of a public tender offer.

This report was prepared by the Group's Internal Control Department, together with the Corporate Secretary's Office. The major points contained herein were presented to the Internal Control Steering Committee and reviewed by various departments of the Group's Finance and Control Division. This report was examined by the Audit Committee on February 17, 2009 and approved by the Company's Board of Directors on February 18, 2009.

When used in this report, the terms "Technip" and "Group" refer to Technip SA and all of its directly and indirectly consolidated subsidiaries located in France and outside France, collectively.

When used in this report, the term "Company" refers exclusively to Technip SA, the Group's parent company.

1. Composition of the Board of Directors and Preparation and Organization of its Work

Compliance with code

In accordance with the provisions of Article 26 of French law No. 2008-649 of July 3, 2008, adapting various provisions of corporate law to European law, the Company declares voluntarily complying with and applying the AFEP-MEDEF corporate governance code for listed companies resulting from the consolidation of the AFEP and MEDEF report of October 2003 and the AFEP-MEDEF recommendations of January 2007 and of October 2008 on the compensation of executive officers of listed companies (the "AFEP-MEDEF Code"). The AFEP-MEDEF Code is available on the MEDEF's website (www.medef.fr).

1.1. Composition of the Board of Directors

At December 31, 2008, the Board of Directors was comprised of 11 members. It does not include any directors representing employees or employee shareholders. Four directors are not of French nationality.

Pursuant to Article 14-4 of the Company's Articles of Association, the term of office of Board members is set at four years. This timeframe is consistent with the recommendations made in the AFEP-MEDEF Code.

In accordance with the recommendations made in the AFEP-MEDEF Code and based on an amendment of the Articles of Association adopted by the Company's Combined Shareholders' Meeting of April 27, 2007, in order to foster smooth transitions in Board renewal and to prevent "renewal en masse", the Board of Directors, at its meeting of April 27, 2007, introduced a rolling renewal system, pursuant to which one-half of its members' terms of office will be renewed every two years. Under this new system, the terms of office of Jacques Deyirmendjian, Jean-Pierre Lamoure, Daniel Lebègue, Roger Milgrim, Rolf-Erik Rolfsen and Bruno Weymuller will expire at the time of the Shareholders' Meeting convened to approve the financial statements for the year ended December 31, 2008, which will be held on April 30, 2009.

At December 31, 2008, the Board of Directors was comprised of eight independent members. It therefore exceeds the recommendations made in the AFEP-MEDEF Code, which stipulates that, for companies whose share capital is fragmented and that have no controlling shareholders, one-half of the Board members must be independent.

At December 31, 2008, the members of the Board of Directors were the following:

Name **Main position** **Professional address** **Age, Nationality**	**Position within the Board of Directors**	**Term**
Thierry Pilenko Technip's Chairman and Chief Executive Officer 6-8, allée de l'Arche–Faubourg de l'Arche–92400 Courbevoie 51–French	Technip's Chairman and Chief Executive Officer	Date of first appointment: April 27, 2007. Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ending December 31, 2010.
Olivier Appert Chairman of the Institut Français du Pétrole ("IFP") Institut Français du Pétrole–1 et 4 avenue de Bois-Préau–92852 Rueil Malmaison Cedex 59–French	Director	Date of first appointment: May 21, 2003. Date of last appointment: April 27, 2007. Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ending December 31, 2010.
Pascal Colombani Associate Director and Senior Advisor at A.T. Kearney strategic consultancy A.T. Kearney–44, rue de Lisbonne–75008 Paris 63–French	Independent director	Date of first appointment: April 27, 2007. Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ending December 31, 2010.
Jacques Deyirmendjian Chairman of Deynergies SAS Deynergies SAS–62, rue de Courcelles–75008 Paris 64–French	Independent director	Date of first appointment: June 21, 2000. Date of last appointment: April 27, 2007. Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ended December 31, 2008, which will be held on April 30, 2009.
Germaine Gibara Chairman of Avvio Management Inc. strategic consultancy firm Avvio Management–1470 Peel Street–Suite 200–Montreal H3A 1T1–Canada 64–Canadian	Independent director	Date of first appointment: April 27, 2007. Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ending December 31, 2010.
Jean-Pierre Lamoure Chairman and Chief Executive Officer of Solétanche S.A Solétanche-Freyssinet–133, boulevard National–92500 Rueil-Malmaison 59–French	Independent director	Date of first appointment: March 13, 1998. Date of last appointment: April 27, 2007. Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ended December 31, 2008, which will be held on April 30, 2009.
Daniel Lebègue Chairman of the Institut Français des Administrateurs IFA–Institut Français des Administrateurs–7, rue Balzac–75382 Paris Cedex 08 65–French	Independent director	Date of first appointment: April 11, 2003. Date of last appointment: April 27, 2007. Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ended December 31, 2008, which will be held on April 30, 2009.
Roger Milgrim Lawyer 6-8, allée de l'Arche–Faubourg de l'Arche–92400 Courbevoie 71–American	Independent director	Date of first appointment: December 13, 2001 (Supervisory Board). Date of last appointment: April 27, 2007. Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ended December 31, 2008, which will be held on April 30, 2009.
John C.G. O'Leary Chairman and Chief Executive Officer of Strand Energy (Dubai) 6-8, allée de l'Arche–Faubourg de l'Arche–92400 Courbevoie 53–Irish	Independent director	Date of first appointment: April 27, 2007. Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ending December 31, 2010.
Rolf-Erik Rolfsen Haakon VII's GT.1–PO Box 1679 VIKA 0120 Oslo–Norway 68–Norwegian	Independent director	Date of first appointment: December 13, 2001 (Supervisory Board). Date of last appointment: April 27, 2007. Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ended December 31, 2008, which will be held on April 30, 2009.
Bruno Weymuller Advisor to Chief Executive Officer of Total Groupe Total–Tour Coupole–2, place de la Coupole–La Défense 6–92078 Paris La Défense Cedex 60–French	Director	Date of first appointment: February 10, 1995. Date of last appointment: April 27, 2007. Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ended December 31, 2008, which will be held on April 30, 2009.

The other positions held by Board members are indicated in Annex A to the Company's Reference Document for the year ended December 31, 2008.

The Company's management

The Combined Shareholders' Meeting of April 27, 2007 appointed Thierry Pilenko to the Board of Directors for a four-year term expiring after the Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2010.

At its meeting on April 27, 2007, the Board of Directors appointed Thierry Pilenko as Chairman of the Board of Directors. At this meeting, in accordance with Article 18 of the Company's Articles of Association, the Board also opted to combine the offices of Chairman and Chief Executive Officer of the Company, determining that this management organization is best suited for the Company, and appointed Thierry Pilenko as Chairman and Chief Executive Officer for the duration of his term of office as a director.

At December 31, 2008, the Board of Directors had appointed no Executive Vice President.

1.2. Company's shares held by the directors

Pursuant to the provisions of Article 14 of the Company's Articles of Association at December 31, 2008, each director is required to hold at least 400 Company shares in registered form.

At December 31, 2008, to the Company's knowledge, each of the Board members held the following number of shares in registered form:

Members of the Board of Directors	Number of Technip shares held at December 31, 2008
Thierry PILENKO	3,400
Olivier APPERT	560
Pascal COLOMBANI	400
Jacques DEYIRMENDJIAN	404
Germaine GIBARA	400
Jean-Pierre LAMOURE	2,004
Daniel LEBÈGUE	400
Roger MILGRIM	6,000
John C.G. O'LEARY	800
Rolf-Erik ROLFSEN	400
Bruno WEYMULLER	400

1.3. Practices of the Board of Directors

1.3.1. Role and practices of the Board of Directors

The Board of Directors' practices are governed by an internal charter that was adopted on May 21, 2003 by the Board of Directors, and which is periodically updated.

1.3.1.1. Meetings of the Board of Directors

The Chairman of the Board of Directors organizes and directs the Board of Directors' work, in respect of which he provides an account to the Shareholders' Meeting.

The Board of Directors meets at least four times per year, or more frequently as may be required by the circumstances. Over the 2008 financial year, the Board met nine times. The attendance rate for all directors was 96%.

With the exception of the Board meeting held on October 2 and 3, 2008 in a two-day Strategic Seminar, the average duration of the Board of Directors' meetings was approximately four hours.

1.3.1.2. Right to information and communication for directors, meeting agendas

The Chairman of the Board of Directors monitors the proper functioning of the Company's bodies and ensures, in particular, that directors are in a position to perform their duties. The Chairman and Chief Executive Officer is required to provide to each director all documents necessary to allow such director to perform his or her duties.

Directors thus receive all of the information that may be useful to the exercise of their duties, depending on the agenda, prior to each Board meeting. For these purposes, the Company complies with the rule it established, according to which documents that will be examined in a Board meeting are provided the week before the meeting.

The Directors' Charter, adopted on May 21, 2003 and amended on December 9, 2008, provides that each director must carefully prepare for meetings of the Board and of any Committees of which he or she is a member, by studying the documents provided. A director may request the Chairman of the Company, the Chief Executive Officer or the executive vice presidents for any additional information that he or she deems necessary or useful. If he or she believes this is necessary, a director may request training sessions on the Company's specificities, its jobs and its business sector.

1.3.1.3. Controls by the Board of Directors

Pursuant to Article 17-3 of the Company's Articles of Association, the Board of Directors carries out, in particular, controls and verifications that are deemed suitable.

It ensures, in particular, with the Audit Committee's assistance, that internal control entities are functioning properly, that the Statutory Auditors are carrying out their work in a satisfactory manner and that the specialized committees it has created are functioning properly.

The Board of Directors may establish specialized committees and determine their composition and responsibilities. At December 31, 2008, the Board was assisted by four Committees: the Audit

Committee, the Nominations and Remunerations Committee, the Strategic Committee and the Ethics and Governance Committee.

The Board's internal charter provides that it evaluate, at regular intervals of no more than three years, its operating policies. In addition, it discusses its operations once a year.

In accordance with the recommendations made in the AFEP-MEDEF Code, the qualification of a Board member as an "independent director" of the Company is discussed and reviewed every year by the Board of Directors upon the Nominations and Remunerations Committee's proposal.

At its meeting on February 1, 2008, the Nominations and Remunerations Committee examined the qualification of a Board member as an "independent director" of the Company with regards to the definition and criteria used in the AFEP-MEDEF Code. The Committee presented its conclusions to the Board of Directors, which adopted them at its meeting on February 20, 2008.

1.3.2. Limitation of the Chief Executive Officer's powers

In accordance with Article 19-1 of the Company's Articles of Association, the Board of Directors gave to the Chairman and Chief Executive Officer all powers provided for by French legislation on business companies, with the possibility of delegating these powers in specific areas.

1.4. Specific provisions regarding the participation of shareholders at Shareholders' Meetings

Shareholders' Meetings (Article 23 of the Articles of Association)

Convening and holding of Shareholders' Meetings–Deliberations

Shareholders' Meetings are convened in accordance with applicable laws and regulations. Shareholders' Meetings are held at the registered office or at any other place specified in the notice.

Shareholders' Meetings are chaired by the Chairman of the Board of Directors or, in his absence, by a director so appointed by the Board of Directors or, failing this, by a person appointed by the Shareholders' Meeting.

The vote tellers' functions are performed by two shareholders who are present and who agree to perform these duties, and who have, by themselves or as proxies, the largest number of votes.

The presiding committee appoints a secretary, who can be chosen outside the Meeting's members.

Participation

Every shareholder has the right, subject to proof of identity, to participate in the Shareholders' Meetings, either personally, *via* an absentee vote, or by proxy given to another shareholder or to his or her spouse, or by sending a blank proxy to the Company, provided the shares are registered in the books in the shareholder's name or in the name of the agent registered on the shareholder's behalf pursuant to Article L. 228-1 of the French Commercial Code as of midnight of the third business day preceding the Shareholders' Meeting in accordance with applicable regulations.

Shareholders that are legal entities are represented at Shareholders' Meetings by their legal representatives or by any person appointed for this purpose by the latter.

Shareholders may, in accordance with applicable laws and regulations, send their proxy and voting forms for any Shareholders' Meeting either in paper form or by electronic means.

Any shareholder may also, provided the Board has so decided at the time notice for the meeting is provided, take part in the Shareholders' Meeting by videoconference or by telephone, in accordance with applicable regulations. Any shareholder participating through one of the aforementioned means will be deemed to be present for purposes of calculating quorum and majority.

Double voting rights (Article 12 of the Articles of Association)

Since November 24, 1995, double voting rights, taking into account the fraction of the share capital that they represent, have been attributed to all fully paid-up shares that can be shown to have been registered in the name of the same shareholder for at least two years.

In the event of an increase of share capital by capitalization of reserves, profits or premiums, double voting rights are also granted to registered shares granted free of charge, as from the time of their issue, to a shareholder in respect of existing shares entitling such shareholder to the benefit of such right.

Registered shares with double voting rights that are converted into bearer form for any reason whatsoever will lose such double voting rights.

2. Rules and Principles established by the Board of Directors in relation to Compensation and Benefits awarded to Corporate Representatives

2.1. Compensation of the Chairman and Chief Executive Officer

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

The fixed portion is composed of the annual base compensation on 12 months, or *pro rata* in case of an incomplete financial year, and of a fixed amount for travelling equal to 20% of the annual base compensation, or *pro rata* in case of an incomplete financial year.

The variable portion of compensation is based on the fixed compensation for the previous year. For 2008 the target variable portion is equal to 100% of the annual base compensation. 50% of the target variable portion is linked to the financial performance of the Group based on 2008 operating income, 25% is linked to the achievement of individual objectives and 25% to the implementation of Group values and cooperation within the Group. The share of the variable portion linked to Group financial performance is (i) nil if real performance is below 75% of the budgeted amount (performance floor), (ii) between 50% and 100% for a performance equal to 75% to 100% of the budgeted amount and (iii) between 100% and 200% for a performance equal to 100% to 125% of the budgeted amount (outperformance). If achieved financial results are superior to the budgeted objective, a multiplier rate is calculated, up to a maximum of 2. The multiplier is calculated based on the financial portion of the objectives, representing 50% of the variable portion criteria. It is then applied to the other variable portion criteria in order to calculate the final variable portion, which is capped at 200% of the target variable portion.

The Chairman and Chief Executive Officer does not receive any directors' fees for the positions he holds in the Group's companies or as a Company director.

There is no specific retirement plan for the Chairman and Chief Executive Officer. The Chairman and Chief Executive Officer is a beneficiary of the supplementary retirement plan for Group executives, with fixed contributions of 8% of gross annual compensation paid up to income bracket 3, *i.e.* eight times the annual French Social Security limit.

The Chairman and Chief Executive Officer also benefits from the Company's existing supplementary retirement plan for Executive Committee members: a retirement income guarantee of 1.8% per year of service, up to a limit of 15 years, on income bracket 4 of gross annual compensation paid, *i.e.* exceeding eight times the Social Security limit The amount of gross compensation to which this retirement income guarantee applies corresponds to the average of the gross base compensation (including variable compensation within the limit of the target variable portion of 100%), received over the five complete financial years prior to the date of departure from the Company.

At the time of his appointment Thierry Pilenko signed a worldwide non-compete agreement. In order to take into account the AFEP-MEDEF recommendations of October 6, 2008, the Board of Directors, in its meeting of February 18, 2009, decided to limit the indemnity amounting to a compensation of 24 months calculated from the fixed compensation plus the target variable portion of the last 12 months, corresponding to a non-compete provision of two years.

At the same meeting, the Board decided no severance indemnity for the Chairman and Chief Executive Officer if his mandate is revoked or not renewed by the Company.

The Chairman and Chief Executive Officer has a company car corresponding to a benefit-in-kind.

2.2. Directors' fees granted to members of the Board of Directors

The Combined Shareholders' Meeting of May 6, 2008 set the amount of directors' fees to be allocated to Board members for the 2008 financial year at €375,000.

The Board of Directors determines how the directors' fees are divided among the directors. Upon the Nominations and Remunerations Committee's proposal, the Board of Directors finalized the distribution of directors' fees for the 2008 financial year as follows:

- a fixed portion and a variable portion paid according to the level of participation at Board and Committee meetings;
- directors living outside France and outside Europe, as well as the Chairmen of Committees, receive an additional fixed amount.

Directors (other than the Chairman and Chief Executive Officer) do not receive any other compensation from the Company or companies of the Group.

3. Internal Control and Risk Management Procedures put in place by the Company

The scope of this report refers to the Company and all of its consolidated entities (the "Group").

The principal commonality of all business segments of the Group is the ability to carry out projects that are awarded by its customers, under optimized cost, deadlines, reliability and safety.

In order to confront the risks inherent in its business, the Group is, and has been from the outset, equipped with an internal control structure and tools that have been developed over time based around the fundamental concept of a Project.

The Chairman and Chief Executive Officer, assisted by the Chief Financial Officer (CFO), ensures that effective control measures are deployed within the Group and that possible dysfunctions related to internal controls are subject to appropriate corrective measures. The Audit Committee of the Board of Directors of the Company monitors the assessment of the internal control procedures, as well as all measures adopted to correct any significant issues encountered.

3.1. Internal control framework

The internal control procedures applicable within the Group are consistent with the principles defined by the Committee of Sponsoring Organization's ("COSO") framework, and are thus in line with the internal control framework recommended by the French *Autorité des marchés financiers* (AMF). The Group defines internal controls as a process implemented by the Executive Committee, the different departments/divisions of the Group and each and every employee, with the goal of providing reasonable assurance that:

- the Group's corporate objectives as defined by corporate bodies, applicable laws and regulations and the Group's Values, standards and internal Charters are being complied with;
- the accounting, financial and management information submitted to the Group's corporate bodies by its affiliates as well as financial reporting and consolidation, reflect the Group's position in a true and fair manner;
- operations are effective and resources are used in an efficient manner.

In this respect, the internal control framework that the Group has set up contributes to the managing of the Group's business. However, Technip cannot give an absolute guarantee that all risks are completely eliminated or entirely covered.

The Group's internal control framework on the basis of the COSO defines internal controls according to the components control environment, risk assessment, control activities, information and communication and monitoring. Each of these elements is discussed below.

3.2. General organization of the internal control procedures within the Group

3.2.1. Control Environment

The Board of Directors

The Company's Board of Directors, assisted by its four specialized committees (Audit Committee, Nominations and Remunerations Committee, Strategic Committee and Ethics and Governance Committee) approves the main orientations of the Group's business activities and ensures their implementation. Within the scope of the Company's object, as defined in its Articles of Association, it deals with all matters relating to the conduct of the Group's business other than those expressly provided to the shareholders' meeting by law.

At December 31, 2008, each of the four specialized committees established by the Board of Directors has its own charter describing their particular duties, responsibilities and practices.

Each of them is comprised of at least three directors appointed by the Board of Directors.

They present their work to the Board of Directors through a written report.

The Audit Committee

At December 31, 2008, all of the Audit Committee's members were independent directors. The Audit Committee's members were as follows:

Member	Title	Date of 1st appointment
Daniel LEBÈGUE	Chairman	05/21/03
Jacques DEYIRMENDJIAN	Member	04/27/07
Roger MILGRIM	Member	05/21/03
John O'LEARY	Member	04/27/07

The Audit Committee's duty is to assist the Board of Directors in ensuring the quality of internal controls and the integrity of the disclosure made to the Company's shareholders and to the financial markets.

The Audit Committee ensures the follow-up of issues regarding the preparation and control of accounting and financial information and, to this end, is mainly responsible for:

- directing the selection procedure applicable to Statutory Auditors, examining their compensation, as well as ensuring their independence;
- analyzing the assumptions used in the closing of accounts and reviewing the Company's financial statements and the consolidated annual and interim financial statements or information prior to the Board of Directors' review by remaining informed of the Company's financial situation, liquidity and commitments;

- evaluating the internal control procedures as well as any other measures adopted to correct any significant problems encountered in the internal audit;
- evaluating the relevance of the risk analysis procedures;
- examining the procedures required to be implemented regarding the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, as well as documents sent anonymously and confidentially by employees raising concerns regarding questionable accounting or auditing matters.

The Audit Committee may interview the Chairman and Chief Executive Officer, the CFO and visit any operational or functional business heads in order to carry out its duties.

The Committee also interviews the Statutory Auditors. It may do so without the presence of the Company's management.

The Committee meets at least four times per year. The Committee met six times over the 2008 financial year and had an attendance rate at each meeting of 100% for all members.

The Nominations and Remunerations Committee

At December 31, 2008, the majority of the members of the Nominations and Remunerations Committee were independent directors. The Committee's members were as follows:

Member	Title	Date of 1st appointment
Bruno WEYMULLER	Chairman	05/21/03
Pascal COLOMBANI	Member	04/27/07
Germaine GIBARA	Member	04/27/07
Jean-Pierre LAMOURE	Member	05/21/03

In accordance with the recommendations made in the AFEP-MEDEF Code, the Chairman and Chief Executive Officer, the only executive officer, is not a member of the Committee.

The Nominations and Remunerations Committee carries out preparatory work on appointments of Board members and corporate officers, the compensation policy and the policy for granting share subscription or share purchase options.

This Committee is mainly responsible for the following:

- making recommendations to the Board of Directors for the appointment of directors, the Chairman, the Chief Executive Officer and other executive vice presidents *(directeurs généraux délégués)*, as necessary;
- examining executive compensation policies implemented in the Group and the compensation of senior management, proposing the compensation of the Chairman, the Chief Executive Officer and other executive vice presidents, as appropriate, and to preparing a report on the foregoing.

One of the Committee's duties is to propose to the Board of Directors, on an annual basis, a list of directors qualified as "independent directors" of the Company pursuant to applicable rules and recommendations.

The Committee may seek proposals from the Company's Chairman and Chief Executive Officer.

The Chairman and Chief Executive Officer of the Company attends all meetings except those where matters relating to him are deliberated.

Subject to confidentiality requirements in respect of its discussions, the Committee may ask the Chairman and Chief Executive Officer for the assistance of any Company executives whose expertise may be relevant to the Committee's agenda.

The Committee meets at least twice a year. The Committee met six times over the 2008 financial year. Its attendance rate at each meeting was 100% for all members.

The Strategic Committee

At December 31, 2008, the majority of the Strategic Committee's members were independent. The Committee's members were as follows:

Member	Title	Date of 1st appointment
Jacques DEYIRMENDJIAN	Chairman	05/21/03
Olivier APPERT	Member	05/21/03
Pascal COLOMBANI	Member	04/27/07
Germaine GIBARA	Member	04/27/07
Rolf-Erik ROLFSEN	Member	04/27/07

The Strategic Committee assists the Board of Directors in examining and making decisions on major transactions related to the Group's main strategic objectives.

In this context, the review of the Group's capital expenditures and investment budget as well as the examination of any major asset acquisitions or dispositions are part of the Committee's duties.

The Committee may seek proposals from the Company's Chairman and Chief Executive Officer. The Chairman and Chief Executive Officer attends all of the meetings.

The Committee may ask the Chairman and Chief Executive Officer for the assistance of any Company executives whose expertise may be relevant to the Committee's agenda.

The Committee meets at least twice a year. The Committee met three times over the 2008 financial year. The attendance rate at each meeting was 100% for all members.

The Ethics and Governance Committee

The Ethics and Governance Committee was created on December 9, 2008. At December 31, 2008, the Ethics and Governance Committee's members were as follows:

Member	Title	Date of 1st appointment
Olivier APPERT	Member	12/09/08
Pascal COLOMBANI	Member	12/09/08
Bruno WEYMULLER	Member	12/09/08

The Committee assists the Board of Directors in promoting best practices regarding governance and ethics within the Group.

Even directors who are not members of this Committee can freely participate in the Committee's meetings.

The Committee may ask the Chairman and Chief Executive Officer for the assistance of any executives whose expertise may be relevant to the Committee's agenda.

The Committee meets at least twice a year. As it was created on December 9, 2008, the Committee did not meet during the 2008 financial year.

The executive management

The Chairman and Chief Executive Officer is responsible for implementing the orientations determined by the Board of Directors. The Chairman and Chief Executive Officer is at the head of the Group's corporate management and is assisted by the Executive Committee (EXCOM).

The Chairman and Chief Executive Officer and the EXCOM have a central coordination role that significantly influences the control environment and provides the "tone at the top". Through their responsibilities, they ensure that the internal control system is in place and operational.

The EXCOM is assisted by two specialized committees:

- the Committee on Sustainable Development: in charge of impulsing and measuring the Group's progress in its sustainable development strategy;
- the Disclosure Committee: in charge of assisting the Chairman and Chief Executive Officer and the CFO in their duties to ensure the respect of the laws and regulations applicable to listed companies to give a true and fair view of the financial statements.

All of the Group's activities are governed by the rules set out in the statement of the Group's Values. The Values of the Group refer to integrity, professional excellence, protection of health, safety, and the environment, as well as social responsibility. The Group is furthermore committed to support and promote the principles of the United Nations Global Compact regarding human rights, labor, environment and ethics within its sphere of influence. The Group's core Values are set out in six Charters: the Ethics Charter, the Social Charter, the Environmental Charter, the Health and Safety Charter, the Quality Charter and the Security Charter.

The Group is committed to translate the Group's Values and the Ethics Charter in particular into operational reality for all staff and its relationship with its stakeholders such as contractors, suppliers and partners in all countries where the Group operates.

The Ethics and Compliance Committee that is reporting to the Chairman and Chief Executive Officer, is in charge of monitoring the application of the Group's Ethics Charter and ensures that all internal regulations deriving therefrom are properly adhered to. The Ethics and Compliance Committee makes proposals to the Chairman and the Board of Directors of the Company concerning ethics and compliance and organizes a reporting from the managers of subsidiaries and business units on how the Charter is being applied. In addition, any employee can refer an issue to the Ethics and Compliance Committee on any subject relative to the principles set forth in the Ethics Charter. A whistleblowing procedure sets the framework to report conflicting / non-complying situations in the financial, accounting and anti-bribery areas.

At the executive level, Directors and senior managers have undersigned the Code of Ethics applicable to the Group's Directors, Executive Management and Senior Financial Officers. The Senior Management has circulated a "No Gift Instruction" to employees worldwide and communicates "Rules of Good Conduct relating to the communication and the use of privileged information''. Finally, the annual employee appraisals refer to ''analysis of skills and professional behavior'' with individual conduct being consistent with the Group's Ethics Charter.

Applying the Group's strategic orientations, a new organizational structure was decided with effect as of October 1, 2007 and implemented throughout 2008. This new organization is based on six regions with full P&L accountability and a vertically integrated Subsea business unit.

The new organization has been set out by the Chairman and Chief Executive Officer of the Company in an organization note defining the strategic framework, the organizational objectives and principles.

This new organization is based on the "Principle of Regionality", the principle of delegation of management responsibility to the appropriate level whereas all day to day operations are under the responsibility of the Regions.

As the Group's core operational unit, the Region is defined by a territory, its operational resources (commercial and performance) and its projects. It is in charge of customer relations, the completion of its projects and their financial performance.

Six Regions have been defined with their respective activities, headquarters and current operating centers:

Regions	Headquarters	Business Segments
Region A: Western Europe, Africa, Middle East A (United Arab Emirates, Qatar, Iran, Yemen, Oman + Pakistan, India)	Paris	Subsea Onshore Offshore
Region B: Italy, Greece, Eastern Europe/Russia/CIS, Middle East B (Saudi Arabia and Kuwait), South America	Rome	Onshore
Asia Pacific	Kuala Lumpur	Subsea Onshore Offshore
North Sea, Canada	Aberdeen	Subsea
North America	Houston	Subsea Onshore Offshore
Brazil	Rio de Janeiro	Subsea Offshore/Onshore

In addition, the Product Business Units (PBUs) are entities that work toward the growth and development of technologies and expertise throughout the Group. They take part in the preparation of sales proposals and assist the Regions. They are not directly responsible for a specific profit account but must have a global vision of the operations and their profitability in order to establish benchmarks and propose mid- to long-term strategies.

The Subsea business segment, an integrated business (R&D, design/engineering, manufacturing and installation with its own assets) calls for a unique structure. Strategic management of R&D operations, the fleet, the plants and their scheduled expansion has been entrusted to an integrated Business Unit that reports directly to the Chief Operating Officer (COO). Project management is handled by the Regions.

The Chairman and Chief Executive Officer announced the creation of the Region Middle East on November 28, 2008. This new Region will be operational starting March 31, 2009 to better respond to the Middle East Onshore and Offshore market with respect to business development, proposal and project execution activities. The Region Middle East will manage autonomously small and medium size projects and large size projects in liaison with the Region A and Region B.

3.2.2. Risk Assessment

All risks the Group faces (risks related to the Group and its activities, to the Group's industry, regulatory and legal risks, industrial and environmental risks and market risks as described in Section 4 of the Company's Reference Document for the year ended December 31, 2008) are subject to risk assessment and risk management measures at the different levels of the organization from the Corporate Divisions down to the Regions, entities and projects.

Group Divisions

Under the authority of the Chairman and Chief Executive Officer of the Company, the Group is organized around Corporate Divisions. Each division contributes to assess and mitigate the risks the Group is subject to in its respective scope of responsibility.

In an effort to assess and mitigate risks with respect to the operations of the Group, the COO is in charge of the entire operational structure, business and realization resources. This includes commercial operations, business development, Projects, engineering and construction resources, support and technology development resources.

The General Counsel, to whom the Legal Division and the Group Corporate Secretary Office report, is responsible for all legal matters within the Group and for the definition of the Group's legal strategy and policy and prepares and maintains, among others, the Group's contracting policies, assesses the terms and legal risks of contracts, manages any litigation arising from the performance of contracts and is in charge of the subscription and renewal of insurance policies in order to minimize the contractual risks to which the Group is subject.

The Human Resources and Communications Division is responsible for managing the Group's human resources (recruitment, training, career and skill management, remuneration) in order to ensure that the Group attracts, retains the necessary personnel and participates in its professional development. In addition, the Human Resources and Communications Division is in charge of all types of communication, except financial communications, both within and outside the Group.

The Global Processes and Development Division was in charge until February 2009 of assessing and mitigating risks related to Health, Safety and the Environment, Quality and Methods, Security, IT and Procurement. In addition, the Global Processes and Development Division is responsible for the Operational Audit Function (see below) and is involved in merger and acquisition operations.

Effective March 2009, HSE and Security will report to the Chairman and CEO directly, Quality and Methods to the COO, Information Technology, and the Operational Audit Department together with the Internal Audit Department to the CFO.

The Finance and Control Division monitors the financial market risks with respect to the Group's financing and the financial engineering of Projects, prepares individual and consolidated financial statements as well as management accounts, is in charge of financial control of Projects (appraisal, planning and cost control), tax management, internal audit, financial communications and investor relations. It also supervises the Strategy Division.

The Department of New Technologies is in charge of identifying future technologies and proposing actions for development in order to develop differentiated know-how and technologies, while anticipating the developments necessary to meet future challenges in gas, heavy oil, ultra-deepwater subsea production and ever increasing scale of infrastructure.

Group Internal Audit and Operational Audit

Internal audits are based on an annual assessment of risks and the set-up of a corresponding audit plan. The risk coverage analysis is monitored through the audit plan which takes into consideration a mapping of activities as well as the rotation of audits performed. In addition, a risk analysis is performed before each assessment and each audit.

Corporate Risk Management

Directly reporting to the Chairman and Chief Executive Officer, a Senior Vice President Corporate Risk Management has been appointed in 2008. He is responsible for the monitoring of risk processes, tools and evaluation for the Group. The first phase of his mission is focused on Project risks with the objective of ensuring that appropriate tools and processes are defined, reviewed and implemented consistently across the Group and in all segments of activity. In a second phase, the scope will be extended to cover other types of risks in a more holistic approach in close cooperation with the Finance and Control Division.

Risk Management on Projects

The risk assessment finds its expression from the Group Divisions through the Regions and the other structures of the Group down to the level of each individual Project.

Before bidding, Technip estimates its costs and analyses the technical, commercial, financial and legal aspects of the project. Each bid must be authorized by management through an Authorization to Tender ("ATT"). Once the bid is submitted, the previous cost evaluation and financial and legal analysis are updated. The contract cannot be entered into without an Authorization to Commit ("ATC"). Regional Bid Authorization procedures have been issued to define the authority threshold and approval levels within the Regions' scope of responsibility.

In addition to the risk assessment process at tender stage, risks are regularly assessed during the Project execution including through Project reviews.

3.2.3. Control Activities

In order to prevent and mitigate risks over the financial reporting, operations and the Group's assets, control activities occur at all levels and in all functions throughout the Group. They include a range of activities as diverse as approvals, authorizations, verifications, reconciliations, reviews of operating performance, the security of assets and the segregation of incompatible duties. Control activities are foremost organized on Group, regional, subsidiary, and/or Project level in different areas such as the following:

Organizational structures and responsibilities are defined and documented, business objectives reviewed, key performance indicators monitored, tenders duly authorized, regular Project and asset reviews organized at entity/regional/Group level, invoicing to clients monitored and approved.

Segregation of incompatible duties is monitored with respect to custody of assets, authorization of transactions, recording and control procedures. Budgets and forecasts are reviewed according to Group objectives. Reconciliations are performed between physical assets with corresponding accounting records and significant variances are investigated and appropriate adjustments performed. The principle of double signature on disbursements vis-à-vis third-parties is respected. Reporting instructions and rules exist to minimize biases that may affect significant accounting estimates and other judgments. Project cost control data is regularly reconciled with accounting records and margin recognition calculations are approved. Closing entries and IFRS adjustments are duly checked and consolidation packages reviewed.

Competency and experience requirements for key personnel are defined and documented and standards and procedures are applied for the entire employment contract cycle. Training/orientation is provided to newly hired personnel. Personnel turnover is monitored. Checks and reconciliations are performed in the payroll chain from timesheets over payroll preparation, pay slip issuance to payment.

Delegations of authority for decision making and commitment of the Group vis-à-vis third parties are formalized, reviewed regularly and updated. Permanent procedures are managed, reviewed regularly adjusted.

Prospective suppliers are qualified and selected on the basis of bid tabulations approved by authorized personnel according to power reserve lists. Commitments are duly authorized, invoices reconciled with work done /goods delivered and approved. Payments verified and accounting records checked.

Concerning IT security, controls exist to ensure that data is accessible to authorized persons, data is not changed by uncontrolled actions, actions are logged and the respective persons identified and data is not seen by unauthorized persons. Controls ensure that key users validate changes and are the only ones authorized to request release to production.

In the framework of the internal control evaluation, control activities are subject to updated internal control documentation and testing according to a self-assessment approach throughout the different organizations of the Group, from the Group Divisions, to the Regions, entities and projects and in the following areas:

- Control Environment:

  Business & Organization, Finance, Human Resources, Permanent Procedures & Policies, Corporate Bodies, Ethics & Integrity, Joint Ventures, Internal Audit;
- Business processes:

  Financial reporting and Consolidation, Tax, Financial Control, Treasury, Sales & Margin recognition, Payroll, Procurement, Manufacturing Procurement, Subcontracting, Capex, Stocks, Cost Control;
- Information Technology

  Security, Operations and Change Management.

3.2.4. Information and Communication

Information & communication is an integral part of the Group's internal control framework as the Group is committed to translate the Group's Values and internal control practices into the operational reality for all staff and its relation with stakeholders such as suppliers and partners in all countries where the Group operates.

The management of the Group Documentation is coordinated by the Group Quality function. Permanent procedures and policies are categorized according to four different levels: the *Golden Book,* Group Operating Principles and Standards and Group Instructions, Group Business Guidelines and Regions' Management Principles and Responsibilities.

The *Golden Book* is intended to give a comprehensive overview of the Group's management principles and responsibilities:

- the Group's Core Values encompassing its Ethics, Social, Environmental, Health and Safety, Security and Quality Charters;
- the Core Management Principles and structure of the Group including the mission of the Regions; and
- the mission of Corporate Functions.

The management principles in this *Golden Book* are valid for all entities controlled by the Group and shall be applied throughout the Group.

The Group Operating Principles and Standards (GOPS) and Group Instructions are the collection of all general instructions, rules and procedures which are applicable throughout the Group. The GOPS are classified into sections, each section being related to one corporate function. In addition, to the GOPS, Group Instructions may be issued from time to time by the members of the Executive Committee or people acting on their behalf. Group Instructions are more detailed instructions for application of business matters on a day to day basis and are aimed at specialized areas.

To facilitate the compliance with the GOPS, Corporate Functions issue and communicate Group Business Guidelines, that are recommended for support purposes but not mandatory, in order to capitalize on "best practices" and support Operating Centers to improve the operational performance.

The requirements stated in the *Golden Book,* GOPS and Group Instructions are mandatory across the Group and provide the overriding framework within which the Regions conduct their operational autonomy. Regions issue as well their own detailed Management Principles and Responsibilities as they see fit, as are the sub-divisions of the Regions (Business Units/Projects).

The dissemination of information within the Group as well as public relations is coordinated by the Human Resources and Communications Division, except for financial communication.

The dissemination of financial information is centralized by the Investor Relations Department ensuring that investors and the public are informed of the financial and business performance of the Group in a sincere, comprehensive and trustworthy manner and according to French law and the AMF General Regulation.

An essential cornerstone of the internal control framework of the Group with respect to the development of the Group's knowledge and talent is the foundation of the Technip University in 2008. The Technip University strives to promote expertise and capitalize on know-how, develop managerial skills, share a multicultural environment and facilitate integration.

The Information Technology (IT) Department has the responsibility among others, to improve IT and communication tools and to ensure the convergence of IT systems in all units.

3.2.5. Monitoring

Audit Committee

The Audit Committee has a central oversight role in order to ensure that the internal control system is in place and operative as it enables the Board of Directors to ensure the quality of internal controls as well as the integrity of the information disclosed to shareholders and financial markets.

In its monitoring function over the evaluation of internal controls, the Audit Committee reviews regularly the Management's assessment of internal controls. The latter has presented the progress of the evaluation and action plans with the objective to foster the Group's system of internal controls to the Audit Committee three times in 2008.

Management

The Group's Management is responsible for maintaining and evaluating internal controls. In this respect, the management on the different decision making levels keeps internal control documentation updated that corresponds to the operational realities of the business. Furthermore, management is responsible for ensuring that internal controls operate effectively and monitors their evaluation on the basis of a self-evaluation approach that has been successfully developed and applied since 2007. This internal control self-assessment is based on the documentation of the control environment through questionnaires and the documentation of the business and IT processes through Risk and Control Matrices.

Group Internal and Operational Audit

Group Internal and Operational Audit is an independent function that contributes to give assurance of the control of the businesses of the Group and provide the latter with recommendations for improvements.

The scope of the internal financial and operational audit functions encompasses the evaluation of the effectiveness of the system of internal controls through audits of specific Projects, Regions, Processes and transversal subjects on Group level.

Group Internal Control

The Group Internal Control Department, with a staff of six employees, coordinates the evaluation of internal controls throughout the Group based on a risk mapping of the control environment, the business processes and information technology.

In cooperation with the Group IT Department for IT issues, the Group Internal Control Department coordinates and monitors the different steps of the assessment of internal controls throughout the Group. In these tasks, it is supported by a network of 39 Internal Control correspondents appointed by each entity within the scope of the evaluation.

The progress and results of the internal control evaluation are regularly presented to a dedicated Group Internal Control Steering Committee that is composed of members of the Group Divisions and Regional Management. It is chaired by the CFO. The Group Internal Control Steering Committee met five times in 2008.

The internal control evaluation monitored by the Group Internal Control Department has been pursued in 2008 with the successful application of the self-assessment methodology introduced in 2007.

The breadth and depth of the assessment has been adapted to the size and importance of each entity, with tests of key controls categorized as covering significant risks.

In order to ensure the design effectiveness of the controls implemented in each entity, Group Internal Control performed walkthroughs over the most important internal business processes. A testing campaign has been organized with representatives of each entity during the fall of 2008 and Group Internal Control is currently completing the review of results in order to ensure that the self-assessment has been performed according to Group standards and methodology.

The Group's long-term objective is to ensure the sustainability of both the strategy to constantly improve internal controls and its continuous analysis. An important step was taken in 2008 towards the embedment of the internal control evaluation into operational processes with the introduction of a tailored IT tool that will allow each organization within the Group to monitor its internal control processes, to assess them on a regular basis and to report them to the Group Internal Control Department.

3.3. Internal Control procedures related to the establishment and issuance of financial and accounting information

The objective of the internal control procedures regarding financial and accounting information is to ensure that the accounting, financial and management information submitted to the Group's corporate bodies by its affiliates as well as group financial reporting and consolidation reflect the Group's position in a true and fair manner.

Under the responsibility of the CFO of the Group, establishment and issuance of financial information is managed and organized by the Group Consolidation and Accounting Department and rests on the different finance and control functions located in every entity.

The consolidated financial statements comply with the IFRS accounting rules. At corporate level, it is ensured that all Finance Teams are informed on changes in IFRS and regulatory issues. Changes in accounting methods in comparison with the last closing period are highlighted at the beginning of the quarterly closing instructions sent to the entities.

A Group Chart of Accounts Manual is updated every year and communicated to all participants in the consolidation process. In addition, GOPS with respect to the IFRS rules are updated regularly and are available on the Group's intranet.

On entity level, it is the responsibility of the local CFO to supervise the financial reporting process for consolidation purposes to Corporate every quarter. Since 2008, the CFOs of the Regions monitor the financial reporting process for the entities in their scope of responsibility.

The accounts of the subsidiaries are prepared according to the Group accounting standards. An integrated IT application is used to consolidate the financial statements of the Group. When reporting packages are submitted for consolidation, each entity acknowledges the receipt of instructions, the package approval by the local CFO, the application of the Group Chart of Accounts Manual as well as of Group Accounting Principles.

On a quarterly basis, the Group Consolidation and Accounting Department establishes the consolidated financial statements, *i.e.* the consolidated balance sheet, the consolidated income statement, consolidated statements of changes in equity and consolidated cash flow. For the annual information, a full set of financial accounts including notes is issued.

For the preparation of consolidated financial statements, the Group Consolidation Department relies foremost on the input of the departments Corporate Business Finance, Financial Control of the Subsea Division, Treasury and Tax.

The Corporate Business Finance Department together with Financial Control of the Subsea Division ensures a full analysis of project results and their impact on the financial statements. The Treasury Department analyzes the Group's cash position and the Tax Department the recorded taxes, deferred tax assets and liabilities and monitors the tax proof process.

The external auditors perform a review of the quarterly financial information with cut-off dates March 31, June 30 and September 30. The limited examination of the half-year accounts as of June 30 is subject to a report of the external auditors with respect to the financial information of the first six months of the year.

The financial statements as of December 31 are subject to detailed audit procedures that are foremost formalized by the Report of the external auditors.

The quarterly financial statements, the half-year accounts and the financial statements at the year ending December 31 are presented to the Audit Committee and approved by the Board of Directors.

Annex: Statutory Auditors' report, prepared in accordance with article L. 225-235 of the French Commercial Code on the report prepared by the Chairman of the Board of Technip

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

PricewaterhouseCoopers Audit

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

ERNST & YOUNG et Autres

41, rue Ybry
92576 Neuilly-sur-Seine Cedex
France

Statutory Auditors' report, prepared in accordance with article L. 225-235 of the French Commercial Code on the report prepared by the Chairman of the Board of Technip

For the Year Ended December 31, 2008

To the Shareholders,

In our capacity as Statutory Auditors of Technip, and in accordance with article L. 225-235 of the French Commercial Code *(Code de commerce)*, we hereby report to you on the report prepared by the Chairman of your company in accordance with article L. 225-37 of the French Commercial Code for the year ended December 31, 2008.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the company and providing the other information required by articles L. 225-37 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you on the information set out in the Chairman's report on internal control procedures relating to the preparation and processing of financial and accounting information; and
- to attest that the report sets out the other information required by article L. 225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

Information Concerning the Internal Control Procedures Relating to the Preparation and Processing of Financial and Accounting Information

The professional standards require that we perform procedures to assess the fairness of the information on internal control procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted of:

- obtaining an understanding of the internal control procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board's report, prepared in accordance with article L. 225-37 of the French Commercial Code.

Other Information

We attest that the Chairman's report sets out the other information required by article L. 225-37 of the French Commercial Code.

Neuilly-sur-Seine, March 16, 2009

The Statutory Auditors

PricewaterhouseCoopers Audit Louis-Pierre Schneider	ERNST & YOUNG et Autres Gilles Puissochet

Annex: Shareholders' Meeting of April 30, 2009: Agenda and Proposed Resolutions

1. Agenda

A. Within the authority of the Ordinary Shareholders' Meeting

1. Approval of the statutory financial statements for the fiscal year ended December 31, 2008
2. Allocation of earnings for the fiscal year ended December 31, 2008, setting the dividend amount and the dividend payment date
3. Approval of the consolidated financial statements for the fiscal year ended December 31, 2008
4. Special report of the Statutory Auditors on the regulated agreements and commitments referred to in Articles L. 225-38 et seq. of the French Commercial Code, setting forth the agreement and commitments authorized in 2009
5. Special report of the Statutory Auditors on the regulated agreements referred to in Articles L. 225-38 et seq. of the French Commercial Code, setting forth the agreements entered into in 2008
6. Special report of the Statutory Auditors on the regulated agreements referred to in Articles L. 225-38 et seq. of the French Commercial Code, setting forth the agreements previously entered into and which remained in effect in 2008
7. Renewal of Daniel Lebègue's term as Director
8. Renewal of Jean-Pierre Lamoure's term as Director
9. Renewal of Bruno Weymuller's term as Director
10. Appointment of Gérard Hauser as Director
11. Appointment of Marwan Lahoud as Director
12. Appointment of Joseph Rinaldi as Director
13. Directors' attendance fees
14. Authorization granted to the Board of Directors for the repurchase of Company shares

B. Within the authority of the Extraordinary Shareholders' Meeting

15. Authorization granted to the Board of Directors to increase the share capital and to issue securities giving rights to the grant of debt securities, with maintenance of the preferential subscription rights of shareholders
16. Authorization granted to the Board of Directors to increase the share capital and to issue securities giving rights to the grant of debt securities, without the preferential subscription rights of shareholders (with the option to provide a priority period)

17. Authorization granted to the Board of Directors to increase the share capital in favor of employees adhering to a company savings plan
18. Authorization granted to the Board of Directors to allocate existing shares for free to (i) Technip's employees, and (ii) the employees and directors and officers (mandataires sociaux) of companies related to the Company within the meaning of Article L. 225-197-2 of the French Commercial Code
19. Authorization granted to the Board of Directors to allocate existing shares for free to the Chairman of the Board of Directors and/or the Chief Executive Officer of Technip (mandataire social)
20. Authorization granted to the Board of Directors to grant options for the purchase or subscription of shares to (i) Technip's employees, and (ii) the employees and directors and officers (mandataires sociaux) of the companies related to the Company within the meaning of Article L. 225-180 of the French Commercial Code
21. Authorization granted to the Board of Directors to grant options for the purchase or subscription of shares to the Chairman of the Board of Directors and/or the Chief Executive Officer of Technip (mandataire social)

C. Resolutions within the authority of the Combined Shareholders' Meeting

22. Powers for formalities

2. Presentation of the Resolutions

2.1. Presentation of resolutions relevant to the Ordinary Shareholders' Meeting

First, second and third resolutions	**Approval of the statutory financial statements and allocation of earnings** The purpose of the **first** resolution is to approve Technip SA's statutory financial statements for the 2008 fiscal year. The purpose of the **second** resolution is to determine the allocation of Technip SA's earnings and set the dividend for the 2008 fiscal year at 1.20 euro per share and the payment date on 12 May 2009. The following dates shall apply for the payment of dividends: ■ Ex-Date: 7 May 2009 (morning) ■ Record Date: 11 May 2009 after close of market Pursuant to Article 243 bis of the French General Tax Code, the amount of distributed dividends are eligible for the 40% deduction in favour of tax payers in France, as provided for in Article 158-3 of the French General Tax Code. The purpose of the **third** resolution is to approve the Technip Group's consolidated financial statements for the 2008 fiscal year.
Fourth resolution	**Special report of the Statutory Auditors (related party agreements) (approval of the commitments made to Thierry Pilenko)** In accordance with applicable law, the **fourth** resolution specifically addresses the new adjustment, pursuant to the AFEP/MEDEF recommendations of October 6, 2008, to the commitments made by the Company, in terms of severance compensation in the event of the departure of the Chairman and Chief Executive Officer, at the time of Thierry Pilenko's appointment to this position on April 27, 2007, which were initially revised by the Board of Directors on February 20, 2008 pursuant to the French law of August 21, 2007. In order to ensure full compliance with the AFEP/MEDEF recommendations referred to above, the commitments undertaken by the Company with respect to the Chairman and Chief Executive Officer have henceforth been limited to the application of a non-compete clause that provides for an indemnity capped at two years of gross compensation (fixed and target variable). All other provisions that were previously applicable in this area have been eliminated. The amount of the commitments undertaken for purposes of termination payments to the Chairman and Chief Executive Officer is accordingly limited to two years of compensation (fixed and variable), in accordance with the AFEP-MEDEF Code.
Fifth resolution	**Special report of the Statutory Auditors on an operational agreement entered into in 2008** The **fifth** resolution acknowledges the special report of the Statutory Auditors on regulated agreements, discussing the subsidy granted by the company to its subsidiary, Technip Marine Malaysia, in an amount of 21 million euros, corresponding to the charges borne in relation to the "Murphy Kikeh DTU" agreement, for purposes of restoring the shareholders' equity of the subsidiary-holder of the Group's business license in Malaysia for Petronas (Board of Directors' approval on December 9, 2008).
Sixth resolution	**Special report of the Statutory Auditors on the continuation in 2008 of prior commitments in favour of D. Valot** The **sixth** resolution acknowledges the special report of the Statutory Auditors on regulated agreements, discussing the continued performance in 2008 of commitments made by the Company to Daniel Valot with regard to the termination of his duties as Chairman and Chief Executive Officer on April 27, 2007. As indicated in the special report of the Statutory Auditors, the amounts paid in 2008 were comprised of fees paid pursuant to a consultancy agreement, in an amount of 382,720 euros, including tax.

Seventh through ninth resolutions

Renewal of Messrs Jean-Pierre Lamoure, Daniel Lebègue and Bruno Weymuller's terms as Board Directors

The purpose of the **seventh, eighth,** and **ninth** resolutions is to renew the terms of Messrs. Jean-Pierre Lamoure, Daniel Lebègue and Bruno Weymuller whose terms expire at the time of this Shareholders' Meeting.
All Directors appointed by the Shareholders' Meeting of April 27, 2007, at the Board of Directors' Meeting held on the same day at the end of the Shareholders' Meeting, unanimously decided upon the early exit of six out of the 11 directors at the end of two years, resulting in the renewal of one-half of the board members every two years, in accordance with Article 14.4 of the by-laws.
It is therefore proposed that the terms of Messrs Jean-Pierre Lamoure, Daniel Lebègue, and Bruno Weymuller, who were among the six Directors designated at the Board of Directors' meeting discussed above, be renewed.

Tenth through twelfth resolutions

Appointment of Messrs Gérard Hauser, Marwan Lahoud and Joseph Rinaldi as Directors

The purpose of the **tenth, eleventh** and **twelfth** resolutions is to appoint Messrs Gérard Hauser, Marwan Lahoud and Joseph Rinaldi as new Directors to replace Messrs Jacques Deyirmendjian, Roger Milgrim and Rolf Rolfsen whose terms expire at the time of this Shareholders' Meeting and who do not seek renewal.
Biographies of Messrs Gerard Hauser, Marwan Lahoud and Joseph Rinaldi are presented below:

Gérard HAUSER

Gerard Hauser, a French citizen, born on 29 October 1941 is Chairman and Chief Executive Officer of Nexans.
From 1965 till 1975, Gérard Hauser covered several senior positions in the Philips Group. From 1975 till 1996, he worked for the Pechiney Group, as Chairman and Chief Executive Officer of Pechiney World Trade first and of Pechiney Rhénalu later; he was later appointed Senior Executive Vice President of American National Can and member of the Group Executive Board. He joined Alcatel Câble France in 1996 and became President of its Cable and Component Sector in 1997.
In June 2000, he was appointed Chairman and Chief Executive Officer of Nexans.
Gérard Hauser will leave his function of Chairman & Chief Executive Officer of Nexans at the next Shareholders Meeting end of May 2009. He will remain Member of the Board.
Other current directorships:

- Alstom–Director
- Ipsen–Director
- Stromboli Investissement–Chairman of the Board

Marwan LAHOUD

Marwan Lahoud, born on 6 March 1966, was appointed Chief Strategy & Marketing Officer of EADS on 11 June 2007.
Before returning to EADS, Marwan Lahoud ran MBDA as Chief Executive Officer from January 2003. Marwan Lahoud began his career at the French Defence procurement agency DGA (Délégation générale pour l'armement) in 1989 at the Landes test range, where he served first as head of the computation centre, and later as project manager in charge of upgrading testing systems and coordinating investments.
In 1994, he was appointed Special Advisor to the Tactical Missile Systems Engineering Division. A short time later, he took on a new role as Deputy Director Missiles and Space Systems. Mr Lahoud contributed to the development of the 1995-2000 Military Planning Act and led several joint work groups bringing together political, military and industrial stakeholders, covering issues such as the non-proliferation of weapons of mass destruction, Franco-German space cooperation and expanded air defence programmes.
In May 1995, Mr Lahoud was appointed Special Advisor to the French Ministry of Defence. At the end of 1995, he moved to a new position within the Ministry, serving as Advisor for Industrial Affairs, Research and Weapons, where he was responsible for the industrial consolidation programmes rolled out in February 1996.
Starting in June 1997, he served as Special Advisor to the Human Resources Division at DGA. In May 1998, he joined Aerospatiale as Vice President Development where he was responsible for negotiating agreements with Groupe Lagardère for the Aerospatiale-Matra Hautes Technologies merger. He also served as Secretary General of the Aerospatiale-Matra Hautes Technologies committee.
In June 1999, he was appointed Senior Vice President Strategy and Planning for Aerospatiale Matra, where he also served as Senior Vice President Military Affairs.
When EADS was founded in July 2000, Mr Lahoud was appointed Senior Vice President Mergers & Acquisitions. During his tenure, he oversaw the creation of Airbus, MBDA, Astrium and EDSN.
Chief Weapons Engineer of the French Army and alumnus of prestigious French engineering school École Polytechnique, Marwan Lahoud is an engineering graduate of French aeronautics and space institute École nationale supérieure de l'aéronautique et de l'espace.

Joseph RINALDI

Joseph Rinaldi, a citizen of Australia and Italy, born on July 9, 1957, is a partner in the international law firm of Davis Polk & Wardwell. He advises on mergers and acquisitions transactions, corporate governance and securities and corporate law. Joseph Rinaldi is a frequent speaker and author on merger and acquisition and corporate governance issues.
He joined Davis Polk in 1984 and became a partner in 1990. From 2002 to 2007 he was the senior partner in the Paris office of Davis Polk. He graduated from the University of Sydney, Australia, with first class honors in 1979, and in 1981 received his LL.B, with first class honors, from the University of Sydney, where he was a member of the editorial committee of the Sydney Law Review. He received an LL.M from the University of Virginia School of Law in 1984. He is admitted to practice law in New York.

Thirteenth resolution	**Directors' attendance fees** While attendance fees paid by Technip in 2007 were already lower than market practice (as confirmed by a study conducted by a specialized consultant at Technip's request), the Board of Directors decided last year not to propose an increase in the amount in light of the decrease in the Group's 2007 financial results. A new Board committee is established for purposes of handling ethics and corporate governance questions and a new study carried out by the specialized consultant at the end of 2008, showed a deficit of 43% as compared to the average for companies included in the CAC 40 index and 16% compared to the average for companies included in the SBF120 index. A re-evaluation of the attendance fees is accordingly proposed to increase the annual amount of 375,000 euros to 440,000 euros, i.e., bringing it to the average level of the companies comprising the SBF120 index. As a reminder, the Chairman and Chief Executive Officer does not receive any attendance fee and the afore mentioned amount is divided between ten Directors.	
Fourteenth resolution	**Repurchase of company shares** The **fourteenth** resolution is part of the policy to foster employee motivation and loyalty initiatives through the use of free shares and stock options. Therefore, the purpose of this resolution is to renew the authorization granted by the Shareholders' Meeting of May 6, 2008, which expires on November 6, 2009. The purchase of shares may be carried out at any time, except during tender offers on the Company's share capital, in accordance with applicable regulations. The proposed authorization is for an 18-month period, a maximum purchase price of 60 euros and a maximum legal limit of 10% of the total number of shares comprising the share capital. As of December 31, 2008, the Company's share capital was divided into 109,317,564 shares. On this basis, the maximum number of shares that the Company would be able to repurchase amounts to 7,865,612 shares (taking into account 3,066,144 treasury shares).	

2.2. General presentation of resolutions relevant to the Extraordinary Shareholders' Meeting

The Extraordinary Shareholders' Meeting is being convened to examine two groups of resolutions.

1. Renewal of authorizations in relation to share capital increases

The financial authorizations that the Board of Directors considers essential, will expire in June 2009.

It is therefore being proposed that the share capital increase authorizations be renewed, either with or without preferential subscription rights and, in accordance with applicable law, as a result of the foregoing authorizations, it is proposed to renew the authorization for share capital increase reserved for employees.

2. Renewal of authorizations in relation to loyalty initiatives (stock options and free shares)

In accordance with the policy implemented in 2008, the Company strictly limits the level of authorizations requested of shareholders and only as they are required. As in 2008, requests are being made to satisfy the requirements of 2009, which relate to 1% of the share capital in free shares and to 1% of the share capital in stock options, noting that the grants carried out in July 2008 on the basis of the authorizations granted by the preceding Shareholders' Meeting were heavily and negatively impacted by the financial crisis, which began shortly after these grants.

There are several reasons to support these resolutions:

- The first reason is the crucial need for loyalty and motivation initiatives for employees in order to address the high turnover in employment in the oil services sector even in the current recession, in particular, in the context of major contractual challenges, especially those contracts that are in essential performance phases in the Middle East, Africa and Asia.
- The differences in the regulatory and tax environments that prevail in different countries under consideration require the use of both stock options and free shares as a tool in order to achieve our loyalty and motivation objectives.
- The last grant of options to purchase shares (2008 Shareholders' meeting), have been heavily and negatively impacted as a result of the financial crisis, which led to a significant share price decrease since the option price was set, resulting in "under water" options.
- There are no further authorizations available in this area as no corresponding resolution was passed in 2007 and in the absence of these tools, the Group would have to use other means as a substitute, which would be much more expensive.

Fifteenth and sixteenth resolutions	**Share capital increases with and without preferential subscription rights** A. Presentation applicable to both resolutions 1. The purpose of the **fifteenth** and **sixteenth** resolutions is to renew, for a period of 26 months, the authorizations that were granted to the Board of Directors by the Shareholders' Meeting of April 27, 2007 for the same duration, i.e., with a validity expiring on June 27, 2009. 2. The two authorizations relate to the issuance of shares and securities giving access to the share capital, not to exceed a maximum nominal limit: ■ of 37.5 million euros for share capital increases maintaining preferential subscription rights, i.e., an authorization limited to 44.98% of the Company's share capital as of December 31, 2008 (15th resolution); and ■ of 12 million euros for share capital increases without preferential subscription rights, i.e., an authorization limited to 14.39% of the Company's share capital as of December 31, 2008 (16th resolution); and it being understood that the total of the capital increases carried out pursuant to the 15th and 16th resolutions may not exceed the limit of 37.5 million euros. 3. These two authorizations also relate to the issuance of securities representing debt securities or securities giving access to the share capital or to the Company's debt securities: ■ within a limit of 2.5 billion euros for each of the 15th and 16th resolutions, ■ it being understood that the total of the issuances carried out pursuant to these resolutions may not exceed the limit of 2.5 billion euros. 4. These two authorizations are provided without an over-subscription option, which would permit an increase of the number of shares to be issued during the subscription period. Moreover and in order again to reduce to the minimum the authorizations requested from the shareholders, no request for other forms of capital increase involving: ■ incorporation of reserves, ■ compensation of contribution in kind, ■ delegation to the board of Directors (10% per year or accelerated book building), ■ "Bons Breton". is made. 5. These two authorizations are granted for a new period of 26 months, i.e., until June 30, 2011 and cancel the corresponding authorizations granted by the Shareholders' Meeting of April 27, 2007. B. Presentation applicable to the 16th resolution In addition, regarding the authorization to the Board of Directors to increase the share capital without preferential subscription rights, it is reminded that: 1. The authorization includes an option for the Board of Directors to grant a priority period for shareholders. 2. Pursuant to Article R. 225-119 of the French Commercial Code, the issuance price of ordinary shares that may be issued pursuant to this resolution must be at least equal to the weighted average of Technip's share price over the three trading days preceding the determination of the issuance price, which the Board of Directors may reduce by a maximum discount of 5%. 3. Regarding the conditions of placement of new shares or any other new securities giving access to the share capital, it is intended to proceed, as required under the circumstances then prevailing, either by way of a public offering or by way of a private placement (non public offering within the meaning of Article L.411-2 of the French Monetary and Financial Code, as modified by the ordinance dated January 22, 2009), in particular to qualified institutionnal investors.
Seventeenth resolution	**Share capital increase reserved for employees** Pursuant to Article L. 225-129-6 of the French Commercial Code, because the Shareholders' Meeting is being convened to examine authorizations to increase the Company's share capital, a resolution for share capital increases reserved for employees must also be presented to the Shareholders' Meeting. The purpose of the **seventeenth** resolution is to propose such an authorization, with the following conditions: 1. the maximum limit of the increase is 2% of the share capital as of the date of the Shareholders' Meeting; 2. the subscription price of the shares is equal to 80% of the average share price of the last 20 trading days; 3. the implementation of the authorization is subject to a waiver by the shareholders of their preferential subscription rights in favour of the employees adhering to a company savings plan; 4. the nominal amount of the share capital increases carried out pursuant to the authorization will be applied toward the limit of 37.5 million euros set forth in the 15th resolution, which is a common ceiling for the 15th, 16th and 17th resolutions. The authorization thus granted is valid for a period of 26 months, expiring on June 30, 2011 and cancels the corresponding authorization granted by the Shareholders' Meeting of April 27, 2007.

Eighteenth, nineteenth, twentieth and twenty-first resolutions

Grant of free shares and grant of stock options

A. Terms of the stock option and free share plans

1. **Provisions included in the resolutions**

As in 2008, the terms of the resolutions presented are the following:

- no discount on the purchase price;
- no possibility to modify the initial terms;
- loss of options in the event of resignation or dismissal for wrongful or gross misconduct *(faute grave* or *faute lourde);*
- grants to the Chairman and Chief Executive Officer are examined by the Board of Directors (majority of independent directors) upon a proposal by the Nominations and Remunerations Committee (majority of independent directors);
- grants to members of the Executive Committee are decided by the Board of Directors pursuant to the recommendations formulated within the context of the plan by the Nominations and Remunerations Committee;
- a resolution for the Chairman and Chief Executive Officer *(mandataire social)* that is distinct from that of other beneficiaries;
- ceiling of 0.10% of share capital on grants of stock options and of 0.03% of share capital on grants of free shares to the Chairman and Chief Executive Officer *(mandataire social);*
- ceiling of 20% of the relevant plan on grants made to the management team (executive committee, including the Chairman and Chief Executive Officer);
- rigorous performance conditions detailed in each resolution for stock options as well as for free shares;
- the definitive acquisition of free shares and the exercise of the options will be subject to the Company having achieved a level of performance, to be measured by the progression of the Consolidated Operating Income* in relation to a representative sample of the Group's competitors and that is based on the following scale:
  - if the progression of the Group's Consolidated Operating Income is greater than or equal to that of the sample, all of the options/shares will be exercisable/acquired according to the terms and conditions provided in the plan's regulations,
  - if the progression of the Group's Consolidated Operating Income falls between 80% and 100% of that of the sample, the portion of the options/shares lost will be determined by linear interpolation between 50% and 100%,
  - if the progression of the Group's Consolidated Operating Income is less than 80% of that of the sample, 50% of the options/shares will be lost;
- each authorization is granted for a period of 24 months;
- grants to the Chairman and Chief Executive Officer *(mandataire social)* will be cancelled if the progression of Technip's Consolidated Operating Income is below the progression of each of the companies in the sample.

2. **Provisions included in the plans**

In order to provide an overall view of the implementation conditions of the requested authorizations, it has been decided to give further detailed information regarding the methods used to determine the achievement of performance conditions.

The following indications are with reference to previous plans that are still outstanding, which generally represent Technip's policy in this area, although they may not be exactly the same in all respects as the conditions that would apply to the implementation of the authorizations being sought from the next Shareholders' Meeting.

- Composition of the sample: the sample is comprised of the following companies: Acergy, Saipem, Fluor, JGC, Chiyoda, McDermott.
- Applicable period for performance conditions: the applicable period is equal to the Acquisition Period, *i.e.,* three years (free shares) or four years (stock options).
- A financial institution has been entrusted with the mission of acting as an independent expert to carry out calculations, comparisons and determinations of beneficiaries' rights based on the recorded results.

B. Specific data addressing Riskmetrics's governance policy criteria

The following paragraphs were drafted to take into account the analysis carried out by Riskmetrics who, based on our understanding of their policies, would not support a resolution in favour of a stock option or free share plan if the aggregate of existing free shares and stock options plus those that are the subject of the authorizations being requested from the next Shareholders' Meeting, are in excess of:

- 5% for a "Mature" company;
- 10% for a "Growth" company.

1. **Regarding the qualification to be applied to Technip**

The nature of Technip's business (oil services) with almost no recurrent market share (in particular in onshore and offshore segments) is subject to demand that varies significantly in terms of geography, which requires, depending on the case, a presence in a given country in circumstances that resemble those that apply to "start-up" companies:

- immediate set-up for a project,

* *The Consolidated Operating Income is one of the audited accounting items which the Group discloses regularly and, in particular, at the time of each publication of its financial results.*

- creation of a local engineering office with local engineers,
- strong and rapid build-up in labor and equipment, often prior to obtaining a contract,
- importance of technological content in the services provided,
- uncertainty driven by a project-by-project approach.

This approach, which is imposed by market conditions, may result in a long-term presence where successful (Malaysia, Brazil), but may also result in a significant decrease or disappearance from certain markets where they are affected by commercial or political uncertainties (Iraq, ex-Soviet Union, Algeria).

2. **Dilution limits**

Based on our understanding of available data on Riskmetrics policy and past analysis by Riskmetrics on our previous proposed stock options and free shares plans we consider that the current status of outstanding and proposed dilutive instruments fall within the 5% limit.

a) The actual potential for dilution which arises for grants in the form of options to subscribe shares as opposed to grants in the form of options to obtain shares purchased by the Company, resulting from both existing dilutive options and the authorizations being submitted to a vote at the next Shareholders' Meeting, is equal to **3.83%** of the share capital

The calculation would be, on the basis of the number of shares comprising the share capital as of December 31, 2008 (i.e., 109,317,564), as follows:

- Dilution potential of 3,098,967 existing options, i.e.: 2.83%.
- Dilution potential of options from the next Shareholders' Meeting, assuming that all of the stock options proposed (i.e. 1%) are granted in the form of options to subscribe shares, which are dilutive, i.e.: 1%.

3.83%

b) The impact of the aggregate outstanding and proposed plans where attribution for free shares and stock options is assured is **4,41%** of the share capital

(i) Actual existing dilutive elements (see (a) above) less the "under water" subscription options to be exercised on December 14, 2009 at 46.93 euros given for instance that the share price on February 19, 2009 was 25,61 euros: 3,098,967 (2.83%)- 895,316 (0.82%) = 2,203,651, i.e.: 2.01%.

(ii) Potential dilution from subscription options (where attribution is assured) proposed by the next General Meeting: 50% of 1,093,175 = 546,587, i.e.: 0.50%.

(iii) Existing free shares for which attribution is assured:
2007 Plan (authorized by the 2006 Shareholders' Meeting): 50% of 1,079,070 = 539,535, i.e.: 0.49%
2008 and 2009 Plan (authorized by the 2008 Shareholders' Meeting):
50% of 1,058,592 = 529,292, i.e.: 0.48%

(iv) Free shares proposed to the next Shareholders' Meeting (authorization to be given by the 2009 Shareholders' Meeting): 50% of 1,093,175 = 546,587, i.e.: 0.50%.

(v) Existing options to purchase shares, for which attribution is assured (authorized by the 2008 Shareholders' Meeting): 50% of 942,060 = 471,030, i.e.: 0.43%.

4.41%

In addition, the 4.41% figure includes:

- the 903,025 options (0.83% included in (i) above) to subscribe shares maturing on July 26, 2010 (price of 41.38 euros); and
- the 471,030 options to purchase shares (0.43% referred to in (v) above) maturing on July 1, 2012 (price of 58.15 euros).

It could be argued that these options, significantly "under water" cannot fairly be included in any calculation because there is no certainty that they will ever be exercised. In these circumstances, the total would be reduced well under 5% to 3.1%

C. Specific presentation of the twentieth and twenty-first resolutions (options to purchase shares or options to subscribe shares)

The Group's priority remains not to use any dilutive instruments except where absolutely necessary and to privilege the use of options to purchase shares, as was the case in 2008.

The reduction in the share price has rendered this approach ineffective in 2009 as applicable law which requires the stock option price to reflect the average price paid by the Company when purchasing the shares (47 euros) this largely exceeds the current share price–as was the case for the grant made on July 1, 2008:

- exercise price of 58.15 euros;
- change in share price: significant decrease over the second half of 2008 (share price as of December 31, 2008: €21.81).

To the extent that an authorization regarding options to purchase shares cannot be, in this context, used (grant of options at 47 euros not feasible where the actual share price is lower) and given the fact that to comply with the AFEP/MEDEF code recommendations, the Board of Directors has adopted the principle of granting stock options and/or free shares in the same period each year, it is necessary to retain both options to purchase shares (preferred solution) and options to subscribe shares (backup solution).

3. Proposed Resolutions

Resolutions within the authority of the Ordinary Shareholders' Meeting

First resolution

Approval of the statutory financial statements for the fiscal year ended December 31, 2008

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the report of the Board of Directors on the activity and condition of the Company over the 2008 fiscal year and the report of the Statutory Auditors on the performance of their mission over the course of the 2008 fiscal year hereby approves the statutory financial statements for the fiscal year ended December 31, 2008, as presented, showing profits of 250,881,144.87 euros. The Shareholders' Meeting also approves the transactions evidenced in these statements or summarized in these reports.

Second resolution

Allocation of earnings for the fiscal year ended December 31, 2008, setting the dividend amount and the dividend payment date

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, acknowledges that the profits for the fiscal year ended December 31, 2008 amount to 250,881,144.87 euros, that there shall be no allocation to the legal reserve, which has already reached one-tenth of the share capital and that distributable profits amount to 250,881,144.87 euros, taking into account the available retained earnings of 0 euro.

The Shareholders' Meeting therefore decides to allocate as a dividend an amount of 1.20 euro per share, representing a total amount of 127,501,704 euros, with the remaining amount allocated to retained earnings.

Treasury shares on the date of payment of the dividend shall be excluded from the benefit of this distribution, and the corresponding amounts shall be allocated to retained earnings.

The dividend will be paid on May 12, 2009 in cash. The amount of the dividends that will be paid corresponds in full to distributions eligible for the 40% abatement referred to in paragraph 2 of section 3 of Article 158 of the French General Tax Code.

The Shareholders' Meeting recalls that the amount of distributed dividends and the distributions eligible for the 40% abatement were as follows for the last three fiscal years:

Fiscal year	Dividend per share	Amount of distributions eligible for the 40% abatement
2005	€0.92	€0.92
	€1.05	€1.05
2006	€2.10	€2.10
2007	€1.20	€1.20

Third resolution

Approval of the consolidated financial statements for the fiscal year ended December 31, 2008

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the report of the Board of Directors on the activity and condition of the Group over the 2008 fiscal year, and the report of the Statutory Auditors on the consolidated financial statements, hereby approves the consolidated financial statements for the fiscal year ended December 31, 2008, as presented, as well as the transactions evidenced in these statements or summarized in these reports.

Fourth resolution

Special report of the Statutory Auditors on the regulated agreements and commitments referred to in Articles L. 225-38 et seq. of the French Commercial Code, setting forth the agreement and commitments authorized in 2009

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the special report of the Statutory Auditors on the agreements referred to in Articles L. 225-38 et seq. of the French Commercial Code, hereby takes note of the report's conclusions and approves the agreement and commitments authorized in 2009, which are described therein.

Fifth resolution

Special report of the Statutory Auditors on the regulated agreements referred to in Articles L. 225-38 et seq. of the French Commercial Code, setting forth the agreements entered into in 2008

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the special report of the Statutory Auditors on the agreements referred to in Articles L. 225-38 et seq. of the French Commercial Code, hereby takes note of the report's conclusions and approves the agreement entered into in 2008, which is described therein.

Sixth resolution

Special report of the Statutory Auditors on the regulated agreements referred to in Articles L. 225-38 et seq. of the French Commercial Code, setting forth the agreements previously entered into and which remained in effect in 2008

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the special report of the Statutory Auditors on the agreements referred to in Articles L. 225-38 et seq. of the French Commercial Code, hereby takes note of the report's conclusions and approves the agreement previously entered into and which remained in effect in 2008, which is described therein.

Seventh resolution

Renewal of Jean-Pierre Lamoure's term as Director

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the report of the Board of Directors, decides to renew Jean-Pierre Lamoure's term as Director for a term of four years, to expire at the end of the shareholders' meeting convened to approve the statutory financial statements for the fiscal year ending December 31, 2012.

Eighth resolution

Renewal of Daniel Lebègue's term as Director

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the report of the Board of Directors, decides to renew Daniel Lebègue's term as Director for a term of four years, to expire at the end of the shareholders' meeting convened to approve the statutory financial statements for the fiscal year ending December 31, 2012.

Ninth resolution

Renewal of Bruno Weymuller's term as Director

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the report of the Board of Directors, decides to renew Bruno Weymuller's term as Director for a term of four years, to expire at the end of the shareholders' meeting convened to approve the statutory financial statements for the fiscal year ending December 31, 2012.

Tenth resolution

Appointment of Gérard Hauser as Director

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the report of the Board of Directors, decides to appoint Gérard Hauser as Director for a term of four years, to expire at the end of the shareholders' meeting convened to approve the statutory financial statements for the fiscal year ending December 31, 2012.

Eleventh resolution

Appointment of Marwan Lahoud as Director

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the report of the Board of Directors, decides to appoint Marwan Lahoud as Director for a term of four years, to expire at the end of the shareholders' meeting convened to approve the statutory financial statements for the fiscal year ending December 31, 2012.

Twelfth resolution

Appointment of Joseph Rinaldi as Director

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the report of the Board of Directors, decides to appoint Joseph Rinaldi as Director for a term of four years, to expire at the end of the shareholders' meeting convened to approve the statutory financial statements for the fiscal year ending December 31, 2012.

Thirteenth resolution

Directors' attendance fees

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, decides to set the attendance fees to be allocated per fiscal year to the Board of Directors at 440,000 euros for the current fiscal year and for each future fiscal year until otherwise decided.

The Shareholders' Meeting grants full powers to the Board of Directors to allocate all or part of these attendance fees in accordance with the terms and conditions to be set by the Board of Directors.

Fourteenth resolution

Authorization granted to the Board of Directors for the repurchase of Company shares

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the report of the Board of Directors,

authorizes the Board of Directors to purchase shares of the Company, in accordance with the provisions of Articles L. 225-209 et seq. of the French Commercial Code, on one or more occasions, for the following primary purposes:

- to honor commitments related to stock-option plans or other share grants to employees or Directors or officers *(mandataires sociaux)* of the Company or its affiliates;
- to use shares in payment or in exchange in connection with external growth transactions;
- to promote share trading, in order, in particular, to ensure liquidity, pursuant to a liquidity contract with an investment services provider in compliance with the ethics charter approved by the *Autorité des marchés financiers;*
- to cancel such shares;
- to deliver shares upon the exercise of rights attached to securities giving access to the share capital;
- to implement any market practice that becomes recognized by law or the *Autorité des marchés financiers*.

The purchase, holding, sale or transfer of the purchased shares may be carried out, depending on the case, on one or more occasions, in any manner on the market (regulated or not), through multilateral trade facilities ("MTFs"), *via* systematic internalizers or through negotiated transactions, in particular, through the acquisition or sale of blocks, or by using financial derivatives and warrants, in compliance with applicable regulations. The portion of the repurchase program that may be carried out by negotiation of blocks may be as large as the entire program.

The Shareholders' Meeting sets the maximum purchase price at 60 euros (before charges) per share and decides that the maximum number of shares that may be acquired may not exceed 10% of the shares comprising the share capital as of the date of this Shareholders' Meeting.

In the event of a share capital increase by incorporation of premiums, reserves and benefits, resulting in either an increase in the nominal value, or in a free grant of shares, and in the event of a split or reverse split of shares or any other transaction affecting the share capital, the Board of Directors may adjust the aforementioned purchase price to take into account the effect of those transactions on the value of the shares.

Full powers are granted to the Board of Directors, with power of delegation to the Chief Executive Officer or, with his consent, to one or more executive vice presidents *(directeurs généraux délégués)*, to place, at any time, except during the period of a public offering on the Company's securities, any orders on a securities exchange or through negotiated transactions, to allocate or re-allocate repurchased shares to the primary repurchase purposes in accordance with applicable law and regulations, to enter into any agreements, specifically for the keeping of purchase and sale registers, to draft any documents, to carry out any formalities, to make any declarations and communications to any agencies, particularly to the *Autorité des marchés financiers,* concerning the transactions carried out pursuant to this resolution, to set the terms and conditions to preserve, as necessary, any rights of holders of securities giving access to the Company's share capital and any rights of beneficiaries of options in accordance with applicable regulations and, generally, to take any necessary action. The Shareholders' Meeting also grants full powers to the Board of Directors, if applicable laws or the *Autorité des marchés financiers* were to extend or supplement the primary purposes authorized for share repurchase programs, to inform the public according to applicable regulations of potential modifications to the repurchase program pertaining to the amended purposes.

This authorization invalidates any previous authorization for the same purpose and, in particular, the seventh resolution of the Ordinary Shareholders' Meeting of May 6, 2008. It is granted for a period of 18 months from the date of this Shareholders' Meeting.

The Board of Directors shall provide the shareholders with information relating to the purchases and sales of shares carried out pursuant to this resolution in its report to the annual Shareholders' Meeting.

Resolutions within the authority of the Extraordinary Shareholders' Meeting

Fifteenth resolution

Authorization granted to the Board of Directors to increase the share capital and to issue securities giving rights to the grant of debt securities, with maintenance of the preferential subscription rights of shareholders

The Shareholders' Meeting, acting under the conditions of quorum and majority required for extraordinary shareholders' meetings, after having reviewed:
- the report of the Board of Directors; and
- the special report of the Statutory Auditors,

and pursuant to Articles L. 225-129 to L. 225-129-6, L. 228-91 to L. 228-93 of the French Commercial Code:

1. Authorizes the Board of Directors to issue, on one or more occasions, at such time or times and in the amounts that it shall decide, in France or abroad, with maintenance of the preferential subscription rights of shareholders, shares as well as any other securities giving rights to the Company's share capital, such shares to have the same rights as older shares, subject to dividend entitlement dates; it being specified that the Board of Directors may delegate to the Chief Executive Officer or, with the Chief Executive Officer's agreement, to one or more executive vice presidents *(directeurs généraux délégués)*, in accordance with applicable law, all powers necessary to decide the share capital increase.
2. Decides to expressly exclude any issuance of preference shares or securities giving rights to preference shares.
3. Decides that the nominal amount of the share capital increases that may be carried out either immediately and/or in the future pursuant to this resolution may not exceed a total nominal amount of 37.5 million euros, it being specified that this total nominal amount does not take into account any adjustments that may be carried out pursuant to applicable law or regulations and, as applicable, any contractual provisions providing for other cases of adjustment, to preserve the rights of holders of securities or other rights giving access to the share capital.
4. Also authorizes the Board of Directors to issue securities giving rights to debt securities.
5. Decides that the total amount of securities representing debt securities, or which give access to the share capital or to debt securities of the Company, which may be issued pursuant to this resolution is limited to a maximum of 2.5 billion euros or its equivalent in the event of issuances in foreign currency or units set in reference to multiple currencies.
6. Authorizes the Board of Directors to take all measures designed to protect the rights of holders of securities giving access to the share capital existing as of the date of the share capital increase.
7. Decides that the shareholders may exercise, in accordance with the conditions provided for by law, irreducible preferential subscription rights based on the number of shares they hold *(à titre irréductible)*. Furthermore, the Board of Directors shall have the power to allow shareholders to subscribe additional shares *(à titre réductible)*, in proportion to the subscription rights they hold and, in any case, subject to their request.

   In the event irreducible subscriptions and, as applicable, *pro rata* subscriptions, are less than the number of shares offered, the Board of Directors may use the following possibilities, in the order that it shall so decide:
   - limit the issuance to the amount of subscriptions received, provided that such issuance is for an amount that is at least three-quarters of the issuance decided;
   - freely re-allocate all or part of the irreducible and, as applicable, *pro rata* shares not subscribed;
   - offer to the public all or part of the non-subscribed shares.
8. Acknowledges that this resolution automatically acts, in favor of the holders of securities issued pursuant to this resolution and giving access to the Company's share capital, as a waiver by the shareholders of their preferential subscription rights with respect to the shares to which such securities give right.
9. Decides that the amount that must be received by the Company for each share issued pursuant to this resolution must equal, at a minimum, the nominal value of the share as of the date of issuance of such securities.
10. Decides that this resolution voids the authorization granted by the Extraordinary Shareholders' Meeting of April 27, 2007 in its twentieth resolution.

The authorization granted to the Board of Directors by the present resolution is valid for a period of 26 months following the date of this Shareholders' Meeting.

Sixteenth resolution

Authorization granted to the Board of Directors to increase the share capital and to issue securities giving rights to the grant of debt securities, without the preferential subscription rights of shareholders (with the option to provide a priority period)

The Shareholders' Meeting, acting under the conditions of quorum and majority required for extraordinary shareholders' meetings, after having reviewed:

- the report of the Board of Directors, and
- the special report of the Statutory Auditors,

and pursuant to Articles L. 225-129 to L. 225-129-6, L. 225-135, L. 225-136, L. 225-148, L. 228-91 to L. 228-93 of the French Commercial Code:

1. Authorizes the Board of Directors to issue, without the preferential subscription rights of shareholders by way of a public offering or an offering referenced in Article L. 411-2-II of the French Monetary and Financial Code, on one or more occasions, in the amounts and at the times that it shall decide, in France or abroad, shares as well as any other securities giving access to the Company's share capital, such shares to have the same rights as older shares, subject to dividend entitlement dates; it being specified that the Board of Directors may delegate to the Chief Executive Officer or, with the Chief Executive Officer's agreement, to one or more executive vice presidents *(directeurs généraux délégués),* in accordance with applicable law, all powers necessary to decide the share capital increase.
2. Authorizes the Board of Directors to decide (1) the issuance of the Company's shares or any other securities giving access to the Company's share capital, following the issuance by a company in which the Company holds, directly or indirectly, more than one-half of the capital, of securities giving access to the Company's share capital, and (2) the issuance of shares or securities by the Company giving access to the share capital of a company in which the Company holds, directly or indirectly, more than one-half of the capital.
3. Decides to expressly exclude any issuance of preference shares or securities giving rights to preference shares.
4. Decides that the nominal amount of the share capital increases that may be carried out either immediately or in the future pursuant to this resolution may not exceed a total nominal amount of 12 million euros, it being specified that this amount shall be applied toward the total nominal maximum amount of 37.5 million euros set forth in the fifteenth resolution of this Shareholders' Meeting and that this amount does not take into account any adjustments that may be carried out pursuant to applicable law or regulations and, as applicable, any contractual provisions providing for other cases of adjustment, to preserve the rights of holders of securities or other rights giving access to the share capital.
5. Also authorizes the Board of Directors to issue securities giving rights to the Company's debt securities.
6. Decides that the total amount of securities representing debt securities, or which give access to the share capital or to debt securities of the Company, which may be issued pursuant to this resolution is limited to a maximum of 2.5 billion euros or its equivalent in the event of issuances in foreign currency or units set in reference to multiple currencies, it being specified that this amount shall be applied toward the limit of 2.5 billion euros set forth in the fifteenth resolution of this Shareholders' Meeting.
7. Decides to eliminate the preferential subscription rights of shareholders with respect to the securities to be issued pursuant to this resolution. The Board of Directors may, however, grant the shareholders a priority period regarding all or part of the issuance for a length and subject to the conditions that it shall determine in accordance with the provisions of subsection 2 of Article L. 225-135 of the French Commercial Code. This priority period will not give rise to the creation of negotiable rights.
8. Acknowledges that this resolution automatically acts, in favor of the holders of securities issued pursuant to this resolution and giving access to the Company's share capital, as a waiver by the shareholders of their preferential subscription rights with respect to the shares to which such securities give right.
9. Decides that:
   - the issuance price of the shares will be at least equal to the minimum provided for by the regulations applicable as of the day of issuance, *i.e.,* as of today, to the weighted average of the share prices over the three trading days preceding the determination of the issuance price, with the possibility of being reduced by a maximum discount of 5%, after correcting for, as applicable, any difference in dividend entitlement dates;
   - the issuance price of the securities giving access to the Company's share capital will be such that the amount immediately received by the Company, increased, as applicable, by such amount as may be received subsequently by the Company, will be equal, for each share issued as a result of the issuance of these securities, to at least the minimum issuance price described in the section above.
10. Decides that the Board of Directors may use this authorization for the purposes of compensating securities tendered to a public exchange offer initiated by the Company, within the limits and subject to the conditions provided for in Article L. 225-148 of the French Commercial Code.
11. Decides that this resolution voids the authorization granted by the Extraordinary Shareholders' Meeting of April 27, 2007 in its twenty-first resolution.

The authorization granted to the Board of Directors by the present resolution is valid for a period of 26 months following the date of this Shareholders' Meeting.

Seventeenth resolution

Authorization granted to the Board of Directors to increase the share capital in favor of employees adhering to a company savings plan

The Shareholders' Meeting, acting under the conditions of quorum and majority required for extraordinary shareholders' meetings, after having reviewed:

- the report of the Board of Directors, and
- the special report of the Statutory Auditors,

and pursuant to the provisions of Articles L. 3332-1 *et seq.* of the French Labor Code and Article L. 225-138-1 of the French Commercial Code, and in accordance with the provisions of Article L. 225-129-6 of the French Commercial Code:

1. Authorizes the Board of Directors to increase, on one or more occasions, the Company's share capital by a maximum nominal amount not exceeding 2% of the share capital as of the date this authorization is used, through the issuance of shares or securities giving access to the Company's share capital, reserved for members of a company savings plan of the Company or of the French or foreign companies that are

related to the Company in accordance with Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code.

2. Decides that the subscription price of the new shares will be equal to 80% of the average of the Company's share prices on the regulated market, Euronext Paris, over the 20 trading days preceding the date of the decision setting the opening date of the subscription period. However, the Shareholders' Meeting expressly authorizes the Board of Directors to reduce the aforementioned discount, should it deem appropriate, in order to take into account, as the case may be, the legal, accounting, tax and social charges regimes applicable in the countries of residence of the members of a company savings plan who benefit from the share capital increase. The Board of Directors may also substitute all or part of the discount with a grant of shares for free or other existing or new securities giving access to the Company's share capital, it being specified that the total amount of the benefit granted together with, as applicable, the discount, may not exceed the benefit of a 20% discount.
3. Decides, pursuant to Article L. 3332-21 of the French Labor Code, that the Board of Directors may also decide to grant, for free, existing or new shares, or other existing or new securities giving access to the Company's share capital, as a matching contribution, provided that their cash value, as compared to the subscription price, does not exceed the limits set forth in Article L. 3332-11 of the French Labor Code.
4. Decides to eliminate the preferential subscription rights of shareholders with respect to the new shares to be issued or other securities giving access to the share capital and to the securities to which such securities give right, which are issued pursuant to this resolution in favor of members of a company savings plan.
5. Decides that the characteristics of the other securities giving access to the Company's share capital will be determined by the Board of Directors in accordance with the conditions provided for by applicable regulations.
6. Decides that the Board of Directors shall have all powers, with the option to delegate or to sub-delegate, in accordance with applicable legal and regulatory provisions, to implement this resolution, in particular, to set the terms and conditions of transactions, the dates and methods of the issuances that will be carried out pursuant to this resolution, the opening and closing dates of subscription periods, the price, the dividend entitlement dates of securities issued, the methods of paying for shares and other securities giving access to the Company's share capital, to grant additional time for the payment of the shares and other securities giving access to the Company's share capital, to request admission to trading of the securities created, to acknowledge the share capital increases in amounts corresponding to the shares that will actually be subscribed, to carry out, personally or through a third party, all transactions and formalities related to the share capital increases, to make any necessary changes to the by-laws, and at the Board's sole discretion and if the Board deems appropriate, to allocate the cost of the share capital increases to the amount of the related premiums and to deduct from such amount the amounts necessary to increase the legal reserve to one-tenth of the new share capital after each increase.
7. Decides that the maximum nominal amount of the share capital increases that may be carried out pursuant to this resolution will be applied toward the maximum nominal amount of 37.5 million euros set forth in the fifteenth resolution of this Shareholders' Meeting.
8. Decides that this resolution voids the authorization granted by the Extraordinary Shareholders' Meeting of April 27, 2007 in its twenty-fifth resolution.

The authorization granted to the Board of Directors by the present resolution is valid for a period of 26 months following the date of this Shareholders' Meeting.

Eighteenth resolution

Authorization granted to the Board of Directors to allocate existing shares for free to (i) Technip's employees, and (ii) the employees and Directors and officers (mandataires sociaux) of companies related to the Company within the meaning of Article L. 225-197-2 of the French Commercial Code

The Shareholders' Meeting, acting under the conditions of quorum and majority required for extraordinary shareholders' meetings, after having reviewed the report of the Board of Directors, and the special report of the Statutory Auditors, and pursuant to Articles L. 225-197-1 *et seq.* of the French Commercial Code,

1. Authorizes the Board of Directors to grant, free of charge, on one or more occasions, the Company's existing shares to, on the one hand, Technip's employees and, on the other hand, the employees and Directors and officers *(mandataires sociaux)* of companies related to the Company within the meaning of Article L. 225-197-2 of the French Commercial Code.
2. Decides that the grant of free shares carried out by the Board of Directors pursuant to this resolution may not apply to more than 1% of the Company's share capital as of the date of this Shareholders' Meeting, it being specified that this amount does not take into account any adjustments that may be made in compliance with applicable laws or regulations, and as the case may be, applicable contractual provisions providing for other cases of adjustments.

   The shares granted free of charge to the management team pursuant to this resolution and, specifically, to the Chairman of the Board of Directors and/or the Chief Executive Officer, the Company's managing agent *(mandataire social)*, pursuant to the nineteenth resolution, *(i.e.,* including the shares that would be granted free of charge to the Chairman of the Board of Directors and/or the Chief Executive Officer within the maximum limit of 0.03% of the share capital), may not represent, as a whole, more than 20% of the total number of shares granted free of charge authorized by this resolution.
3. Decides that the grant of shares to their beneficiaries will become definitive at the end of an acquisition period whose length will be set by the Board of Directors, with the understanding that this period may not be less than two years, as from the decision by the Board of Directors to grant shares.

   The beneficiaries must hold these shares for a time period set by the Board of Directors, with the understanding that the holding period may not be less than two years as from the definitive acquisition of these shares.

   Nonetheless, the Shareholders' Meeting authorizes the Board of Directors, insomuch as the acquisition period for all or part of one or more grants is at least four years long, to not impose a holding period for those shares.
4. Decides that in the event of a beneficiary's disability corresponding to the second and third categories of classification provided for in Article L. 341-4 of the French Social Security

Code, the shares will be definitively granted to the beneficiary before the end of the remainder of the acquisition period. These shares may be freely transferred or sold as from their delivery.

5. Notes that the rights of beneficiaries to acquire shares will be lost in the event of resignation or dismissal for wrong or gross misconduct *(faute grave* or *faute lourde)* during the acquisition period.
6. The Board of Directors will grant shares free of charge and determine the identity of the beneficiaries.

   A definitive grant of the shares will be subject to the Company's having achieved a level of performance to be measured by the progression of the Consolidated Operating Income in relation to a representative sample of the Group's competitors and that is based on the following scale:
   - if the progression of the Group's Consolidated Operating Income is greater than or equal to that of the sample, all of the shares will be granted according to the terms and conditions provided in the plan's regulations.
   - if the progression of the Group's Consolidated Operating Income is greater than or equal to 80% and less than 100% of that of the sample, the portion of the shares lost will be determined by linear interpolation between 50% and 100% and according to the terms and conditions provided in the plan's regulations.
   - if the progression of the Group's Consolidated Operating Income is less than 80% of that of the sample, 50% of the shares will be lost according to the terms and conditions provided in the plan's regulations.

   The Board of Directors will determine the other terms and conditions and, as applicable, the criteria for the grant of the shares.
7. The Board of Directors will have the powers necessary to implement this authorization, in accordance with the terms described above and subject to applicable legal provisions, and to do all that is useful and necessary in accordance with applicable laws and regulations.

   The Board of Directors will inform the Shareholders' Meeting each year of the transactions carried out pursuant to this resolution, in accordance with legal and regulatory requirements and particularly Article L. 225-197-4 of the French Commercial Code.

The authorization granted to the Board of Directors by the present resolution is valid for a period of 24 months following the date of this Shareholders' Meeting and invalidates any previous authorization for the same purpose.

Nineteenth resolution

Authorization granted to the Board of Directors to allocate existing shares for free to the Chairman of the Board of Directors and/or the Chief Executive Officer of Technip (mandataire social)

The Shareholders' Meeting, acting under the conditions of quorum and majority required for extraordinary shareholders' meetings, after having reviewed the report of the Board of Directors, and the special report of the Statutory Auditors, and pursuant to Articles L. 225-197-1 *et seq.* of the French Commercial Code,

1. Authorizes, subject to the condition precedent of the adoption of the eighteenth resolution, the Board of Directors to grant, free of charge, on one or more occasions, the Company's existing shares to the Chairman of the Board of Directors and/or the Chief Executive Officer, the Company's managing agent *(mandataire social)*.
2. Decides that the grant of free shares carried out by the Board of Directors pursuant to this authorization may not apply to more than 0.03% of the Company's share capital as of the date of this Shareholders' Meeting, it being specified that this amount does not take into account any adjustments that may be made in compliance with applicable laws or regulations and, as the case may be, applicable contractual provisions providing for other cases of adjustments.

   The shares allocated free of charge to the members of the management team pursuant to the eighteenth resolution and, specifically, to the Chairman of the Board of Directors and/or the Chief Executive Officer, the Company's managing agent, pursuant to this resolution *(i.e.,* including the shares that would be allocated free of charge to the Chairman of the Board of Directors and/or the Chief Executive Officer within a maximum limit of 0.03% of the share capital), shall not represent, as a whole, more than 20% of the total allocations of shares free of charge authorized by the eighteenth resolution.
3. Decides that the grant of shares to the beneficiary will become definitive at the end of an acquisition period whose length will be set by the Board of Directors, with the understanding that this period may not be less than two years, as from the decision by the Board of Directors to grant shares.

   The beneficiary must hold these shares for a time period set by the Board of Directors, with the understanding that the holding period may not be less than two years as from the definitive acquisition of these shares, without prejudice to the provisions in Article L. 225-197-1, II, last paragraph, of the French Commercial Code;
4. Decides that in the event of a beneficiary's disability corresponding to the second and third categories of classification provided for in Article L. 341-4 of the French Social Security Code, the shares will be definitively granted to the beneficiary before the end of the remainder of the acquisition period. These shares may be freely transferred or sold as from their delivery;
5. Notes that the rights of the beneficiary to acquire the shares will be lost in the event of resignation or removal for wrongful or gross misconduct *(faute grave* or *faute lourde)* during the acquisition period;
6. A definitive grant of the shares will be subject to the Company's having achieved a level of performance to be measured by the progression of the Consolidated Operating Income in relation to a representative sample of the Group's competitors and based on the following scale:
   - if the progression of the Group's Consolidated Operating Income is greater than or equal to that of the sample, all of the shares will be granted according to the terms and conditions provided in the plan's regulations,
   - if the progression of the Group's Consolidated Operating Income is greater than or equal to 80% and less than 100% of that of the sample, the portion of the shares lost will be determined by linear interpolation between 50% and 100% and according to the terms and conditions provided in the plan's regulations,
   - if the progression of the Group's Consolidated Operating Income is less than 80% of that of the sample, 50% of the shares will be lost according to the terms and conditions provided in the plan's regulations.

   Moreover, as a departure from the scale described above, no shares, under any circumstances, will be granted to the Company's Chairman of the Board of Directors and/or the Chief Executive Officer if the progression of the Group's

Operating Income is less than that of each of the companies included in the sample.

The Board of Directors will determine the other terms and conditions and, as applicable, the criteria for the grant of the shares.

7. The Board of Directors will have the powers necessary to implement this authorization, in accordance with the terms described above and subject to applicable legal provisions, and to do all that is useful and necessary in accordance with applicable laws and regulations.

   The Board of Directors will, each year, inform the Shareholders' Meeting of the transactions carried out pursuant to this resolution, in accordance with legal and regulatory requirements and particularly Article L. 225-197-4 of the French Commercial Code.

The authorization granted to the Board of Directors by the present resolution is valid for a period of 24 months following the date of this Shareholders' Meeting and invalidates any previous authorization for the same purpose.

Twentieth resolution

Authorization granted to the Board of Directors to grant options for the purchase or subscription of shares to (i) Technip's employees, and (ii) the employees and Directors and officers (mandataires sociaux) *of the companies related to the Company within the meaning of Article L. 225-180 of the French Commercial Code*

The Shareholders' Meeting, acting under the conditions of quorum and majority required for extraordinary shareholders' meetings, after having reviewed:

- the report of the Board of Directors; and
- the special report of the Statutory Auditors,

and pursuant to Articles L. 225-177 *et seq.* of the French Commercial Code:

1. Authorizes the Board of Directors to allocate, on one or more occasions, on the one hand, to Technip's employees and, on the other hand, the employees and Directors and officers *(mandataires sociaux)* of the companies related to the Company within the meaning of Article L. 225-180 of the French Commercial Code, or certain categories among them, options to subscribe new shares to be issued by the Company through share capital increases or to purchase existing shares of the Company resulting from repurchases carried out by the Company in accordance with legal provisions.
2. Decides that the options that may be allocated by the Board of Directors pursuant to this authorization may not give the right to purchase or subscribe a total number of shares greater than 1% of the share capital as of the date of this Shareholders' Meeting. This amount does not take into account the adjustments that may be carried out in accordance with legislative and regulatory provisions.

   The options granted to members of the management team pursuant to this resolution and, specifically, to the Chairman of the Board of Directors and/or the Chief Executive Officer, the Company's managing agent *(mandataire social)*, pursuant to the twenty-first resolution, *(i.e.,* including the shares that would be granted free of charge to the Chairman of the Board of Directors and/or the Chief Executive Officer within the maximum limit of 0.10% of the share capital), shall not apply to, as a whole, more than 20% of the total number of options granted authorized by this resolution.
3. Decides that the exercise price will be set by the Board of Directors on the date that the options are granted and that (i) for options to subscribe shares, this price will be undiscounted and equal to the average of the share's listed price on Euronext Paris over the twenty trading days preceding the date of the grant, and (ii) for options to purchase shares, this price will be undiscounted and equal to the higher of the following: (a) the average purchase price of the shares indicated in Article L. 225-179 of the French Commercial Code, and (b) the average indicated in (i) above.

   The exercise price, as determined above, may not be modified except in the event that measures necessary for the protection of the interests of the beneficiaries of the options are implemented pursuant to Article L. 225-181 of the French Commercial Code and in accordance with legal and regulatory conditions.

   The exercise of the options will be subject to the Company's having achieved a level of performance to be measured by the progression of its Consolidated Operating Income in relation to a representative sample of the Group's competitors and based on the following scale:
   - if the progression of the Group's Consolidated Operating Income is greater than or equal to that of the sample, all of the options will be lost according to the terms and conditions provided in the plan's regulations.
   - if the progression of the Group's Consolidated Operating Income is greater than or equal to 80% and less than 100% of that of the sample, the portion of the shares lost will be determined by linear interpolation between 50% and 100% and according to the terms and conditions provided in the plan's regulations.
   - if the progression of the Group's Consolidated Operating Income is less than 80% of that of the sample, 50% of the options will be exercisable according to the terms and conditions provided in the plan's regulations.
4. Acknowledges that no option may be granted less than twenty trading days following the detachment from the shares of a coupon giving right to a dividend or a capital increase.
5. Acknowledges that no option can be granted during (i) the ten trading days preceding and following the date on which the consolidated financial statements or, in the absence of these, the annual statutory financial statements, are made public, and (ii) the period between the date on which the Company's management bodies receive information that, if it were made public, could have a significant impact on the Company's share price, and the tenth trading day following the date on which this information is made public.
6. Decides that the options must be exercised within a maximum period of 6 years as from the date of grant by the Board of Directors; nevertheless, the Board of Directors may set a shorter exercise period for all or part of the options and/or for all or certain of the beneficiaries.
7. Notes that this resolution automatically acts, in favor of the beneficiaries of the options to subscribe shares, as an express waiver by the shareholders of their preferential subscription rights with respect to the shares that will be issued as options are exercised.
8. The beneficiaries' right to exercise the options will be lost in the event of resignation or dismissal for wrongful or gross misconduct.
9. Gives all powers to the Board of Directors for the purpose of:
   - determining the list of the option beneficiaries and the number of options granted to each of them;

- setting the conditions applicable to the exercise and grant of the options; the Board of Directors may, in particular, (a) restrict, suspend, limit or prohibit (1) the exercise of options or (2) the sale or conversion into bearer form of the shares obtained through the exercise of the options during certain periods or starting from certain events; its decision may apply to all or part of the options or shares and concern all or certain beneficiaries, and (b) accelerate the dates or the periods for the exercise of options, maintain their exercisable nature or modify the dates or periods during which the shares obtained from the exercise of options shall not be sold or converted into bearer form; its decision may apply to all or part of the options or shares and concern all or certain beneficiaries;
- allow for, as applicable, a lock-up period or a period of non-delivery to the beneficiary of the shares obtained from the exercise of the options; such period may not exceed three years as from the exercise of the option;

This delegation to the Board of Directors is granted for a period of 24 months following the date of this Shareholders' Meeting and invalidates any previous authorization for the same purpose.

In accordance with the provisions of Article L. 225-184 of the French Commercial Code, each year the Board of Directors will inform the Shareholders' Meeting of the transactions carried out pursuant to the present resolution.

Twenty-first resolution

Authorization granted to the Board of Directors to grant options for the purchase or subscription of shares to the Chairman of the Board of Directors and/or the Chief Executive Officer of Technip (mandataire social)

The Shareholders' Meeting, acting under the conditions of quorum and majority required for extraordinary shareholders' meetings, after having reviewed:

- the report of the Board of Directors, and
- the special report of the Statutory Auditors,

and pursuant to Articles L. 225-177 *et seq.* of the French Commercial Code:

1. Authorizes, subject to the condition precedent of the adoption of the twentieth resolution, the Board of Directors to allocate, on one or more occasions, to the Chairman of the Board of Directors and/or the Chief Executive Officer, the Company's managing agent *(mandataire social)*, options to subscribe to new shares to be issued by the Company through share capital increases or to purchase existing shares of the Company resulting from repurchases carried out by the Company in accordance with legal provisions.
2. Decides that the options that may be allocated by the Board of Directors pursuant to this authorization may not give the right to purchase or subscribe a total number of shares greater than 0.10% of the share capital as of the date of this Shareholders' Meeting. This amount does not take into account the adjustments that may be carried out in accordance with legislative and regulatory provisions.

   The options allocated to the members of the management team pursuant to the twentieth resolution and, specifically, to the Chairman of the Board of Directors and/or the Chief Executive Officer, the Company's managing agent, pursuant to this resolution *(i.e.,* including the options that would be granted to the Chairman of the Board of Directors and/or the Chief Executive Officer within a maximum of 0.10% of the share capital), shall not represent more than 20%, as a whole, of the total allocations of options authorized by the twentieth resolution.
3. Decides that the exercise price will be set by the Board of Directors on the date that the options are granted and that (i) for options to subscribe shares, this price will be undiscounted and equal to the average of the share's listed price on Euronext Paris over the twenty trading days preceding the date of the grant, and (ii) for options to purchase shares, this price will be undiscounted and equal to the higher of the following: (a) the average purchase price of the shares indicated in Article L. 225-179 of the French Commercial Code, and (b) the average indicated in (i) above.

   The exercise price, as determined above, may not be modified except in the event that measures necessary for the protection of the interests of the beneficiaries of the options are implemented pursuant to Article L. 225-181 of the French Commercial Code and in accordance with legal and regulatory conditions.

   The exercise of the options will be subject to the Company's having achieved a level of performance, to be measured by the progression of its Consolidated Operating Income in relation to a representative sample of the Group's competitors and based on the following scale:
   - if the progression of the Group's Consolidated Operating Income is greater than or equal to that of the sample, all of the options will be exercisable according to the terms and conditions provided in the plan's regulations.
   - if the progression of the Group's Consolidated Operating Income is greater than or equal to 80% and less than 100% of that of the sample, the portion of the shares lost will be determined by linear interpolation between 50% and 100% and according to the terms and conditions provided in the plan's regulations.
   - if the progression of the Group's Consolidated Operating Income is less than 80% of that of the sample, 50% of the options will be lost according to the terms and conditions provided in the plan's regulations.

   Moreover, as a departure from the scale described above, no options, under any circumstances, can be exercised by the Company's Chairman of the Board of Directors and/or the Chief Executive Officer if the progression of the Group's Operating Income is less than that of each of the companies included in the sample.
4. Acknowledges that no option may be granted less than twenty trading days following the detachment from the shares of a coupon giving right to a dividend or a capital increase.
5. Acknowledges that no option can be granted during (i) the ten trading days preceding and following the date on which the consolidated financial statements or, in the absence of these, the annual statutory financial statements, are made public, and (ii) the period between the date on which the Company's management bodies receive information that, if it were made public, could have a significant impact on the Company's share price, and the tenth trading day following the date on which this information is made public.
6. Decides that the options must be exercised within a maximum period of 6 years as from the date of grant by the Board of Directors; nevertheless, the Board of Directors may set a shorter exercise period for all or part of the options and/or for all or certain of the beneficiaries.
7. Notes that this resolution automatically acts, in favor of the beneficiaries of the options to subscribe shares, as an express waiver by the shareholders of their preferential subscription

rights with respect to the shares that will be issued as options are exercised.

8. Acknowledges that the beneficiary's right to exercise the options will be lost in the event of resignation or removal for wrongful or gross misconduct.
9. Gives all powers to the Board of Directors for the purpose of:
   - determining the number of options granted to the beneficiary;
   - setting the conditions applicable to the grant and exercise of the options; the Board of Directors may, in particular, (a) restrict, suspend, limit or prohibit (1) the exercise of options or (2) the sale or conversion into bearer form of the shares obtained through the exercise of the options during certain periods or starting from certain events; its decision may apply to all or part of the options or shares, and (b) accelerate the dates or the periods for the exercise of options, maintain their exercisable nature or modify the dates or periods during which the shares obtained from the exercise of options shall not be sold or converted into bearer form; its decision may apply to all or part of the options or shares, within the limits set by the applicable legal provisions;
   - allow for, as applicable, a lock-up period or a period of non-delivery to the beneficiary of the shares obtained from the exercise of the options, without prejudice to the provisions of Article L. 225-185, paragraph 4 of the French Commercial Code;

This delegation to the Board of Directors is granted for a period of 24 months following the date of this Shareholders' Meeting and invalidates any previous authorization for the same purpose.

In accordance with the provisions of Article L. 225-184 of the French Commercial Code, the Board of Directors will inform the Shareholders' Meeting each year of the transactions carried out pursuant to the present resolution.

Resolution within the authority of the Combined Shareholders' Meeting

Twenty-second resolution

Powers for formalities

The Shareholders' Meeting, acting under the conditions of quorum and majority required for combined shareholders' meetings, grants full powers to the bearer of an original, a copy or a certified extract of the minutes of this Shareholders' Meeting for the purpose of carrying out any legal formalities such as registration, publicity or others.

Annex: Annual Information Document

Technip

A French *société anonyme* with a share capital of €83,354,642.55

6-8, allée de l'Arche

Faubourg de l'Arche–ZAC Danton

92400 Courbevoie

France

Nanterre Trade Register No. 589.803.261

Annual Information Document

Prepared in accordance with article 222-7 of the General Regulations of the French financial market authority (*Autorité des marchés financiers,* or "AMF")

Covering the period from March 1, 2008 to February 28, 2009

In accordance with article 222-7 of the AMF's General Regulations, the Company, listed on Euronext Paris by Euronext™ (Code Euroclear France: 13170, Code ISIN: FR0000131708), prepared an annual information document referencing all information published or made public in France over the past 12 months in compliance with legal or regulatory requirements in regards to financial instruments, issuers of financial instruments, and markets for financial instruments.

This document, which contains the following information, will be posted on the AMF's website.

Information made public	Where the information may be obtained
Periodic information	
Revenues	
Revenues for the 1st quarter 2008	www.balo.journal-officiel.gouv.fr Notice No. 0806258 of May 14, 2008
Revenues for the 2nd quarter 2008	www.balo.journal-officiel.gouv.fr Notice No. 0811318 of August 6, 2008
Press releases on the Company's financial results	
Financial results for the 1st quarter 2008 (May 15, 2008)	www.amf-france.org www.technip.com
Financial results for the 1st half-year 2008 (July 31, 2008)	www.amf-france.org www.technip.com
Financial results for the 3rd quarter 2008 (November 13, 2008)	www.amf-france.org www.technip.com
2008 full year results (February 19, 2009)	www.amf-france.org www.technip.com
Quarterly financial information	
1st quarter 2008	www.technip.com May 20, 2008
1st half-year 2008	www.technip.com July 31, 2008
3rd quarter 2008	www.technip.com November 13, 2008
Annual financial statements	
Publication of the company's provisional annual and consolidated financial statements for the fiscal year ended December 31, 2007	www.balo.journal-officiel.gouv.fr Notice No. 0803490 of April 9, 2008
Reports of the Statutory Auditors (on the annual financial statements as at December 31, 2007 and on regulated agreements over the same period)	www.balo.journal-officiel.gouv.fr Notice No. 0806744 of May 21, 2008
Approval of the company's provisional annual and consolidated financial statements by the Shareholders' Meeting of May 6, 2008	www.balo.journal-officiel.gouv.fr Notice No. 0806744 of May 21, 2008
Reference Document	
Reference Document for the fiscal year ended December 31, 2007	www.amf-france.org Filing No. D.08-146 on March 25, 2008 www.technip.com
Annual information document	
Annual information document (covering the period from April 11, 2007 to April 11, 2008) Filed on April 25, 2008	www.amf-france.org www.technip.com
Information on share capital	
Share capital and voting rights	
Publication of the total number of Technip's voting rights as of the date of the Shareholders' Meeting of May 6, 2008	www.balo.journal-officiel.gouv.fr Notice No. 0806820 of May 23, 2008
Monthly publications on Technip's share capital and voting rights	www.amf-france.org www.technip.com
Transactions involving treasury shares	
Transactions involving Technip's treasury shares (completed from October 13, 2008 to October 17, 2008)	www.technip.com October 20, 2008
Transactions involving Technip's treasury shares (completed from October 13, 2008 to October 17, 2008) - Additional	www.technip.com October 24, 2008
Transactions involving Technip's treasury shares (completed from November 3, 2008 to November 7, 2008)	www.technip.com November 13, 2008
Transactions involving Technip's treasury shares (completed from December 29, 2008 to January 1, 2009)	www.technip.com January 9, 2009
Monthly notice on transactions carried out by Technip in October, November and December 2008	www.amf-france.org (December 29, 2008 and January 20, 2009)

Information made public	Where the information may be obtained
Capital increases	
Notice of capital increase following the exercise of share subscription options	Register of the Nanterre Commercial Court Notice No. 10365 of April 1, 2008 *Les Petites Affiches* Notice No. 012439 of April 1, 2008
Notice of capital increase following the exercise of share subscription options	Register of the Nanterre Commercial Court Notice No. 16740 of June 10, 2008 *Les Petites Affiches* Notice No. 021455 of June 5, 2008
Notice of capital increase following the exercise of share subscription options	Register of the Nanterre Commercial Court Notice No. 27649 of September 15, 2008 *Les Petites Affiches* Notice No. 037212 of September 15, 2008
Notice of capital increase following the exercise of share subscription options	Register of the Nanterre Commercial Court Notice No. 39706 of December 30, 2008 *Les Petites Affiches* Notice No. 046280 of November 20, 2008
Shareholders' Meeting	
Notice of Meeting	www.balo.journal-officiel.gouv.fr Notice n° 0802579 of March 14, 2008 and amendment n° 0802899 of March 19, 2008 www.technip.com
Notice to convene the Shareholders' Meeting of April 25, 2008	www.balo.journal-officiel.gouv.fr Notice n° 0803378 of April 7, 2008 www.technip.com *Le Journal Spécial des Sociétés* Notice n° 804797 of April 4 to April 5, 2008
Second notice to convene the Shareholders' Meeting of May 6, 2008	www.balo.journal-officiel.gouv.fr Notice n° 0804697 of April 30, 2008 www.technip.com *Le Journal Spécial des Sociétés* Notice n° 805973 of April 27, 2008 to April 29, 2008
Minutes of the Shareholders' Meeting of May 6, 2008	www.amf-france.org www.technip.com
Other Press Releases (See list attached hereto)	

Annex to Annual Information Document

2009 press releases	
February 26, 2009	Technip in consortium awarded an engineering contract for the Shtokman Gas Project
February 19, 2009	2008 full year results
February 13, 2009	Technip awarded a services contract for a grassroots refinery in Iraq
February 9, 2009	Technip and Air Products extend global alliance
February 4, 2009	Technip awarded contract for the Midor refinery in Egypt
February 2, 2009	Technip Subsea 7 Asia Pacific joint venture to be dissolved
2008 press releases	
December 16, 2008	Technip to expand its subsea umbilicals facility in Angola
December 9, 2008	Corporate governance–AFEP/MEDEF Recommendations
December 8, 2008	Technip awarded flexible pipelines installation contract in India
November 13, 2008	2008 third quarter results
November 7, 2008	Technip to manufacture umbilicals in Malaysia
October 28, 2008	Julian Waldron appointed Chief Financial Officer at Technip
October 22, 2008	Technip awarded contract for the charter of a pipelay vessel
October 20, 2008	Technip awarded a new contract for the Gdansk refinery in Poland
October 17, 2008	Technip awarded contract for field developments in the Dutch North Sea
October 15, 2008	Technip awarded contract for two new cracking furnaces for an ethylene plant in Portugal
October 13, 2008	Technip awarded contract for the expansion of an ethylene plant in Russia
October 10, 2008	Technip awarded contract for the babbage development in United Kingdom North Sea
September 12, 2008	Technip awarded two new frame agreements by BP for subsea oilfield developments in Angola
September 8, 2008	Technip awarded umbilicals contract in Norway
August 13, 2008	Technip awarded EPCM contract for a major expansion of a Valero's refinery in the United States
August 5, 2008	Technip awarded services contract for the Horizon project in Canada
August 1, 2008	Technip and Geogreen announce carbon capture and storage agreement
July 31, 2008	2008 second quarter results
July 29, 2008	Technip awarded a major frame agreement for subsea pipelines in West Africa
July 17, 2008	Technip awarded a contract for the development of subsea infrastructures in Nigeria
July 11, 2008	Technip announces the acquisition of Eurodim
July 7, 2008	Technip announces the acquisition of EPG
July 3, 2008	Technip awarded contract for a sulfuric acid unit in Tunisia
June 19, 2008	Technip awarded a deepwater pipeline installation contract in the Gulf of Mexico
June 18, 2008	Technip awarded contract for the Gjøa field development in Norway
June 17, 2008	Technip and Dof Subsea awarded contract for the charter of the first Brazilian pipelay vessel
June 13, 2008	Technip awarded services contract for a new generation biodiesel plant in the Netherlands
June 11, 2008	Technip awarded contract for extension of the Fujairah water transmission system in the United Arab Emirates
June 6, 2008	Capital increase reserved for employees
May 22, 2008	Technip awarded the substructure contract for the first offshore floating wind turbine
May 21, 2008	Technip Chiyoda Fluor joint venture awarded two contracts by Woodside in Australia
May 15, 2008	2008 first quarter results
May 14, 2008	Technip awarded frame agreement for UK North Sea field developments
May 13, 2008	Technip: a technological world first with a riser and lifting system contract for a subsea mining project
May 7, 2008	Technip awarded contract for a hydrogen plant in Romania
May 6, 2008	Combined Annual General Meeting of May 6, 2008
May 5, 2008	Arnaud Real appointed Senior Vice President, Financial Control of Technip
April 30, 2008	Technip Subsea 7 Asia Pacific joint venture awarded two subsea pipelines contracts
April 23, 2008	Technip signs the French SME pact
April 18, 2008	Technip awarded exclusive subsea construction services contract
April 9, 2008	Technip awarded major subsea contract in Canada
March 26, 2008	Technip awarded an engineering contract for the Shtokman Gas Project
March 25, 2008	Technip publishes its "Document de Reference 2007"
March 20, 2008	Technip signs partnership agreement with Areva for mining projects
March 6, 2008	Technip awarded contract for two field developments in the North Sea
March 4, 2008	Technip extends its biofuels leadership with a new biodiesel contract in Malaysia

G

Annex: Reconciliation Table

In order to facilitate reading this document, the reconciliation table hereafter identifies the location of information comprising the annual financial report, required to be published by listed companies pursuant to article L. 451-1-2 of the French Monetary and Financial Code and article 222-3 of the AMF's General Regulations, in this Registration Document.

Annual Financial Report			Reference document
1.	Company annual financial statements		Section 20.2
2.	Consolidated financial statements		Section 20.1
3.	Management report (within the meaning of the French Monetary and Financial Code)		
	3.1	Information within article L. 225-100 of the French Commercial Code	
		■ Analysis of business development	Section 6
		■ Analysis of results	Sections 9.1 to 9.5
		■ Analysis of financial position	Sections 9.1 to 9.5 and 10
		■ Main risks and uncertainties	Section 4
		■ Summary table of powers regarding share capital increases granted to the Board of Directors by the Shareholders' Meeting	Section 21.1.4
	3.2	Information within article L. 225-100-3 of the French Commercial Code	
		■ Factors that may have a significant impact in the event of a public offer	Sections 14-16-18 and 21
	3.3	Information within article L. 225-211, paragraph 2, of the French Commercial Code	
		■ Repurchases by the Company of its own shares	Section 21.1.3
4.	Statement of persons responsible for the Annual Financial Report		Section 1.2
5.	Statutory Auditors' reports on the Company's annual financial statements and the consolidated financial statements		Sections 20.1.1 and 20.2.1
6.	Communication relating to the Statutory Auditors' fees		Section 20.3
7.	Report of the Chairman of the Board of Directors on internal control procedures		Annex C
8.	Statutory Auditors' report on the report of the Chairman of the Board of Directors on internal control procedures		Annex D

H

Annex: Glossary

Biodiesel or Diester	Obtained by the transestérification (chemical reaction during which a fat or oil is reacted with an alcohol in the presence of a catalyst) of vegetable oils, is used in a mixture with diesel engines. Biodiesel represents a clean and renewable energy.
Biofuels	Fuels produced from biomass (rapeseed, sunflower, beets...).
Carbon Dioxide (CO_2)	Colorless gas naturally produced in the atmosphere. Human activities, notably the combustion of fossil fuels, can increase the level of carbon dioxide. This phenomenon is believed to have an influence on the climate. Carbon dioxide is the main greenhouse gas because of the large quantities released into the atmosphere.
Charter	Document which explains Technip's Values and objectives and provides guidelines for relations with stakeholders as well as the professional conduct of individual employees.
Cryogenic flexible pipe	A thermally insulated flexible pipe used for the transfer of LNG at a temperature of -162°C, and for the return of the gas, between the terminal or treatment unit (liquefaction or regasification) either onshore, offshore and the transport vessel.
Cryomax®	A Technip's trademark applying to a family of patented processes for cryogenic gas fractionation to recover C_2+ (Ethane+) or C_3+ (Propane+) hydrocarbons from natural gas and refinery off-gases.
Development (of a gas or oil field)	All operations associated with the exploitation of an oil or gas field.
Engineering	All of the detailed studies and design activities required for the execution of an industrial project.
Environmental Impact Assessment	Study which assesses and measures the impact of each major type of pollution (air, water, noise, waste) for all industrial installations prior to start-up.
EP	Engineering and procurement.
EPC	Engineering, procurement and construction.
EPCI	Engineering, procurement, construction and installation.
EPCM	Engineering, procurement, construction and management.
Floatover	Installation method of an integrated production deck (topsides) on a fixed or floating offshore structure without heavy lift operations.
Flowline	A flexible or rigid pipe, laid on the seabed, which allows the transportation of oil/gas production or injection of fluids. Its length can vary from a few hundred meters to several kilometers.
FPSO (Floating, Production, Storage and Offloading)	A converted ship or custom-built vessel used to process oil and gas and for temporary storage of the oil prior to transport.
GK6 technology	Technip proprietary technology that allows the furnace to operate on a range of feedstocks from naphtha to heavy oils, with a very high selectivity and a long on-stream time. The GK6 technology is used in all Technip steamcracking units operating on liquid feedstocks, as well as in upgrading existing furnaces.
HSE (Health, Safety and Environment)	Defines all measures taken by Technip to guarantee the occupational health and safety of individuals and the protection of the environment during the performance of it business activities, whether in offices or on construction sites.
Liquefied Natural Gas (LNG)	Natural gas, liquefied by cooling its temperature to -162°C, thus reducing its volume 600 times, allowing its transport by boat.
Nitrogen Oxides (NOx)	Nitrogen forms a number of oxides such as nitrogen dioxide (NO_2), nitric oxide (NO), and nitrous oxide (N_2O). Human activity, in particular industrial processes and the combustion of fossil fuels, release large quantities of nitrogen oxides into the atmosphere which contribute to the formation of smog and ozone at the ground level.
Refining	All physical and chemical operations which allow the production of commercial products (gasoline, diesel fuel, lubricants, etc.) from crude oil.
Reeled lay	An installation method based on the onshore assembly of rigid steel pipelines, made of long sections (typically 1 km) assembled onshore then welded together and spooled onto a vessel-mounted reel for transit and subsequent cost-effective unreeling onto the seabed. Minimum welding is done at sea.

Riser	Pipe or assembly of flexible or rigid pipes used to transfer produced fluids from the seabed to surface facilities, and transfer injection or control fluids from the surface facilities to the seabed.
Solvent deasphalting	Extraction process in which heavy gas oil is dissolved in a solvent and heavier matter is separated as asphalt. Feedstock for solvent deasphalting can be atmospheric resid or vacuum resid or a mixture of both.
Spar	A cylindrical, partially submerged offshore drilling and production platform that is particularly well-adapted to deepwater.
Spoolbase	Assembling base for rigid pipeline installed by the reel lay method.
Steamcracker	Petrochemical installation using steam to crack hydrocarbon molecules in order to produce ethylene and propylene.
TPG 500	Self-installing fixed platform which is built equipped and tested onshore before being towed to the production site. Once at the offshore field, the legs of the platform are automatically lowered to the seafloor. The hull is then raised to its final position by means of a jacking system. While the TPG 500 is a fixed structure, its installation can be easily be reversed and the platform and re-installed at a new site.
Topsides	Platform surface installations allowing the drilling and/or production and/or processing of hydrocarbons offshore.
Trenching	Burying of offshore or onshore pipelines in a trench in order to protect them.
Umbilical	An assembly of hydraulic hoses, which can also include electrical cables or optic fibers, used to control subsea structures from a platform or a vessel.

This document is published by the Technip Group Legal Division.

Design: Franklin Partners - Paris

Print: April 2009

Mailing address of corporate headquarters
Tour Technip
6-8, allée de l'Arche
92973 Paris La Défense Cedex – France
Phone: +33 (0) 1 47 78 21 21
Fax: +33 (0) 1 47 78 33 40

A limited company capitalized at 83,354,642.55 euros

www.technip.com