

# Contents

## Annual report Year ended December 31, 2000

2	Message from the Chairman
5	Technip Group Management
6	Technip Profile
8	Highlights
10	Financial Position
16	The Year in Review
18	Fields of Activity
50	Human Resources and Communication
54	Technip Code of Ethics
56	Technip Worldwide

### TECHNIP

A limited company capitalized at € 48,889,380

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**TECHNIP**



## Message from the Chairman

*The year 2000 was another year of remarkable progress for Technip. In a still sluggish market, where a great many of our competitors met with severe difficulties, the some 10,000 men and women of the Group succeeded in working together in order to achieve:*

- an increase in order intake of 22% compared to 1999,*
- an increase in operational income, which grew twice as fast as revenues,*
- a net income which for the first time in our history has exceeded 200 million euros.*

*In the market of oil and gas projects, which is known for being cyclical, the Group once again demonstrated its ability to pass through the bottom of the cycle unscathed. In the worldwide oil services market, Technip, in this recent period, was one of the rare groups to have continuously increased, year after year, its revenues and its net income per share. It owes this to the capabilities and motivation of its teams, to strict risk management and to the diversification of both its geographical bases and its fields of activities.*

*This aptitude to progress continuously, even with the winds against it, has resulted in a 50% increase in your share price during the year 2000, in spite of a chaotic stock market environment. It thus seems that your Group's performances are better appreciated and better understood. As proof, there is the latest Stern Stewart EVA ranking, which places Technip in the No.1 position in France (all industrial sectors combined) for economic value added on capital employed.*

*The year 2000 was also witness to the significant beginning of the implementation of our strategic ambitions with regards to the redistribution of our portfolio. With the acquisition of 30% in CSO, the world leader in the subsea oil services industry, and then the acquisition by CSO of Aker's Deepwater Division, your Group has positioned itself to seize new growth opportunities in the fast-expanding sector of offshore and deep offshore oil field developments. With the purchase of the 50% of Krebs-Speichim still held by SGN, Technip now fully controls its destiny in engineering in the fields of chemicals, fertilizers, and life sciences, which also have strong growth potential in the coming years.*

*With the passing of time, confirmation is clear that the decision made at the beginning of 1999 to purchase the engineering activities of Mannesmann was an excellent one. This acquisition, made at a modest price, and followed up by an in-depth restructuring, is now generating highly positive results:*

- solid bases in the USA, Germany, the Netherlands, India, giving the Group real worldwide coverage,*
- access to new clients and greater financial engineering capabilities,*





- control over proprietary technologies and strengthened market positions in key sectors, such as ethylene steamcrackers, sulfur units, the hydrogen market, onshore pipelines,
- lastly, on the financial level, a significant turnaround: the recurrent operational income of the new entities amounted to 4.7% of revenues in 2000 (compared to 1.1% in 1999).

Now at the beginning of the year 2001, the signs along our path present discordant messages. On the one hand, the economic slowdown in the United States, the deepening of the slump in Japan, the spasmodic financial crises in various emerging markets, and the severe stock market correction of the "new economy" will have negative repercussions on the world economy. Nevertheless, with respect more specifically to our industry, the traffic lights have, for the first time in three years, turned green: with the relative stabilization of the price of oil at a high level, the completion of the mega-mergers in the oil industry and the tightening of environmental constraints, all the conditions are at hand for a strong rebound in oil investments, especially for the development of the huge gas resources in the Middle East, as well as the development of deep offshore oil discoveries. Under these conditions, while continuing to develop its activities in engineering for the refining and petrochemicals sectors, the Technip group intends, notably through the strategic alliance established with CSO, to pursue vigorously its recent advance in the engineering and construction of oil and gas production facilities.

It will be all the more effective in this pursuit to the extent it manages to maintain the cohesion and determination of its teams. The recent expansion throughout the Group of the employee shareholding and stock option programs, the development of international mobility, the distribution of the Technip Code of Ethics, the establishment of innovative systems for evaluating capabilities, the modernization and standardization of our tools, notably computerized tools, and the joint execution of projects by the Group's engineering centers are all powerful means to be used in the development of our human resources, which are at the heart of our present and future successes.

Your Group, which successfully passed through difficult periods while at the same time continuing to progress, is particularly well placed to take full advantage of the expected recovery of investments in most of its fields of activity. With the support and loyalty of its shareholders, I am sure that it will manage to maintain the profitable path of growth which it has made its own throughout these last years.

Daniel VALOT - Chairman and C.E.O.





## Board of Directors

Daniel VALOT  
*Chairman and C.E.O.*

Pierre VAILLAUD  
*Honorary Chairman*

Olivier BARBAROUX  
Philippe JEUNET

Miguel CAPARROS  
Jean-Pierre LAMOURE

Christophe de MARGERIE  
Charles PREVOT  
Bruno WEYMULLER

GAZ DE FRANCE  
*Permanent representative:*  
Jacques DEYIRMENDJIAN

I.S.I.S  
*Permanent representative:*  
Claude MANDIL

## Strategic committee

Jacques DEYIRMENDJIAN  
*Permanent representative GDF*  
*Board member*

Jean-Pierre LAMOURE  
*Board member*

Charles PREVOT  
*Board member*

Daniel VALOT  
*Chairman and C.E.O.*

## Remunerations committee

Olivier BARBAROUX  
*Board member*

Christophe de MARGERIE  
*Board member*

Daniel VALOT  
*Chairman and C.E.O.*

Bruno WEYMULLER  
*Board member*

## Audit committee

Miguel CAPARROS  
*Board member*

Philippe JEUNET  
*Board member*

Charles PREVOT  
*Board member*

Pierre VAILLAUD  
*Board member*

## Auditors

### Cabinet Barbier Frinault & Autres represented by:

René PROGLIO  
*Titular auditor*

Claude CHARRON  
*Titular auditor*

Gilles PUISSOCHET  
*Alternate auditor*

Laurent LEVESQUE  
*Alternate auditor*



# Technip Group Management

## Top Management



**Daniel VALOT**  
*Chairman and C.E.O.*



**Daniel BURLIN**  
*Senior Executive Vice President  
Finance and Control*



**Jean DESEILLIGNY**  
*Senior Executive Vice President  
Business and Operations*

## Executive Committee



**Samson ALEV**  
*Chairman and C.E.O.  
Technip France  
C.E.O. Western Europe/  
Russia/CIS*



**Anne DECRESSAC**  
*Senior Vice President  
Human Resources and  
Communication*



**Nicola GRECO**  
*C.E.O. Technip Italy  
C.E.O. Southern Europe/  
Eastern Europe/Africa*



**Xavier JACOB**  
*Senior Vice President  
Projects Management/  
Technology*

## Directorate Committee



**Giorgio CAVANNA**  
*C.E.O. Life Sciences*



**Jean-Noël MÉARY**  
*C.E.O. Chemicals/Fertilizers*



**Jean-Pierre CHARNEAU**  
*C.E.O. Industrial Projects*



**Daniel MIELCAREK**  
*C.E.O. Technip Americas  
C.O.O. Technip USA*



**Bernard DI TULLIO**  
*President and C.E.O. TPG (M)  
C.E.O. Asia/Pacific*



**Leonello PARI**  
*C.O.O. Technip Italy*



**Jean-François HÉDIARD**  
*Vice President Financing and  
Treasury*



**Larry D.J. POPE**  
*President and C.E.O.  
Technip USA*



**Bruno de LESQUEN**  
*Managing Director  
Technip France*



**Nello UCCELLETTI**  
*C.E.O. Middle East/Pakistan/India*



# Technip Profile



## Business : engineering and construction

TECHNIP's business is designing and building industrial and service facilities. Its experience and flexibility allow it to handle any phase of a project from preliminary studies to turnkey delivery—for individual units as well as fully integrated complexes. Its activity covers a wide range of sectors including not only oil and gas production, refining and petrochemicals—which represent its core business—but also other selected sectors such as chemicals, life sciences, power plants and cement.

## A world-class group

With a permanent staff of 10,000 and annual revenues of nearly 3 billion euros, TECHNIP ranks among the world's five biggest full-service engineering and construction groups in the field of hydrocarbon and petrochemical facilities.



### TECHNIP

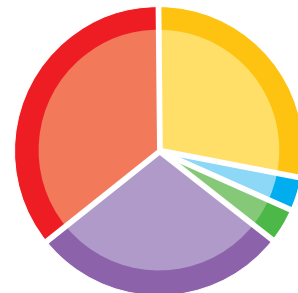
Headquarters: Paris, France

Date of creation: 1958

Chairman and Chief Executive Officer:  
Daniel VALOT

Senior Executive Vice President,  
Finance and Control:  
Daniel BURLIN

Senior Executive Vice President,  
Business and Operations:  
Jean DESEILLIGNY



### SHAREHOLDERS

● I.S.I.S GAZ DE FRANCE	
TOTALFINAELF	(28.1%)
● Staff	(3.5%)
● TECHNIP	(3.9%)
● Other French investors	(28.5%)
● International investors	(36%)

In-house staff: 10,000 worldwide

Revenues: 2.97 billion euros in 2000  
(81% outside of Europe)

Net income before goodwill depreciation:  
241 million euros in 2000

Main operational bases:  
France, Italy, Germany, Netherlands,  
Abu Dhabi, India, Malaysia, China, U.S.A.  
and Venezuela.

## Fields of activity

### Oil and gas production:

- Onshore and offshore field development
- Pipelines
- Gas treatment and liquefaction.

### Oil refining

- Refining units
- Hydrogen
- Sulfur
- Advanced systems engineering.

### Petrochemicals

- Aromatics, olefins, polymers
- Ammonia, urea.

### Industries and other

- Chemicals/ fertilizers, pyrotechnics, hydrometallurgy
- Life sciences
- Manufacturing industries
- Power plants
- Cement
- Industrial and service buildings.

## Full-range services from basic engineering to turnkey contracts

For any size project, TECHNIP can provide all or part of the services for basic and detail engineering, procurement, construction and project management.

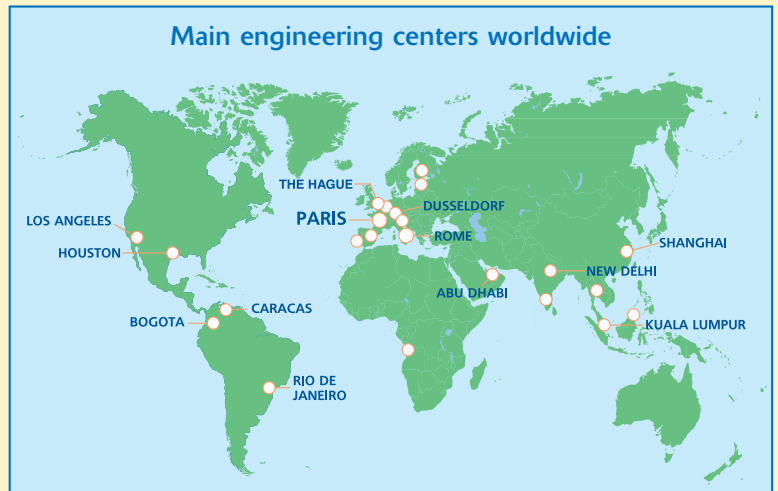
TECHNIP has wide experience in carrying out major turnkey contracts and in arranging corresponding international financing.

The Group frequently works with partners of all nationalities and has developed an international policy of equipment procurement, notably through an on-line procurement site ([www.TechnipNet.com](http://www.TechnipNet.com)), which allows it to obtain the most competitive prices.

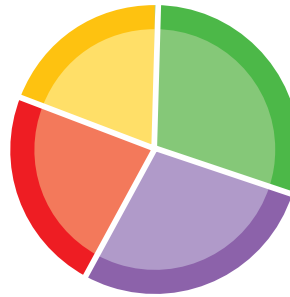
## Strong technological expertise

Through the intermediary of its process engineers and technicians, TECHNIP has developed strong technological expertise, which has led it to conceive and implement its own technologies and related proprietary equipment (offshore, refining, gas, hydrogen, sulfur, ethylene, cement).

In addition, TECHNIP has established close ties with international licensors and has developed technological alliances with major industrial groups, notably in the field of petrochemicals. □



### Business segment breakdown (% of revenues 2000)

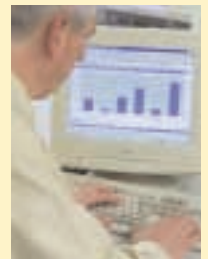


- Oil and gas production (30%)
- Refining (28%)
- Petrochemicals (23%)
- Industries (19%)

### Business regional breakdown (% of revenues 2000)



- Europe (19%)
- Russia - Central Asia (5%)
- Africa (16%)
- Middle East (33%)
- Far East (12%)
- Americas (15%)







# Highlights

## New increase in profits

In a sluggish market, TECHNIP posted strong growth results in 2000 and once again demonstrated strong resilience to the market fluctuations in oil services. Operating income represents 6.1% and net income, up 32.3%, amounted to 241 million euros. TECHNIP is one of the rare players in its profession to have continuously increased its revenues and its earnings per share over these last years.



## Strong growth in upstream

Order intake by TECHNIP in 2000 progressed significantly in the field of gas and oil production, due particularly to the signing of the two biggest turnkey contracts of the year: an offshore development in Malaysia/Thailand, and the associated utilities, off-sites and pipeline systems for a gas treatment plant at Haradh, in Saudi Arabia. This increase is all the more remarkable since oil investments picked up very slowly after the fall in oil prices in 1998.

## Alliance with CSO

By acquiring an almost 30% stake in COFLEXIP STENA OFFSHORE (CSO), the world leader in the subsea oil field service industry, and by developing a strategic alliance with this group, which has broadened to include AKER Maritime's Deepwater Division, taken over by CSO in January 2001, TECHNIP has gained access to the very promising deep offshore market. The complementarities between TECHNIP and CSO allowed them to win their first contracts jointly, in Thailand and Angola, and now to pursue together about ten major projects around the world, representing a total amount of about three billion dollars.



## Breakthrough in the ethylene sector

Less than two years after the acquisition of KTI, the Group achieved significant penetration in the steam cracker market (ethylene production units). TECHNIP completed several expansion and revamping projects for ethylene plants in Europe, the United States and the Middle East, and was awarded the design and construction of very large-capacity steam crackers at the 9th and 10th petrochemical complexes in Iran, which will use TECHNIP's in-house technology, furnaces and processes for the production of ethylene.

## Worldwide exclusive agreement with BP

TECHNIP and BP strengthened their collaboration by an agreement giving TECHNIP worldwide exclusivity for basic engineering related to gas phase technologies sold under BP license for polyethylene and polypropylene. In addition, TECHNIP now holds exclusive rights for the commercialization of BP's Innovene licenses for these two products, in a zone comprising Europe, the C.I.S., Latin America, China and Malaysia. TECHNIP also executes, in exclusive partnership with BP, the basic engineering for all PTA plants designed and constructed using BP's technology.

## Integration of Krebs-Speichim

TECHNIP became the sole shareholder of KREBS-SPEICHIM following the acquisition of 50% of its capital from an affiliate of COGEMA. The company has been fully integrated in TECHNIP's organization, in the form of two product lines with worldwide coverage: the "Chemicals / fertilizers" product line and the "Life sciences" product line, thus bringing together the Group's activities in pharmaceuticals, biotechnologies, cosmetics and veterinary products.

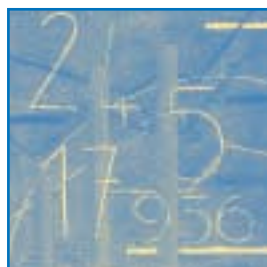
## Launching of an on-line equipment procurement site

With its "e-procurement" site, on line since September 2000, [www.TechnipNet.com](http://www.TechnipNet.com), TECHNIP has set itself a goal of considerably reducing the cost of its purchases of equipment and supplies and strengthening its competitiveness within the framework of turnkey contracts. This site, which is accessible to all the purchasing services of the Group, is already being used by around 400 suppliers.



## 100 % control of KT India

TECHNIP, which became a shareholder in KT India at the beginning of 1999, when it acquired the engineering activities of Mannesmann, took 100% control of the company in December 2000, when it bought the 50% of the shares held by Vam Investment Ltd. With a staff of approximately 500 people, this engineering and construction company located in New Delhi specializes notably in the design and construction of refining facilities, hydrogen units and fertilizer plants. □



# Financial position

## Consolidated accounts at 31 December 2000

In a still sluggish market, TECHNIP posted strong growth results in 2000 and once again demonstrated great resilience to the market fluctuations in oil services. The consolidated accounts for 2000 show a **Group net income** of 214.2 million euros which exceeds the 200 million euros mark for the first time.

The increase in net income amounts to 24.1%, the eighth consecutive year of growth. Moreover, the Group is one of the rare players in its industry to have continuously increased its revenues and earnings per share (+19.5% in 2000) over these last years.

The main consolidated financial data for 2000 are as follows:

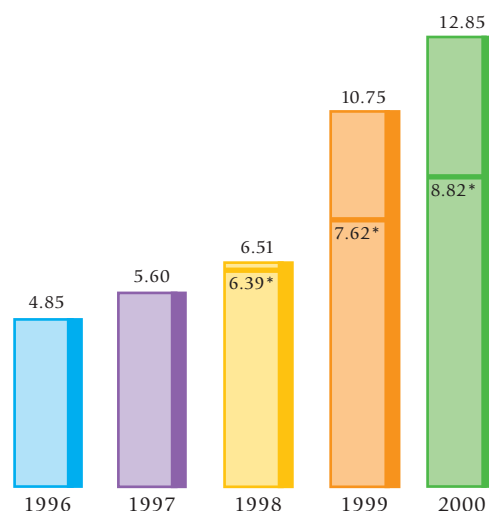
millions of euros	2000	Increase
<b>ACTIVITY</b>		
Revenues	2,972	+ 6.8 %
Order intake	2,910	+ 22 %
Cash flow (a)	198	+ 29 %
<b>INCOME</b>		
Operating income	182.6	+ 13.4 %
Group recurrent net income (before non operating items and amortization of goodwill)	147.0	+ 20.3 %
Group net income before amortization of goodwill	240.9	+ 32.3 %
Group net income	214.2	+ 24.1 %

(a) Cash flow from operations and capital gains.

After full dilution to include all options, **earnings per share** are as follows:

in euros	2000	Increase
Group recurrent net income (before non operating items and amortization of goodwill)	8.82	+ 15.7 %
Group net income	12.85	+ 19.5 %

## Evolution of diluted earnings per share (in euros)



\* before non-operating items and amortization of goodwill.

**Consolidated revenues** grew by 6.8% to 2,972 million euros. The share of turnkey contracts or similar amounts to 85%.

During the year the Group carried on with the realization of a large number of contracts. Among the most significant in terms of revenues (engineering, materials and works included) and, considering the progress of the construction phase, were: the OGD II gas treatment unit in Abu Dhabi, the SINCOR heavy oil treatment plant in Venezuela, the Midor refinery near Alexandria in Egypt, the petrochemical complex for Q-Chem in Qatar and the calcination unit for petroleum coke in Bahrain.

The geographic breakdown of revenues indicates a decline in Europe and Africa, offset by a strong growth in the Middle East, where the Group achieved 1/3rd of its revenues.

By business segment, the production of oil and gas grew strongly to 30%. On the other hand, the share of the refining sector only represents 28% compared to 40% in 1999.

**Order intake** amounted to 2,910 million euros in 2000 (compared to 2,380 million euros in 1999), representing an increase of 22%.

While waiting for a significant upturn in petroleum investments, the inflow of new orders came essentially from a large volume of medium-sized contracts.

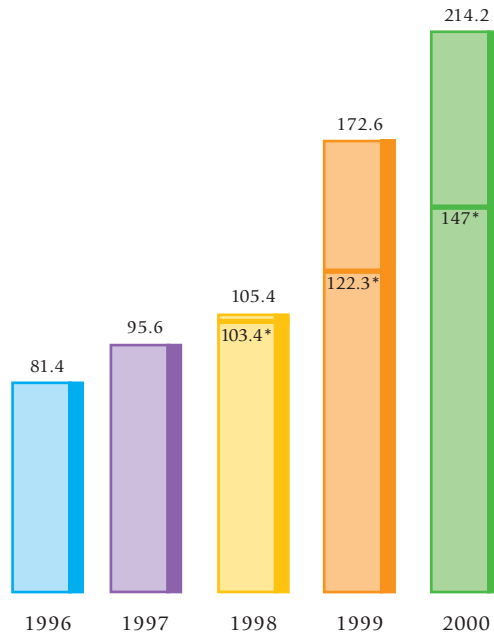
This global progress applies to the following segment and geographical trends:

Strong growth in the Upstream sector: the major orders of the year were won in the production segment, both in offshore (Cakerawala at the beginning of the year), and onshore (Haradh at the end of the year). New orders in the industries segment concerned mainly power plant projects as well as various projects in the infrastructure sector.

Significant growth in three regions: Europe, Americas and the Far East. Although the share of order intake by the Middle East remains pre-eminent, with 31% of the new contracts, the greatest progress was made by the Group's regional "wings": the Far East which returned to pre-1998 levels, and the Americas whose growth in order intake is due mainly to the United States. The growth in Europe reflects the good level of activity in Germany and Italy.

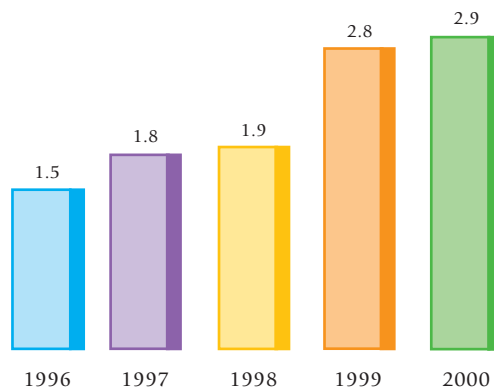
At 31 December 2000, the **backlog** (uncompleted part of contracts in force) amounted to 3,410 million euros, compared to 3,470 million euros at 31 December 1999. This backlog, which represents around 14 months of revenues to come, demonstrates the ability of the TECHNIP group to survive in an unsettled international context and provides a good perspective on the evolution of the overall level of activity for the near future. □□□

### Evolution of Group net income (in millions of euros)

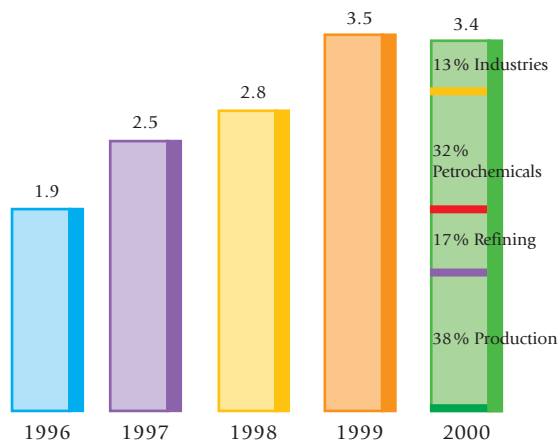


\* before non-operating items and amortization of goodwill.

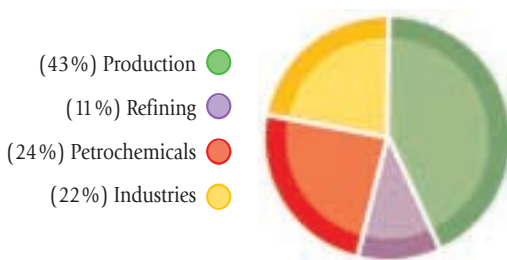
### Evolution of consolidated revenues (in billions of euros)



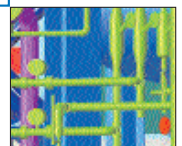
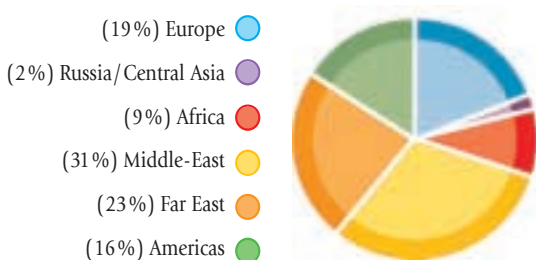
### Evolution of backlog (in billions of euros)



### Breakdown of order intake in 2000 By business segments



### By regions

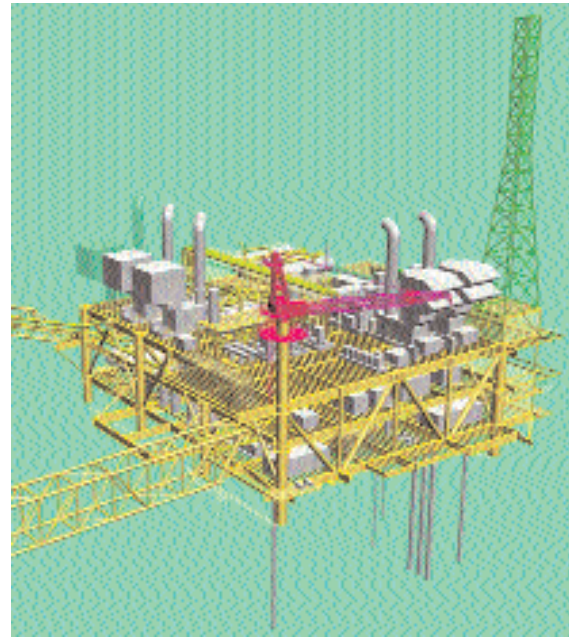




## Financial position

- The movement in the backlog was marked by strong growth in oil and gas production. The production segment ranks at the top with 38% of the backlog. From an economic point of view, this breakdown would be even stronger if TECHNIP's stake in CSO were taken into account. The reduction of the refining segment's share in the total backlog reflects the progress in the Midor and Turkmenistan major turnkey projects. The petrochemicals sector is substantially identical to 1999. However, industry has moved to 13% compared to 10% the previous year.

By geographical area, the strong growth of the Far East, which now accounts for a fifth of the Group's total backlog, should be noted.



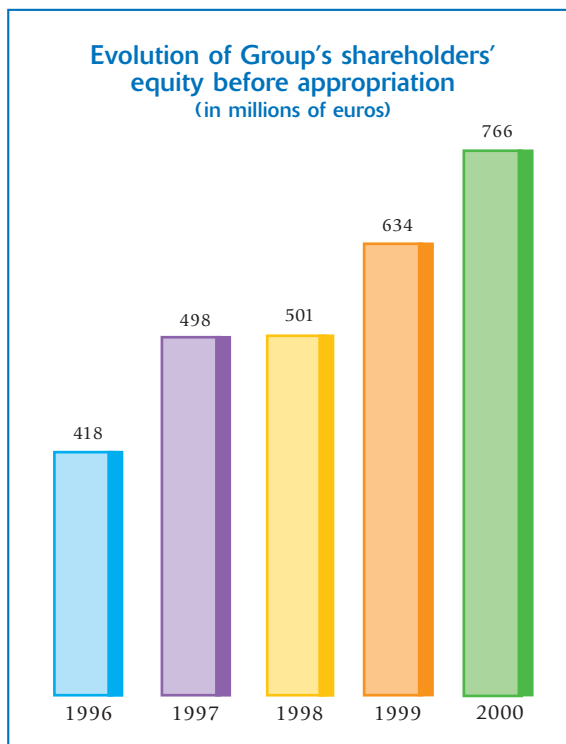
**Operating income** was 182.6 million euros representing 6.1% of revenues compared to 5.8% in 1999. Up 13.4%, it is increasing twice as fast as revenues. This progression results notably from the turnaround of the affiliates acquired from Mannesmann in 1999, whose operational margin has reached 4.8%, compared to 1.1% in 1999.

Operating income arises from the following two elements:

- revenues of 2,972 million euros, including financial income of 25 million euros generated from cash balances in respect of contracts in 2000. In 1999, this was 19.1 million euros.
- operating expenses of 2,789.4 million euros which were 93.9% of revenues. The major items were equipment and work carried out, i.e. 2,313.4 million euros, and personnel costs of 459.7 million euros. The average growth of payroll costs per employee between 1999 and 2000 amounted roughly to 3%.

**Net financial income** (excluding contracts) of 5.8 million euros in 2000, relates exclusively to the management of the Group's funds. This included:

- investments and deposits made on the basis of security and liquidity,
- dividends received from the portfolio of non-consolidated investments, principally Cogema.
- less the financial cost of the credit facility issued in April followed by the commercial papers issued at the start of December, in order to facilitate the acquisition of our shareholding in Coflexip.



**Non operating income** was 93.9 million euros in 2000. This mainly included:

- the gross capital gain on the disposal of the non-consolidated shares in Cogema,
- our share (29.7%) in the capital gain made by Coflexip (equity method) on the sale of Cal Dive shares.

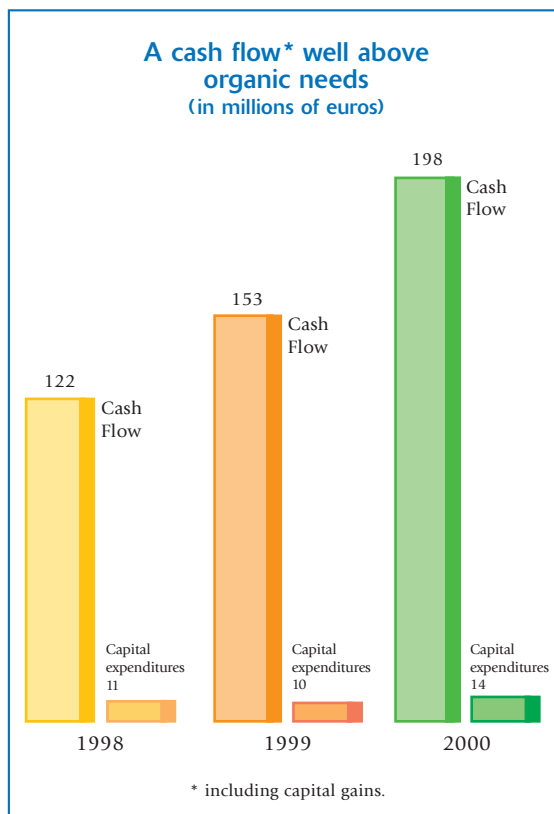
**Current and deferred taxes** of the Group, including all subsidiaries and contracts in progress subject to the tax legislation of the country where the contract is being carried out, amounted to 62.3 million euros.

This represents an apparent Group tax rate of around 36%, slightly higher than in 1999 due to the increase in the share of income achieved in Italy where the tax rate is higher than the average for the Group.

**Earnings from equity** accounted companies arise mainly from our 29.7% share to which TECHNIP is entitled of CSO's recurrent profit.

**Amortization of goodwill on acquisition** of 26.7 million euros including mainly:

- 8 million euros for KTI/MDEU,
- 16.8 million euros arising on Coflexip. □□□





# Financial position

## Consolidated balance sheet and financial position

□□□ **Shareholders' equity** at 31 December 2000, before appropriation of net income was 766.4 million euros compared to 633.9 million euros at 31 December 1999. The movement includes treasury shares reported as a deduction from shareholders' equity.

**Cash flow from operations** generated in the year including the capital gains arising mainly from the disposal of our shareholding in Cogema amounts to 198.0 million euros. It was substantially in excess of current requirements and generated, on a regular basis, a significant margin for manoeuvre.

**Fixed assets** were 1,050.7 million euros. The major items are net goodwill (mainly KTI/MDEU and Coflexip), the net value of property and the investment in Coflexip, which is accounted under the equity method. The significant movements in the year arise mainly from the 29.7% shareholding taken in Coflexip and from the disposal of our shareholding in Cogema.

**Works in progress**, which represent the costs incurred on all contracts in progress, was 4,419.4 million euros at 31 December 2000. The previous year, this was 3,944.1 million euros. A major part of the increase arises from contracts in the construction phase.

Work in progress is valued at cost price and comprises mainly turnkey, FOB or similar contracts. These contracts are funded by part payment invoiced to the customers. At 31 December 2000, part payments amounted to 4,896.1 million euros.

**Provisions for liabilities and charges** amounted to 233.1 million euros in total, compared to 269.5 million euros for the previous year. These provide mainly for risks related to contracts, completion costs for contracts at the stage of preliminary acceptance, various charges, social obligations and restructuring costs.

**Financial debt** of 196 million euros at the end of 2000 includes 190 million euros for all commercial papers issued with maturity at 30, 60 or 90 days.

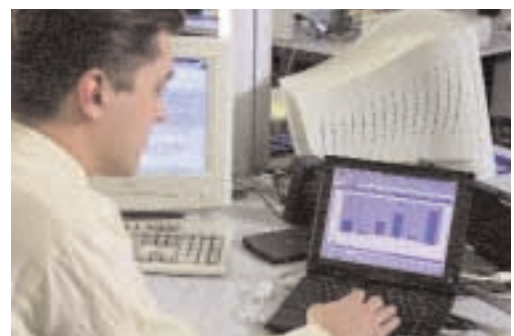
## Parent company accounts at 31 December 2000

At the completion of the structural reorganization of the Group, TECHNIP became essentially a holding company with effect from 1999.

**Revenues** of 99 million euros are mainly composed of the dividends and interests received from subsidiaries.

**Net income** was 64 million euros.

**Shareholders' equity** before appropriation of net income was 540.3 million euros at 31 December 2000.





## Stock options

It is to be noted that the Board of Directors, during its meeting of 14 December 2000, according to the authorization extended by the Extraordinary General Meeting of 28 April 2000, made a further allocation of TECHNIP stock options to 1,100 beneficiaries. These options relate to 632,604 shares of FRF 20 each. The price of the option was set at 143.24 euros. During the year just ended, no option was exercised in respect of this share purchase and subscription plan.

Throughout the year, 134 options of previous subscription plans were exercised, for 143,840 shares at 20 French francs, corresponding to an increase in nominal capital of 2,876,800 French francs, and 2 options of previous share purchase plans were exercised for 3,600 shares. □

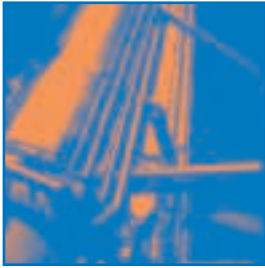
## Shareholders' log in euros

	2000	1999	1998
Share capital at the end of the year	48,873,036	48,047,469	48,100,711
Market capitalisation at the end of the year	2,478,130	1,604,219	1,262,079
Number of shares in issue (on 31 December)	16,029,305	15,758,537	15,775,999
Potential number of shares (on 31 December)	16,664,583	16,050,827	16,191,829
Share price:			
highest	163	116	133
lowest	100	70	59
on 31 December	154.6	101.8	80
Consolidated operating income diluted per share	10.96	10.03	8.49
Net consolidated income diluted per share	12.85	10.75	6.51
Dividend per share (proposal in 2000)	3.30	3.00	2.45
Dividend/net consolidated income ratio (a)	42.3 %	40.7 %	37.5 %
Total revenue per share (net dividend + tax credit)	4.95	4.50	3.68
Gross yield per share (price 31 December)	3.2 %	4.4 %	4.6 %

(a) Ratio computed on the basis of the item "Group net income before non-operating items"  
1998: 101.4 - 1999: 112.8 - 2000: 120.3 millions euros

Investor relations: Patrick PICARD





# The year in review 2000

## JANUARY

### Saudi Arabia

TECHNIP delivers to PETROKEMYA the last modules of the eight ethylene furnaces destined for the No.3 ethylene cracker at Al Jubail (800,000 tons/year). These furnaces were built by TECHNIP, based on its proprietary technology.

## FEBRUARY

### U.S.A.

TECHNIP, in association with PARSONS, signs a turnkey contract with AMERICAN ACRYL, worth about \$150 million, for the design and construction of a petrochemical complex, including a 120,000-ton/yr acrylic acid plant and a butyl acrylate plant, together with related off-sites and utilities, to be located at Bayport, Texas.



### Nigeria

By bringing on stream the second gas liquefaction train with a capacity of 2.95 million tons per year, TECHNIP and its partners SNAMPROGETTI, KBR and JGC, successfully complete the first phase of the LNG complex at Bonny Island.



## MARCH

### Malaysia/Thailand

The consortium TECHNIP/SAMSUNG/SAIPEM, led by TECHNIP, is awarded a turnkey contract, worth about \$500 million, for development of the Cakerawala offshore gas field located in the Malaysia-Thailand Joint Development Area and operated by Carigali-Triton Operating Company (CTOC).

### Power plants

TECHNIP is awarded two turnkey contracts for the expansion and revamping of power plants. One concerns the power plant at MOTOR OIL HELLAS's refinery in Corinth, **Greece**. The other covers the power generation units at SAUDI ARAMCO's gas complex at Abqaiq in **Saudi Arabia**.

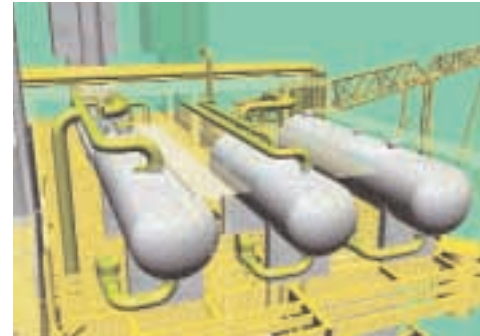
## APRIL

### Corporate news

TECHNIP becomes the largest shareholder in COFLEXIP STENA OFFSHORE (CSO) by acquiring the entire 29.7% interest in CSO held by the STENA Group. This acquisition is the prelude to a strategic alliance with CSO, the world leader in subsea services and construction.

### Netherlands Antilles

ISLA, an affiliate of PDVSA, awards TECHNIP, in association with Jantesa, a turnkey contract, worth about \$190 million, for the revamping and optimization of several units at the Curacao refinery.



### Qatar

QATARGAS awards TECHNIP a turnkey contract, worth \$50 million, to carry out the revamping and expansion of two sulfur recovery units at Ras Laffan.

## MAY

### Portugal

PETROGAL awards TECHNIP the revamping of three hydrodesulfurization units at its refineries in Sines and Porto.

## JUNE

### Belgium

SOLVAY awards TECHNIP an engineering and project management contract for the expansion of its petrochemical complex at Lillo. The project includes the design and construction of a 250,000-ton/yr high-density polyethylene plant.

### Germany

VEW ENERGIE AG awards TECHNIP a contract to design and build a pyrolysis plant near Dortmund for the thermal treatment of 100,000 tons a year of high calorific value waste with a high plastic content.

### Microelectronics

ATEMEL Corp awards TECHNIP the engineering and project management services for a semiconductor manufacturing unit including "class 1" clean rooms at Rousset in **France**.



## JULY

### Great Britain

The Elgin Franklin platform for ELF Exploration UK is successfully installed in the North Sea. Designed and constructed by the consortium TECHNIP/McDermott/Barmac based on TECHNIP's TPG 500 concept, this self-installing platform is able to treat 14.6 million m<sup>3</sup>/yr of gas and produce 170,000 barrels/day of condensates.

### France

TECHNIP wins a contract from ATOFINA to increase the capacity of one of the steam-cracking lines at Carling by 35% and to build an ethylene furnace based on its in-house design.

### The Netherlands

The furnaces built by TECHNIP and based on its proprietary technology for SHELL Nederland Chemie at Moerdijk undergo their performance tests successfully and are brought on stream.

## AUGUST

### Shareholders

Within the framework of the increase in capital reserved for employees of the Group, 126,600 shares are subscribed for, representing 12.8 million euros and bringing the stake held by employees in TECHNIP's capital up to more than 3.6%.

### Ranking

The Stern Stewart annual study, published in the French magazine l'Expansion, ranks TECHNIP in the No.1 position in France, all industrial categories taken together, for "EVA" (economic value added) with respect to invested capital.

## SEPTEMBER

### Corporate news

TECHNIP sells its 3.2% stake in COGEMA and simultaneously purchases from an affiliate of SGN, which itself is an affiliate of COGEMA, 50% of KREBS-SPEICHIM. KREBS-SPEICHIM thus becomes a fully-owned affiliate of TECHNIP and will be completely integrated in the Group's organization, in the form of two product lines with worldwide coverage: chemicals/fertilizers and life sciences.

### Nigeria

TECHNIP joins forces with SAI-BOS to carry out a turnkey contract, worth about \$330 million, awarded by ELF Petroleum Nigeria Ltd, within the framework of the development of the Amenam offshore oil field.

### Alliances

BP and TECHNIP sign an agreement giving TECHNIP world exclusivity for basic engineering based on BP's technologies for polyethylene, polypropylene and PTA.



## OCTOBER

### Iran

TECHNIP brings into force a contract, worth about 100 million euros, for the construction of a 300,000-ton/yr linear low-density polyethylene plant at Bandar Imam.

## NOVEMBER

### Saudi Arabia

TECHNIP wins two contracts from SAUDI ARAMCO within the framework of the Haradh Gas Development Program, aiming to increase gas deliveries to the Saudi Master Gas System by 16.2 billion m<sup>3</sup>/yr. Worth more than \$400 million, this project includes utilities and offsites for the Haradh treatment plant, as well as the associated pipeline systems.



## DECEMBER

### Finland

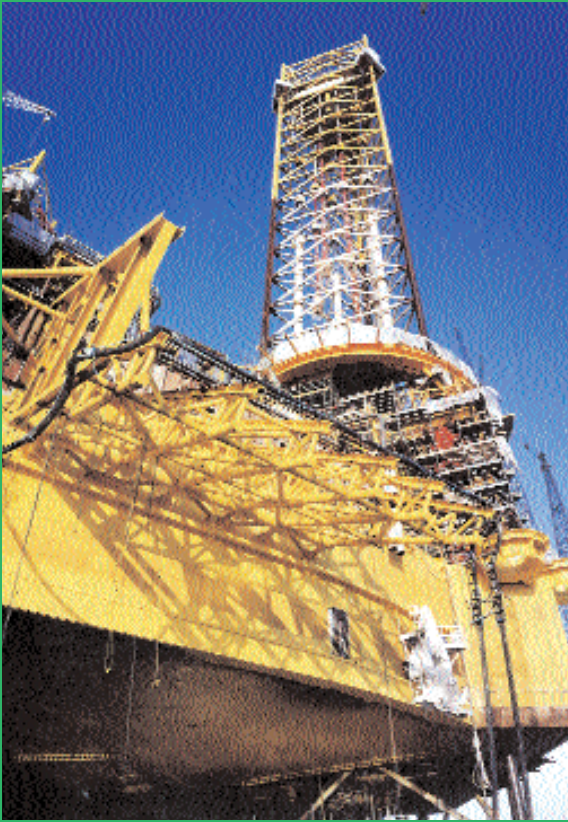
BASF awards the consortium TECHNIP/RINTEKNO a turnkey project for the design and construction of a paper coating binder production plant, with a capacity of 140,000 tons per year, at Hamina.

### India

TECHNIP BENELUX, a fully-owned affiliate of TECHNIP, becomes the sole shareholder of Kinetics India Ltd (KT India), following the purchase of 50% of its capital from Vam Investment Ltd. With a staff of more than 500 people, KT India Ltd, New Delhi, is developing its design and construction activities in the fields of refining, petrochemicals and fertilizers. □



# Fields of activity



Activity related to oil and gas production accounted for 30% of TECHNIP's revenues in 2000, compared with 21% the previous year. The backlog shows even stronger growth (from 24% to 38% of the backlog), which fits in entirely with the strategic guideline set up a year ago. This growth in upstream is all the more remarkable since investments picked up very slowly after the fall in the price of oil in 1998.

In offshore, TECHNIP strengthened its positions considerably by acquiring, in April, a 30% stake in the capital of COFLEXIP STENA OFFSHORE (CSO), the world leader in subsea services and construction, and by developing with this group a strategic alliance which was broadened at the beginning of 2001 with the acquisition of AKER Maritime's Deepwater Division, taken over by CSO. Backed by its experience in the engineering of surface facilities and in the management of large-scale projects, TECHNIP won notably a turnkey contract, worth more than 500 million dollars, in Southeast Asia, as well as a major front end engineering contract for development of a deep offshore oil field in Angola. TECHNIP affirmed its technological expertise in the design of TPG 500 self-installing platforms, with the installation of the Elgin-Franklin platform in the North Sea and the prequalification of its design for the TPG 3300 semi-submersible platform, adapted for deep offshore applications, in West Africa and the Gulf of Mexico.

In the sector of onshore gas treatment, TECHNIP was awarded a project, worth more than 500 million dollars, for the design and construction of utilities, off-sites and pipeline systems related to the development of the Haradh field in Saudi Arabia, and pursued its activities in the LNG sector, both in design and construction, in Nigeria, and in front end engineering, particularly in Yemen and Iran.

With the stabilization of the price of oil at a high level, all operators expect investments to rebound strongly in 2001, especially in two key sectors: deep offshore (Gulf of Mexico, Brazil, Gulf of Guinea) and the gas/LNG sector in the Middle East.



# Oil and gas production





## Fields of activity

# Oil and gas production



### Europe

1. Elgin-Franklin platform being towed to site.
2. Elgin-Franklin platform installed on site.

In July 2000, the Elgin-Franklin offshore platform "PUQ" (Process/utilities/living quarters) was towed to sea and successfully installed on the field of Elgin in the British sector of the **North Sea**. Based on the TPG 500 self-installing platform concept, developed by TECHNIP, PUQ is a central treatment platform with a capacity of 14.6 million m<sup>3</sup>/day of gas and 170,000 barrels/day of condensates, which can accommodate up to 69 people. From its control room, the platform manages the Franklin and Elgin wellhead platforms, two high temperature/high pressure fields whose development and operating conditions are particularly complex. This turnkey project was executed by an integrated project team within the framework of an alliance contract between TECHNIP, McDermott, Barmac and the client, ELF EXPLORATION UK. This platform, weighing 45,000 tons, is the largest jack-up platform in the world.

It was built using prefabricated subsets, then assembled at the Barmac naval yard at Nigg in Scotland. For transport, the three 140-meter-long legs were raised through a jacking/locking system. Once in position on the field, the legs were lowered 92 meters and connected to piles, while the platform floated on its hull. The deck was then raised 21 meters using a rack and pinion gear system, and locked into place, thus rendering the platform as resistant as a fixed platform.

Following its first success on the Harding field, operated by BP in the same sector of the North Sea, the implementation of the TPG 500 on the complex Elgin and Franklin fields confirms the significance of the jack-up concept for installations in relatively shallow water.

ENI Division AGIP awarded TECHNIP a contract for the design and construction of the IVth line for collection and treatment of oil and gas from the Viaggiano field in Val d'Agri. This recently discovered hydrocarbon field is the most important reserve in southern **Italy**. TECHNIP had already carried out the engineering and supplied the equipment for the first three lines and is proceeding with construction, which will be completed in September 2001. This fourth line will increase overall production capacity to 104,000 barrels/day.

TECHNIP is developing its activities in the field of transport of hydrocarbons, primarily through its affiliate in Germany, TECHNIP GERMANY, one of the world leaders in the design and construction of onshore pipeline systems. In line with this activity, TECHNIP GERMANY created, with MAATS BV in February 2001, a rental company for pipeline construction equipment, MEPR BV, headquartered in the Netherlands. With its rental fleet pool of 500 equipment items, MEPR BV can be considered as the top rental company in its field in Europe and among the largest in the world.



## Russia / Central Asia

In January 2001, TECHNIP and N.K. YUKOS entered into an alliance agreement for the design and construction of surface facilities and pipelines associated with the production of gas and oil in **Russia**. Under the terms of this agreement, TECHNIP will develop, jointly with YUKOS, selected projects on an exclusive basis and will provide services and equipment necessary for production, field processing and transportation of hydrocarbons. The first applications will concern the surface facilities and pipeline systems in the Tomsk region of Siberia, where YUKOS intends to increase field production and improve efficiency of facilities, while adapting them to international standards. YUKOS, the second largest Russian oil company, produced 49.7 million tons of crude in 2000 and holds proven reserves of 11.4 billion barrels. This alliance is particularly important at a time when the Russian economy is showing signs of taking off again. TECHNIP has been active in Russia for over 40 years and has developed a highly effective and competitive engineering center in Saint Petersburg.

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## Fields of activity

# Oil and gas production

### Africa

- Within the framework of the development of the Amenam field in **Nigeria** by ELF Petroleum Nigeria Ltd, TECHNIP and SAIBOS joined forces to carry out the turnkey contract, worth about 330 million dollars, for the design, construction and installation of an offshore oil treatment/production platform and related utilities on Amenam field, located 45 km off the coast in 40 meters of water.

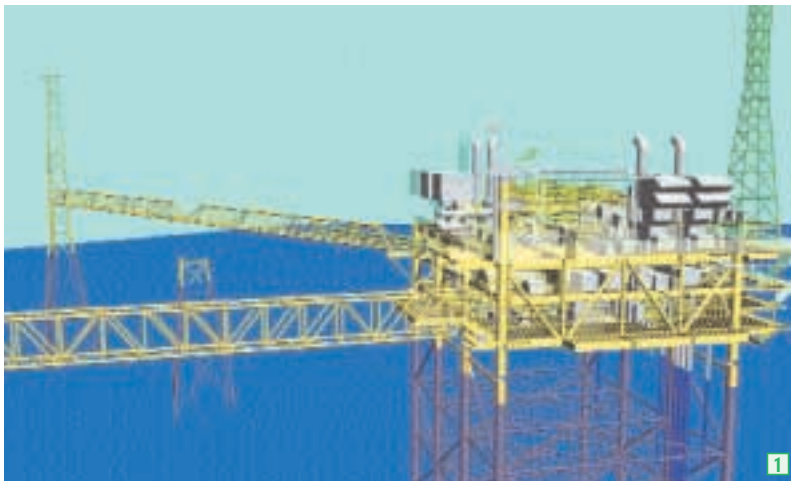


TECHNIP's services, which began in September 2000, include engineering, procurement of part of the equipment and supervision of construction and installation, i.e. approximately half of the project. The topsides and the jacket will be constructed at McDermott's yard in Jebel Ali in the United Arab

Emirates. The platform will leave the yard toward the end of 2002. Its installation on the Amenam field will use the UNIDECK TPG "float-over" system, perfected by TECHNIP. The platform will process 130,000 barrels of oil per day, extracted by two neighboring drilling platforms.

TSKJ, an equal partnership of TECHNIP, Snamprogetti, Kellogg and JGC, successfully completed the first phase of the gas liquefaction complex at Bonny in Nigeria. The second liquefaction train came on stream in February 2000, only 13 days after the beginning of start-up. Located on Bonny Island in the Niger River delta, this complex consists of two liquefaction trains, each with a capacity of 2.95 tons/yr, utilities production units, storage facilities (including two 84,200 m<sup>3</sup> cryogenic tanks), a 220 km

pipeline for gas supply, as well as a loading jetty for LNG tankers and a large residential area. TSKJ is in the process of carrying out a second contract awarded by Nigeria LNG in March 1999.





This turnkey project, worth about 1.2 billion dollars, includes the construction of a third LNG train, with a capacity of 2.95 million tons/yr, which will come on stream in 2002, as well as the design and construction of a one-million-ton/yr LPG recovery unit and related utilities and offsites, for which work will be completed in 2003.

At the beginning of 2001, TECHNIP obtained a major reference in the deep offshore sector by signing with CABINDA GULF OIL CO (CABGOC) an important front end engineering services contract for the development of the Benguela-Belize-Tombocco oil fields, offshore **Angola**. CABGOC is the affiliate of CHEVRON in Angola and the operator of Blocks

0 and 14. The fields are located in Block 14, at water depths ranging from 300 to 400 meters for Benguela-Belize and more than 500 meters for Tombocco. The Benguela-Belize fields will be developed with a 42-slot drilling and production facility. Tombocco's remote production center will likely be tied to the Benguela-Belize drilling and production center.

The project, which will be carried out over a period of about nine and a half months, consists of a first phase covering the definition engineering and optimization, followed by a second phase covering preliminary engineering, including preparation of call for bids for design and construction of the facilities. Services were awarded to teams from TECHNIP UPSTREAM, based in Houston, who have been working closely with teams from COFLEXIP STENA OFFSHORE's Deepwater Division and TECHNIP ANGOLA.



1. Model of Amenam platform, Nigeria.
2. LNG train no.2 at Bonny, Nigeria.
3. Storage tanks of LNG train no.3 at Bonny, Nigeria.



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## Fields of activity

# Oil and gas production

- At the beginning of 2001, TECHNIP completed the basic engineering phase of the project, awarded in August 1999 by AGIP GAS BV, for the development of several natural gas fields in **Libya** (Western Libya Gas Project). The studies cover the development of an onshore gas field in the Wafa region, 550 km southwest of Tripoli, and of an offshore gas field 100 km off Tripoli at a depth of 190 meters. Facilities for which TECHNIP carried out the engineering include, in particular: a gas treatment plant at Wafa, a pipeline system to carry treated gas and condensates to the coast, as well as a fixed offshore drilling and production platform and wellheads and subsea pipelines. TECHNIP's engineering center in Rome carried out the onshore work, while TECHNIP's center in Paris was responsible for the offshore segment. TECHNIP will be responsible for the overall management of the project during the execution phase.



### Middle East

The year 2000 was marked by the winning of a project, worth more than 500 million euros, for the design and construction of facilities related to the development of the Haradh gas field in **Saudi Arabia**. According to the terms of the contracts signed with SAUDI ARAMCO last December, TECHNIP will supply the utilities, offsites and the pipeline network required for a new gas treatment plant that will be constructed a Haradh (280 km from Dhahran) in order to increase deliveries to the Saudi Master Gas System by 16.2 billion m<sup>3</sup> per year. The facilities, whose design and execution were awarded to TECHNIP's engineering center in Rome and to its affiliate in Saudi Arabia, include compression and heat recovery systems, a 230kV substation, sulfur loading facilities and all utilities and offsites. In addition, the TECHNIP teams based in Düsseldorf are responsible for the design and construction of two pipeline packages. The first package includes the downstream pipelines that will connect the Haradh plant with the Master Gas System of the Kingdom



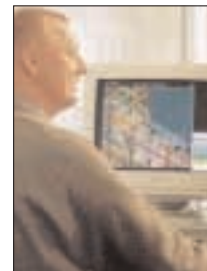
of Saudi Arabia. The pipelines to be installed will cover a total length of 394 km, with diameters ranging from 42" to 56", and will include 16 mainline valve stations, as well as scraper stations and related utilities. The second package includes a buried pipeline with 10 mainline valve stations and a total length of 229 km, with diameters of 18" and 24", to transport unstabilized condensates from the Haradh and Hawiyah gas plants to the Abqaiq plant for stabilization. The whole project is scheduled for completion in 2003.

At the same time, TECHNIP continued carrying out the contract awarded by SAUDI ARAMCO in 1998 for facilities related to the development of the Hawiyah field. This project includes three sulfur production units (350 t/day each), loading facilities and all utilities for the Hawiyah gas treatment plant, which will come on stream in 2002 and will have a capacity nearly equivalent to the plant at Haradh.

In **Qatar**, QATARGAS awarded TECHNIP a turnkey contract, worth about 50 million dollars, for the revamping and expansion of two sulfur recovery units at Ras Laffan. TECHNIP's center in Rome is executing the project, which should be completed in mid 2002. TECHNIP ITALY is also working with QAPCO on a project to expand an ethane recovery unit at Umm Saïd.

In addition, QGPC awarded TECHNIP's regional engineering center in Abu Dhabi the front end engineering design for the upgrading and optimization of the control systems of two major process fractionation plants producing butane, propane and gasoline at Mesaieed.

After completing the basic engineering, TECHNIP Abu Dhabi also won, from TOTAL FINA ELE, the contract for the design and construction for phase 2 of the development of the Al Khaleej offshore oil field.



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## Fields of activity

# Oil and gas production

- Construction of the new gas treatment facilities at Habshan in **Abu Dhabi** has been completed. The OGD2 project is now in the start-up phase. This 1.3-billion-dollar turnkey project, which was executed by a 50/50 joint venture made up of TECHNIP and BECHTEL, led by TECHNIP, for Abu Dhabi National Oil Company (ADNOC), will allow the doubling of the capacity of the Habshan complex (an additional 10 billion m<sup>3</sup>/year of gas) and the production of NGL, condensates and sulfur. This is the second phase of expansion of the complex. The first turnkey expansion project "OGD1" has already been successfully completed by TECHNIP/BECHTEL.

1. OGD 2 project in Abu Dhabi.
2. Model for the Cakerawala project in Malaysia.

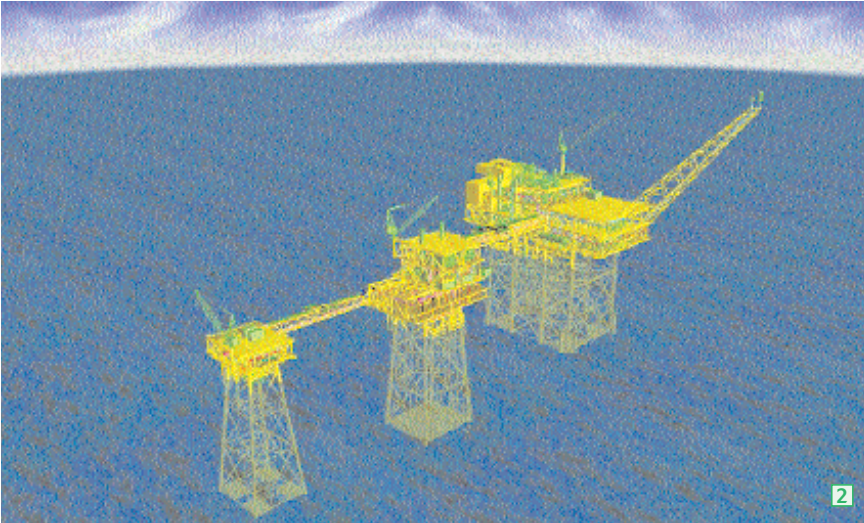
In order to treat the additional quantities of gas coming from Habshan in particular, GASCO had awarded TECHNIP at the end of 1999 the expansion and upgrading of a fractionation plant in Ruwais. The entire turnkey project, worth 90 million dollars, was executed locally by teams from TECHNIP's

engineering center in Abu Dhabi. The same was true for the turnkey contract awarded by ADMA OPCO in 1997, which was completed in April 2000, with the successful float-over installation of a "Unideck" for an offshore gas treatment platform on the Zakum field. This project is a major reference for TECHNIP's regional center in the Middle East, now numbering more than 400 people.

In **Iran**, TOTAL SOUTH PARS, acting on behalf of PARS OIL & GAS CO., awarded TECHNIP the basic engineering for the surface facilities for phases 9 and 10 of the development of the South Pars gas field. Phases 9 and 10 represent treatment capacity of 2 billion SCFD of gas. These phases will allow the production of commercial gas and ethane to feed the Assaluyeh petrochemical complex. The basic engineering, which took about five months, has now been completed and TECHNIP is preparing to take part in the bids for the design and construction contract, in association with the Iranian firm SUNFIRE.

After completing front end engineering for the Bal Haf gas liquefaction project in **Yemen**, TECHNIP, as the leader of a joint venture with Kellogg Brown and Root and JGC, is currently bidding for the turnkey design and construction of the project. This complex, which will include two 3-million-ton/yr LNG trains, is for the company Yemen LNG, whose main shareholder is TOTAL FINA ELF.





## Asia

In April 2000, the consortium TECHNIP/Samsung/Saipem, led by TECHNIP, won a turnkey contract, worth 500 million dollars, for the development of the Cakerawala offshore gas field, operated jointly by the Malaysian oil company Petronas Carigali and Triton Oil Company of Thailand. The Cakerawala field is located in a joint development area owned by **Malaysia** and **Thailand**, 180 km from the coast, at a depth of 55 meters.

The facilities will include three wellhead platforms, a compression platform, a production and processing platform, a subsea pipeline, two intrafield lines and a floating storage and offloading unit (FSO). The facilities are designed to treat 700 MMSCFD of gas and to produce 15,000 barrels per day of stabilized condensates. Within the consortium, TECHNIP is responsible for overall project management, the engineering of the platforms and the turnkey design and construction of the wellhead platforms, the compression platform, the decks and the flare, altogether representing about 35% of the value of the contract. The engineering services are practically complete. The project itself should be completed in May 2002.

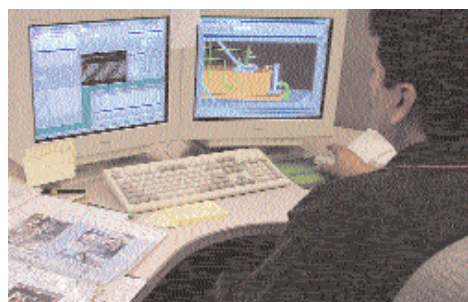
Just a few months after the launching of their strategic Alliance, TECHNIP and COFLEXIP STENA OFFSHORE (CSO) carried out their first joint project. Under a turnkey contract worth about 20 million dollars, and in association with the company Italian-Thai Development, the TECHNIP/CSO Alliance

carried out the replacement of an FSO (floating storage offloading) unit on the Bongkot field in the Gulf of Thailand. Located in 80 meters of water and operated by PTT Exploration and Construction, this gas field is the largest one in Thailand. A temporary FSO was installed to store and offload processed condensates while the existing FSO is in dry dock.

## The Americas

In the **United States**, TECHNIP successfully completed a project for the grass-roots design and construction of a 300-MMSCFD cryogenic gas treatment plant at Centerville in Louisiana. This project, worth about 30 million dollars, was executed by TECHNIP's center in Houston for Enterprise Products Operating LP. The facility was delivered in February 2000, five weeks ahead of schedule and to the full satisfaction of the client.

TECHNIP also completed the revamping of an LPG unit at St. Mary's Parish in Louisiana for Coastal Field Services. □



# Fields of activity

Refining activity includes the actual refining units, as well as hydrogen production units and sulfur recovery units within refineries.

With the exception of the hydrogen sector, which has developed strongly within the Group since the acquisition of the engineering activities of Mannesmann Demag, all areas of this sector are at a low point in the investment cycle, after the wave of projects related to the new European environmental standards which became applicable as of January 1, 2000. Refining represented 28% of revenues in 2000, in a downward turn compared to its peak in

1999 (40%). Activity was sustained mainly by the execution of major turnkey projects such as the MIDOR refinery and the naphtha reforming complex in Egypt, by contracts for the construction of new units for the refinery in Turkmenistan and by the design and construction of two complexes for the treatment of extra heavy crude from the Orinoco Belt in Venezuela. In 2000, TECHNIP notably won a turnkey contract, worth close to 200 million dollars, for the expansion of the Curacao refinery in the Netherlands Antilles, as well as several medium-sized contracts for

bringing refineries into conformity with environmental standards, mainly in southern Europe. The evolution of demand towards more gasoline and distillates and the prospect of even stricter environmental standards by 2005 should have a positive impact on TECHNIP's activities in the refining sector in the coming years.



# Oil refining



## Europe

In **Italy**, TECHNIP was awarded two turnkey projects, worth a total of 38 million euros, within the framework of the revamping of the Milazzo refinery in Sicily. The aim of the first project is the construction of a 6,800-ton/day gas-oil hydrodesulfurization unit, the revamping of an amine unit, as well as the installation of centralized control systems. The second project concerns the revamping of the existing crude vacuum distillation unit in order to reduce sulfur content in emissions. As a result of the work, which will be completed in the spring of 2001, the refinery, which belongs to the company RAFFINERIA DI MILAZZO (Agip Petroli/Kuwait Petroleum), will comply with the new European low-sulfur gas oil standards.

In May 2000, TECHNIP signed two service contracts with PETROGAL for the revamping of three hydrodesulfurization units, two of which are located at the Sines refinery and one at the Porto refinery, both in **Portugal**. At Sines, the work includes the installation of a new reactor, new compressors and heat exchangers that will increase the capacity from 34,000 to 37,000 barrels per day. At Porto, the work mainly includes the installation of a new reactor.

Services for both projects are being handled by TECHNIP in Paris and in Lisbon. The Porto project is scheduled for completion in June 2001 and the Sines project in September 2001.

In **Spain**, REPSOL-YPF awarded TECHNIP an engineering and services contract concerning the off-sites and utilities for the new hydrocracker at the Tarragona refinery. TECHNIP's engineering centers in Madrid and Tarragona are participating in the project, together with its engineering center in The Hague, which is executing the engineering and procurement services related to the 65,000 Nm<sup>3</sup>/hour hydrogen unit, being built on behalf of Carbuross Metalicos, the Spanish affiliate of Air Products. The hydrogen unit, which is designed to use natural gas or naphtha as feedstock, is the fifth one to be built by TECHNIP in Spain within the last five years and the second one built for Air Products in Europe within the framework of the cooperation agreement between the two groups. Two of these units were brought on stream in 2000: one for BP Oil at Castellon and one for Petroleos del Norte in Bilbao. □□□



1. MIDOR refinery in Egypt.





## Fields of activity

### Oil refining

- During the summer, TECHNIP completed the construction of a 1200-ton/day "Benfree" gasoline production unit and a 2300-ton/day FCC gasoline hydrotreater at MOTOR OIL HELLAS's refinery at Corinth, in **Greece**. These two units use IFP technologies. The project, which also included the revamping of the naphtha hydrotreatment and regenerative reforming units, was carried out by TECHNIP's engineering center in Rome, which is currently revamping the refinery's control room.

In February 2001, the company PCK Raffinerie GmbH awarded TECHNIP a turnkey contract, worth about 30 million euros, for the design and construction of a 35,000 Nm<sup>3</sup>/hour hydrogen unit at the Schwedt refinery site in **Germany**.

### Russia / Central Asia

In **Russia**, TECHNIP signed a contract with SIBNEFT concerning an alkylation unit at the Omsk refinery. This contract for equipment supply will allow the client to finish a project awarded to TECHNIP in 1996, but suspended due to the financial crisis in Russia.

The alliance that TECHNIP entered into with the second largest Russian oil group NK YUKOS in January 2001 for the development and upgrading its oil facilities, covers both upstream units and the refining units. YUKOS owns six refineries, and its refining activity reached 26.7 million tons in 2000. This agreement offers TECHNIP some interesting prospects for expansion and revamping projects.

In **Turkmenistan**, TECHNIP successfully completed the construction at the Turkmenbashi refinery of a 1.8-million-ton/year "MSCC" catalytic cracker, using UOP technology to convert distillate cuts into gasoline. The project was carried out by TECHNIP from its center in Paris, under the terms of a 200-million-euro contract.





Also within the framework of the revamping of the Turkmenbashi refinery, TECHNIP teams based in Düsseldorf continued work on a contract awarded in 1999 for the design and construction of an 80,000-ton/year lubricants plant and the revamping of a vacuum distillation unit. Construction is 95% complete and should be finished in April 2001, allowing start-up operations to begin.

## Africa

The refinery at Ameriya in **Egypt** is undergoing start-up operations. Construction of all units is practically complete. The utilities and offsites are in operation and most of the processing units—the atmospheric and vacuum distillation units, the naphtha hydrotreater, the hydrogen unit, the gas oil desulfurization unit and the reforming unit—are being started up. The two very last units—the delayed coker and the hydrocracker—are scheduled to come on stream in April 2001. This turnkey project, worth about one billion dollars, was awarded to TECHNIP by the companies MIDOR/MIDTAP in June 1997. With a capacity of 100,000 barrels per day (5 million tons per year), this grassroots refinery was built in the free zone of Alexandria.

Designed according to a high conversion scheme and in compliance with European environmental standards foreseen for 2005, the refinery will convert heavy products into desulfurized distillates and will produce a limited quantity of coke. This large-scale project was executed entirely within the TECHNIP group, by TECHNIP's Franco-Italian project team supervised from Rome, with the participation of TECHNIP's center in The Hague.

Construction of the naphtha reforming complex on a neighboring site at Ameriya is complete, and the units, which are designed to produce lead-free gasoline, have successfully passed performance tests. These facilities notably include a 700,000-ton/year naphtha separator, a Penex isomerization unit, a catalytic reformer, an LPG recovery unit, as well as utilities and offsites. The project was executed by TECHNIP's center in Rome, within the framework of a turnkey contract awarded by Alexandria Petroleum Company in June 1998.

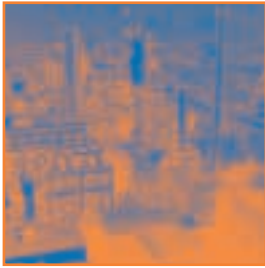
KTI Spa, a fully-owned Italian affiliate of TECHNIP, designed and constructed at Suez a 20,000-m<sup>3</sup>/hour hydrogen unit and a 98-ton/day sulfur recovery unit for Suez Oil Petroleum Co. Start-up of these units, which use TECHNIP's proprietary technologies, is scheduled for May and June, 2001, respectively. □□□



1. Corinth refinery in Greece.
2. MSCC unit at Turkmenbashi refinery in Turkmenistan.
3. Lube oil project in Turmenistan.







## Fields of activity

### Oil refining

#### Middle East

- In **Bahrain**, construction of a 450,000-ton/year petroleum coke calcining plant for the company Aluminium Bahrain is practically finished. The facilities are currently being started up and will be operational before the end of summer 2001. This turnkey project, worth about 220 million euros, was awarded to TECHNIP's engineering center in Düsseldorf in April 1999. In addition to calcinated coke, which is used to manufacture the electrodes required for the production of aluminum, the plant will generate heat to be used by a 41,000-m<sup>2</sup>/day desalination plant to produce potable water from seawater. The desalination plant itself is among the facilities designed and constructed by TECHNIP under the terms of this contract.

#### Asia

The construction of new units for the Guhawati refinery in **India** is well advanced and should be completed during the third quarter of 2001. The turnkey contract, worth about 50 million dollars, includes a hydrotreater (using the UOP process) and a hydrogen unit using TECHNIP's technology. The project is being executed jointly by teams from TECHNIP in Rome and from KT India in New Delhi. KT India, in which TECHNIP previously held only a 50% share, became a fully-owned affiliate of TECHNIP last December, following the purchase of the shares held by Vam Investment Ltd.





from the Orinoco Belt. The first project, awarded by Petrozuata (a CONOCO/PDVSA joint venture), involves the design and construction of a 120,000-barrel/day complex producing a 20° API synthetic crude, which will be processed in the client's refineries. The second project, awarded by Sincor (a TOTAL/PDVSA/STATOIL joint venture), is of a larger scale and will involve more advanced processing, allowing the production of up to 184,000 barrels a day of very high quality light, synthetic crude (32° API). The engineering for the Sincor project was mainly executed by TECHNIP in Paris, while the design work for the Petrozuata project was carried out entirely in Houston and Caracas.

1. Petroleum coke calciner in Bahrain.

2. 3. Sincor project in Venezuela.

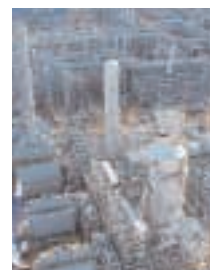
In a very difficult social environment, the two jobsites were confronted with repeated strikes by the personnel of the subcontractors responsible for the construction. The result was delays and a significant increase in costs. Nevertheless, the PETROZUATA project was completed and delivered to the client during the last quarter of 2000. Although the schedule for the SINCOR project is tight, the facilities should be delivered ready-for-start-up before the end of 2001, according to the contractual schedule. In keeping with its usual practice, TECHNIP made provisions to deal with the increase in costs. □

## The Americas

The company ISLA, an affiliate of the Venezuelan oil company PDVSA, awarded TECHNIP a turnkey project, worth about 190 million dollars, for the expansion of the Curacao refinery in the **Netherlands Antilles**. This project involves the revamping of certain units to increase their capacity, improve the technical performance of the facilities and treat atmospheric emissions. The units concerned mainly include a hydrogen unit, a hydrocracker, a sulfur recovery unit, the control system, and the utilities and offsites. TECHNIP's center in Rome is providing the services, in association with the Venezuelan construction company JANTESA. The engineering and procurement were already 80% complete in January 2001. Work began last October and should be completed by the middle of 2002.

In **Venezuela**, the consortium CONTRINA—made up of TECHNIP, Kellogg Brown & Root, Parsons and two Venezuelan partners, Proyecta and Dit-Harris—is responsible for the execution of two turnkey projects for facilities to upgrade extra-heavy crude

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# Fields of activity

Accounting for 23% of revenues in 2000 (compared to 17% in 1999), and nearly one-third of the backlog on December 31, the petrochemicals sector represents a growing part of the Group's activity, due in particular to TECHNIP's breakthrough in the key sector of ethylene steam crackers. TECHNIP recently won two contracts for the design and construction of very large-capacity steam crackers in Iran, which will use TECHNIP's proprietary technology and furnaces of its own design. The Group also developed numerous expansion and revamping projects for ethylene units in Europe and in the United States, and strengthened its technological alliance with DOW Chemicals for the manufacture of cracking furnaces. In the polyolefins sector, in addition to the coming into force of a contract for a polyethylene unit in Iran, TECHNIP successfully completed several large projects in Europe (Scotland, Germany, the Netherlands) and renewed its

order book with major clients like BP, DSM and SOLVAY. In addition, TECHNIP and BP consolidated their technical alliance by signing agreements whose terms give TECHNIP worldwide exclusivity for basic engineering using BP technology for the production of polyethylene, polypropylene and PTA. TECHNIP has also become BP's exclusive agent for marketing and selling its licenses for the production of polyethylene and polypropylene using the Innovene process, in a zone principally comprising Europe, the C.I.S., Latin America, China, and Malaysia. TECHNIP's skill in managing large projects, combined with its technological expertise in the most buoyant sectors, is a major asset which should allow TECHNIP to take a significant



share of the growing market for petrochemical facilities, notably in the Middle East, (Saudi Arabia, Iran, Qatar), where gas is plentiful and very inexpensive and where investments are driven by Asian growth.



# Petrochemicals

## Europe

In July 2000, within the framework of an extensive program to develop the petrochemical complex at Carling, in **France**, ATOFINA awarded TECHNIP a major service contract for a capacity increase (+35%) of one of the lines of its **ethylene** steam cracker. TECHNIP's center in Paris is responsible for detail engineering, equipment and materials procurement and, in close collaboration with ATOFINA's teams, supervision of construction and of maintenance operations. In addition, TECHNIP will construct a GK6 furnace of the latest generation, whose design and construction will be executed by TECHNIP's teams based in The Hague.

TECHNIP (Paris) had previously carried out the basic engineering of the project and developed an original and efficient process scheme allowing the equipment necessary for the debottlenecking of the facility to fit into the existing unit and at the same time keeping the refrigeration compressors. Completion of construction operations will take place during a maintenance shutdown of the steam cracker scheduled to begin in September 2001.

The two high-capacity **polyolefin** plants constructed on the Grangemouth site in **Scotland** came on stream. Start-up took place successfully during the second half of 2000. The PP3 polypropylene plant came on stream in August and the PEX polyethylene plant, in December. Under the terms of alliance contracts, these two projects were executed by a single integrated project team utilizing the common

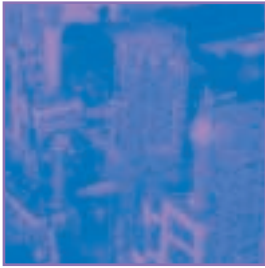


1. Polyethylene plant at Grangemouth, Scotland.

expertise of four partners: TECHNIP (Lyon) for engineering and procurement of equipment and materials, AMEC for the construction, and the clients, APPRYL (a joint venture between ELF ATOCHEM and BP) for the PP3 contract, and BP for the PEX contract. TECHNIP was leader of the Alliance until the beginning of prefabrication of the piping. Then AMEC took over until the end of construction and APPRYL and BP provided leadership during start-up. With a capacity of 250,000 tons of polypropylene per year, the PP3 plant uses APPRYL technology. The low-density linear polyethylene PEX plant has a capacity of 300,000 tons per year and utilizes BP's gas-phase Innovene technology.

In **Belgium**, SOLVAY awarded TECHNIP, in July 2000, an engineering and service contract for the expansion and revamping of the petrochemical site at Lillo, near Antwerp. The project covers in particular the design and construction of a new high-density, 250,000-ton/year **polyethylene** line, which will use the SOLVAY "high density slurry loop" process. The project, which should be completed in February 2002, includes basic and detail engineering, an equipment and materials procurement mission, and supervision of the construction. These services are being carried out by TECHNIP's center in Lyon, in close collaboration with the SOLVAY teams.





## Fields of activity Petrochemicals

- In February 2001, TECHNIP won a major contract for the design and construction of a 300,000-ton/year **polypropylene** unit on the Geleen site in the **Netherlands**. This "PPF6" unit, for the DSM group, will be built in 22 months and will use BP's gas-phase Innovene technology. It is the third unit of this type awarded to TECHNIP by DSM, following PPF3 on the same Geleen site and PPF5 at Gelsenkirchen in Germany.

1. Polypropylene plant at Gelsenkirchen, Germany.

2. Polyethylene plant at Grangemouth, Scotland.

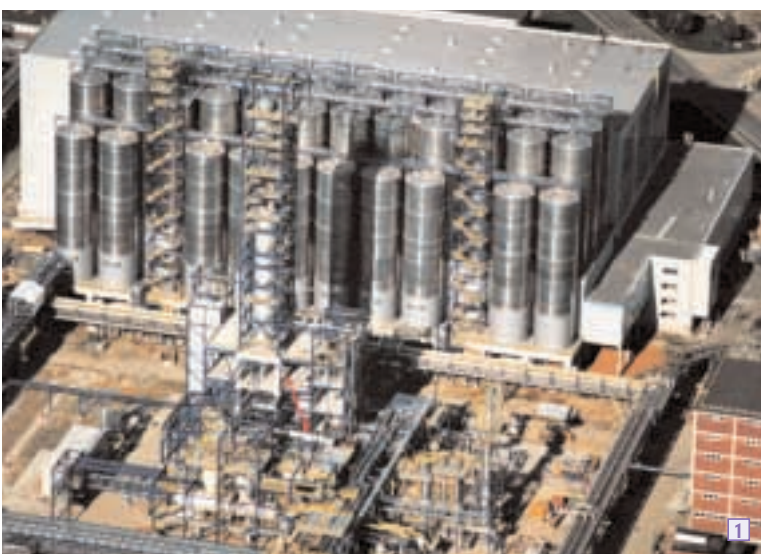


In 2000, TECHNIP (Paris) also completed the revamping of the NAK3 ethylene steam cracker at DSM's complex in Geleen, which considerably increased propylene and ethylene production capacity, while minimizing the unit's downtime. During the year, TECHNIP's engineering center in The Hague continued carrying out the contract signed with DOW for the revamping of 18 ethylene furnaces at Terneuzen. Six of these furnaces (two of them ethane-fed) started up again after work in 2000, and the mechanical acceptance of ten other furnaces will take place on a staggered basis between April and July 2001, at a delivery rate of two furnaces per month. Lastly, in July 2000 the new furnaces designed and constructed by TECHNIP's center in The Hague for SHELL Nederland Chemie's plant at Moerdijk started up successfully.

In **Germany**, TECHNIP completed the construction of the 250,000-ton/year PPF5 **polypropylene** plant at Gelsenkirchen for DSM. The plant is now in operation.

The company SCANRAFF awarded TECHNIP's center in Rome a project for the design and construction of a **propylene** recovery and storage unit for their refinery in Lysekil in **Sweden**. The facility will be designed for a feed of 75 m<sup>3</sup>/h of LPG from the FCC unit. TECHNIP will carry out the basic and detail engineering, procurement services, project management and start-up assistance. "Ready-for-start-up" delivery of this unit is scheduled for April 2002.

In the **Czech Republic**, Chemopetrol's **ethylene** plant at Litvinov resumed production last September, after completion of revamping, which allowed for a major expansion of its production capacity. TECHNIP's center in The Hague executed this project within the framework of a turnkey contract and in close collaboration with the client's teams.



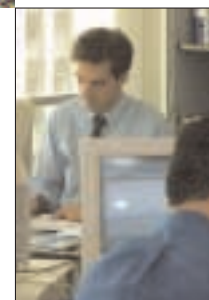


In May 2000, TiszaiVergyi Kombinat awarded the same TECHNIP engineering center the conversion of a traditional furnace at the ethylene plant at Tiszaujvaros in **Hungary** into a TECHNIP GK6 furnace.

During the first quarter of 2001, ENICHEM awarded TECHNIP a turnkey contract for the revamping of the instrumentation and the automation of its **ethylene** plant at Porto Torrès in **Italy**.

TECHNIP obtained the mechanical acceptance certificate for a 120,000-ton/year **PVC** suspension unit located at Martorell, near Barcelona, in **Spain**. The project, which was awarded by SOLVAY in September 1999, included the expansion and revamping of existing units. The project was an opportunity to make use of the synergies existing between the different entities of the TECHNIP Group. TECHNIP's center in Paris was responsible for project management; CITEX in Lyon handled the 3D model and TECHNIP IBERIA carried out the detail engineering and procurement and provided supervisory staff for the jobsite.

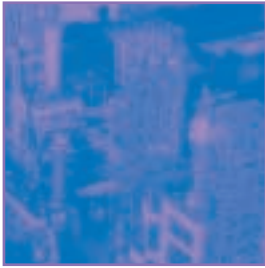
Lastly, in December 2000, PETKIM awarded TECHNIP a contract, worth about 50 million euros, for the design and construction of a 120,000-ton/year, low-density **polyethylene** plant, using the Stamicarbon process, at Aliaga in **Turkey**. Services include engineering, procurement and supervision of construction and start-up. The facility will come on stream in 2004.



## United States

At the beginning of 2000, TECHNIP, in association with the American engineering company Parsons, signed a turnkey contract with American Acryl for the design and construction of a complex—including a 120,000-ton/year **acrylic acid** plant, a butyl acrylate plant, together with related offsites and utilities—to be located at Bayport, Texas. Butyl acrylate is notably used in the manufacture of paints and adhesives. American Acryl is a 50/50 joint venture between Nippon Shokubai and ELF Atochem North America. This contract, worth 150 million dollars, is being carried out in alliance with the client by TECHNIP teams based in Houston, with support from specialists sent from TECHNIP in Paris. Services include detail engineering, equipment supply and construction. The basic engineering had been carried out previously by TECHNIP/Parsons. Work is scheduled for completion at the end of 2001. □□□





## Fields of activity Petrochemicals

- DOW Chemical brought on stream the **ethylene** cracking furnace at its LHC-3 plant in Plaquemine, Louisiana, as well as two new ethylene furnaces at its LHC-6 plant in Freeport, Texas. These furnaces were delivered within budget and on schedule and successfully passed performance tests, operating above their nominal capacities. Their installation, which was entrusted to TECHNIP's center in California, took place within the framework of the alliance between the two groups for the construction by TECHNIP of the ethylene furnaces of DOW, the world's largest producer of ethylene.



### Middle East

TECHNIP successively won two very important contracts for the design and construction of **ethylene** steam crackers at the 9th and 10th complexes at Assaluyeh in **Iran**. The first contract, worth about 200 million euros, was signed in September 2000 with National Petrochemical Company (NPC) for the design and construction of a one million-ton/year ethane-fed steam cracker. The second contract, worth about 300 million euros, was signed on March 11th, 2001, with JAM Petrochemical Company, an affiliate of NPC. The 1.4 million-ton/year steam cracker of the 10th complex will be the largest ever built in the world as well as the only large-capacity unit using both gas and liquid feedstocks. Under the terms of the two contracts, TECHNIP will provide its proprietary technologies, furnaces and processes for the production of propylene and ethylene. TECHNIP will also provide the basic and detail engineering, supply of equipment and materials, as well as supervision of construction and commissioning, in association with the Iranian company NARGAN, which will execute detail design and procurement of materials of local origin. Both projects will be financed through multi-source financing schemes. The one for the first project is currently being finalized and the one for the second is expected to be finalized in the coming months.





An "early start" scheme, based on advance payments, was implemented to permit design to begin immediately after the signing of the contracts. Engineering and procurement services will be carried out mainly by TECHNIP's centers in Paris and Rome, with TECHNIP's center in The Hague (ex-KTI) supplying the cracking furnaces, which constitute the core equipment of the units. The completion of delivery of the last equipment items is scheduled 28 and 29 months, respectively, from contract effective date. These two projects, coming two years after the acquisition and integration of KTI by TECHNIP, manifestly strengthen TECHNIP's position as a world leader in the design and construction of mega-crackers and in their associated technologies.

In September 2000, the contract signed by TECHNIP and ENERCHEMI for the construction of a linear low-density **polyethylene** plant at Bandar Imam came into force, thanks to the arrangement of export credits, largely of French origin. This 300,000-ton/year plant will be designed and constructed by TECHNIP, based on BP's gas-phase Innovene technology, on behalf of Amir Kabir Petrochemical Company. Under the terms of the contract, worth about 100 million euros, TECHNIP will provide the license, together with engineering, procurement and construction supervision services. ENERCHEMI will be responsible for detail engineering, supply of equipment and materials of local origin and project management. The plant is scheduled to come on stream in August 2003.

In **Saudi Arabia**, the eight furnaces which were designed and built by TECHNIP for PETROKEMIA for the N° 3 **ethylene** cracking unit (800,000 tons/year) at Al Jubail came on stream and are now in production.

TECHNIP, in a 50/50 joint venture with Kellogg Brown & Root (KBR), continued execution of the 750-million-dollar turnkey contract awarded by Q-CHEM (Phillips Petroleum/Qatar Petroleum) for the design and construction of a petrochemical complex at Mesaieed in **Qatar**. The facilities include a 500,000-ton/year ethylene cracker, a 450,000-ton/year high-density/low-density polyethylene plant, a 45,000-ton/year hexene unit, and all associated utilities and offsites for the complex. In March 2001, engineering was 90% complete to the same standards by all the engineering centers. The design for the ethylene and hexene units is being carried out by KBR in Houston. TECHNIP in Paris is designing the polyethylene unit and the utilities and offsites. TECHNIP USA in Houston is designing the acid gas extraction unit, and KTI Spa (of the TECHNIP group) in Rome is designing the sulphur recovery and tail gas treatment units. Procurement activities are now practically finished and 45% of the equipment has been shipped. Among the main equipment items already delivered to the site are five ethylene furnaces that were designed and built by TECHNIP USA in Los Angeles. The jobsite was opened in the summer of 2000 and has reached 20% achievement. More than 3,000 people are already mobilized on the site for construction, which should be completed in mid 2002. □□□







## Fields of activity Petrochemicals



1. 2. PVC plant in Malaysia.

3. TITAN's polyethylene plant in Malaysia.

4. PTA plant at Kuantan, Malaysia.



- TECHNIP also continued work on a contract, worth 430 million dollars, for the design and construction of a complex for the production of chlorinated products (EDC/VCM) and caustic soda at Umm Saïd. Within the framework of a joint venture with Krupp Uhde, TECHNIP's engineering center in Rome designed and constructed a 160 MW power plant, together with the main utilities and offsites, for delivery to Qatar Vinyl Co. in May 2001. Work on the whole complex should be completed in June 2001.

### Far East

TECHNIP successfully completed two turnkey projects in **Malaysia**: the design and construction of a 100,000-ton/year high-density **polyethylene** (HDPE) plant for TITAN Polyethylene (Malaysia) at Tanjung Langsat, Johor State, and the design and construction of a 150,000-ton/year **PVC** plant at Kerteh, Terengganu State, for Vinyl Chloride (Malaysia). The HDPE plant, which includes processing units, using Mitsui Chemicals technology, as well as related utilities and offsites, were delivered "ready-for-start-up" in September 2000, two months ahead of schedule. Mechanical acceptance of the PVC plant was issued on schedule in June 2000 by Vinyl Chloride (Malaysia), a joint venture between Petronas and Mitsui.



TECHNIP's engineering center in Kuala Lumpur continued work on two other turnkey projects awarded in 1999. The first contract, which was signed with Optimal Chemicals (a Petronas/Union Carbide joint venture), covers the design and construction of offsites and infrastructures on the petrochemical site at Kerteh. The second project involves the design and construction, on the same site, of a 255,000-ton/year single-line **polyethylene** plant. The unit, which is for PETLIN, a company formed by Petronas, DSM and Polyfin, will use Stamicarbon's high-pressure technology.

In **China**, SINOPEC awarded TECHNIP a contract to provide the license, design and procurement of the main equipment items for the construction of a 200,000-ton/year **polypropylene** plant, using BP's gas-phase process, at Yangzi. TECHNIP also won a contract covering the same type of services for the expansion of the **polyethylene** plant at Dushanzi.

Within the framework of the Alliance between TECHNIP and BP AMOCO for PTA (purified terephthalic acid) plants, TECHNIP has been awarded two new projects. The contract for the design and construction phase of a **PTA** plant at Zhuhai, signed by TECHNIP and Amoco Zhuhai Chemical Company (AZCC), came into force in August 2000. Under the terms of this cost plus fee contract, the services awarded TECHNIP's engineering center in Rome



cover engineering, procurement of certain items of equipment and supervision of the construction. The plant will have a capacity of 350,000 tons per year of PTA (an intermediate used in polyester production) and will use the latest developments in BP technology. AZCC is owned by BP (80%), the Fuha group and the China National Chemical Fiber Company. Start-up of the plant is scheduled for December 2002.

In October 2000, CAPCO (of which BP is a shareholder) entrusted TECHNIP's engineering center in Rome with the design and construction phase (engineering, equipment procurement and construction supervision) of a PTA plant at Taichung, **Taiwan**. Construction of this 700,000-ton/year plant, based on BP's process, will begin in May 2001. □



# Fields of activity

For TECHNIP, the “Industries” sector represents a range of business lines that are totally independent of the hydrocarbons and petrochemicals cycle. It represents about 20% of the Group's activity (19% of revenues in 2000 and 22% of the order intake that same year). The 100% takeover of Krebs-Speichim in September 2000 and its complete integration into the TECHNIP organization particularly strengthen the Group's positions in the chemicals/fertilizers segment, to which Krebs-Speichim brings numerous references as well as proprietary technologies, and in life sciences, where its experience complements that of other entities within the Group.



In other industrial sectors, TECHNIP was awarded large-scale projects by major groups like EADS Airbus (the assembly plant for the A380), Messier-Bugatti (carbon brake disks) and Atmel Corp (electronic components plant). TECHNIP developed its activities in the power generation sector and in the treatment of wastes by pyrolysis, notably using the expertise of its German affiliate as well as the expertise of TECHNIP TPS in building engineering and service facilities.



# Diversified industries

## Chemicals / Fertilizers

In December 2000, BASF awarded the consortium formed by TECHNIP and Rintekno a turnkey contract for the design and construction of a paper coating binder production plant. Paper coating binder is a **chemical additive** used in the manufacturing of paper. This plant, with a capacity of 140,000 tons per year, will be built at Hamina, on the southern coast of **Finland**. The project will be carried out by TECHNIP's engineering center in Düsseldorf, in collaboration with Rintekno Oy, a Finnish engineering and construction firm, in which TECHNIP has a 28.6% stake. The scope of work entails the detail engineering, procurement, equipment and materials supply, as well as construction, which should be completed in 2002.

TECHNIP's center in Düsseldorf, which had previously executed the basic engineering for the project, was awarded a project for the capacity expansion of BAYER AG's **polycarbonate** plant at Ürdingen, in **Germany**. Under the terms of this service contract signed in February 2001, TECHNIP will carry out the detail engineering, a procurement mission for equipment and materials, as well as the supervision of construction, which should be completed in mid 2002. The product, Makrolon®, is used notably in the automobile industry and in the manufacture of compact discs.



Krebs-Speichim continued to carry out the contract for engineering and management services for a facility to produce **hydrocyanic acid**, for Butachimie (Rhodia/Du Pont), at Chalampé, near Mulhouse, in **France**. Work is scheduled for completion in mid April 2001 and the plant should be brought on stream by the client in June.

In **Uzbekistan**, Krebs-Speichim, a fully-owned affiliate of TECHNIP since last September, is continuing the execution, near Tashkent, of a 60-million-euro contract signed in December 1999, for the design and construction of a manufacturing plant for components of **pyrotechnical products** from cellulose. This contract, which constitutes phase 2 of the project, will be completed in 2002.

The acceptance certificate of the ethanol plant in Aktubinsk, in **Kazakhstan**, was issued by the client in January 2000. This plant, which was designed and constructed by Krebs-Speichim using its proprietary technology, has a capacity of 80,000 hl per year of food-grade **ethanol** and 8,000 tons per year of protein-enriched feed for livestock. The plant is the first reference for the industrial production of ethanol from wheat.

1. Hydrocyanic acid plant at Chalampé, France.



## Fields of activity Diversified industries



### □□□ Chlorinated Products

Krebs-Speichim was awarded two new projects involving production units for **sodium chlorate**. The first contract was awarded by Albchem Industries and concerns its new plant at Virden in the province of Manitoba, **Canada**. The project consists of supplying key process equipment, including KREBS electrolyzers, and start-up assistance. It will enable Albchem Industries to increase its production capacity by 40,000 tons per year. The second contract was signed with the company Atisholz and includes engineering, equipment supply, as well as start-up assistance for a new 1,300-ton/day unit at Lütterbach in **Switzerland**. Krebs-Speichim thus saw confidence renewed by two clients for whom it had already designed and constructed comparable facilities: in Bruderheim, Canada for the first and on the same site in Switzerland for the second. The electrolyzers, designed by KREBS, make TECHNIP the world leader in supplying special equipment for the production

of sodium chlorate, an intermediate product for the manufacture of chlorine dioxide, used in bleaching wood pulp.

In **Uzbekistan**, TECHNIP (Krebs-Speichim) continued work on a contract for the revamping of a chlorate plant (sodium chlorate and magnesium chlorate), located in Ferghana.

In **France**, TECHNIP teams based in Lyon completed the engineering and project management contract, awarded by the company MSSA, to double the capacity of the **metallic sodium** and **liquid chlorine** production unit at Pomblière, in Savoy. The facilities include a salt processing unit, an electrolysis facility, units for processing sodium and chlorine as well as utilities and offsites. Within the framework of this turnkey project, Krebs-Speichim designed and constructed the "chlorine process" facilities, and Guigues handled the effluent processing facilities. Commissioning of the facilities took place in March 2000.



## Fertilizers

TECHNIP's Brazilian affiliate, Krebs Engenharia, was recently awarded a turnkey contract worth about 100 million dollars, by Copebras, for the design and construction of a phosphate fertilizer plant at Catalao, in Goias State, **Brazil**. The facilities will include a 1,350-ton/day sulfuric acid unit, a 370-ton/day phosphoric acid unit, a 1,200-ton/day SSP (single superphosphate) or TSP (triple superphosphate) plant, and a granulation unit for SSP, TSP or DAP (diammonium phosphate). TECHNIP's Brazilian affiliate will provide the basic and detail engineering and equipment as well as the construction and start-up of the plant, with support from TECHNIP's engineering center in Paris. Commissioning of the plant is scheduled for the end of 2002.

Three months earlier, Krebs Engenharia was awarded a turnkey contract worth about 20 million dollars, by the company Ultrafertil (of the Fertifos group), for the design and construction of another plant at Catalao, including a 350,000-ton/year SSP



production unit and an SSP granulation unit, as well as utilities and offsites. This plant is scheduled to come on stream in September 2001. The Group had previously designed and constructed phosphoric and sulfuric acid facilities for this client at Uberaba.

In October 2000, KEMAPCO awarded TECHNIP (through Krebs-Speichim) a turnkey contract for the design and construction of a 350-ton/day nitric acid plant in Aqaba, **Jordan**. This plant, which is scheduled to come on stream in 2002, will use Grande Paroisse's monopressure technology.

TECHNIP's Czech affiliate, Chemoprojekt, signed a turnkey contract in March 2001 with Lovochemie for the design and construction of a 900-ton/day nitric acid plant, which will be located in the fertilizer complex at Lovosice, in the north of Bohemia, in the **Czech Republic**.

In **Senegal**, the construction of the phosphoric acid (1,015 tons per day) and nitric acid (3,000 tons per day) complex at Darou Koudoss is nearing completion. This turnkey project will allow Industries Chimiques du Sénégal (ICS) to double its production capacity. □□□

1. 2. Sodium and chlorine production plant at Pomblière, France.

3. 4. Fertilizer plant at Darou Koudoss, Senegal.





## Fields of activity

### Diversified industries

#### Life sciences

- At the beginning of the year 2000, TECHNIP was awarded, by BRISTOL-MYERS SQUIBB (BMS), a contract for the design and construction of gas and liquid waste treatment facilities for a multi-purpose pharmaceutical plant at Cruiserath, **Ireland**. The services, which were entrusted to TECHNIP's engineering center in Rome, include basic and detail engineering, equipment supply and supervision of construction, which should be completed before the end of the first half of 2001.



TECHNIP's Italian team also completed, for BMS-INDENA, the design and construction of a unit for extracting and purifying a pharmaceutical active ingredient in Settala, **Italy**.

In **France**, AVENTIS Pharma's Research Center awarded TECHNIP Paris the engineering and project management services for the complete renovation of its pilot pharmaceutical unit at Vitry-sur-Seine. This unit includes 19 reactors for the production of clinical lots for testing medicines before they are put on the market. Delivery is scheduled for July 2001.



In the west of France, the project concerning the engineering and management services for the expansion of the pharmaceutical site at Val de Reuil, which specializes in producing vaccines, is nearing completion. AVENTIS Pasteur awarded the contract to TECHNIP at the beginning of 1999.



Krebs-Speichim successfully completed, in 18 months, the design and construction of a pharmaceutical synthesis unit for ISOICHEM in Toulouse. This unit, which is completely automated and has been operational since April 2000, uses the most advanced technologies for protecting the environment, in particular a system for the treatment of VOC using membranes. Krebs-Speichim carried out the design, construction and mechanical tests and, with the support of Ipedex, the validation procedures.

The expansion of the new peptide synthesis unit at SOLVAY Peptisyntha's pharmaceutical plant in Brussels, **Belgium**, will be completed before the end of the first half of 2001, including validation procedures.

In **Poland**, L'OREAL awarded TECHNIP the second phase of the expansion of its cosmetics plant near Warsaw. Under the terms of the contract, TECHNIP's engineering center in Paris will integrate into the existing plant: a processing unit, packaging facilities, utilities and storage, mainly for the production of shampoos.



## Diversified industries

In the **microelectronics** sector, ATMEL Corp., the world's third largest manufacturer of electronic components, awarded TECHNIP engineering and project management services for the construction of a new plant to manufacture microchips (8" wafers) at Rousset in the south of **France**. This 14,000-m<sup>2</sup> unit will include class 1 clean rooms.

In March 2001, TECHNIP, as leader of a consortium also including Aéroport de Paris Ingénierie (ADPI) and the architectural firm Cardete & Huet of Toulouse, was chosen by the company EADS Airbus to execute engineering services and project management of the assembly plant for the A380 super-jumbo, which will be built in Toulouse. This plant will include about twenty exceptionally large assembly halls (120-meter span) and related utilities. □□□

TECHNIP's affiliate in Shanghai and Tianjin, TECHNIP TIANCHEN, signed a contract in February 2000 with the SERVIER group for the design and construction of a finished form pharmaceutical unit at Tianjin, **China**. Conceptual design had been carried out earlier by TECHNIP in Paris. Construction work began in March 2001.

The production unit for inactivated avian vaccines at Nanjing, China, came on stream in November 2000. The facilities include 2,300 m<sup>2</sup> of laboratory space complying with FDA (Food & Drug Administration) standards, including class 100 clean rooms. TECHNIP TIANCHEN carried out the basic and detailed engineering, procurement services, and supervision of construction and start-up. MERIAL had awarded the contract to TECHNIP at the beginning of 1999, and mechanical acceptance took place in July 2000.

GPO-MBP Co, a joint venture between Aventis Pasteur and Government Organization of Thailand, awarded TECHNIP Engineering Thailand a contract for the design and construction of a vaccine production unit near Bangkok, **Thailand**. This plant for the production of human vaccines will cover more than 5,000 m<sup>2</sup> and will include several buildings (production, laboratory, housing for animals, clean rooms, administrative building, restaurant and utilities). The services, which were entrusted to TECHNIP's engineering center in Bangkok, include detail engineering, procurement of the main equipment items, and supervision of construction. The plant, which is scheduled for start-up in December 2001, will have a production capacity of about 25 million doses of vaccine per year.



1. Isochem's pharmaceutical synthesis plant at Toulouse, France.
2. Micro-electronic clean room for Atmel at Rousset, France.







## Fields of activity

### Diversified industries



- Under the terms of this general project management contract, the consortium will be responsible for management of the overall project (management, coordination, scheduling, budgetary control) and engineering services, as well as the direct project management of certain buildings. The A380 assembly plant is the biggest aeronautical jobsite in Europe, representing an investment of 450 million euros. The facilities for which the consortium will provide general project management represent 275 million euros. Within the framework of this project, TECHNIP FRANCE is associated with TECHNIP TPS, the affiliate of the Group specialized in buildings and architectural engineering.

TECHNIP successfully completed, from its center in Lyon, the design and construction of a plant manufacturing carbon disks for aircraft brakes, for the MESSIER BUGATTI Group in Cincinnati in the **United States**. This A-Carb plant was designed on the model used for Villeurbanne in France in order to allow production to start as quickly as possible. As soon as the plant came on stream at the beginning of 2000, TECHNIP was awarded a contract to double its production capacity. This new project will be executed mainly by TECHNIP USA. Two ranges of disks are already being produced for the Airbus A300-A310 and for the A-319 and A-320.



### Power generation and cogeneration

In March 2000, SAUDI ARAMCO awarded TECHNIP a turnkey contract for the expansion and revamping of the power generation units at its gas complex at Abqaiq in **Saudi Arabia**. The new facilities will include three gas turbines of 40 MW each, a steam generation boiler, two electrical substations and a centralized control system. This project was entrusted to TECHNIP's center in Rome, as was Motor Oil Hellas's project for the expansion of the power plant located at its Corinth refinery in **Greece**.

VEW Energie awarded TECHNIP a contract for the design and construction of a pyrolysis plant for the thermal treatment of high calorific value waste with a high plastic content. This 100,000-ton/year plant will be the world's largest facility of its type. It will be integrated in an existing power plant at Hamm, near Dortmund, in **Germany**. The project is being carried out by TECHNIP's engineering center in Düsseldorf and will be completed during the second half of 2001.

TECHNIP Germany is also executing the contract awarded in 1999 by RWE for high-pressure piping systems for the lignite power plant under construction at Niederhaussem, near Cologne.

At the very beginning of 2000, TECHNIP delivered and started-up the cogeneration unit built for Air Liquide on the Lyondell petrochemical site at Fos-sur-Mer in **France**.



## Buildings

TECHNIP TPS, TECHNIP's affiliate specialized in buildings and architectural engineering, is developing its activities across several sectors.

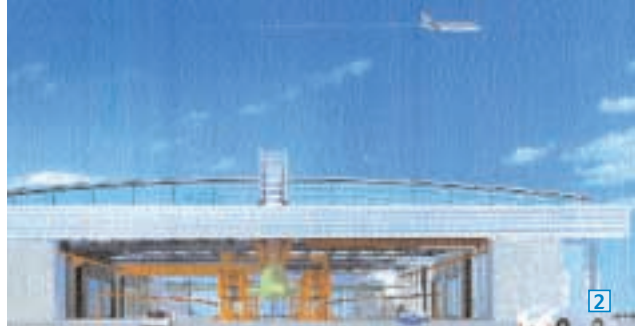
In Toulouse, TECHNIP TPS will take an active part, alongside TECHNIP FRANCE and its associates, in the general project management of the **A380 assembly plant**, which was awarded to them by EADS Airbus in March 2001.

In 2000, TECHNIP was entrusted with project management and engineering services for the expansion and reequipping of Terminal 2 at the **Saint-Exupéry Airport (ex Satolas)** in Lyon.

TECHNIP TPS also won the project management of a vast expansion and renovation project for the **Quatre Temps shopping mall** at La Défense, just outside Paris.

The execution of other projects awarded previously is continuing, notably the complete engineering mission for the design and construction of a biology center on the site of the Croix Rousse hospital in Lyon, as well as the engineering and project management services for the structural renovation of the laboratories, the library and certain lecture halls of the Collège de France in Paris, in collaboration with the architect Jacques Ferrier.

In the **diplomatic buildings** sector, TECHNIP TPS, in association with the architectural firm Brochet Lajus Pueyo, was awarded the project management for the Residency and housing facilities of the French Embassy in Abuja, in Nigeria. TECHNIP TPS is also carrying out the engineering for the structural renovation of the French Embassy in Warsaw (with Jean Philippe Pargade), as well as for the Villa Médicis in Rome.



1. A-Carb plant in USA.
2. Model of the A 380 assembly plant.
3. Burning line of Lafarge's cement plant at La Havre, France.

## Cement

The Belgian company CBR, an affiliate of the German group Heidelberg, awarded TECHNIP the revamping of the burning line at its plant at Lixhe, located near Liège in **Belgium**. The goal of this project is to increase the production of clinker from 3,400 tons to 4,200 tons per day and to use substitute fuels. The existing pre-heater will be replaced by a pre-heater using RSP precalcination designed by TECHNIP. The concrete structure of the tower will be recovered and modified at the same time. The equipment is being designed by TECHNIP's cement team in Lyon.

In **France**, LAFARGE awarded TECHNIP a project to modify the burning line at its plant in Le Havre in order to install a bypass that will allow the use of degraded fuels.

TECHNIP completed the first phase of the expansion (from 1,550 tons to 2,000 tons per day of clinker) and optimization of the burning line at the cement plant at Temara in **Morocco**, for Asment de Temara, of the group CIMPOR.

The CKP grinder for the cement plant at Hoang Mai in **Vietnam** was delivered.

Acceptance of the one-million-ton/year cement plant, entirely designed and constructed turnkey by TECHNIP at Ras Al Khaïmah (**United Arab Emirates**), took place at the beginning of 2000. □





# Human Resources and Communication

TECHNIP brings together the skills of more than 10,000 people in over 30 countries around the world.

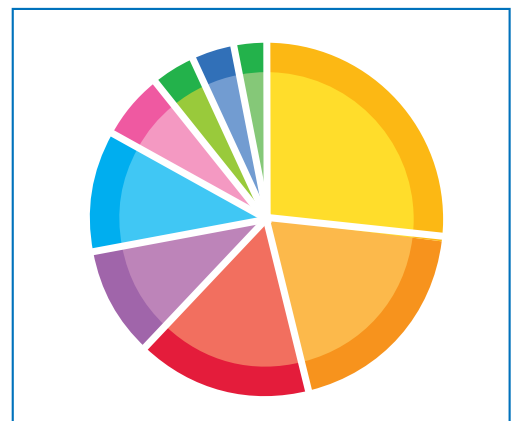
Human Resources are at the heart of the Group's development strategy.

The men and women of TECHNIP share the same core principles and principles of individual conduct. They continuously implement actions of technological innovation and optimization of internal procedures. Employee shareholding and stock-option programs reinforce their direct involvement in the Group's development.

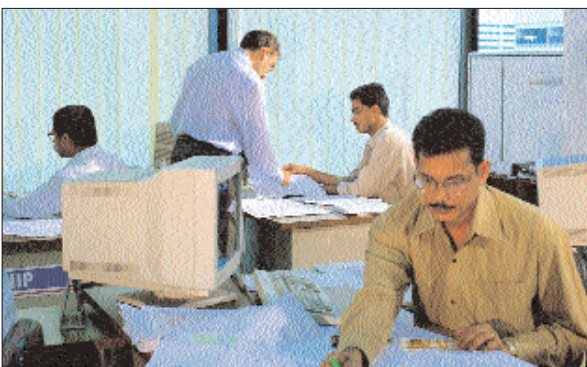
International mobility is increasing and contributes to the development of their skills and deepens their know-how.



Breakdown of staff by regions



● France 27%	● USA 6%
● Germany 19%	● India 4%
● Italy 16%	● South America 4%
● Other European 10%	● Abu Dhabi 3%
● Malaysia and affiliates 11%	



## Technip's Code of Business Ethics

TECHNIP has recently experienced significant growth and has expanded particularly in the international world by establishing important centers of business and subsidiaries outside France. These developments bring together men and women from a broad variety of backgrounds and challenge them with a range of complex situations.

In spite of this diversity, the men and women of TECHNIP should have a common set of references to ensure that their efforts are grounded in the same principles.

At the same time, our clients seek assurance that whatever business unit or subsidiary they may work with at TECHNIP, their contacts at TECHNIP will conduct themselves according to a common set of principles.

The TECHNIP Code of Business Ethics sets forth the Core Principles and Principles of Individual Conduct which serve as the basis for our professional activities throughout the world.



## Greater internationalization of our teams and development of their skills

The development of geographical and functional mobility is aided by the Group's great variety of professions and the diversity of its centers.

The intranet "Technip Mobility," which has expanded progressively within the Group, indicates position openings.

Mobility programs are in effect.

This mobility facilitates exchanges of experience, a shared Group spirit and the opening up to other cultures. It allows professional know-how to be optimized.

Training contributes to the strengthening and updating of skills, with emphasis on adapting to new technologies, quality, safety and the integration of newly hired personnel.

A new tool in the development of management skills was introduced: 360° evaluation. This tool allows managers to evaluate themselves, as well as being evaluated by their supervisors, their colleagues and subordinates. During the year 2000, approximately 150 people in the Group were evaluated in this program. □□□



# Human Resources and Communication



## The development of employee shareholding

- The year 2000 was marked by the carrying out of two large-scale operations approved at the Shareholders' General Meeting.

TECHNIP Capital 2000, the employees' shareholding program, was a big success since 57% of the personnel from TECHNIP's nine main centers around the world, i.e. more than 3700 employees, participated.

The total subscription represented 12.8 million euros, with an average subscription of 3,450 euros.

TECHNIP also granted 632,604 stock options, representing 3.97% of its capital, within the framework of an ambitious stock-option program approved by the Board of Directors.

There is a marked increase in the number of beneficiaries, representing 1,100 people, or more than 10% of the Group's employees. The internationalization of the allotments has risen: 56% of the beneficiaries are French and 44% are of other nationalities.

The categories of beneficiaries are broader than previously. Over 80% are first-time beneficiaries, a quarter of whom are technicians or supervisors.

These operations reinforce a sense of belonging to the Group and promote employee involvement by associating them with TECHNIP's development.

## Innovation

During the year 2000, several dozen people from Paris, Lyon, Düsseldorf and Los Angeles met to work as think tanks and come up with proposals to improve working methods in various areas and to create new growth drivers.

These groups accomplished an extremely useful task, which led to important initiatives aimed at reinforcing the Group's competitiveness in various areas.

The "Jacques Franquelin Awards" were created in memory of the manager of TECHNIP TPS, who passed away prematurely in 2000. These awards are intended to encourage and reward those who, following his example, contribute to TECHNIP's





development through their technological innovations, their initiatives or their cooperative efforts that promote synergies in the heart of the Group.

In their first year alone, the awards were very successful since more than 100 candidacies were submitted. Coming from most of TECHNIP's centers around the world, they testify to the creativity and the abundance of initiatives within the Group.

In order to facilitate access to all the new technologies at the beginning of the 3rd millennium, TECHNIP offered its employees in the Group's French companies the possibility of acquiring, under exceptional conditions, a multimedia computer, a laptop computer or a pocket PC for their own personal use or their family's use.

More than 85% of those concerned took advantage of this "Millennium Operation," which was established in the context of a company agreement in conformity with the fiscal and social regime provided by the French financial law of 2001 covering gifts of computers by companies to their employees.



## Communication

TECHNIP's website <http://www.technip.com> was renovated. In addition to a general description of the Group, it includes a section highlighting TECHNIP's technological expertise and main references.


The Investors' section is devoted to financial information and allows online access to stock quotations.

The Careers section describes careers at TECHNIP and allows the browser to learn about job openings and apply directly for a position. More and more recruiting is being done online.

Lastly, the Press and Publications sections provide access to our press releases and main brochures, which can be downloaded.

Internally, the upgrading of our systems (messaging, intranet, document exchange) allows information to be disseminated in real time, speeding up our teams' reaction times and is a tool in improving competitiveness. □





*TECHNIP has recently experienced significant growth and has expanded particularly in the international world by establishing important centers of business and subsidiaries outside France. These developments bring together men and women from a broad variety of backgrounds and challenge them with a range of complex situations.*

*In spite of this diversity, the men and women of TECHNIP should have a common set of references to ensure that their efforts are grounded in the same principles.*

*At the same time, our clients seek assurance that whatever business unit or subsidiary they may work with at TECHNIP, their contacts at TECHNIP will conduct themselves according to a common set of principles.*

*The TECHNIP CODE OF BUSINESS ETHICS sets forth the Core Principles and Principles of Individual Conduct which serve as the basis for our professional activities throughout the world.*

*This Code was approved by the Board of TECHNIP on 8th February 2001.*



# Technip Code of Business Ethics

*Professional excellence and integrity are the fundamental values at TECHNIP.*

*As we work together to build the future, our goal is to achieve the highest level of success for every participant, and particularly for our clients, our shareholders and our employees.*

*Our professional activities are based on CORE PRINCIPLES and PRINCIPLES OF INDIVIDUAL CONDUCT.*

## CORE PRINCIPLES

As an industrial group, we have established the following Core Principles to guide our working relationship with all parties involved:

- Seek to anticipate the needs of our clients and to provide products and services which offer maximum value in terms of price, quality, timing, safety and respect for the environment.
- Offer opportunities for success to all our suppliers, partners and sub-contractors in a spirit of fair competition and mutually rewarding collaboration.
- Conduct our business everywhere in the world with the highest standards of honesty, integrity and fairness.
- Put the men and women of TECHNIP foremost in our strategic development, and create optimal conditions for their personal safety and the full development of their individual potential.
- Communicate pertinent information clearly and openly with our shareholders and the financial community on a timely basis.

## PRINCIPLES OF INDIVIDUAL CONDUCT

In carrying out their professional activities wherever they may be in the world, the men and women of TECHNIP strive to conduct themselves according to our Core Principles, in particular by:

- Setting a priority in every project on quality, health, safety and protection of the environment.
- Taking maximum advantage of the range of skills and experience throughout the Group to improve our competitiveness and the quality of our service to clients.
- Protecting the confidentiality of the information to which their professional activities give access.
- Avoiding all conflicts of interest between their role in the business of the Group and their private interests, particularly in their relations with clients, competitors and suppliers. In this regard, the employees of TECHNIP must refrain from offering or accepting gifts or invitations which are inconsistent with acceptable practices or the law. They must also refrain from investing or acquiring interests in clients, competitors or suppliers without the prior written consent of management.
- Not granting, directly or indirectly, any kind of benefit to any public official for the purpose of obtaining a contract.
- Not using for their personal profit or disclosing to a third party any insider information to which their professional activities may provide access, and in particular not buying or selling, or having bought or sold by a third party, any shares of TECHNIP unless such information has been made public.







# Technip worldwide



<http://www.technip.com>







# Consolidated financial statements

- 3 Consolidated statement of income
- 4 Consolidated balance sheet
- 6 Consolidated statement of cash flows
- 7 Consolidated statement of changes in shareholders' equity
- 8 Notes to the consolidated financial statements
- 26 Statutory auditor's report on consolidated financial statements



# Parent company financial statements

- 28 Summary presentation
- 40 Statutory auditor's report
- 41 Statutory auditor's special report



# Consolidated financial statements

December 31, 2000

# Consolidated financial statements

## 1. Consolidated statements of income

(million euros)

STATEMENT OF INCOME	notes	TECHNIP GROUP		
		2000 (12 months)	1999 (12 months)	1998 (12 months)
REVENUES	5.3	2,972.0	2,782.2	1,846.4
		2,972.0	2,782.2	1,846.4
External costs		(2,313.4)	(2,160.6)	(1,433.6)
Payroll cost	5.4	(459.7)	(438.3)	(263.4)
Depreciation		(16.3)	(22.3)	(11.9)
OPERATING EXPENSES		(2,789.4)	(2,621.2)	(1,708.9)
<b>OPERATING INCOME</b>		<b>182.6</b>	<b>161.0</b>	<b>137.5</b>
FINANCIAL INCOME/ (EXPENSE) EXCLUDING CONTRACTS	5.5	5.8	16.6	21.8
NON OPERATING INCOME	5.6	93.9	(b) 59.8	4.0
EMPLOYEE PROFIT-SHARING (a)		-	-	-
INCOME TAX	5.7	(62.3)	(55.9)	(56.8)
EQUITY IN INCOME OF NON-CONSOLIDATED AFFILIATES	5.8	22.1	0.8	1.1
MINORITY INTERESTS		(1.2)	(0.2)	(0.2)
<b>NET INCOME BEFORE AMORTIZATION OF GOODWILL</b>		<b>240.9</b>	<b>182.1</b>	<b>107.4</b>
GOODWILL AMORTIZATION		(26.7)	(9.5)	(2.0)
<b>NET INCOME</b>		<b>214.2</b>	<b>172.6</b>	<b>105.4</b>

DILUTED EARNINGS PER SHARE ARE PRESENTED IN NOTE 5.9

(a) The "Employee Profit Sharing" costs have been reclassified in "Payroll Cost" (note 5.4 b).

(b) The 1999 non-operating income includes the release of the provision for geopolitical risks, net of tax.

The accompanying notes are an integral part of these financial statements.

# Consolidated financial statements

## 2. Consolidated balance sheets (before net income allocation)

(million euros)

ASSETS	notes	TECHNIP GROUP		
		December 31 2000	December 31 1999	December 31 1998
Intangible assets	5.11	0.4	0.4	-
Goodwill	5.12	591.5	154.4	4.4
Property, plant and equipment	5.13	162.1	172.4	160.0
Other investments and loans	5.14	18.4	98.4	93.5
Equity in non-consolidated affiliates	5.15	278.3	6.2	6.2
<b>TOTAL FIXED ASSETS</b>		<b>1,050.7</b>	<b>431.8</b>	<b>264.1</b>
Work in progress	5.16	4,419.4	3,944.1	2,900.0
Deferred bid costs	5.17	6.7	4.3	6.2
Other		0.4	0.3	0.3
<b>INVENTORIES</b>		<b>4,426.5</b>	<b>3,948.7</b>	<b>2,906.5</b>
<b>Advances to suppliers</b>		<b>108.4</b>	<b>130.2</b>	<b>69.3</b>
Accounts and notes receivable	5.18	587.9	465.4	247.8
Other receivables	5.19	170.0	247.2	142.6
<b>RECEIVABLES</b>		<b>757.9</b>	<b>712.6</b>	<b>390.4</b>
Marketable securities	5.20	186.5	360.8	499.7
Cash		376.6	658.6	361.8
<b>CASH AND MARKETABLE SECURITIES</b>		<b>563.1</b>	<b>1,019.4</b>	<b>861.5</b>
<b>TOTAL ASSETS</b>		<b>6,906.6</b>	<b>6,242.7</b>	<b>4,491.8</b>

The accompanying notes are an integral part of these financial statements.

(million euros)

LIABILITIES AND SHAREHOLDERS' EQUITY	notes	TECHNIP GROUP		
		December 31 2000	December 31 1999	December 31 1998
Common stock	5.21	48.9	48.1	48.1
Retained earnings (parent company)		428.5	290.3	259.4
Retained earnings (subsidiaries)		134.2	124.2	94.2
Cumulative translation adjustment		(59.4)	(1.3)	(5.5)
Net income		214.2	172.6	105.4
<b>GROUP</b>		<b>766.4</b>	<b>633.9</b>	<b>501.6</b>
Minority interests Common stock and retained earnings		2.2	2.1	2.6
Minority interests Net income		1.2	0.2	0.2
<b>MINORITY INTERESTS</b>		<b>3.4</b>	<b>2.3</b>	<b>2.8</b>
<b>Provisions for liabilities and charges</b>	5.23	<b>233.1</b>	<b>269.5</b>	<b>236.5</b>
Financial debt	5.24	196.0	21.8	68.5
Advances received from customers on contracts	5.25	4,896.1	4,580.5	3,226.9
Accounts and notes payable		562.9	530.9	325.1
Other creditors	5.26	248.7	203.8	130.4
<b>LIABILITIES</b>		<b>5,903.7</b>	<b>5,337.0</b>	<b>3,750.9</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>		<b>6 906.6</b>	<b>6 242.7</b>	<b>4 491.8</b>

The accompanying notes are an integral part of these financial statements.



# Consolidated financial statements

## 3. Consolidated statements of cash flows

(million euros)

		2000 (12 months)	1999 (12 months)	1998 (12 months)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net income before minority interests		214.2	172.6	105.4
Minority interests		1.2	0.2	0.2
Depreciation of intangibles, goodwill, property, plant and equipment		43.0 <sup>(h)</sup>	31.8 <sup>(c)</sup>	13.9
Equity in income of non-consolidated affiliates		(22.1) <sup>(i)</sup>	-	0.4
Change in foreign exchange differences		1.1	4.2	(0.7)
Change in provision for geopolitical risks		-	(55.9) <sup>(d)</sup>	3.0
Net result on disposal of fixed assets		(121.3) <sup>(j)</sup>	(4.3)	(7.4)
<b>CASH FLOW FROM OPERATIONS</b>		<b>116.1</b>	<b>148.6</b>	<b>114.8</b>
Change in working capital items				
Inventories		(260.4)	(215.1)	180.4
Advances received from customers		59.2	475.2	(180.7)
Other		(14.1) <sup>(k)</sup>	(125.2)	(68.1)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>A</b>	<b>(99.2)</b>	<b>283.5</b>	<b>46.4</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Capital expenditure (property, plant and equipment)		4.2 <sup>(l)</sup>	(8.4) <sup>(e)</sup>	(7.3) <sup>(a)</sup>
Capital expenditure (intangibles) (m)		-	0.3	-
Change in financial investments		(530.1) <sup>(n)</sup>	(155.1) <sup>(f)</sup>	11.5 <sup>(b)</sup>
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>B</b>	<b>(525.9)</b>	<b>(163.2)</b>	<b>4.2</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Increase (decrease) in short-term debts		173.6 <sup>(o)</sup>	(55.9)	(3.7)
Increase (decrease) in long-term debts		(2.5)	(0.3)	(17.3)
Decrease in minority interests		0.1	(0.6)	(0.8)
Parent company's equity				
- Capital increases		22.3	12.5	10.3
- Capital decreases		-	(19.8)	(75.4)
- Dividends paid		(46.0)	(37.7)	(36.2)
- Acquisition of Technip shares by the parent company		(21.5) <sup>(p)</sup>	-	-
Change in group structure		-	(0.5)	(0.2)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>C</b>	<b>126.0</b>	<b>(102.3)</b>	<b>(123.3)</b>
<b>NET INCOME INCREASE (DECREASE) IN CASH</b>	<b>A+B+C</b>	<b>(499.1)</b>	<b>18.0</b>	<b>(72.7)</b>
CHANGE IN GROUP STRUCTURE		42.8 <sup>(q)</sup>	140.0 <sup>(g)</sup>	-
CASH AT THE BEGINNING OF PERIOD		1,019.4	859.4	932.1
CASH AT END OF PERIOD		563.1	1,017.4	859.4
<b>CASH FLOW</b>				
Cash and marketable securities		563.1	1,019.4	861.5
Short-term credit lines		-	(2.0)	(2.1)
<b>TOTAL</b>		<b>563.1</b>	<b>1,017.4</b>	<b>859.4</b>

(a) corresponds to acquisitions of 10.6 million euros net of disposals of 3.3 million euros.

(b) represents the disposal of Speichim Processing.

(c) including goodwill amortization of 9.5 million euros (KTI/MDEU: 8 million euros).

(d) including the release of the provision for geopolitical risk, net of tax (90 - 33 = 57 million euros).

(e) corresponds to acquisitions of 9.6 million euros less disposals of 1.2 million euros.

(f) includes mainly the acquisition of KTI/MDEU from Mannesmann for 160 million euros, the disposal of Cogema shares for 8.5 million euros.

(g) cash held by the subsidiaries KTI/MDEU at the time of acquisition (DEM 274 million/140 million euros).

(h) including goodwill amortization of 26.7 million euros (KTI/MDEU: 8 million and COFLEXIP: 16.8 million).

(i) mainly equity in the income of Coflexip amounting to 60 million euros, reported as 21 million in equity in income of non-consolidated affiliates and 39 million as non operating income (see notes 5.6 b and 5.15).

(j) mainly the capital gain of 69.9 million euros on the disposal of Cogema shares and the 39 million euros share in equity accounting the non operating income of Coflexip.

(k) including collection of the Mannesmann receivable of 63.4 million euros/DEM 124 million.

(l) corresponds to acquisitions of 14 million euros less disposals of 18.2 million euros, including TP Germany equipment of 12.2 million euros.

(m) research and development costs are fully accounted for as operating costs (note 5.1 m).

(n) represents mainly the acquisition of 29.7% in Coflexip for 659.6 million euros (including 2.9 million euros, of net acquisition costs) and the acquisition of the additional 50% in Krebs Speichim 21.7 million euros, less the disposal of the shareholding in Cogema for 151.6 million euros.

(o) mainly treasury paper issued of 190 million euros at December 31, 2000 (note 5.24).

(p) treasury shares are reported as a deduction from shareholders' equity with effect from 2000. Their value was 37.7 million euros at December 31, 1999 and 59.2 million euros at December 31, 2000 (note 5.1 q).

(q) cash arising mainly from the acquisition of the additional 50% in Krebs Speichim.

## 4. Consolidated statement of changes in shareholders' equity (before allocation of net income - excluding minority interests)

(million euros)

	Stock issued		Paid in surplus	Parent company	Subsidiaries	Cumulative translation adjustment	Treasury shares	Net income	SHAREHOLDERS' EQUITY
	No of shares outstanding	Common stock							
<b>AS OF DECEMBER 31, 1996</b>	<b>16,270,324</b>	<b>49.6</b>	<b>11.4</b>	<b>157.1</b>	<b>122.8</b>	<b>(3.8)</b>	<b>-</b>	<b>81.4</b>	<b>418.5</b>
Increase in common stock	262,225	0.8	10.2						11.0
Allocation of net income 1996				31.3	24.1			(81.4)	(26.0)
Translation adjustment 1997						(1.1)			(1.1)
Changes in group structure					0.4				0.4
Net income 1997								95.6	95.6
<b>AS OF DECEMBER 31, 1997</b>	<b>16,532,549</b>	<b>50.4</b>	<b>21.6</b>	<b>188.4</b>	<b>147.3</b>	<b>(4.9)</b>	<b>-</b>	<b>95.6</b>	<b>498.4</b>
Increase in common stock	221,326	0.7	9.6						10.3
Allocation of net income 1997				112.3	(52.9)			(95.6)	(36.2)
Translation adjustment 1998						(0.7)			(0.7)
Reduction in capital	(977,876)	(3.0)		(72.4)					(75.4)
Changes in group structure					(0.2)				(0.2)
Net income 1998								105.4	105.4
<b>AS OF DECEMBER 31, 1998</b>	<b>15,775,999</b>	<b>48.1</b>	<b>31.2</b>	<b>228.3</b>	<b>94.2</b>	<b>(5.6)</b>	<b>-</b>	<b>105.4</b>	<b>501.6</b>
Increase in common stock	220,815	0.7	11.8						12.5
Allocation of net income 1998				37.1	30.5			(105.4)	(37.8)
Translation adjustment 1999						4.2			4.2
Reduction in capital	(238,277)	(0.7)		(19.0)					(19.7)
Provisions				1.0					1.0
Changes in group structure					(0.5)				(0.5)
Net income 1999								172.6	172.6
<b>AS OF DECEMBER 31, 1999</b>	<b>15,758,537</b>	<b>48.1</b>	<b>43.0</b>	<b>247.4</b>	<b>124.2</b>	<b>(1.4)</b>	<b>-</b>	<b>172.6</b>	<b>633.9</b>
Increase in common stock	270,768	0.8	21.5						22.3
Allocation of net income 1999				116.6	10.0			(172.6)	(46.0)
Translation adjustment 2000						1.2			1.2
Net income 2000								214.2	214.2
Treasury shares (a)							(59.2)		(59.2)
<b>AS OF DECEMBER 31, 2000</b>	<b>16,029,305</b>	<b>48.9</b>	<b>64.5</b>	<b>364.0</b>	<b>134.2</b>	<b>(0.2)</b>	<b>(59.2)</b>	<b>214.2</b>	<b>766.4</b>

(a) In accordance with the note 1.9, the treasury shares are reported as a deduction from shareholders' equity. At 31/12/2000, the number of treasury shares is 617,281 of which 576,607 are allocated to share purchase plans (see note 5.22).



# Consolidated financial statements

## 5. Notes to consolidated financial statements

### 5.1 - Accounting policies

At the end of September 2000, Technip acquired the remaining 50% of Krebs Speichim. This company is fully consolidated from October 1, 2000. The financial impact on the financial statements is presented in note 5.2.b.

#### a) - Summary of accounting policies

The consolidated financial statements of the Technip Group have been prepared in accordance with the French regulations and particularly with the regulation 99.02 of the "Comité de Réglementation Comptable" approved by decree dated June 22, 1999.

#### b) - Consolidation

Subsidiaries controlled by TECHNIP are fully consolidated.

20% to 50% owned companies are carried under the equity method.

Proportional consolidation method is used for affiliates TECHNIP manages jointly with other partners.

#### c) - Translation of foreign subsidiaries' financial statements

The balance sheet is translated at the rates of exchange prevailing at balance sheet dates. The income statement is translated at the average rates of exchange for the period.

Differences arising from changes in exchange rates are reflected as adjustments to "Shareholders' equity".

The main closing and average currency rates used for translation purposes are summarized in the table below:

	31.12.2000		31.12.1999		31.12.1998	
	Closing	Average	Closing	Average	Closing	Average
Euro	6.55957	6.55957	6.55957	6.55957	-	-
Italian Lira (thousand)	3.39	3.39	3.39	3.39	3.39	3.40
Peseta	0.03942	0.03942	0.03942	0.03942	0.03942	0.03952
US Dollar	7.04951	7.10202	6.52953	6.14979	5.6221	5.90698
Escudo	0.03272	0.03272	0.03272	0.03272	0.03272	0.03272
Swiss Franc	4.30644	4.20537	4.08671	4.09640	4.0799	4.07033
Malayan Ringgit	1.85582	1.86777	1.71784	1.61533	1.4795	1.51612
Belgian Franc	0.16261	0.16261	0.16261	0.16261	0.16261	0.1625
Deutsche Mark	3.35386	3.35386	3.35386	3.35386	3.35386	3.35096
Brazilian Real	3.62287	3.87913	3.61748	3.45362	4.6521	5.09732
Chinese Yuan	0.85159	0.85787	0.78859	0.74285	0.6791	0.71215
Sterling pound	10.51045	10.7768	10.55102	9.94913	9.2984	9.80018
Saudi Ryal	1.89277	1.89499	1.74105	1.63881	1.4988	1.57488
Dutch Guilder	2.97661	2.97661	-	-	-	-

#### d) - Intangible assets

Intangible assets are amortized over five years.

Royalties related to micro or large system software are fully accounted for as operating expenses.

#### e) - Initial consolidation difference

Initial consolidation differences which are clearly identified are allocated to the relevant asset items. Their depreciation is computed according to the same principle. Tangible fixed assets are depreciated over their remaining lives. No depreciation is provided for non-depreciable assets such as land or building rights.

Unallocated initial consolidation differences, if significant, are reported as Goodwill and amortized over a period of 5 or 20 years depending on the activity of the company concerned.

#### **f) - Fixed assets**

Fixed assets are carried at cost and are depreciated over their estimated useful lives. Depreciation rates are as follows:

Buildings	2% to 4%
Improv. & Install.	10% to 12.5%
Furniture	10% to 15%
Office equipt.	20%
Transport equipt.	20%
EDP / Mainframe	20%
EDP / PC	20% to 33%

#### **g) - Valuation of work in progress (WIP)**

Costs accumulated in WIP include:

- All costs incurred in relation with contracts, i.e. equipment and material purchases, subcontracted services, man-hours and miscellaneous services;
- The hourly rates of the personnel directly assigned to the contract include an overhead factor covering all operating expenses except for selling, research and development expenses and underactivity costs.

Interest expenses are not included in work in progress.

#### **h) - Long-term contracts: margin recognition**

The percentage of completion method is applied for long term contracts which are significant in terms of turnover as well as expected profit, when a sufficient level of completion is reached. Under this method and until completion, the related costs are recognized when incurred and transferred to Work in Progress, and the net margin recognized in profit is recorded as a receivable.

Full allowance is made for foreseeable losses in the case of unprofitable long-term contracts.

At completion, provisions are made as necessary to cover pending contingencies and expenses.

#### **i) - Deferred bid costs**

If directly attributable to a future contract, the signature of which can be reasonably expected, pre-award costs are recognized as inventories and transferred to Work in Progress upon final contract award.

This amount is written down in relation to the probability of success.

#### **j) - Receivables**

Receivables are valued at their nominal value. A provision is recorded as soon as the debtor is likely not to pay.

#### **k) - Marketable securities**

Marketable securities are valued at their market value at closing date.

#### **l) - Provisions for liabilities and charges**

Provisions for liabilities and charges are based on the management's assessment of risk incurred using the best available information.

- Foreseeable losses on contracts. Full allowance is made for foreseeable losses in the case of unprofitable long-term contracts.
- Contingencies related to contracts. This provision concerns litigation on contracts.
- Geopolitical risks. Previously a provision for geopolitical risk was computed each year using various risk assessments and the remaining works on contracts in progress.

This provision has never been used and no significant changes affected it during the last years.

In 1999, this provision was no longer justified because of:

- the diversification of the risks relating to foreign countries and customers,
- the growth of Technip Group and its robust financial structure,
- the reallocation of risks with joint venture partners especially after the acquisition of KTI/MDEU,
- the operational and legal reorganization of the Group with the establishment of an holding company,

as a result, the geopolitical provision was released in 1999.

Provisions for liabilities and charges are now in accordance with the statements of international accounting standards.

- Expenses to complete contracts. At the time of sale of a contract, pending charges and works to be performed to reach the final acceptance are accounted for as "Expenses to complete contracts".
- Provision for retirement indemnities. They include:
  - retirement 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 pension.

The actuarial estimation is based on usual parameters such as future wage and salary increases, life expectancy, turnover of staff, rate of return on investment.

- Restructuring expenses. As soon as a restructuring action is decided, it is planned and costed. The total cost is fully accounted in the year the decision is made.

#### **m) - Research and Development costs**

Research and Development costs incurred during the year are fully accounted for as operating expenses, unless the technical feasibility of the project or its economic return can be clearly demonstrated.



# Consolidated financial statements

## 5. Notes to consolidated financial statements

### n) - Financial result

Financial income arising from contracts is included in turnover.  
Only the financial result not allocated to contracts is included within this category.

### o) - Deferred tax

Deferred taxes are provided on items recognized in different periods for financial reporting and tax purposes following the liability method, under which deferred taxes are computed by utilizing the rate expected to be in effect when the tax becomes payable.

If the balance leads to a deferred taxation charge, it is accounted for as a liability. If such balance is an asset likely to be offset against future taxable income, it is accounted for as a receivable.

### p) - Diluted earnings per share

Diluted earnings per share is computed on a number of shares representing the number of shares outstanding at the closing date, as well as the number of stock options allocated.

### q) - Treasury shares

From December 31, 2000, they are presented as a deduction from the shareholders' equity.

### r) - Presentation of the consolidated financial statements in euros

The information provided in euros concerning the financial statements as at December 31, 2000, December 31, 1999 and December 31, 1998 is expressed on the basis of the fixed exchange rate applicable since January 1, 1999.

## 5.2 - Changes in the Group structure

### a) - Evolution

As of December 31, 2000, 46 companies are included in TECHNIP Group's consolidated financial statements, as shown in the attached organization chart.

The table below presents an analysis of the changes in the group structure for 2000, 1999, and 1998:

Number of companies	2000	1999	1998
Parent company and fully consolidated subsidiaries	39	36	27
Companies accounted for under the equity method	2	1	2
Joint ventures accounted for under proportional consolidation method	5	4	4
	<b>46</b>	<b>41</b>	<b>33</b>

The changes for 2000 are:

- the purchase of a 29,7 % stake in Coflexip on April 19, 2000, from Stena Offshore. From this date, the Coflexip Group is accounted under the equity method.
- the creation of the joint venture in charge of the Amenam contract. This entity is consolidated under the proportional method.
- the incorporation of Dit Harris, TP Singapour, IG and KTI India. These companies are fully consolidated.
- the incorporation of TP India, which is consolidated under the proportional method.
- the merger of TP Americas with TP Inc.
- the sale of KTI Belgium in November 2000.
- the purchase of the remaining 50% in Krebs Speichim at the end of September. From October 1, 2000, this company is fully consolidated whereas from January 1, 2000 to September 30, 2000 it was accounted under the proportional method.

### b) - Effects on the consolidated financial statements of the purchase of the remaining 50% stake in Krebs Speichim

Impact on the balance sheet items of the purchase of 50% of Krebs Speichim and its subsidiaries

(million euros)

ASSETS		LIABILITIES AND SHAREHOLDERS' EQUITY	
Fixed assets	3	Net income	3
Inventories	125	Accrued liabilities	5
Receivables	20	Advances received from customers on contracts	144
Cash and marketable securities	33	Accounts and notes payables + other liabilities	20
		Inter company accounts	9
	<b>181</b>		<b>181</b>



# Consolidated financial statements

## 5. Notes to consolidated financial statements

### 5.3 - Revenues by geographic areas and by business segments

#### a) - Revenues

Revenues represent the period's production valued at selling price. According to note 1.n, financial income on contracts is included in revenues.

#### Analysis by geographical area

REVENUES	31.12.2000		31.12.1999		31.12.1998	
Europe	576.6	19 %	725.5	26 %	534.5	29 %
Russia - Central Asia	140.4	5 %	197.4	7 %	107.6	6 %
Africa	474.5	16 %	635.9	23 %	429.6	23 %
Middle East	973.8	33 %	660.9	24 %	472.6	26 %
Far East	352.2	12 %	224.9	8 %	172.6	9 %
Americas	454.5	15 %	337.6	12 %	129.5	7 %
<b>MILLION EUROS</b>	<b>2,972.0</b>		<b>2,782.2</b> <sup>(a)</sup>		<b>1,846.4</b>	
<b>INCREASE</b>		<b>+ 7 %</b>		<b>+ 51 %</b>		<b>+ 2 %</b>

(a) Includes the impact of the acquisition of KTI/MDEU.

#### Analysis by business segment

REVENUES	31.12.2000		31.12.1999		31.12.1998	
Production	885.0	30 %	589.7	21 %	433.8	23 %
Refining	845.7	28 %	1 102.8	40 %	790.7	43 %
Petrochemicals	690.2	23 %	485.2	17 %	327.8	18 %
Industries	551.1	19 %	604.5	22 %	294.1	16 %
<b>MILLION EUROS</b>	<b>2,972.0</b>		<b>2,782.2</b>		<b>1,846.4</b>	

#### b) - Backlog

The backlog is defined as the value of uncompleted parts of contracts in force.

#### Analysis by geographical area

BACKLOG	31.12.2000		31.12.1999		31.12.1998	
Europe	436.5	13 %	478.1	14 %	335.1	12 %
Russia - Central Asia	152.1	4 %	222.1	6 %	139.6	5 %
Africa	503.4	15 %	710.5	20 %	754.0	27 %
Middle East	1,254.0	37 %	1,317.3	38 %	977.5	35 %
Far East	728.2	21 %	405.1	12 %	279.3	10 %
Americas	335.8	10 %	335.1	10 %	307.4	11 %
<b>MILLION EUROS</b>	<b>3,410.0</b>		<b>3,468.2</b>		<b>2,792.9</b>	
<b>INCREASE/(DECREASE)</b>		<b>- 0.2 %</b>		<b>+ 24 %</b>		<b>+ 12 %</b>

### Analysis by business segment

BACKLOG	31.12.2000		31.12.1999		31.12.1998	
	Value	%	Value	%	Value	%
Production	1,310.4	38 %	815.1	24 %	670.3	24 %
Refining	567.1	17 %	1,220.1	35 %	1,424.3	51 %
Petrochemicals	1,100.4	32 %	1,086.6	31 %	544.7	20 %
Industries	432.1	13 %	346.4	10 %	153.6	5 %
<b>MILLION EUROS</b>	<b>3,410.0</b>		<b>3,468.2</b>		<b>2,792.9</b>	

## 5.4 - Staff information

	31.12.2000	31.12.1999	31.12.1998
<b>PERSONNEL EXPENSES</b>			
Salaries and wages, including employment taxes	454.5 <sup>(a)</sup>	435.8	258.0
Employee profit-sharing (b)	5.2	2.5	5.4
	<b>459.7</b>	<b>438.3</b>	<b>263.4</b>
<b>EMPLOYEES (PERIOD AVERAGE)</b>			
EMPLOYEES			
Staff of Parent Company and consolidated subsidiaries	7,542	7,442 <sup>(c)</sup>	4,542
Other	712 <sup>(d)</sup>	895 <sup>(c)</sup>	709
EXTERNAL STAFF at Technip's disposal added to its working teams	1,546	1,372 <sup>(c)</sup>	1,169
<b>EMPLOYEES (PERIOD AVERAGE)</b>	<b>9,800</b>	<b>9,709</b>	<b>6,420</b>

(a) the average growth of payroll costs per employee between 1999 and 2000 amounted roughly to 3%.

(b) the item "Employee profit-sharing" that was previously presented on a separate line on the face of the consolidated income statement is from now on directly included in the item "Payroll costs".

(c) increase due to the acquisition of KTI/MDEU companies.

(d) the decrease is mainly due to the reclassification of DIT Harris' employees from the line "other" to the line "staff of parent company and consolidated subsidiaries" because of the full consolidation of DIT Harris from January 1, 2000.



# Consolidated financial statements

## 5. Notes to consolidated financial statements

### 5.5 - Financial income excluding contracts

According to note 5.1.n, this does not include financial income on contracts.

	31.12.2000	31.12.1999	31.12.1998
Dividends from non-consolidated affiliates (a)	4.7	4.3	3.0
Net interest income/(expense), excluding contracts (b)	(0.4)	12.6	18.7
Change to provisions and losses related to affiliates not included in group structure	1.5	(0.3)	0.1
<b>TOTAL IN MILLIONS OF EUROS</b>	<b>5.8</b>	<b>16.6</b>	<b>21.8</b>

(a) dividends received from Cogema (in million euros): 2.9 in 2000; 3.1 in 1999; 2.7 in 1998.

(b) includes the interest expense of 7.3 million euros relating to the "credit facility" line borrowed from a bank pool as well as the interest expense of 1 million euros relating to the commercial paper issued as a successor. Both short-term financial instruments were used to facilitate the purchase of a stake of 29.7% in Coflexip.

### 5.6 - Non operating income/(expense)

The item "non operating income/(expense)" as of 31/12/00 is mainly composed of the capital gain on the sale of Cogema shares and of the share of Technip in the capital gain made by Coflexip on the sale of Cal Dive shares.

	31.12.2000	31.12.1999	31.12.1998
Gain on sales of consolidated investments	1.1	0.5	7.8
Gain on sales of non-consolidated investments	69.9 <sup>(a)</sup>	3.9	-
Restructuring costs	(4.9)	(1.0)	(2.3)
Share in the capital gain made by Coflexip on the sale of Cal Dive shares	39.0 <sup>(b)</sup>	-	-
Release of the provision for geopolitical risk net of tax	-	57.0 <sup>(d)</sup>	-
Other	(11.2) <sup>(c)</sup>	(0.6)	(1.5)
<b>NON OPERATING INCOME / (EXPENSE) IN MILLION EUROS</b>	<b>93.9</b>	<b>59.8</b>	<b>4.0</b>

(a) corresponds to the capital gain on disposal of the Cogema shares for 151.6 million euros. The carrying value of these shares was 81.7 million euros.

(b) corresponds to the Technip's share in the capital gain made by Coflexip (consolidated under the equity method) on the sale of Cal Dive shares (see note 5.8).

(c) includes the capital gain on sales of fixed assets as well as miscellaneous exceptional costs.

(d) this amount is composed of the reversal of the geopolitical risk accrual for 89.9 million euros, less its related tax effect of 32.9 million euros.

### 5.7 - Income tax

The principles described in note 1.o result in the following:

#### Analysis of income tax provision

	31.12.2000	31.12.1999	31.12.1998
Current income tax	56.9	50.8	54.9
Deferred income tax (excluding deferred income tax on reversal of geopolitical risk)	5.4	4.5	-
Tax on the social net gain on sales	-	0.6	1.9
Deferred income tax on reversal of geopolitical risk (a)	-	PM	-
<b>TOTAL IN MILLIONS OF EUROS</b>	<b>62.3</b>	<b>55.9</b>	<b>56.8</b>

(a) directly charged to the reversal of geopolitical risk (note 5.6 d).

## Reconciliation between the provision for income tax and the taxable basis

	31.12.2000	31.12.1999	31.12.1998
Net income	214.2	172.6	105.4
Minority interests	1.2	0.2	0.2
Income tax	62.3	55.9	56.8
Gain on sales	(70.7)	(3.3)	(7.8)
Equity in income of non-consolidated affiliates	(22.1)	(0.7)	(1.1)
Amortization of goodwill	26.7	9.5	2.0
Other (a)	(39.0)	(57)	-
<b>Taxable basis in million euros</b>	<b>172.6</b>	<b>177.2</b>	<b>155.5</b>
French income tax rate (b)	36.66 %	36.66 %	36.66 %
Theoretical income tax	63.3	65.0	57.0
Extraordinary tax (c)	-	2.9	4.7
Social contribution on profits	0.7	-	-
Difference between French and foreign tax rates	3.6	2.2	0.9
Permanent differences	0.4	(8.8)	(2.9)
Other	(5.7)	(6.0)	(4.8)
<b>Total income tax</b>	<b>62.3</b>	<b>55.3</b>	<b>54.9</b>
Effective tax rate	36.1 % <sup>(d)</sup>	33 %	35.3 %

(a) other 31/12/99: this is the release of the provision for geopolitical risk, net of tax (see note 5.7.a.)  
other 31/12/00: this is the group's share in the exceptional income of Coflexip (see note 5.6.b).

(b) the French income tax rate includes the additional 10% burden.

(c) this temporary additional burden that amounted to 15% in 1998 and to 10% in 1999 was removed in 2000.

(d) the change in the effective tax rate between 1999 and 2000 mainly arises from the increase of the share of taxable profits realized by Italy where the income tax rate is much higher than the average of the Group.

## Deferred tax assets and liabilities

	31.12.2000	31.12.1999	31.12.1998
Deferred tax assets			
Gross	21.6	18.5	54.1
Write-down	Nil	Nil	Nil
	21.6	18.5	54.1
Deferred tax liabilities	(15.4)	(2.6)	(11.0)
<b>NET DEFERRED TAX ASSET</b>	<b>6.2</b>	<b>15.9</b>	<b>43.1</b>

Deferred tax assets exclusively consist of non deductible provisions and tax losses that are likely to be utilised.  
Deferred tax liabilities relate to revenues that will be subject to taxation in the future.

## 5.8 - Equity in income of non-consolidated affiliates

This item is mainly composed of Technip's 29.7% share in Coflexip's recurrent profits.

The Technip's share in Coflexip net income of 60 million euros has been split in two different items:

- the share in the capital gain on sale of Cal Dive shares, that amounts to 39 million euros has been classified in "non operating income",
- the remaining 21 million euros have been reported as "equity in income of non-consolidated affiliates".

# Consolidated financial statements

## 5. Notes to consolidated financial statements

### 5.9 - Diluted earnings per share

Diluted earnings per share have been computed in compliance with note 5.1.p.

	31.12.2000	31.12.1999	31.12.1998
Group net income (in millions)	214.2	172.6	105.4
Number of shares (in thousands)	16,665	16,051	16,192
<b>DILUTED EARNINGS PER SHARE (IN EUROS)</b>	<b>12.85</b>	<b>10.75</b>	<b>6.51</b>
<b>INCREASE</b>	<b>+ 19.5 %</b>	<b>+ 65.1 %</b>	<b>+ 16.3 %</b>

### 5.10 - Payments made to the management committees

As for 2000, the total payments made to the 35 executive managers of the Group (members of the Group Executive Committee, the Group Directorate Committee and the Group Engineering-Construction Co-ordination Committee) amounted to 5.2 million euros.

### 5.11 - Intangible assets

Intangible assets are amortized over 5 years (note 5.1.d).

	31.12.2000	31.12.1999	31.12.1998
Gross	4.6	3.2	2.7
Amortization	(4.2)	(2.8)	(2.7)
<b>NET, IN MILLION EUROS</b>	<b>0.4</b>	<b>0.4</b>	<b>0.0</b>

### 5.12 - Goodwill

The initial consolidation difference arising on a new acquisition is the difference between the cost of acquisition and the share acquired in the restated shareholders' equity. It is amortized over a period depending on the activity of the company acquired (note 5.1.e).

The increase in 1999 is due to the acquisition of KTI/MDEU companies from Mannesmann with goodwill of DEM 312 million or 160 million euros amortized over 20 years, with an annual charge of 8 million euros.

The increase in net goodwill between 1999 and 2000 mainly arises from the following events:

- the acquisition of a 29.7% stake in Coflexip has generated a gross goodwill of 447.3 million euros which is amortized over a twenty years period. On a yearly basis, the charge will be 22.4 million euros, reduced to 16.8 million euros for 2000.
- the purchase of the remaining 50% of Krebs Speichim in September 2000 generated a gross goodwill of 12.6 million euros amortized over twenty years. On a yearly basis, the charge will be 0.63 million euros, reduced to 0.2 million euros for 2000.

	31.12.2000	31.12.1999	31.12.1998
Gross	636.8	173.0	18.1
Amortization	(45.3)	(18.6)	(13.7)
<b>NET, IN MILLION EUROS</b>	<b>591.5 <sup>(a)</sup></b>	<b>154.4</b>	<b>4.4</b>

(a) including KTI/MDEU: 143.6 millions of Euros  
including CSO: 430.5 millions of Euros  
including KSP: 12.4 millions of Euros

586.5 millions of Euros

## 5.13 - Fixed assets

This includes lands and buildings mainly used for administrative purposes (parent company's and subsidiaries' headquarters), and fittings, office equipment and furniture, computer equipment, all accounted for as "other fixed assets" (note 5.1.f).

	31.12.2000	31.12.1999	31.12.1998
<b>LAND AND BUILDINGS</b>			
Gross	163.4	166.0	160.4
Depreciation	(33.8)	(33.1)	(26.8)
<b>NET, IN MILLION EUROS</b>	<b>129.6</b>	<b>132.9</b>	<b>133.6</b>
<b>OTHER FIXED ASSETS</b>			
Gross	136.3	143.7	76.2
Depreciation	(103.8)	(104.2)	(49.8)
<b>NET, IN MILLION EUROS</b>	<b>32.5</b>	<b>39.5</b>	<b>26.4</b>
<b>TOTAL NET, IN MILLION EUROS</b>	<b>162.1</b>	<b>172.4</b>	<b>160.0</b>

## 5.14 - Other investments and loans

	31.12.2000	31.12.1999	31.12.1998
<b>NON CONSOLIDATED INVESTMENTS (A)</b>			
Portfolio valued at historical cost	12.9	96.3	93.3
Provision for write down	(4.6)	(6.1)	(4.1)
<b>NET VALUE IN MILLION EUROS</b>	<b>8.3</b>	<b>90.2</b>	<b>89.2</b>
<b>RECEIVABLES RELATED TO INVESTMENTS</b>			
Initial value	2.1	2.0	0.2
Provision for write down	(1.9)	(1.8)	(0.2)
<b>NET VALUE IN MILLION EUROS</b>	<b>0.2</b>	<b>0.2</b>	<b>0.0</b>
<b>OTHER INVESTMENTS</b>			
Initial value	1.0	-	-
Provision for write down	(0.1)	-	-
<b>NET VALUE IN MILLION EUROS</b>	<b>0.9</b>	<b>0.0</b>	<b>0.0</b>
<b>LOANS</b>			
<b>NET VALUE IN MILLION EUROS</b>	<b>4.4</b>	<b>3.2</b>	<b>0.3</b>
<b>OTHER MONETARY ASSETS</b>			
Security deposits	2.4	1.7	2.0
Other	2.2	3.1	2.0
<b>NET VALUE IN MILLION EUROS</b>	<b>4.6</b>	<b>4.8</b>	<b>4.0</b>
<b>TOTAL NET VALUE IN MILLION EUROS</b>	<b>18.4</b>	<b>98.4</b>	<b>93.5</b>

# Consolidated financial statements

## 5. Notes to consolidated financial statements

### a) Non consolidated investments breakdown

	31.12.2000		31.12.1999	31.12.1998
	Brut	Net	Net	Net
NPL RINTEKNO Finland	1.0	1.0	0.9	0.9
TECHNIPETROL AG	1.4	1.4	1.4	-
PETROLINVEST Bosnia	0.6	0.1	0.1	-
GUIGUES S.A. France	0.1	0.1	0.1	0.1
COGEMA France <sup>(a)</sup>	-	-	81.7	86.3
TPS PEYRARD France	-	-	-	0.5
DIT HARRIS Venezuela (consolidated in 2000)	-	-	2.5	-
INTEMA Italia	2.8	-	-	-
POLLUTION SERVICE France (sold in 2000)	-	-	0.4	0.4
TP MIDDLE EAST Dubaï (created in 2000)	0.3	0.3	-	-
SPIRONEFF France	0.3	-	-	-
LLC USA	0.1	0.1	-	-
Other	6.3	5.3	3.1	1.0
<b>IN MILLION EUROS</b>	<b>12.9</b>	<b>8.3</b>	<b>90.2</b>	<b>89.2</b>

(a) concerns Cogema's capital increase subscribed by Technip (3.5% of capital) paid for by the SGN securities' transfer in 1997. In 1999, the investment was reduced after a partial purchase of shares. In 2000, the remaining shares in Cogema were sold.

These investments are not quoted. They are valued at the lower of their restated shareholders' equity and their historical acquisition cost.

### 5.15 - Equity in non-consolidated affiliates

The valuation of equity in non-consolidated affiliates is based on the restated shareholders' equity of each affiliate.

	31.12.2000	31.12.1999	31.12.1998
Historical cost	213.8	2.7	3.3
Portfolio restatement	-	-	-
Equity income (a)	61.1 <sup>(a)</sup>	0.7	1.1
Investment	3.4	2.8	1.8
<b>RESTATED PORTFOLIO IN MILLION EUROS</b>	<b>278.3</b>	<b>6.2</b>	<b>6.2</b>

(a) the share arising from Coflexip amounts to 60 million euros.

The increase of the item "historical cost" between 1999 and 2000 is mainly due to the acquisition of a 29.7% stake in Coflexip for a total purchase price of 659.6 million euros. This amount includes the costs of 2.9 million euros (net of tax) directly attributable to the acquisition of this 29.7% stake. The goodwill arising from this acquisition amounts to 447.3 million euros and is recorded in "goodwill" (note 5.12).

The main financial data concerning Coflexip are as follows:

- Revenues as of 31/12/2000 = 1 065 million euros
- Group net income as of 31/12/2000 = 223 million euros

At December 31, 2000, the in-house staff of the Coflexip Group amounted to 4 162 employees.

Technip's share in Coflexip net income, amounting to 60 million euros, has been split in two different items:

- the share in the capital gain on sale of Cal Dive shares, that amounts to 39 million euros, classified in "non operating income",
- the remaining 21 million euros reported as "equity in income of non-consolidated affiliates".

## 5.16 - Work in progress

Work in progress represents the aggregate of current contracts (turnkey, FOB and lumpsum services contracts).

Valued at cost price as stated in note 5.1.g to the accounting principles, it includes all purchases incorporated in construction work in progress as well as man-hour costs.

	31.12.2000	31.12.1999	31.12.1998
Cost price	4,504.7	4,101.2	2,922.4
Provisions	(85.3)	(157.1)	(22.4)
<b>NET VALUE IN MILLION EUROS</b>	<b>4 419.4</b>	<b>3 944.1</b>	<b>2 900.0</b>

Work in progress is financed by advances received from customers on contracts, which are reported as liabilities on the balance sheet (see note 25).

## 5.17 - Deferred bid costs

They include pre-award costs directly attributable to a contract which is reasonably expected to be obtained.

This amount is written down in relation to the probability of success (note 5.1.i).

	31.12.2000	31.12.1999	31.12.1998
Cost price	26.6	20.9	19.1
Provisions	(19.9)	(16.6)	(12.9)
<b>NET VALUE IN MILLION EUROS</b>	<b>6.7</b>	<b>4.3</b>	<b>6.2</b>

## 5.18 - Accounts and notes receivable

Receivables related to contracts as well as margins recognized according to percentage completed (in compliance with note 5.1.h to the accounting principles) are accounted for as 'accounts and notes receivable'.

Non overdue billings related to contracts in progress are deducted from 'advances received from customers on contracts, which are reported as liabilities on the balance sheet (see note 5.25).

	31.12.2000	31.12.1999	31.12.1998
Accounts and notes receivable	622.9	508.8	274.5
Provision	(35.0)	(43.4)	(26.7)
<b>NET VALUE IN MILLION EUROS</b>	<b>587.9</b>	<b>465.4</b>	<b>247.8</b>

# Consolidated financial statements

## 5. Notes to consolidated financial statements

### 5.19 - Other receivables

	31.12.2000		31.12.1999	31.12.1998
	Gross	Net	Net	Net
Taxes				
Deferred tax (note 5.7)	21.6	21.6	15.9	43.1
Prepaid income tax	11.0	11.0	5.4	0.8
VAT	29.8	29.8	33.6	23.1
Other	31.8	31.8	13.3	7.0
Insurance indemnities	0.8	0.8	-	0.6
Advances to non-consolidated affiliates	10.1	6.2	0.7	7.8
Joint venture associates	10.7	8.1	14.0	3.1
Prepaid expenses	15.7	15.7	6.0	8.0
Treasury shares	- (b)	- (b)	37.7	17.5
Receivable from Mannesmann (price adjustment)	-	-	63.4 (a)	-
Other	61.9	45	57.2	31.6
<b>IN MILLION EUROS</b>	<b>193.4</b>	<b>170.0</b>	<b>247.2</b>	<b>142.6</b>

(a) corresponds to the DEM 124 million reduction in the acquisition price of KTI/MDEU paid in February 2000.

(b) as at 31/12/00, the number of treasury shares is 617,281 for a total amount of 59.2 million euros. From 31/12/00, these treasury shares are reported as a deduction from the shareholders' equity (note 5.1.q.).

### 5.20 - Marketable securities

According to note 5.1.k, mutual funds are valued at their market price. Detail of realized gains is as follows:

	31.12.2000	31.12.1999	31.12.1998
Historical cost	186.1	351.7	489.6
Realized gains	0.4	9.1	10.1
<b>MARKET VALUE IN MILLION EUROS</b>	<b>186.5</b>	<b>360.8</b>	<b>499.7</b>

## 5.21 - Parent company's common stock

### Parent company's common stock breakdown and changes

As of December 31, 2000 TECHNIP's common stock comprised 16,029,305 shares outstanding of FRF 20 par value. The changes from 1995 can be analysed as follows:

		No. of shares outstanding	CAPITAL million euros
Common stock as of December 31, 1995		15,877,705	48.4
1996 increase	(a)	261,085	1.2
Subscription to equity issue	(b)	131,534	
Common stock as of December 31, 1996		16,270,324	49.6
1997 increase	(a)	146,560	0.8
Subscription to equity issue	(b)	115,665	
Common stock as of December 31, 1997		16,532,549	50.4
1998 increase	(a)	128,190	0.7
Subscription to equity issue	(b)	93,136	
Decrease in capital	(c)	(977,876)	(3.0)
Common stock as of December 31, 1998		15,775,999	48.1
1999 increase	(a)	124,140	0.7
Subscription to equity issue	(b)	96,675	
Decrease in capital	(c)	(238,277)	(0.7)
Common stock as of December 31, 1999		15,758,537	48.1
2000 increase	(a)	143,840	0.8
Subscription to equity issue	(b)	126,928	
Common stock as of December 31, 2000	(d)	16,029,305	48.9

(a) this increase results from stock options exercised.

(b) this increase results from a new equity issue reserved for Group employees.

(c) decrease in capital by cancellation of shares.

(d) includes 617,281 treasury shares among which 576,607 are dedicated to share purchase plans.

### Analysis and movements

	31.12.2000	31.12.1999	31.12.1998
ISIS	11.3 %	12.1 %	13.3 %
Gaz de France	10.6 %	11.1 %	11.6 %
TOTAL FINA ELF Group	6.2 %	6.4 %	9.5 %
Employees	3.5 %	3.0 %	65.6 %
Treasury shares	3.9 %	2.9 %	
Other (a)	64.5 %	64.5 %	
	100 %	100 %	100 %

(a) French market, French and international institutional investors.



# Consolidated financial statements

## 5. Notes to consolidated financial statements

### 5.22 - Stock option plans

The stock option plan (1996), was authorized by the shareholders' meeting held on May 16, 1996 and implemented progressively by the Board of Directors on March 14, 1996 and March 13, 1997.

The stock option plan (1998), was authorized by the shareholders' meeting held on April 30, 1998, and implemented by the Board of Directors on April 30, 1998. It takes the place of the last allocation of the 1996 plan for the remaining options and uses the shares acquired by Technip. It is an eight-year plan.

The stock option plan (1999) was authorized by the shareholders' meeting held on April 30, 1999 and implemented by the Board of Directors on April 30, 1999. This is an eight-year plan.

The eight-year stock option plan (2000) was authorized by the shareholders' meeting held on April 28, 2000 and implemented by the Board of Directories on December 14, 2000.

	NUMBER OF OPTIONS						Total
	1993 Plan	1996/1998 Plan			1999/2001 Plan		
	3rd alloc. 1995 (a)	1st alloc. 1996 (b)	2nd alloc. 1997 (c)	3rd alloc. 1998 (d)	1st alloc. 1999 (e)	2nd alloc. 2000 (f)	
<b>OPTIONS ALLOCATED AS OF 31.12.96</b>	<b>137,925</b>	<b>158,342</b>	-	-	-	-	<b>296,267</b>
Exercised options	(37,810)	-	-	-	-	-	(37,810)
Cancelled options	(900)	-	-	-	-	-	(900)
Allocated options	-	-	178,973	-	-	-	178,973
<b>OPTIONS ALLOCATED AS OF 31.12.97</b>	<b>99,215</b>	<b>158,342</b>	<b>178,973</b>	-	-	-	<b>436,530</b>
Exercised options	(19,100)	(1,000)	-	-	-	-	(20,100)
Cancelled options	-	-	-	-	-	-	-
Allocated options	-	-	-	138,711	-	-	138,711
<b>OPTIONS ALLOCATED AS OF 31.12.98</b>	<b>80,115</b>	<b>157,342</b>	<b>178,973</b>	<b>138,711</b>	-	-	<b>555,141</b>
Exercised options	(73,390)	(39,350)	(11,400)	-	-	-	(124,140)
Cancelled options	-	-	-	-	-	-	-
Allocated options	-	-	-	-	315,520	-	315,520
<b>OPTIONS ALLOCATED AS OF 31.12.99</b>	<b>6,725</b>	<b>117,992</b>	<b>167,573</b>	<b>138,711</b>	<b>315,520</b>	-	<b>746,521</b>
Exercised options	(6,725)	(105,692)	(31,423)	(1,400)	(2,200)	-	(147,440)
Cancelled options	-	(400)	(5,800)	(5,700)	(7,900)	-	(19,800)
Allocated options	-	-	-	-	-	139,576	139,576
Allocated options (subscription plan)	-	-	-	-	-	493,028	493,028
<b>OPTIONS ALLOCATED AS OF 31.12.00</b>	<b>0</b>	<b>11,900</b>	<b>130,350</b>	<b>131,611</b>	<b>305,420</b>	<b>632,604</b>	<b>1,211,885</b>
Treasury shares allocated to share purchase plans							(576,607)
							<b>635,278</b>
Plan expiry date	13.02.2000	14.03.2001	13.03.2002	30.04.2006	30.04.2007	14.12.2008	

(a) these options may be exercised within 2 years and 6 months starting February 13, 1995.

(b) these options may be exercised within 2 years and 6 months starting March 14, 1996.

(c) these options may be exercised within 2 years and 6 months starting March 13, 1997.

(d) these options may be exercised within 5 years starting April 30, 1998.

(e) these options may be exercised within 5 years starting April 30, 1999.

(f) these options may be exercised within 3 years starting December 14, 2000.

## 5.23 - Provisions for liabilities and charges

The principles on which provisions are estimated are described in note 5.1.1 to the accounting principles.

	31.12.2000	CHANGES IN 2000			31.12.1999	CHANGES IN 1999			31.12.1998	CHANGES IN 1998	
		Charges	Release	Krebs		Charges	Release	KTI/MDEU		Charges	Release
<b>Liabilities</b>											
Foreseeable losses on contracts	6.2	4.0	(41.9)	1.1	43.0	0.6	(0.2)	41.9	0.7	-	(6.8)
Contingencies related to contracts	33.4	23.3	(23.4)	1.0	32.5	16.7	(40.6)	5.5	50.9	2.5	(20.3)
Geopolitical risks (a)	0.0	-	-	-	0.0	-	(89.9)	-	89.9	55.5	(52.4)
Other	6.6	4.0	(0.5)	0.2	2.9	0.8	(1.9)	-	4.0	2.2	(3.2)
	<b>46.2</b>	<b>31.3</b>	<b>(65.8)</b>	<b>2.3</b>	<b>78.4</b>	<b>18.1</b>	<b>(132.6)</b>	<b>47.4</b>	<b>145.5</b>	<b>60.2</b>	<b>(82.7)</b>
<b>Charges</b>											
Expenses to complete contracts	71.2	48.1	(52.3)	1.4	74.0	22.3	(14.5)	42.6	23.6	9.3	(55)
Provision for retirement indemnities (b)	65.8	6.8	(3.1)	1.0	61.1	2.4	(2.3)	37.2	23.8	3.1	-
Miscellaneous expenses	35.4	4.4	(4.4)	-	35.4	6.5	(6.5)	-	35.4	20.1	(18.3)
Restructuring costs KTI/MDEU (c)	9.7	7.3	(12.5)	-	14.9	-	(9.6)	24.5	-	-	-
Other	4.8	1.8	(3.0)	0.3	5.7	1.7	(4.7)	0.5	8.2	4.1	(3.8)
	<b>186.9</b>	<b>68.4</b>	<b>(75.3)</b>	<b>2.7</b>	<b>191.1</b>	<b>32.9</b>	<b>(37.6)</b>	<b>104.8</b>	<b>91.0</b>	<b>36.6</b>	<b>(77.1)</b>
<b>IN MILLIONS OF EUROS</b>	<b>233.1</b>	<b>99.7</b>	<b>(141.1)</b>	<b>5.0</b>	<b>269.5</b>	<b>51.0</b>	<b>(170.2)</b>	<b>152.2</b>	<b>236.5</b>	<b>96.8</b>	<b>(159.8)</b>

(a) the changes in these provisions impact the non operating income (see note 5.6).

(b) net change, including the change in exchange rates.

(c) correspond to DEM 48 million.

## 5.24 - Financial debt

	31.12.2000	31.12.1999	31.12.1998
Medium and Long-term debt	-	2.5	0.3
Short term debt	196	17.3	66.1
Bank overdrafts	-	2.0	2.1
<b>IN MILLION EUROS</b>	<b>196.0</b>	<b>21.8</b>	<b>68.5</b>

### a) Medium and Long term debt

	31.12.2000	31.12.1999	31.12.1998
<b>By category</b>			
Loans and bank credit lines	-	2.5	0.3
Other	-	-	-
<b>IN MILLION EUROS</b>	<b>0.0</b>	<b>2.5</b>	<b>0.3</b>

# Consolidated financial statements

## 5. Notes to consolidated financial statements

	31.12.2000	31.12.1999	31.12.1998
<b>By currency</b>			
German Mark	-	2.5	-
Belgian Franc	-	-	0.2
Italian Lira	-	-	0.1
Malaysian Ringgit	-	-	-
<b>IN MILLION EUROS</b>	<b>0.0</b>	<b>2.5</b>	<b>0.3</b>

### b) Short term debt

	31.12.2000	31.12.1999	31.12.1998
<b>By category</b>			
Loans and bank credit lines	0.4	8.4	0.7
Bank prefinancing	-	-	57.6
Commercial paper (a)	190.0	-	-
	190.4	8.4	58.3
Other	5.6	8.9	7.8
<b>IN MILLION EUROS</b>	<b>196.0</b>	<b>17.3</b>	<b>66.1</b>

(a) corresponds to the commercial paper issued for a total amount of 190 million euros with maturity dates at 30, 60 or 90 days.

	31.12.2000	31.12.1999	31.12.1998
<b>By currency</b>			
Euros	190.0	-	-
French Franc	0.4	-	57.6
US Dollar	-	4.6	0.6
Other	-	3.8	0.1
<b>IN MILLION EUROS</b>	<b>190.4</b>	<b>8.4</b>	<b>58.3</b>

### 5.25 - Advances received from customers on contracts

Advances received from customers on contracts provide TECHNIP with its contracts' financing (see note 5.16).

	31.12.2000	31.12.1999	31.12.1998
<b>Advances received from customers on contracts in progress in million euros</b>	<b>4,896.1</b>	<b>4,580.5</b>	<b>3,226.9</b>

## 5.26 - Other debts

	31.12.2000	31.12.1999	31.12.1998
Employees	57.6	34.9	36.1
Social taxes	21.1	15.9	14.2
Taxes	95.0	62.3	37.0
Prepaid income	5.0	1.9	0.8
Other	70.0	88.8	42.3
<b>NET VALUE IN MILLION EUROS</b>	<b>248.7</b>	<b>203.8</b>	<b>130.4</b>

## 5.27 - Off balance sheet commitments

The Group gives and receives commitments as part of its ordinary activities:

	31.12.2000	31.12.1999	31.12.1998
Commitments given (in million of euros) (a)	1,233.3	1,021.3	636.0
Commitments received (in million of euros) (b)	387.5	419.1	285.5
Non matured discounted notes (in million of euros)	2.0	5.4	7.8

(a) those commitments mainly represent guarantees or commitments given by financial institutions to clients in order to cover:

- completion of contracts (performance bonds),
- final retention payment.

(b) commitments received mainly correspond to guarantees received from suppliers.

In order to cover unexpected changes in interest market rates and/or foreign exchange rates, the Group hedges its foreign exchange risks and interest risks by using financial instruments, which are detailed as follows:

	31.12.2000	31.12.1999	31.12.1998
<b>Foreign exchange hedging (in million of euros)</b>			
Purchases of foreign currencies against national currencies (forward exchange contracts and currency swaps)	33.1	33.6	19.1
Sales of foreign currencies against national currencies (forward exchange contracts currency swaps and currency options) (a)	464.1	492.6	469.7
Purchases or sales of foreign currencies against other foreign currencies	23.7	79.0	482.7
<b>Interest rate hedging (in million of euros) (b)</b>			
Contracts for FRAs, Interest rate swaps and Caps/floors			

(a) some of the Group's billings to its clients are expressed in currencies different from those in which contracts expenses are incurred. The resulting revenue exposure is hedged through the most efficient financial instruments available on the domestic markets. At closing date they consist of Forward Exchange Contracts (amounting to 461 million euros and currency swaps of 3.1 million euros).

(b) the Group has not used interest rates instruments since 1997.



# Consolidated financial statements

## 6. Statutory auditors report on consolidated financial statements

Year ended December 31, 2000

To the Shareholders of the Company Technip,

In compliance with the assignment entrusted to us by your shareholders' annual general meeting, we hereby report to you, for the year ended December 31, 2000, on the audit of the accompanying consolidated financial statements of the Company Technip prepared in French francs and translated into euros.

The consolidated 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.

We conducted our audit in accordance with the professional standards applied 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 financial statements presentation. 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 group's financial position and of its assets and liabilities as of December 31, 2000, and of the results of its operations for the year then ended in accordance with accounting principles generally accepted in France.

We also performed the verification of the information given in the management report of the Board of Directors. We have no comment as to its fair presentation and its conformity with the consolidated financial statements.

Neuilly-sur-Seine and Saint-Gratien, March 28, 2001

The Statutory Auditors

BARBIER FRINAULT & AUTRES  
Arthur ANDERSEN  
René PROGLIO

Claude CHARRON





# Parent company financial statements

31.12.2000  
(summary presentation)



## 1. Preliminary note

The parent Company financial statements are summarised below and disclose the main points of the financial data and the results of the operations.

Following the structural reorganization of the Technip group effective from the start of 1999, only the financial years ended 31.12.1999 and 31.12.2999 are comparable.

The main activity of Technip consists of holding affiliates and receiving dividends.

## 2. Balance sheet 31.12.2000 (before allocation of net income)

(million euros)

ASSETS	note	2000	1999	1998
Fixed assets	7.1	1,015.4	424.0	316.6
Current assets		105.9	57.6	564.0
Cash and marketable securities		9.6	267.0	354.7
<b>ASSETS</b>		<b>1,130.9</b>	<b>748.6</b>	<b>1,235.3</b>

(million euros)

LIABILITIES AND SHAREHOLDER'S EQUITY	note	2000	1999	1998
Shareholders' equity (excl net income)		476.3	337.4	307.9
Net income		64.0	162.6	74.9
Provisions	7.2	36.3	36.4	187.0
Financial debt and loans	7.3	542.6	198.2	62.0
Other accrued liabilities and creditors		11.7	14.0	603.5
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>		<b>1,130.9</b>	<b>748.6</b>	<b>1,235.3</b>

## 3. Statement of income 31.12.2000

(million euros)

	note	2000	1999	1998
Operating income		(5.8)	(2.3)	76.8
Net financial income	7.4	25.2	75.1	32.9
Net extraordinary items	7.5	40.1	96.6	(3.2)
Income tax & Employee profit-sharing	7.6	4.5	(6.8)	(31.6)
<b>NET INCOME</b>		<b>64.0</b>	<b>162.6</b>	<b>74.9</b>

# Parent company financial statements

## 4. Statement of cash flows as of 31 December, 2000

(million euros)

	31.12.2000 (12 month)	31.12.1999 (12 month)	31.12.1998 (12 month)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net income	64.0	162.5	74.9
Depreciation of intangibles, property, plant and equipment	0.2	0.2	4.4
Change in provisions for general risks	50.9 <sup>(a)</sup>	(89.9)	4.9
Net result on disposal of fixed assets	(50.6) <sup>(b)</sup>	(6.8)	
<b>CASH FLOW FROM OPERATIONS</b>	<b>64.5</b>	<b>66.0</b>	<b>84.2</b>
Inventories			176.3
Advances received from customers			(135.1)
Other	(50.8) <sup>(c)</sup>	147.8	(103.9)
<b>Change in working capital</b>	<b>(50.8)</b>	<b>147.8</b>	<b>(62.7)</b>
<b>1) NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>13.7</b>	<b>213.8</b>	<b>21.5</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Capital expenditure (intangibles)			(0.7)
Capital expenditure (property, plant and equipment)	0.2		(4.7)
Change in financial investments	(592.1) <sup>(e)</sup>	(124.7) <sup>(d)</sup>	(7.6)
<b>2) NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>(591.9)</b>	<b>(124.7)</b>	<b>(13.0)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Increase (decrease) in short term debts	344.6 <sup>(f)</sup>	4.6	2.4
Capital increase	22.3	(7.3)	(65.1)
Purchase of Technip shares	- <sup>(g)</sup>	-	-
Dividends paid	(45.9)	(37.7)	(36.2)
<b>3) NET CASH PROVIDED BY (USED IN) FINANCE ACTIVITIES</b>	<b>(321.0)</b>	<b>(40.4)</b>	<b>(98.9)</b>
<b>1) – 2) – 3) – NET INCREASE/(DECREASE) IN CASH</b>	<b>(257.2)</b>	<b>48.7</b>	<b>(90.4)</b>
CASH AT BEGINNING OF PERIOD	266.7	354.5	444.9
Cash from merger of TPG with Technip		26.4	
Cash from Technip net assets' transfer		(162.9)	
<b>CASH AT END OF PERIOD</b>	<b>9.5</b>	<b>266.7</b>	<b>354.5</b>
<b>CASH</b>			
Cash and marketable securities	9.6	267.0	354.7
Short-term credit lines	(0.1)	(0.3)	(0.2)
<b>TOTAL</b>	<b>9.5</b>	<b>266.7</b>	<b>354.5</b>

(a) Provisions for write-down of investments: Technip Germany € 40.8 million and Technip Americas € 10.1 million,

(b) Relates to the gross capital gain on disposal of Cogema (€ 50.6 million),

(c) Includes the purchase of the Technip treasury shares of € 21.7 million

(d) Includes the acquisition of Technip Holding Benelux for € 26.7 million and Technip Americas for € 27.6 million, the increase in capital of Technip France of € 12.7 million and loans of € 30.2 million to Technip Germany and € 36.6 million for Technip Americas,

(e) Represents principally the acquisition of 29.7% of Coflexip for € 656.6 million, the acquisition of the additional 50% in Krebs Speichim for € 21.7 million, the increase in capital of Technip Germany for € 100.2 million, the increase in capital of Technip Americas for € 23.9 million, the repayment of loans by Technip Germany for € 30.2 million and Technip Americas for € 24.8 million and the disposal of the shareholding in Cogema for € 151.6 million,

(f) Corresponds to the movement in the current account with Technip Eurocash,

(g) The treasury shares in Technip are classified as other assets.



## 5. Financial results of the last five years

(million euros)

NATURE OF INFORMATION	31.12.1996	31.12.1997	31.12.1998	31.12.1999	31.12.2000
<b>I - YEAR END FINANCIAL POSITION</b>					
A) - Called up capital	49.6	50.4	48.0	48.1	48.9
Uncalled capital	-	-	-	-	-
B) - Outstanding shares (a)	16,270,324	16,532,549	15,775,999	15,758,537	16,029,305
C) - Outstanding subshares	-	-	-	-	-
D) - Convertible debentures	-	-	-	-	-
<b>II - OVERALL OPERATING RESULTS</b>					
A) - Net revenues	789.3	654.5	572.3	-	11.4
B) - Income before tax, write-down or depreciation and provisions	115.4	186.0	57.1	75.3	109.5
C) - Income tax	22.7	47.6	26.8	6.8	(4.6)
D) - Net income	57.3	148.5	74.9	162.6	64.0
E) - Dividends paid	26.1	36.2	37.7	45.9	to be approved
<b>III - OPERATING INCOME PER SHARE (in EUROS)</b>					
A) - Net income before depreciation and provisions	5.70	8.4	1.9	4.3	7.2
B) - Net income	3.5	9	4.7	10.3	4.0
C) - Dividends paid per share	1.6	2.2	2.4	3.0	to be approved
<b>IV - STAFF (b)</b>					
A) - Number of employees	1,648	1,655	1,615	3 <sup>(c)</sup>	9

(a) Does not include the exercise of options arising from the current stock option plan. The 617,281 treasury shares held at 31 December 2000 are classified as assets. The major part of them, 576,607 shares, has been allocated to a stock option plan.

(b) Only number of employees is mentioned. The other information is not comparable.

(c) After the transfer of employees from Technip France (transfer of the net assets corresponding to the complete Technip engineering activity to Technip France).

# Parent company financial statements



## 6. Notes on accounting policies

### 6.1 - Foreign currency transactions

Transactions in foreign currencies related to financial revenues or expenses are recorded in accordance with current accounting policies. Corporate management of foreign currency transactions is achieved with cash pooling using an international standard exchange rate. This has been gradually assumed by GEIE TECHNIP Eurocash from the start of the year. Hedging transactions set up prior to the year 2000 are being unwound by Technip. With effect from 2000, new hedging transactions are initiated by TECHNIP Eurocash. Any exchange differences, arising at completion of operations and in connection with corporate foreign currency transactions, are recorded in income as they arise.

At year-end, receivables and liabilities are translated at the exchange rates prevailing at balance sheet date and any differences are recorded as unrealised exchange loss or gain.

At year-end, the exchange risk is assessed on the basis of the overall situation of the company with respect to foreign currency transactions. If a potential loss is identified, a provision for exchange risk is made for the same amount.

### 6.2 - Accounting policies for provisions regarding subsidiaries

All provisions for contingencies related to subsidiaries are fully recorded under financial expenses whether they cover write-down of investments in affiliated companies, related receivables or the additional provision for contingencies.

In the financial results, waiver of debt granted to subsidiaries and sale of investments in subsidiaries, to the extent covered by provision, are offset by the reversal of the relevant provision.



## 7. Notes to financial statements

### 7.1 - Fixed Assets

(million euros)

	Gross value	Depreciation & Amortization	Net Value
Intangible assets	1.5	(1.5)	0.0
Tangible assets	5.4	(2.3)	3.1
Investments	1,069.1	(56.8)	1,012.3
<b>Total fixed assets</b>	<b>1,076.0</b>	<b>(60.6)</b>	<b>1,015.4</b>

The main changes of the year consist of:

- The acquisition of a 29.7% shareholding in Coflexip for € 656.6 million and the additional 50% in Krebs Speichim for € 21.7 million,
- The disposal of shares in Cogema for € 101.1 million,
- The increase in capital of TP Germany for € 100.2 million, the repayment of a loan of € 30.2 million and the write-down of securities for € 40.8 million,
- The increase in capital of TP Americas for € 23.9 million, the repayment of a loan for € 24.8 million and the write-down of securities for € 10.1 million.

### 7.2 - Provisions

At the end of the year the provisions consist of miscellaneous expense items.

### 7.3 - Financial debt and loans

Debts related mainly to the current account with GEIE Technip Eurocash.

### 7.4 - Net financial income

This comprises mainly income of € 82.2 million from investments net of the balance of financial income and expense of € 5.5 million and write-downs of € 50.9 million of investments.

### 7.5 - Net extraordinary items

This is essentially the gross capital gain on the disposal of Cogema shares for € 50.6 million.

### 7.6 - Income tax

Technip is the leading company of a tax grouping with Technip France. Tax is calculated on income subject to corporate income tax which takes account particularly of the non-taxation of dividends (parent company and subsidiaries regime). The tax loss of Technip is deducted from the taxable income of Technip France within the tax grouping.

# Parent company financial statements

## 8. Subsidiaries and investments

COMPANIES		COMMON STOCK	RESERVES & RETAINED EARNINGS BEFORE ALLOCATION	PERCENTAGE OF OWNERSHIP (%)
A- Detailed information concerns investments for which the gross-value exceeds 1% of the reporting company's common stock (or which are considered as significant within the group)				
1/- Subsidiaries (more than 50% of common stock held by TECHNIP)				
TECHNIP FRANCE 170, place Henri Régnault 92973 PARIS LA DÉFENSE CEDEX	French F. Euros	98,393,600	11,735,605	100,00 %
TECHNIP ITALY 68, Viale Castello della Magliana 00148 ROME - ITALY	Italian Lira Euros	50,000,000,000	8,508,711,411	95,30 %
TPL - TECNOLOGIE PROGETTI LAVORI S.p.A. 38, Viale Castello della Magliana 00148 ROME - ITALY	Italian Lira Euros	17,500,000,000	15,474,548,611	95,00 %
INFRASTRUTTURE E GESTIONI S.p.A. 38, Viale Castello della Magliana 00148 ROME - ITALIE	Italian Lira Euros	500,000,000	35,234,782	95,00 %
TECHNIP PORTUGAL Edifício Lusotecnica - Estrada de Alfragide, 92 2720-026 AMADORA - PORTUGAL	Escudo Euros	120,000,000	143,906,923	63,33 %
TECHNIP TPS 24, boulevard de l'Hôpital 75005 PARIS	French F. Euros	6,000,000	5,174,418	100,00 %
TECHNIP IBERIA Gran Via Carlos III - 97 J 08028 BARCELONE - SPAIN	Peseta Euros	96,430,000	209,658,941	100,00 %
S.C.I. CB3 DÉFENSE 170, place Henri Régnault 92973 PARIS LA DÉFENSE CEDEX	French F. Euros	2,825,000	480,000	100,00 %
TECHNIP CAPITAL Rue Montagne du Parc - 4 Warandeberg 1000 BRUXELLES - BELGIUM	Belgian Fr. Euros	778,000,000	105,520,052	100,00 %
TECHNIP AMERICAS 1990 Past Oak Blvd, suite 200 HOUSTON, TEXAS - 77056 - 3846 - USA	US Dollar Euros	58,001,010	(1,977,696)	100,00 %
TECHNIP INTERNATIONAL AG Industriestrasse 13 C, Postfach 4339 CH 6304 ZOUG - SWITZERLAND	Swiss Fr. Euros	5,000,000	4,968,690	100,00 %
TECHNIP EUROCASH 170, place Henri Régnault 92973 PARIS LA DÉFENSE CEDEX	French F. Euros	300,000		90,00 %

SHARE BOOK-VALUE		OUTSTANDING LOANS AND ADVANCES BY TECHNIP	BONDS POSTED AND GUARANTEES GIVEN BY TECHNIP	REVENUES	NET INCOME	DIVIDENDS RECEIVED BY TECHNIP
GROSS	NET					
14,999,916	14,999,916	(a) 8,121,448	10,170,874 & parent company guarantees for QATAR GAS/ELGIN FRANKLIN/DEEP JUSEPIN	* 3,050,984,518	* 129,966,098	33,000,017
20,314,164	20,314,164		parent company guarantees for SULPHUR HAWIYAH / SULPHUR RECOVERY / ULG-LSGO / ADNOC/ ABQRAQ QVC / JV AVEC KRUPP UHDE	* 544,888,065,385	* 43,527,819,873	4,385,711
7,044,888	7,044,888			* 215,981,240,524	* (1,503,440,629)	
201,283	201,283			* 487,183,777	* 5,330,984,420	
5,189,476	2,140,496			* 1,060,079,009	* 453,643,071	
152,358	152,358			* 46,795,459	* 3,702,988	631,139
848,519	848,519		613,540	* 1,792,945,495	* 108,091,393	720,902
86,147,570	86,147,570	a) 28,411,546	1,108,086	* 98,225,223	* 26,048,102	
19 325 971	19 325 971		1,182,160	* 174,000	* 484,835	2,174,691
53,054,445	42,964,011	a) 10,531,971	6,498,386	* 689,914	* (16,044,296)	
3,081,820	3,081,820			* 65,171,943	2,971,662	103,437
270,000	270,000			* 0	* 2,925,903	

# Parent company financial statements

## 8. Subsidiaries and investments

COMPANIES		COMMON STOCK	RESERVES & RETAINED EARNINGS BEFORE ALLOCATION	PERCENTAGE OF OWNERSHIP (%)
TECHNIP TIANCHEN 521 Jing Jin Road - Tianjin 300400 PEOPLE'S REPUBLIC OF CHINA	Chinese Yuan Euros	4,974,936	2,353,241	60,00 %
TECHNIP C.I.S 20, rue Galernaya 190 000 SAINT-PETERSBOURG - RUSSIA	Rouble Euros	1,900	(15,380,228)	70,00 %
TECHNIP FAR EAST 2nd Floor, Wisma Inai - 241, Jalan Tun Razak 50400 KUALA LUMPUR - MALAYSIA	Ringgit Euros	2,000,000	11,277,383	100,00 %
COFRI 14, rue Hoche - KUPKA C 92902 PARIS LA DÉFENSE CEDEX	French Fr. Euros	4,400,000	863,062	100,00 %
T.T.I.L. SNC 170, place Henri Régnauld 92973 PARIS LA DÉFENSE CEDEX	French Fr. Euros	250,000	47,805	60,00 %
TECHNIP HOLDING BENELUX BV Bredewater 26 2700 CA ZOETERMEER - NETHERLANDS	Dutch Guilder Euros	20,020,000	(11,039,557)	100,00 %
TECHNIP GERMANY Theodorstrasse, 90 D - 40472 DÜSSELDORF - GERMANY	D. Mark Euros	12,800,000	(4,915)	100,00 %
TPG UK 1st Floor, Sheraton House - Lower Road CHORLEY WOOD, Herts, WD3 SLH - UNITED KINGDOM	Sterling Pound Euros	5,000	1,084,740	90,00 %
TECHNIP OVERSEAS SA C/O ALEMAN, CORDERO, GALINDO & LEE Apartado 6 - 1014 EL DORADO-PANAMA REPUBLIC OF PANAMA	US Dollar Euros	10,000	0	100,00 %
KREBS-SPEICHIM 14, rue Hoche - KUPKA C 92902 PARIS LA DÉFENSE CEDEX	French Fr. Euros	72,250,000	5,169,010	100,00 %

SHARE BOOK-VALUE		OUTSATNDING LOANS AND ADVANCES BY TECHNIP	BONDS POSTED AND GUARANTEES GIVEN BY TECHNIP	REVENUES	NET INCOME	DIVIDENDS RECEIVED BY TECHNIP
GROSS	NET					
319,533	319,533			* 25,748,864	* 8,549,186	
706,907	0		537,345 & parent company guarantees for RUSSE SHELL LNG SKAHALINE	* 61,456,031	* 6,045,376	
31,671	31,671		17,253,420	* 0	* 51,246,616	4,826,856
718,325	718,325			* 0	* 383,439	274,981
22,867	22,867		272,136 & parent company guarantees for MIDOR	-	-	-
26,659,065	26,659,065			* 0	* 151,461	
100,231,017	59,384,063		286,826,674 & parent company guarantees for HARAD/SAUDI ARAMCO	* 524,609,247	* 17,082,656	
7,877	7,877	10,296	& parent company guarantees for FLOTTEL ELGIN ELGIN FRANKLIN	* 31,938,496	* 110,756	
10,465	10,465		26,453,755 & parent company guarantees for OGD II	-	-	-
27,238,828	27,238,828		parent company guarantees for KEMAPCO / DAROU	* 764,828,068	* 54,387,230	

# Parent company financial statements

## 8. Subsidiaries and investments

COMPANIES		COMMON STOCK	RESERVES & RETAINED EARNINGS BEFORE ALLOCATION	PERCENTAGE OF OWNERSHIP (%)
<b>2/-Investments (10 to 50% of common stock held by TECHNIP)</b>				
COFLEXIP SA 23, avenue de Neuilly 75116 PARIS	French Fr. Euros	29,897,000	397,397,000	29,53 %
TPGM 2nd Floor, Wisma Inai - 241, Jalan Tun Razak 50400 KUALA LUMPUR - MALAYSIA	Ringgit Euros	1,000,000	7,764,250	30,00 %
DINSA Calle 1 con Calle 2 La Urbina - CARACAS 1060 - VENEZUELA	Bolivar Euros	1,808,954,000	(457,886,576)	20,00 %
TECHNIP - THYSSEN - LURGI G.E.I.E 170, place Henri Régault 92973 PARIS LA DÉFENSE CEDEX	French Fr. Euros	--	--	31,00 %
TSKJ SERVICOS DE ENGENHARIA LDA & LNG SERVICOS E GESTAO DE PROJECTOS Avenida Arriaga n°77 - 4 th Floor 9000 FUNCHAL - PORTUGAL	Escudo Euros	400,000	2,412,095,680	25,00 %
	Escudo Euros	400,000		25,00 %
CONSORCIO CONTRINA SNC 170, place Henri Régault 92973 PARIS LA DÉFENSE CEDEX	French Fr. Euros	50,000		28,00 %
TECHNIP SAUDI ARABIA LTD P.O. Box 60159 RIYADH 11545 - SAUDI ARABIA	Saudi Ryal Euros	5,000,000	(3 626)	40,00 %
NIIGATA TECHNIP CO. Ltd 9-3 Kamatahoncho 1-Chome Ohta-Tu, TOKYO - JAPAN	Yen Euros	10,000,000		49,00 %
IPEDEX 366, avenue Napoléon Bonaparte - BP 205 92502 RUEIL-MALMAISON CEDEX	F. Français Euros	8,912,500	30,326,851	46,00 %
<b>B - Information concerning other subsidiaries or investments</b>				
<b>1/- SUBSIDIARIES</b>				
a) French subsidiaries:				
b) Foreign subsidiaries:				
<b>2/- INVESTMENTS</b>				
a) French Foreign :				
b) Foreign subsidiaries:				
<b>TOTAL:</b>				



SHARE BOOK-VALUE		OUTSTANDING LOANS AND ADVANCES BY TECHNIP	BONDS POSTED AND GUARANTEES GIVEN BY TECHNIP	REVENUES	NET INCOME	DIVIDENDS RECEIVED BY TECHNIP
GROSS	NET					
656,665,205	656,665,205			* 166,793,000	* 221,922,000	
1,228,587	1,228,587	838,470	46,990,588 & parent company guarantees for EPMI UMBRELLA/EPMI TCOT/PVC KERTEH /CARIGALI TRITON/ UCC VIETNAM PVC/LDPE 8991	* 22,755,927	* 2,519,057	
196,751	196,751			* 0	* 14,160,796	
				* 612,562	* (38,124)	
511	511		6,972,374 & parent company guarantees for NIGERIA /LNG TRAIN 1/TRAIN 2/ TRAIN 3	-	-	-
560	560					
2,134	2,134		18,794,035 & parent company guarantees for SINCOR	* 1,272,922,282	* 47,096,508	656,733
448,962	448,962		5,410,330 & parent company guarantees for ARAMCO/PETROKEMYA	* 47,155,529	* 1,732,500	
35,049	35,049					
702,744	702,744			* 286,611,848	* 15,647,378	
438,824	35,316					80,000
436,490	63,107					
123,087	123,087					323,690
2,244,593	1,116,994					1,482,976
<b>1,029,100,465</b>	<b>972,502,700</b>	<b>47,913,730</b>				

\* in approval process.

# Parent company financial statements



## 9. Statutory Auditor's report Year ended December 31, 2000

To the Shareholders of the Company Technip,

In compliance with the assignment entrusted to us by your shareholders' annual general meeting, we hereby report to you, for the year ended December 31, 2000, on:

- the audit of the accompanying financial statements of the Company Technip prepared in French francs and translated into euros,
- 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.

### 1. OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with the professional standards applied in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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 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, 2000, and of the results of its operations for the year then ended in accordance with accounting principles generally accepted in France.

### 2. SPECIFIC VERIFICATIONS AND INFORMATION

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

We have no comment as to the fair presentation and the conformity with the financial statements of the information given in the management report of the Board of Directors (or other relevant body), and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

In accordance with the law, we verified that the management report contains appropriate disclosures as to the percentage interests and votes held by shareholders. In accordance with the law, we verified that the management report contains the appropriate disclosures as to the acquisition of shares and controlling interests.

Neuilly-sur-Seine and Saint-Gratien, March 28, 2001

The Statutory Auditors

BARBIER FRINAULT & AUTRES  
René PROGLIO

Claude CHARRON



## 10. Statutory Auditor's special report

### Year ended December 31, 2000

To the Shareholders of the Company Technip,

In our capacity as Statutory Auditors of your company, we have a duty to present you with a report on the regulated agreements of which we have been informed. Our assignment does not involve seeking out the existence of any such agreements.

We wish to inform you that no agreement covered by Article L 225-38 of the Commercial Code has been brought to our attention.

Neuilly-sur-Seine and Saint-Gratien, March 28, 2001

The Statutory Auditors

BARBIER FRINAULT & AUTRES  
René PROGLIO

Claude CHARRON



[www.technip.com](http://www.technip.com)

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