2007 Annual Report

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I MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

Foreword

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

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

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

- the 2006 consolidated financial statements and company financial statements, as well as the Statutory Auditors' reports for the financial year ended December 31, 2006, found on pages 99 to 199 of the 2006 Reference Document filed with the French Financial Markets Authority (hereinafter, the "AMF") dated April 6, 2007, registered under no. D.07-0297,
- the 2005 consolidated financial statements and company financial statement, as well as the Statutory Auditors' reports for the financial year ended December 31, 2005, found on pages 82 to 191 of the 2005 Reference Document dated April 18, 2006 filed with the AMF under no. D.06-0278.

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

1. 2007 financial year activities and highlights

a. Overview of Technip's business

With consolidated revenues of approximately €7.89 billion in 2007, Technip ranked among the world's top operators in gas and oil industry engineering, technologies and projects. Technip is also one of the most integrated groups in this sector as a result of its numerous industrial assets.

In 2007, 88.7% of Technip's consolidated revenues were generated in non-European Union markets. Technip's main locations outside France are in Italy, Malaysia, Germany, the United Kingdom, Norway, Finland, the United States, the Netherlands, Brazil, Abu Dhabi, China, India and Australia.

Its production facilities (flexible pipes, umbilicals), manufacturing yards and spoolbases are located in France, Brazil, the United Kingdom, Norway, the United States, Finland and Angola. At February 29, 2008, Technip employed more than 23,000 people in nearly 50 countries. As of this date, it boasted a fleet of 16 vessels specialized in subsea pipelay, subsea construction, diving support and exploration.

Technip designs and builds high-technology industrial installations: subsea equipment and platforms and onshore mega-complexes for the oil, gas and petrochemicals sectors.

Technip works on all phases of a project, from the preliminary study phases to unit delivery, including equipment procurement and flexible pipe manufacture and construction.

Over its 50 years of operations, Technip has designed and supervised the construction of more than 2,000 facilities in over 115 countries. Its roster of clients includes international oil companies such as Exxon Mobil, Total, Shell, Chevron Texaco, BP and a large number of national companies like Petrobras, Saudi Aramco, Qatar Petroleum, Petronas, ADNOC and PDVSA. Its five main clients represented 40.4% of consolidated revenues in 2007. Technip, whose shares have been listed on the Paris stock exchange (Euronext Paris) since 1994, has set itself the twofold objective of providing innovative solutions in the oil and gas industry and creating value for its shareholders.

b. Technip's business in 2007

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

JANUARY 2007

Poland

Technip was awarded a contract by PKN Orlen for the construction of a hydrogen production unit in PKN Orlen's refinery in Plock, Poland. It is a lump-sum management contract.

Group

At its meeting on January 15, 2007, Technip's Board of Directors, upon the Nominations and Remunerations Committee's proposal, appointed Thierry Pilenko to succeed Daniel Valot as Chairman and Chief Executive Officer following the April 27, 2007 Shareholders' Meeting in which he was appointed to Technip's Board of Directors.

Malaysia

Technip successfully completed the first offshore installation of topsides using the "catamaran" floatover technique for the Kikeh SPAR. This platform, which was built for Murphy Sabah Oil and its partner, Petronas Carigali, will be used to develop the Kikeh deep sea field off the coast of Malaysia.

United Arab Emirates

Technip won a lump-sum turnkey contract worth approximately U.S.$610 million with Abu Dhabi Gas Liquefaction Limited ("ADGAS") for gas compression installations and related equipment on the Dās Island, in the United Arab Emirates.

FEBRUARY 2007

Group

On February 2, 2007, Technip sold 100% of the share capital of Perry Slingsby Systems Ltd. and Perry Slingsby Systems Inc., two companies that manufacture ROVs, to Triton Group Holdings, a subsidiary of private hedge fund, SCF Partners. These companies, located respectively in Kirkbymoorside (United Kingdom) and Jupiter, Florida (United States), employ a workforce of approximately 300 staff, and, in 2006, had total revenues of approximately €70 million, mainly with non-Technip customers. After amortization of goodwill, this U.S.$82 million disposal generated approximately U.S.$10 million, a pre-tax capital gain of approximately U.S.$23 million.

New Zealand

The Technip-Subsea 7 Joint Venture won a contract with New Zealand Overseas Petroleum for the development of the Tui field located approximately 50 kilometers off the coast of Taranaki (New Zealand), 125 meters below sea level.

Thailand

Technip won a contract with the exploration-production subsidiary of Petroleum Authority of Thailand for the basic and detailed engineering of four tree platforms, their subsea pipes and connections. The platforms will be installed in the Arthit gas field at 80 meters below sea level in the Gulf of Thailand, and will be connected to the existing tree platforms.

France

Technip won a contract with Silicium de Provence (Silpro) for preliminary studies on a solar polycrystalline silicium production plant. This plant will be located in Saint-Auban (Alpes-de-Haute-Provence) and will initially produce 2,500 tons per year of ultra-pure silicium to be used to manufacture solar panels.

Gulf of Mexico

Technip won a contract with BHP Billiton for the installation of flowlines, risers and subsea structures to be used in developing the Shenzi field in the Gulf of Mexico, 1,310 meters below sea level.

MARCH 2007

Brazil

Technip won a contract worth approximately €115 million with Petrobras for the development of the Roncador field off the coast of Brazil. The Roncador P-54 project involves 11 subsea production wells and six subsea water injection wells located up to 1,740 meters below sea level and connected directly to the P-54 FPSO which will be anchored at 1,400 meters below sea level.

Technip won a four-year charter contract with Petrobras worth approximately €150 million for its flexible pipelay vessel, the Sunrise 2000, which operates off the coast of Brazil. This contract can be renewed for an additional four years.

Gulf of Mexico

Technip won a contract with Shell for the installation of water injection flowlines and risers used to develop the Ursa and Princess fields located in the Gulf of Mexico, 230 kilometers southeast of New Orleans (Louisiana).

APRIL 2007

China

Technip won an engineering, procurement and construction management ("EPCM") contract with BYACO, the 50-50 joint venture formed by BP and Sinopec/YPC, for the construction of an acetic acid unit in Nanjing, in China's Jiangsu province.

Group

Technip's Combined Shareholders' Meeting was held on April 27. The following resolutions were adopted: approval of the 2006 financial statements; the payment of an ordinary dividend of €1.05 per share for the 2006 financial year; the payment of an exceptional dividend of €2.10 per share; the payment of an ordinary dividend and an exceptional dividend on May 3, 2007; the appointment of Ms. Germaine Gibara, Mr. Pascal Colombani, Mr. John O'Leary and Mr. Thierry Pilenko to the Board of Directors and the renewal of the terms of Mr. Olivier Appert, Mr. Jacques Deyirmendjian, Mr. Jean-Pierre Lamoure, Mr. Daniel Lebègue, Mr. Roger M. Milgrim, Mr. Rolf-Erik Rolfsen and Mr. Bruno Weymuller; and the renewal of the Board of Directors' authorization to repurchase shares, within the limit of 10% of share capital.

Technip's Board of Directors, in their meeting held after the Shareholders' Meeting, appointed Thierry Pilenko as Technip's Chairman and Chief Executive Officer. He will succeed Daniel Valot who is retiring. Thierry Pilenko joined Technip on January 15, 2007 as Executive Vice President to ensure an efficient transition.

MAY 2007

India

Technip won a project management assistance contract with the joint venture formed by Renault, Nissan and Mahindra, for the construction of a shared automobile plant in Chennai, India.

First Quarter 2007 Results

Operational Highlights

Order Intake

Over the first quarter of 2007, Technip's order intake reached €1,481.3 million compared to €1,824.7 million over the first quarter of 2006. At March 31, 2007, the Group's backlog amounted to €9,878.5 million, compared to €10,272.8 million at the end of 2006.

Projects

In the SURF business segment, ongoing projects progressed in a satisfactory manner. In the Offshore Facilities business segment, the first quarter of 2007 was characterized by a high level of activity related to our SPAR technology. In the Onshore-Downstream business segment, several projects are under construction. In the Industries business segment, projects progressed satisfactorily.

Asset Disposals

In the SURF business segment, the Group sold its Remotely Operated Vehicle ("ROV") manufacturing business, which was managed by two Technip affiliates, Perry Slingsby Systems Inc. ("PSSI") and Perry Slingsby Systems Ltd. ("PSSL").

First Quarter 2007 Financial Results

At €1,774.7 million, first quarter 2007 Group **revenues** increased by 12.7% compared to the first quarter of 2006. Group **operating income from recurring activities** reached €107.9 million, an increase of 237.2% compared to the first quarter of 2006. Over the first quarter of 2007, **income from the sale of activities** (sale of PSSL and PSSI) amounted to€14.6 million after goodwill amortization of €8.0 million. **Net income** amounted to €68.1 million, an increase of 169.2% compared to net income for the first quarter of 2006.

Norwegian North Sea

Technip won a €90 million EPC contract with BP for the engineering, equipment procurement and construction of flexible pipes for the Skarv FPSO located in the Norwegian North Sea. The contract includes flexible risers, flexible jumpers and related equipment.

JUNE 2007

Norway

Technip won a turnkey contract worth approximately €110 million with Talisman Energy for the redevelopment of the YME field 100 kilometers off the coast of Norway.

Spain

Technip won a €60 million lump-sum EPC contract with CEPSA for the engineering, equipment procurement and construction of flexible pipes for a hydrogen unit to be built in the Huelva refinery in Spain.

Group

On June 20, 2007, Technip filed its 2006 annual report on Form 20-F with the United States Securities and Exchange Commission (the "SEC").

JULY 2007

Canada

Technip won a contract with Fort Hills Energy for the processing of heavy crude extracted from bitumen sands as part of the Fort Hills Oil Sands project. This service contract involves detailed pre-project engineering, detailed engineering, equipment procurement, construction and project management for the main upgrader, which will be located near Edmonton in the province of Alberta (Canada).

China

Technip, in partnership with license holder INEOS, won a contract with Liaoning Huajin Chemicals for a high-density polyethylene unit in Panjin (China).

Poland

Technip was awarded a contract worth approximately €160 million by PKN Orlen for the construction of a new paraxylene complex in the Plock refinery in Poland.

Technip won a lump-sum turnkey contract worth approximately €472 million with Lotos for the Gdańsk refinery in Poland. The contract includes the engineering, equipment procurement and construction of a new medium-pressure hydrocracking unit with a 45,000 bpd production capacity.

Gulf of Mexico

Technip was awarded a contract by Mariner Energy for an electro-hydraulic inspection umbilical designed for the Bass Lite field in the Gulf of Mexico. This project is a follow-up to the contract awarded to Technip in 2006 for pipes in the same field.

Group

Technip's Board of Directors, at its July 25 meeting, approved the recommendation of the Group's management to proceed with the voluntary delisting of its American Depositary Shares ("ADS") from the New York Stock Exchange ("NYSE") and to deregister from the United States Securities and Exchange Commission ("SEC").

Second Quarter 2007 Results

Operational Highlights

Order Intake

Over the first half of 2007, Technip's order intake reached €3,165.9 million compared to €3,126.7 million over the first half of 2006. At June 30, 2007, the Group's backlog amounted to €9,669.7 million, compared to €11,382.8 million at June 30, 2006 and €9,878.5 million at March 31, 2007.

Projects

In the SURF business segment, ongoing projects progressed in a satisfactory manner in all areas. In the Offshore Facilities business segment, Technip identified metallurgical problems with certain mooring shackles on the Tahiti project. New shackles are being manufactured, which will replace those shackles identified as defective. In-depth investigations are ongoing to identify the causes of the metallurgical problems. In the Onshore-Downstream

business segment, a large number of projects are currently in the construction phase. In the Industries business segment, projects progressed satisfactorily.

Resources

Projects to increase the Group's flexible pipe production plant capacity by 50% and 20% respectively in Vitoria, Brazil, and Le Trait, France, were completed.

Financial Results

Second Quarter 2007

At €1,844.6 million, second quarter 2007 Group **revenues** increased by 16.1% compared to the second quarter of 2006. Group **operating income from recurring activities** reached €128.1 million, an increase of 61.9% compared to the second quarter of 2006. **Net income** amounted to €79.6 million, an increase of 54.6% compared to net income for the second quarter of 2006.

First Half 2007

At €3,619.3 million, Group **revenues** for the first half of 2007 increased by 14.4% compared to the first half of 2006. Group **operating income from recurring activities** reached €236.0 million, an increase of 111.5% compared to the first half of 2006. **Net income** amounted to €147.7 million, a significant increase of 92.3% compared to net income for the first half of 2006. **Fully diluted EPS** amounted to €1.41, an increase of 99.8%.

Abu Dhabi

Technip and National Petroleum Construction Company won an EPC contract with Abu Dhabi Marine Operating Company for the engineering, equipment procurement and construction of gas compression and processing installations in Zakum, off the coast of Abu Dhabi. Technip's share of this contract, worth approximately U.S.$370 million, is 35%.

Algeria

Technip won a detailed pre-project contract with Sonatrach for the ethane extraction project in Arzew, Algeria. This contract relates to two LNG ethane extraction units for Arzew's GL1Z and GL2Z lines.

AUGUST 2007

Saudi Arabia

Technip, in consortium with Bechtel, entered into a contract with Saudi Aramco to convert the Khursaniyah (Saudi Arabia) gas unit project from a turnkey contract to a lump-sum contract. In March 2005, the contract was granted to this consortium as a cost plus fee contract.

Nigeria

Technip won a turnkey contract with Elf Petroleum Nigeria Ltd. for the loading, transport and installation of topsides on the fixed OFP2 platform in the Ofon field. Located 50 kilometers off the coast of Nigeria and 40 meters below sea level, this field is operated by Elf Petroleum Nigeria Ltd. for the joint venture between Nigerian National Petroleum Corp. and Elf Petroleum Nigeria Ltd.

China

Technip won a basic engineering contract with Sinopec Yangzi Petrochemical Co. Ltd. ("YPC") for a synthetic gas unit located in Nanjing, China.

Norway

Technip and Subsea 7 won a contract worth approximately €37 million with Statoil for the development of the Alve field off the coast of Norway.

Technip won a contract worth approximately €24 million with Statoil for the development of the Gjøa field. This field is located in blocks 35/9 and 36/7 of the Norwegian continental plateau, 360 to 380 meters below sea level.

Gulf of Mexico

Technip won a contract with Bluewater Industries, Inc. for the flowlines, risers, jumpers and subsea structures designed for the Mirage field in the Gulf of Mexico. This field is located in Block 941 of Mississippi Canyon, 1,230 meters below sea level.

United States

Technip won a detailed pre-project engineering contract with Biomass Investment Group ("BIG") for its biomass, closed-circuit electrical power station project. This Florida-based plant will use e-grass as fuel to produce energy. The contract also includes the design and supply of a 1:10-scale demonstration unit.

Malaysia

Technip won a contract for the development of the Cili Padi gas field with Shell Oil and Gas Malaysia LLC. Shell, under the terms of a shared production contract for Petronas, operates this field's development in partnership with Petronas Carigali Sdn Bhd and Nippon Oil.

Qatar

Technip won a lump-sum detailed pre-project contract worth approximately €44 million with Qatar Petroleum, for the Al Shaheen refinery to be built in Messaieed, Qatar.

SEPTEMBER 2007

Brazil

Technip won three major contracts worth a total of approximately €200 million with Petrobras for subsea pipes designed for Brazil's Canapu, Mexilhão and Roncador fields.

Australia

Technip was awarded a contract by Woodside Energy Limited for the development of the Enfield field, located off the coast of Australia, 550 meters below sea level.

Republic of the Congo

Technip won a contract worth approximately €80 million with Murphy West Africa, Ltd. for the development of the Azurite field, located 150 kilometers off the coast of the Republic of the Congo, in the "Deep South Sea" block, 1,400 meters below sea level.

OCTOBER 2007

Group

Technip has been selected as a member of the Dow Jones Sustainability Index for 2007-2008. This marks Technip's sixth consecutive selection for the DJSI since 2003. In the industrial "oil equipment and services" sector, Technip reaffirmed its leadership in sustainability performance out of a panel of 47 companies.

Bernard di Tullio was appointed Chief Operating Officer on October 1, 2007. Under this newly created position, Mr. di Tullio is responsible for all Group operations in all business segments.

In October, Thierry Pilenko, Technip's Chairman and Chief Executive Officer, presented the strategic framework and the 2010 objectives in terms of the Group's profitable development:

- Focusing on core business: the oil and gas markets
- Developing technologies and expertise
- Investment program of approximately €1 billion to develop industrial and naval capacities
- Continuing geographic expansion in key regions worldwide
- Reinforcing operational performance.

Technip granted STX Heavy Industries (Korea) a contract for the construction of a new rigid and flexible pipelay vessel, which is expected to be delivered at the end of 2010.

Indonesia

Technip won a contract with Eramet for the study and, if a final decision to invest is made, management of a laterite processing project on Halmahera Island in Indonesia.

NOVEMBER 2007

Third Quarter 2007 Results

Operational Highlights

Order Intake

Over the first nine months of 2007, Technip's order intake reached €5,096.2 million compared to €4,487.1 million over the first nine months of 2006. At September 30, 2007, the Group's backlog amounted to €9,411.3 million, compared to €9,669.7 million at June 30, 2007.

Projects

In the SURF business segment, ongoing projects progressed in a satisfactory manner in all areas. In the Offshore Facilities business segment, Technip identified metallurgical problems with certain mooring shackles on the Tahiti project. Detailed investigations found that the shackles had not undergone the same manufacturing process and heat treatment as the samples on which the acceptance tests were performed. As a result, with the client's agreement, a decision was made to replace all the mooring system shackles with shackles supplied from an alternative source. Some of the new shackles have already been delivered to the client, with the remaining shackles to be delivered in January 2008. Technip's Tahiti contract is for the supply of elements of the mooring system as well as the SPAR hull. Replacement costs are covered by insurance. On the other SPAR project affected by this issue, Technip provided the client with the solution of providing new shackles, the cost of which is also covered by our insurance. In the Onshore-Downstream business segment, a large number of projects are currently in the construction phase. In Saudi Arabia, due to construction difficulties experienced on a petrochemical project, Technip decided to record a charge of €50 million related to this contract during the third quarter of 2007. In the Industries business segment, projects progressed satisfactorily.

Resources

Studies related to the development of a new flexible pipe manufacturing plant in South East Asia by 2010 progressed satisfactorily. Two additional vessels joined the fleet: the Seamec Princess and the Skandi Achiever. Technip's fleet includes 16 vessels.

Financial Results

Third Quarter 2007

At €2,166.0 million, the Group's **revenues** for the third quarter of 2007 increased by 21.6% compared to the third quarter of 2006. Group **operating income from recurring activities** reached €119.0 million, an increase of 10.4% compared to the third quarter of 2006. **Net income** amounted to €76.1 million, an increase of 26.2% compared to net income for the third quarter of 2006. **Fully diluted EPS** amounted to €0.72, an increase of 27.6%.

First Nine Months 2007

At €5,785.3 million, the Group's **revenues** for the first nine months of 2007 increased by 17.0% compared to the first nine months of 2006. Group **operating income from recurring activities** reached €355.0 million, an increase of 61.8% compared to the first nine months of 2006. Over the first nine months of 2007, **income from asset disposals** amounted to €20.7 million, attributable to capital gains from the sale of PSSL and PSSI (€17.6 million including a price supplement of €3.2 million, and after an €8.0 million goodwill reversal), and the sale of GIFI securities (€3.1 million). **Net income** amounted to €223.8 million, a significant increase of 63.2% compared to net income for the first nine months of 2006. **Fully diluted EPS** amounted to €2.13, an increase of 68.6%.

Group

As announced on July 25, 2007, Technip proceeded with the formalities required for the voluntary delisting of its American Depositary Shares ("ADS") from the NYSE and for deregistration from the United States Securities and Exchange Commission ("SEC"). The delisting of its ADSs from the NYSE became effective on August 16, 2007 and it deregistration from the SEC became effective on November 14, 2007.

Technip and Wieland announced the signature of an agreement to market innovative, high-performance heat exchange solutions for liquefied natural gas ("LNG") and ethylene units.

DECEMBER 2007

Group

John Harrison was appointed as General Counsel and a member of the Company's Executive Committee. He is responsible for managing all the Group's corporate and legal activities and reports directly to the Company's Chairman and Chief Executive Officer, Thierry Pilenko.

India

Technip won two contracts worth approximately €270 million with Aker-Kvaerner for flexible pipes for an oil field located east of India, 1,400 meters below sea level.

Germany

Technip won an engineering, procurement and construction management ("EPCM") contract worth approximately €90 million with Total for a kerosene hydrodesulfuration unit, which will be built in the Leuna refinery near Leipzig, Germany.

Poland

Technip won a project management service contract with Grupa Lotos for the refinery in Gdańsk, Poland.

Caribbean

Technip won a service contract with National Gas Company of Trinidad and Tobago Limited ("NGC") for two gas pipelines to be installed off the coast of Trinidad and Tobago, in the Caribbean.

Brazil

The FSTP consortium, which is composed of Technip and Keppel FELS, won an EPC contract worth approximately U.S.$1.2 billion with Petrobras for the engineering, equipment procurement, construction and project management for the semi-submersible P-56 platform, which will be connected to the Marlim Sul oil field in the Campos Basin, 1,700 meters below sea level.

RECENT MAJOR ACQUISITIONS AND DISPOSITIONS

Technip's external growth policy is part of the strategy presented by the Chief Executive Officer in October 2007. This policy aims to consolidate the Group's leadership in the oil and gas markets through the acquisition of technologies and complementary technological expertise, of geographical positions enabling an extension of its global market coverage, or by strengthening its construction and manufacturing activities.

In the 2005 financial year, Technip disposed of the following assets:

- In March 2005, Technip UK Limited concluded a memorandum of understanding with Mermaid Offshore Services Limited, for the sale of the diving support vessel, Marianos, which Technip delivered to Mermaid in August 2005. The sale of Marianos is part of Technip's strategy to continuously adapt its asset base to changes in its markets.
- In December 2005, Technip USA Holdings, Inc. and Gulf Island Fabrication, Inc. (NASDAQ: GIFI) signed an agreement pursuant to which Technip sold the assets and share capital of Gulf Marine Fabricators, a Technip subsidiary located near Corpus Christi, Texas (United States), to a subsidiary of Gulf Island Fabrication. Technip received approximately U.S.$85 million, including U.S.$40 million in cash, and a minority stake in Gulf Island Fabrication worth approximately U.S.$45 million. They also signed a cooperation agreement for the completion of engineering, procurement and construction ("EPC") projects, which will give Technip the continued benefit of access to manufacturing capacities in the Gulf of Mexico.
- Continuing its policy of selling assets that are not at the core of its business, Technip sold its 83.75% stake in Technip Portugal to the branch's management on December 22, 2005. This Lisbon-based company carries out engineering contracts on the Portuguese market and employs a staff of 150. It had revenues of €12.4 million in 2004. Technip Portugal changed its name to Technoedif Engenharia and will continue its work with Technip on the Portuguese market on a case-by-case basis.

In the 2006 financial year, Technip completed the following transactions:

Sale:

- In March 2006, Technip sold its 8% share in TECI, a Tunisian engineering company, to another TECI shareholder.

Creation of a joint company:

- On May 12, 2006, Technip and Subsea 7 signed an agreement for the creation of a joint company for their subsea activities in the Asia-Pacific region (excluding India and the Middle East). This joint company, Technip Subsea 7 Asia Pacific Pty Ltd, began operations on July 1, 2006.

In the 2007 financial year, Technip completed the following transactions:

Disposal of companies or shares:

- In January 2007, Technip sold its 20% stake in Nargan, an Iranian engineering company, to another Nargan shareholder.
- On January 18, 2007, Technip sold its 51% shareholding in Deepwater Charters Inc. in AGR Deepwaters Development Systems Inc.
- In February 2007, Technip sold 100% of the share capital of Perry Slingsby Systems Ltd. and Perry Slingsby Systems Inc., two companies that manufacture ROVs and other subsea equipment, to Triton Group Holdings, a subsidiary of private hedge fund, SCF Partners. These companies, located respectively in Kirkbymoorside (United Kingdom) and Jupiter, Florida (United States), employ a workforce of approximately 300, and, in 2006, had total revenues of approximately €70 million, mainly with non-Technip customers.
- Prior to Technip's sale of its stake in Guigues, a company specialized in water treatment and the environment, Guigues's laboratory business was integrated into a Guigues subsidiary and then sold by Guigues in January 2007 to a subsidiary of the Institut Pasteur.

  At the end of the 2007 financial year, Technip sold its 36.56% stake to the Guigues majority shareholder for an amount of €314,000 on December 21, 2007. It still continues to work with this company.

Acquisitions or acquired interests:

- On July 2, 2007, Setudi, an engineering company with a staff of approximately 40 employees, located in Rouen, was acquired by Citex, a wholly-owned subsidiary of Technip that is specialized in chemical engineering.
- On July 3, 2007, Technip Offshore (Nigeria) Limited, a wholly-owned subsidiary of Technip, acquired a 39% stake in a Nigerian engineering company, Crestech Engineering Limited, which was newly formed in partnership with a Nigerian company, giving Technip a significantly stronger presence in this company and helping it meet local demand. The new company employed approximately 100 staff at December 31, 2007.
- On July 10, 2007, Asiaflex Products was created to build a new flexible pipe manufacturing plant in Malaysia. This company is 100% owned by Technip Offshore International, which is 100% owned by Technip.
- On September 9, 2007, Technip Norge AS and Dofcon AS created a joint venture for the ownership of the Skandi Arctic vessel, which is in the process of being built for the Norwegian market.

c. Business segments

From January 1, 2008, Technip's financial statements will be reported based on the following three business segments, in addition to the Corporate segment:

- SUBSEA: previously known as SURF,
- OFFSHORE: previously known as Offshore Facilities,
- ONSHORE: includes two business segments previously known as Onshore-Downstream and Industries.

The activities below are described according to the previous organization.

1. SURF and Offshore Facilities

In 2007, the SURF and Offshore Facilities business segments generated net revenues of €3,217.0 million, representing 40.8% of the Group's consolidated revenues.

Technip provides integrated design, engineering, manufacture and infrastructure installation services for offshore production and oil and gas transportation, including platforms and subsea pipes.

Technip mainly carries out its business through integrated contracts covering every stage of the process, from design to turnkey delivery of surface (platforms, floaters) and subsea (pipe systems, subsea equipment) oil installations. Technip is considered to be a forerunner in the area of offshore construction. Technip's engineers and technicians give the company internationally recognized technological expertise. Its major technological development allowed the Group to offer its own technologies as products, such as SPAR, TPG 500, flexible pipes, umbilicals and installation processes.

Upstream of field operation project management and completion, Technip is active in field development option evaluation. Its engineering services cover economic assessment, risk management and technical studies.

a. Services for subsea oil fields (SURF: renamed Subsea starting on January 1, 2008)

Subsea services have traditionally represented the core of Technip's business. One alternative to using platforms with surface wells for offshore hydrocarbon production is placing trees on the sea floor by connecting them to processing and removal platforms with rigid and/or flexible pipes. These trees and the subsea collection systems are managed remotely by umbilicals that send data, steer the subsea trees and send service fluids from a platform or a production vessel. Technip's services include the turnkey delivery of these subsea systems, in particular, offshore work (pipelay and subsea construction) and the manufacture of critical equipment such as umbilicals and flexible pipes. Technip can also handle the procurement of other subsea equipment and the procurement of rigid pipes that the Group acquires from third parties through international bids. As markets move towards greater sea depths, there is a growing need to implement new resources and approaches. Due to these technological innovations, Technip can service customers in the opening of new ultra-deep sea fields, as demonstrated with contracts won in 2007 for the installation of pipes in the Gulf of Mexico, Angola, Brazil, and India, at record depths.

In addition to these activities, Technip can carry out other work such as pipe trenching on the sea floor. In general, this subsea work is done by divers and/or Remotely Operated Vehicles ("ROV") from diving or construction support vessels.

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

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

b. Offshore Facilities

Technip designs and builds fixed or floating drilling, production, processing or living quarter platforms for the development of offshore shallow and deep sea gas and oil fields. In its platform operations, the Group has set itself apart through its skills in the following areas: large project management, innovative platform design and related technologies (processing unit installation and raising methodology and processing unit modularization). Technip offers a range of first-rate technological solutions such as SPAR or floating Extendable Draft Platforms ("EDP") and self-installing platforms (Unideck and TPG), dispensing with the need for expen-

sive, floating raising systems. Technip also offers innovative solutions such as floatover.

Fixed platforms

The TPG 500 is a self-installing high-capacity fixed platform that is built, equipped and tested onshore and then towed onsite. Once on site, the platform's legs are jacked down to the seabed up to 150 meters below sea level (appropriate for many North Sea fields). The fixed platform is then raised to its final position.

Floating and semi-submersible platforms

The SPAR is a floating deep sea drilling and production platform based on technology co-developed by Technip and J. Ray McDermott. This structure includes a cylindrical hull vertically anchored in the water. The platform allows the trees to remain at the surface instead of installing them on the sea floor, and offers the benefit of direct and permanent access to the wells, which facilitates maintenance work.

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

In addition to SPAR platforms, Technip has also developed a new Extendable Draft Platform ("EDP"), a self-installing high-capacity semi-submersible platform, suitable for use in West Africa, the Gulf of Mexico, Brazil and in deep sea fields in the North Sea. This new technology dispenses with the need for sea raising resources and is currently being evaluated as a technical solution for development projects off the coasts of West Africa and Newfoundland, Canada.

c. Developments in the sector

The Offshore markets should remain healthy over the next few years as the number of subsea fields starting production increases. This growth should be particularly strong for deep sea fields, in particular, in Brazil, the Asia-Pacific zone, West Africa and the Gulf of Mexico. The North Sea markets should maintain record levels of business, close to those recorded in 2006.

These market developments are favorable to Technip, which boasts top naval and industrial resources and first-rate expertise and geographical coverage.

d. Strategy

In the SURF market, Technip's strategy aims to consolidate its leadership position on a global level and focuses on the following four main points:

- Continually increasing its expertise and improving methods in executing projects,
- Modernizing and expanding its naval fleet as well as its production capacities in flexible pipelines and umbilicals,
- Ensuring that the necessary technology is in place for developing deep sea fields in increasingly deeper waters and difficult environments,
- Strengthening its local presence in its main regional markets (Africa, the United States, Brazil, Asia-Pacific).

In the Offshore Facilities market, Technip's strategy is based on developing and enhancing its innovative technologies and expertise: floatover systems, concepts of fixed and floating platforms, and expertise in topside project management and engineering.

2. Onshore-Downstream and Industries

In 2007, the Onshore-Downstream and Industries business segments generated net revenues of €4,669.5 million, representing 59.2% of the Group's consolidated revenues.
Onshore-Downstream activities (renamed Onshore as from January 1, 2008) include both upstream activities, such as the production and transport of oil and gas on land, gas treatment and liquefaction plants, and downstream activities including oil refineries, gas processing units, and petrochemical and fertilizer plants. Technip also designs and builds the infrastructures related to these activities, in particular, hydrogen production units, sulfur recovery units and storage units.

a. Activity

Development of onshore fields

Technip designs and builds all types of development facilities for onshore oil and gas fields, from wellheads to process facilities and export systems. In addition to new onshore field development projects, Technip also revamps existing facilities by modernizing production equipment and control systems, and brings them into line with current environmental standards.

Land pipelines

Since 1960, Technip has engineered or engineered and implemented more than 160 pipeline projects in over 40 countries, amounting to an aggregate length of 34,000 kilometers of pipelines. Technip mainly builds pipeline systems for natural gas, crude oil and oil products, water, and liquid sulfur. Through its subsidiary,

Technip Germany, Technip is one of the world's most experienced pipeline builders and has completed projects in the most severe environments including deserts, tundra, mountains and swamps.

Natural gas treatment and liquefaction

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

Technip benefits from solid experience in natural gas processing and has access to corresponding licensed technologies. Technip is specialized in extracting sulfur from natural gas and, according to its knowledge of the market, is the leader in terms of installed capacity. Since 2000, Technip has built 10 gas treatment plants, each with a capacity of over 400 million cubic meters, and the world's largest sulfur recovery installation. In addition, through its Cryomax technology, Technip is specialized in the highly efficient recovery of C2 and C3 hydrocarbons from natural gas and the refining of gases.

Refining

Technip's activities in this sector include the preparation of integrated refining concepts and the design and construction of oil refineries. Since it was created in 1958, Technip has designed and built more than 31 full refineries, including eight since 1995, and has completed major expansion or modernization work on over 175 existing plants. These projects represent more than 800 individual oil and natural gas processing units in over 70 countries, for national and international oil companies. Technip's technical inspection capacities and its patented technologies, in particular, its progressive crude oil distillation patent held jointly with Total, give it a strategic edge for winning refinery contracts.

Technip is a leader in the design and construction of hydrogen and synthetic gas production units and sulfur recovery units. Hydrogen and synthetic gas are used to treat and/or process refinery products and petrochemicals. Since 1992, Technip has participated in a global alliance with Air Products & Chemicals for the supply of high-purity hydrogen to the refining industry. High-purity hydrogen is critical for the low-sulfur transformation of heavy crude into diesel and gasoline, required to meet the most stringent environmental standards. Since it was founded, Technip has participated in the design or the design and construction of more than 240 units of this type worldwide for the refining and other related industries. In general, natural gas has a high level of undesirable sulfur that must be recovered during processing. Technip has built approximately 40% of the world's installed sulfur recovery capacities.

Petrochemicals

In the field of petrochemicals, Technip has designed and built a large number of individual petrochemical units, including more than 130 aromatic units, over 110 intermediate product units and 130 polymer units, including 85 polyolefin units and most of the major steam-cracking units awarded lately. Technip has also completed 10 turnkey contracts for completely integrated petrochemical complexes since 2000.

Ethylene

Technip combines technology and expertise with the large number of projects it is currently working on, for a global installed capacity of ethylene exceeding seven million tons per year, including the construction of two of the world's largest steam-cracking units in the Middle East. These projects (such as Ras Laffan in Qatar and the Olefin II Kuwait Project in Kuwait) are at various stages of progress and reaffirm Technip's competitive edge in this field.

Polyethylene/Polypropylene

Technip is active in the construction of polyethylene and polypropylene units in terms of the number of units designed or designed and built (a total of 109 units).

Biofuels and renewable energies

In 2007, Technip strengthened its presence on the biofuels and renewable energies market by signing several contracts for projects such as an alcohol dehydration unit in Dunkirk, a polycrystalline silicium plant used to manufacture solar panels in Saint-Auban (France), and a biomass electrical plant in California.

Industries

Technip offers its engineering and construction services to industries other than the oil and gas industries, mainly to companies working in life sciences, chemicals, mines and metals, and construction. In 2007, the Group won a contract with Eramet for the study of a laterite processing project on Halmahera Island in Indonesia. Technip also won a contract with the Renault-Nissan-Mahindra joint venture for the construction of an automobile plant in Chennai, India.

b. Developments in the sector

The Onshore-Downstream markets have entered a growth phase, resulting, in particular, from a marked increase in global energy consumption and in gas and oil prices, saturation in this industry's existing production capacities, and the lagging renewal of major producers' oil and gas reserves.

In this context, Technip believes that the LNG and ethylene markets should remain healthy, in line with the trends observed since the middle of 2004, with investments over the next few years largely exceeding those made in previous years.

This trend in investments should also impact the refining industry, and several new refinery projects have been identified in the Middle East, Asia and Latin America.

c. Strategy

Technip is basing its strategy for this segment on the Group's expertise (large-scale project management, engineering, purchasing and supervision of construction sites), its first-rate reputation among its main customers, and its financial solidity.

Its main objectives are to strengthen its leadership position in the LNG, ethylene, gas processing and refining sectors. It also aims to reduce the portion of lump-sum turnkey contracts pursuant to which Technip is responsible for construction, and to increase the share of contracts that provide for construction to be handled outside a package contract structure.

d. Investments

To meet sustained demand in this sector, Technip launched a major €1 billion investment program in 2006 for the 2007-2010 period to expand its fleet and to increase its flexible pipeline production capacity. This program includes:

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

The total amount of these investments in 2007 amounted to €250.3 million in tangible assets. The breakdown by segment is as follows:

- SURF: €222.7 million,
- Platforms: €7.7 million, and
- Onshore-Downstream and Industries: €19.9 million.

In 2007, this program led to the increase in the flexible pipe production capacity of the Le Trait plant (France) by 20% and the Vitoria plant (Brazil) by 50%. Technip also added two new vessels to its fleet in 2007: the Seamec Princess was converted into a diving support vessel, and the Skandi Achiever was chartered by Technip for an eight-year period.

In 2008, investments should amount to approximately €470 million, of which approximately €300 million will be allocated to the fleet and the development of a new flexible manufacturing plant in South East Asia. The installation of a new crane is planned in Le Trait, France in 2008 for approximately €14 million. The Group's principal ongoing investments are self-financed.

e. Change in project strategy

Much of Technip's strategy at the end of 2007 aimed to diversify contract types to have a better risk balance.

This "de-risking" approach consists in reducing the portion of "pure" turnkey contracts, striking a better balance between the number of cost plus fee contracts and lump-sum contracts, reducing exposure to construction risks and improving the Group's risk management at all stages of a project. Through this approach, it began considering a new contract rating system and promoting partnerships on major projects.

1. Selective approach to projects

Because of the high cost in preparing a bid for a major turnkey project, Technip only bids on projects that have been screened by its selection process. In particular, each project is evaluated on its own merits, without departure from this rule, in regards to market share objectives or asset utilization targets.

Before bidding, Technip estimates its costs and analyzes the technical, commercial, financial and legal aspects of the project. Each bid must be authorized by management through an Authorization to Tender ("ATT"). Once the bid is submitted, the previous cost evaluation and financial and legal analysis are updated. The contract cannot be entered into without an Authorization to Commit ("ATC").

2. Changes in contractual forms

Technip's strategy is to give preference to progressive turnkey and cost plus fee contracts.

a. Cost plus fee contracts or service contracts

Under this type of contract, the project manager passes the research, equipment and construction costs on to the customer after adding a predetermined profit margin. Unlike lump-sum turnkey contracts, equipment, materials and construction are not paid through a lump-sum fee. While cost plus fee contracts often contain performance bonuses and penalties, much of the bid negotiation is focused on the profit percentage.

Cost plus fee contracts are common in the United States and in some European countries, but in other markets, lump-sum turnkey contracts are often used.

b. Progressive turnkey contracts

In the current environment of volatile raw material costs, Technip has introduced new contractual methods to reduce its risks and costs as well as those of its customers. During study and procurement phases, work is done on a cost plus fee basis, which allows Technip to mitigate risks related to increasing prices and allows its customers to cut their provisions for risks. When appropriate, the contract is converted into a lump-sum turnkey contract.

c. Lump-sum turnkey projects

Technip's clients are generally not specialized in construction and are primarily interested in obtaining the timely delivery of a completed and operational industrial complex. Turnkey projects allow our clients to achieve this result by delegating to the turnkey contractor the responsibility for designing and executing major facilities of an industrial complex within an agreed budget and timetable.

3. Partnership policy

a. Joint ventures

Technip bids for projects as the sole general contractor of the project. As sole general contractor, Technip has full responsibility vis-à-vis the customer for all aspects of the project, including the selection and supervision of subcontractors. For some larger or more technical projects, Technip participates (often as the general contractor of the projects) in single-project joint ventures with other contracting, engineering and construction companies to spread risks and combine financial, technical and other resources. In 2007, approximately 28% of Technip's revenues were generated from joint venture contracts.

b. Operation of project joint ventures

A joint venture can take the form of either an ad hoc association between partners (on a contractual basis without legal status) or a new legal entity created by the partners for the sole purposes of the contract.

In both cases, each joint venture member's share of the project's sales and profits are determined according to a predetermined percentage. In general, the partners are jointly and severally responsible for their work vis-à-vis the customer. Technip could, therefore, be held responsible for performance defects attributable to one of its partners. These joint ventures are formed for the purposes of a single project and are dissolved by the partners when the project is completed and paid for.

c. Alliances

Technip also forms alliances with oil and gas clients whereby it is able to share a portion of the risk and reward of a project. Contrary to a traditional turnkey contract, a target price for the project is set and savings and cost overruns are shared. Alliances often allow Technip to streamline the project by working on an integrated basis. In addition, alliances allow Technip to strengthen relationships, be involved in a project at an earlier stage and participate in technological choices. Over the past three years, Technip has participated in several alliance contracts with European oil companies.

In general, under its contractual relationships, Technip is required provide its customers with a bank guarantee covering its obligations.

f. Technip's business environment

Technip's business environment is very much influenced by its highly competitive nature, which generally results in calls to tender.

1. Project tenders

Most of Technip's contracts are obtained through a competitive bidding process, which is standard for the construction and engineering industries. In selecting engineering and construction management companies for major projects, clients generally limit the bidding process to contractors they have pre-qualified based on technical criteria. In the case of cost plus fee contracts, it is common for clients to initially approach one company with which they have worked in the past. In tenders for lump-sum contracts, the tender process is generally open to competing bids from the outset. In either case, the price is the most important single selection criterion. Other important factors include the bidder's technological capacity and performance, health, safety and environmental protection record, service quality, as well as reputation, experience and customer relations. Technological capacity is especially important for tenders for offshore developments, with each bidder potentially proposing entirely different technological solutions for the project. Until the final selection, negotiations continue with the client on matters such as specific design and performance parameters, the construction schedule and financial and other contractual terms and conditions.

Projects in developing countries are generally more price sensitive than projects elsewhere and, reflecting the strong preference of financial institutions typically providing credit, are mainly for lump-sum bids. Frequently, competition for projects in developing countries also depends on the bidders' ability to assist the client in obtaining financing, including multi-source solutions through national and international development banks and agencies. To obtain local financing, it is not unusual to be required to undertake the project through a local subsidiary or with a local joint-venture partner.

Technip's six Regions, implemented in the context of its new organizational framework as from October 1, 2007, are in charge of marketing and sales activities and for its projects' financial performance. Technip's decentralized structure favors the Group's global development while allowing the Group's management to make decisions related to major contracts with budgets exceeding a certain threshold.

2. Competition

Technip competes with a large number of equally strong companies, none of whom has their own or as many capacities necessary for carrying out all Offshore and Onshore-Downstream activities in the hydrocarbon and petrochemical industries. Technip is one of the most integrated companies in its area of business.

a. Offshore

Surface platforms

Technip's principal competitors in the design and construction of surface facilities for the Offshore oil and gas industry are J.Ray McDermott (with which Technip holds exclusive rights for the SPAR platform), Saipem, and Aker Kvaerner, as well as three major Korean companies (Hyundai, Daewoo and Samsung) for the manufacture of platforms.

Subsea construction

Technip's principal competitors in the subsea project segment are Acergy, Saipem, Allseas, Subsea 7, Helix and Clough.

Flexible pipe design and manufacture

Based on Technip's analysis of the revenues and installed capacities of its main competitors, Technip is the world leader in the design and manufacture of flexible pipes for Offshore installations. Its principal competitors in the fields of dynamic flexible hose and pipe systems are Wellstream Company and NKT Cable (51% owned by NKT Holding and 49% owned by Acergy). On the DRAPS segment, Technip's principal competitor is Taurus Hungarian Rubber Works.

[1] *The main principles of the new organizational framework are described in Appendix 1 – Report of the Chairman of the Board on internal control, III. Main Principles of the New Organization.*

Umbilicals

In the market for umbilical manufacturing, Technip's principal competitors are Multiflex, a subsidiary of Oceaneering International, Nexans and Aker Kvaerner.

b. Onshore-Downstream

Technip's principal competitors include U.S. companies such as Bechtel, Fluor, Foster Wheeler, Jacobs, KBR and Shaw; Japanese companies such as JGC, Chiyoda and Toyo; European companies such as Saipem, Linde, Uhde, Tecnicas Reunidas and Lurgi; and Korean companies such GS, Hyundai, Samsung and SK. In developing countries, it shares the market with local engineering and construction companies, either as competitors or as partners.

g. Human resources

During 2007, Technip had an average of 23,000 employees, who carry out most of the Group's design and project management work. With teams present in almost 50 countries, Technip benefits from close proximity to its customers and a strong capacity to adapt to changes in its markets.

Technip represents 91 nationalities, which conveys its desire to develop an international corporate culture. The Group's Human Resources department strives to recruit and hire the talent the Group needs, encourage skills development to assist Technip's development, promote geographic and functional mobility and further and enhance labor discussions.

The Human Resources policy is described in further detail in the Corporate Handbook on pages 44 to 51.

2. Business Results

a. Group Consolidated Results

Comments

The following document is mainly devoted to presenting Technip consolidated financial results for the three periods ended respectively December 31, 2007, 2006 and 2005, prepared in accordance with IFRS or International Financial Reporting Standards ("Technip Consolidated Financial Statements"). In this section, the term "Technip" means Technip SA and its consolidated subsidiaries.

The reader is asked to read the presentation below in light of the entire reference document, including the Consolidated Financial Statements and the Notes that accompany them.

Main Changes in the Scope of Consolidation (See Note 2 to the Consolidated Financial Statements at December 31, 2007)

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

In 2006 Gulf Marine Fabricators' assets were sold as well as Gerland Building in Lyon.

In 2005 three entities entered the consolidation scope: Technip South Africa (subsidiary controlled at 51%), Technip Marine Sdn. Bhd (subsidiary controlled at 90%) and Technipetrol Hellas (subsidiary controlled at 99%).

2005 was also characterized by the closure of pharmaceutical activities in the United States through the liquidation in progress of Technip BioPharm in July 2005, the disposal of Technip Engineering Brunei in September 2005 and the sale of Technip Portugal to its management in December 2005.

Reporting of Operating Performance

Until December 31, 2007 Technip organized the reporting of its operating performance along five segments:

- The SURF segment (Subsea Umbilicals, Risers and Flowlines), which includes the design, manufacture, provisioning and installation of subsea equipment.
- The Facilities segment, which includes the design and costruction of fixed or floating Facilities and surface installations.
- The Onshore Downstream segment, which includes the entire engineering and construction business for petrochemical and refining plants as well as facilities for developing onshore oil and gas fields, including gas treatment units, liquefied natural gas (LNG) units and onshore pipelines.
- The Industries segment, which is dedicated to the engineering and construction of non-petroleum facilities, particularly in the following sectors: mines and metals, chemicals, industrial construction and pharmaceuticals.
- The Corporate segment, which includes our holding company activities, the re-invoicing of Group services, IT, re-insurance and centralized cash management.

Starting as of January 1, 2008 Technip's quarterly financial reporting will be done along the three business segments below, in addition to the Corporate segment:

-SUBSEA, formerly called SURF,

-OFFSHORE, formerly called Facilities,

-ONSHORE, combining the two business segments formerly called Onshore Downstream and Industries.

The financial information below is taken from Technip's Consolidated Financial Statements.

The main items in the consolidated income statement are as follows:

In millions of Euro	2007	12 months 2006	2005
Revenues	**7,886.5**	**6,926.5**	**5,376.1**
Gross Margin	**641.4**	**724.4**	**558.1**
Operating Income/(Loss) from Recurring Activities	**247.0**	**333.2**	**231.0**
Operating Income/(Loss)	**266.9**	**360.1**	**231,0**
Income / (Loss) before Tax	**205.1**	**296.0**	**143.5**
Income Tax Expense	(77.1)	(94.1)	(43.5)
Income / (Loss) from Continuing Operations	**128.0**	**201.9**	**100.0**
Income / (Loss) from Discontinued Operations	-	-	(5.0)
Net Income / (Loss) for the Year	**128.0**	**201.9**	**95.0**
Attributable to:			
Shareholders of the Parent Company	126.3	200.1	93.3
Minority Interests	1.7	1.8	1.7
Earnings per Share (in Euros)	1.22	1.91	0.98
Diluted Earnings per Share (in Euros)	1.20	1.86	0.96

The main items in the consolidated balance sheet are as follows:

In millions of Euro	2007	As of December 31. 2006	2005
Fixed Assets	3,263.4	3,200.4	3,244.5
Deferred Tax Assets and Other Non-Current Assets	200.4	155.8	90.0
Total Non-Current Assets	**3,463.8**	**3,356.2**	**3,334.5**
Construction Contracts - Amounts in Assets	280.6	591.1	585.0
Inventories, Trade Receivables and Other Current Receivables	1,953.4	1,651.8	1,146.8
Cash and Cash Equivalents	2,401.5	2,402.8	2,187.8
Total Current Assets	**4,635.5**	**4,645.7**	**3,919.6**
Assets of Disposal Group Classified as Held for Sale	-	61.5	42.9
TOTAL ASSETS	**8,099.3**	**8,063.4**	**7,297.0**
Equity attributable to Shareholders of the Parent Company	2,178.4	2,401.3	1,953.7
Minority Interests	18.4	15.5	13.9
Total Equity	**2,196.8**	**2,416.8**	**1,967.6**
Convertible Bonds OCEANE	-	-	650.1
Other Non-Current Financial Debts	653.3	676.7	655.2
Provisions	109.7	124.1	106.3
Deferred Tax Liabilities and Other Non-Current Liabilities	174.2	161.3	109.0
Total Non-Current Liabilities	**937.2**	**962.1**	**1,520.6**
Current Financial Debt	43.9	185.9	214.4
Provisions	123.0	73.8	133.4
Construction Contracts - Amounts in Liabilities	1,860.2	2,138.4	1,672.4
Trade Payables and Other Current Liabilities	2,938.2	2,267.6	1,788.6
Total Current Liabilities	**4,965.3**	**4,665.7**	**3,808.8**
Liabilities Directly Associated with the Assets Classified as Held for Sale	-	18.8	
TOTAL EQUITY AND LIABILITIES	**8,099.3**	**8,063.4**	**7,297.0**

From a geographical standpoint, operating activities and performances of Technip are reported on the basis of five regions:

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

The following commentary refers to Technip's consolidated financial results for the three years ended respectively December 31, 2007, 2006 and 2005.

(a) Operating Income / (Loss) 2007 vs. 2006

Revenues

Revenues on contracts are measured on the basis of costs incurred and of margin recognized at the percentage of completion.

The percentage-of-completion ratio is computed consistently for each and every homogenous type of contracts as follows:

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

The table below shows consolidated revenues by business segment for the years ended December 31, 2007 and 2006.

(In millions of Euro)	SURF		Facilities		Onshore Downstream		Industries		Corporate	Total Continuing Operations		Discontinued Operations	Total	
2007														
		Var.		Var.		Var.		Var.			Var.			Var.
Revenues	2,478.2	12.2%	738.8	-38.2%	4 436.7	33.7%	232.8	14.1%	-	7,886.5	13.9%	-	7,886.5	13.9%
2006														
Revenues	2,209.2		1,195.5		3,317.8		204.0		-	6,926.5		-	6,926.5	

Revenues grew from €6,926.5 million in 2006 to €7,886.5 million in 2007, or an increase of 13.9%

REVENUES BY BUSINESS SEGMENT

SURF

The SURF segment generated revenues of €2,478.2 million in 2007, up 12.2% over 2006 (€2,209.2 million). It accounted for 31.4% of 2007 consolidated revenues, vs. 31.9% in 2006. The 2007 increase was due to revenues on projects delivered in 2007. Chief among these projects were : for Africa, Agbami (CHEVRON TEXACO) in Nigeria, DALIA UFL (TOTAL) and Block 18 Greater Plutonio (BP) in Angola; for Americas, PDET, P52, and P54 (PETROBRAS) in Brazil and Bass Lite Flowlines (MARINER) in the United States; for Europe, Russia and Central Asia, Affleck (MAERSK) and Schiehallion (BP) in Great Britain, Asgard and Tampen Link (STATOIL) as well as Alvheim (MARATHON) in Norway; and in Asia-Pacific, the Stybarrow (BHPP) and Vincent (WOODSIDE) projects in Australia, Kupe (ORIGIN) in New Zealand and MAD6 (AKER) in India.

Facilities

Revenues in the Facilities segment were €738.8 million in 2007, down as anticipated by 38.2% compared to revenues in 2006 (€1,195.5 million). It accounted for 9.4% of 2007 consolidated revenues, vs. 17.3% in 2006. This reduction was the result of accepting fewer projects in 2006. The major projects contributing to 2007 revenues were: for Africa, Akpo FPSO and AMP2 (TOTAL) in Nigeria and Dalia FPSO (TOTAL) in Angola; in Americas, Perdido (SHELL) and Tahiti (CHEVRON TEXACO) in the Gulf of Mexico, P51 and P52 (PETROBRAS) in Brazil; for the Middle-East, Qatargas II offshore; and for Asia-Pacific, Kikeh DTU (MURPHY OIL) in Malaysia.

Onshore Downstream

The Onshore Downstream segment showed the highest growth in revenues reaching €4,436.7 million, up 33.7% against 2006 (€3,317.8 million). It accounted for 56.2% of 2007 consolidated revenues, vs. 47.9% of 2006 consolidated revenues. The growth in revenues stemmed mainly from the major contracts started in 2004 and 2005 and which reached over 50% completion in 2007 (Qatargas II, Sabic Yanbu, Ras Laffan Ethylene, Dung Quat, Rasgas III and Yemen LNG) and from continued work on LNG contracts started in 2006 (Qatargas III & IV and AKG2).

Industries

The Industries segment generated revenues of €232.8 million, up 14.1% compared to 2006 (€204.0 million). The increase in revenues in 2007 stemmed from various contracts with the pharmaceuticals industry (Sanofi, Guerbet, LFB, Merial and Servier projects), the chemicals industry (the Total Petrochemicals Chicago project, the Diester Industries projects in Montoir, Rouen and Bordeaux, Solvay and the Oxychem projects), the mines & metals (Xstrata Koniambo and Eramet Weda Bay), construction industry, and some other projects in cement or in nuclear power sector.

REVENUES BY REGION

The following table shows consolidated revenues by region for the years ended respectively December 31, 2007 and 2006:

(In million of Euro)	Europe, Russia Central Asia		Africa		Middle-East		Asia-Pacific		Americas		Not Allocable	Total	
2007													
		Var.		Var.		Var.		Var.		Var.			Var.
Revenues	1,218.8	-12.9%	954.8	-23.9%	3,246.6	56.8%	1,032.2	28.0%	1,434.1	2.8%	-	7,886.5	13.9%
2006													
Revenues	1,399.2		1,254.4		2 ,070.7		806.7		1,395.5		-	6 ,926.5	

Europe, Russia and Central Asia

The region generated revenues of €1,218.8 million in 2007 vs. €1,399.2 million in 2006, or 15.5% of 2007 consolidated revenues, vs. 20.2% in 2006. The SURF segment was the biggest contributor with €705.0 million, or 57.8% of 2007 revenues, vs. €823.2 million in 2006, or 58.8% of 2006 revenues. Main significant projects are DSVI (THT), Affleck (MAERSK) and Schiehallion (BP) in Great Britain, and the Asgard, Tampen Link (STATOIL) and Alvheim (MARATHON) projects in Norway. The Onshore Downstream segment generated revenues of €250.4 million, or 20.5% of 2007 revenues, vs. 20.3% of 2006 revenues (€283.5 million). With respect to this business segment, 2007 revenues were chiefly generated by a group of projects which were individually rather small relative to the large contracts found in this segment. The Facilities segment contributed to 9.1% of 2007 revenues, or €110.6 million, vs. a contribution of 13.3% to 2006 revenues, or €186.7 million. The Industries segment contributed to €152.8 million in 2007, or 12.5% of revenues, vs. €105.8 million in 2006, or 7.6% of revenues. The major contracts worked on in this area were the Total Petrochemicals Chicago in Belgium and Solvay Ikra (FEED) in Russia.

Africa

The region generated revenues of €954.8 million, vs. €1,254.4 million in 2006, or 12.1% of 2007 consolidated revenues, vs. 18.1% in 2006. The SURF segment was the biggest contributor, with revenues of €619.8 million, or 64.9% of 2007 revenues, vs. €662.6 million in 2006 or a contribution of 52.8%. The major projects contributing to 2007 revenues were DALIA UFL (TOTAL), Block 18 Greater Plutonio (BP) in Angola and Agbami (CHEVRON TEXACO) in Nigeria. The Facilities segment was the second-largest contributor with €213.3 million in revenues 2007, or 22.3% of revenues, vs. €420.6 million in 2006, or 33.5% of revenues. The major contracts behind this were Akpo FPSO and AMP2 (TOTAL) in Nigeria, and Dalia FPSO (TOTAL) in Angola. The Onshore Downstream segment generated revenues of €113.3 million or 11.9% of revenues in 2007, vs. €148.8 million or 11.8% of revenues in 2006. A major project called Train VI for NLNG in Nigeria (NNPC, Shell, Total, Agip) was delivered in 2007. In addition there was the OK LNG contract in Nigeria for which Technip provided the FEED. The Industries segment contributed to €8.4 million in 2007, or 0.9% of revenues, vs. €22.4 million in 2006, or 1.8% of revenues.

Middle-East

The region generated revenues of €3,246.6 million, vs. €2,070.7 million in 2006, or 41.2% of 2007 consolidated revenues, vs. 29.9% in 2006. The Onshore Downstream segment was the main contributor, with revenues of €3,181.7 million (vs. €1,957.4 million in 2006), or 98.0% of 2007 revenues vs. 94.5% in 2006. In 2007 business in that region was particularly

supported by contracts for construction of natural gas liquefaction plants and ethylene units. The most significant contracts in the region consisted of large LNG contracts in Qatar (Qatargas III & IV, Rasgas III, Qatargas II, AKG2 - signed in 2004, 2005 and 2006 in partnership with Chiyoda) and in Yemen (Yemen LNG signed in 2005); the contract for a gas treatment unit in Khursaniyah, Saudi Arabia, which was converted into a lump-sum turnkey contract in August 2007 with delivery due in the first quarter of 2008, and some major ethylene contracts (Sabic Yanbu in Saudi Arabia, Ras Laffan in Qatar and Pic Dow in Kuwait). The Facilities segment generated €62.7 million in 2007 (1.9% of revenues) compared to €93.3 million in 2006 (4.5% of revenues). The Industries segment contributed to €2.2 million in 2007, or 0.1% of revenues, as compared to €2.4 million in 2006, or 0.1% of revenues.

Asia-Pacific

The region generated revenues of €1,032.2 million, vs. €806.7 million in 2006, or 13.1% of 2007 consolidated revenues, vs. 11.6% in 2006. The two main contributors were the SURF segment and the Onshore Downstream segment, with respective revenues of €463.4 million in 2007 (vs. €299.8 million in 2006) and €436.6 million in 2007 (vs. €284.5 million in 2006), or respectively 44.9% and 42.3% of 2007 revenues. The contributions from these two segments were higher than in 2006. The SURF segment represented 37.2% of 2006 revenues and the Onshore Downstream segment represented 33.3% of 2006 revenues. In the SURF segment, the main contribution came from the Stybarrow (BHPP) and Vincent (WOODSIDE) projects in Australia, the Kupe (ORIGIN) project in New Zealand and the MAD6 (AKER) project in India. In the Onshore Downstream segment the most significant contract was the Dung Quat refinery in Vietnam (Petrovietnam) signed in 2005 in partnership with JGC and Tecnicas Reunidas which is completed at around 80% at the end of 2007. In addition, Technip created two polyethylene units in China at Duchanzi (Petrochina), and a gas treatment unit at Kupe in New Zealand. The Facilities segment generated €84.0 million revenues (8.1%) in 2007 compared to €174.1 million (21.6%) in 2006. The Industries segment generated €48.2 million revenues in 2007, unchanged compared to 2006 (€48.3 million). The main contract in the region in 2007 was the Koniambo project.

Americas

The region generated revenues of €1,434.1 million, vs. €1,395.5 million, or 18.2% of 2007 consolidated revenues, vs. 20.1% in 2006. The SURF and Onshore Downstream segments contributed respectively to €690.0 million (vs. €406.0 million in 2006) and €454.7 million (vs. €643.6 million in 2006), or again respectively, 48.1% and 31.7% of 2007 revenues (vs. 29.1% and 46.1% in 2006). In the SURF segment main projects were PDET, P52 and P54 and Bidao (PETROBRAS) in Brazil and Bass Lite Flowlines (MARINER) in the United States. The most significant Onshore Downstream contracts in 2007 were two contracts for CNRL in Canada (one for a hydrogen production unit built by Technip USA and one for a bituminous sand treatment unit built by Technip Italy) and the contract for the Freeport LNG terminal signed in partnership in 2004 and now past 90% completion, as well as various contracts for hydrogen plants in North America. The Facilities segment contributed to €268.2 million (€320.8 million in 2006) or 18.7% of 2007 revenues (vs. 23.0% of 2006 revenues). Main contracts which contributed to Facilities segment revenues were Perdido (SHELL) and Tahiti (CHEVRON TEXACO) in the Gulf of Mexico, P51 and P52 (PETROBRAS) in Brazil. The Industries segment contributed to €21.2 million in 2007, vs. €25.1 million in 2006. The main contract in the region in 2007 was the Colombo project in Brazil, carried out for Solvay.

Backlog and Order Intake

Backlog is defined as the difference between the total contractual sale prices of all contracts in force and the cumulated revenues recognized at that date on these contracts, stood at €9,389.5 million on December 31, 2007, vs. €10,272.8 million on December 31, 2006, or a drop of 9%.

The Onshore Downstream segment was the main contributor with €5,136.8 million, or 54.7% of backlog at 2007 year end, down 23% from €6,650.4 million, or 64.7% of backlog at 2006 year end. This drop was mainly attributable to the Middle-East region, which represented 60.0% of the Onshore Downstream 2007 contribution, at €3,082.0 million, vs. 73.2% in 2006 (€4,865.8 million). The backlog derived to a great extent from large LNG contracts started in 2004 (Qatargas II, Nigeria Train VI), in 2005 (Rasgas III, Yemen LNG) and in 2006 (Qatargas III & IV, AKG2), plus the ethylene contracts (Ras Laffan, Sabic Yanbu and Pic Dow Kuwait). The backlog in Europe, Russia and Central Asia was growing strongly, as it represented 19.8% of the Onshore Downstream backlog in 2007, or €1,020.6 million, vs. 4.5% in 2006 or €298.5 million. One might cite two contracts started in Poland in 2007, the lump-sum turnkey contract for the Gdansk refinery signed in July 2007 (GRUPA LOTOS) and

the contract for a paraxylene unit (PKN ORLEN). In the Asia-Pacific region the backlog was down by 40% to €456.7 million (or 8.9% of the Onshore Downstream 2007 backlog), vs. €754.6 at the end of 2006 (or 11.3% of the Onshore Downstream 2006 backlog). In 2007 it mainly included the contract for the Dung Quat refinery in Vietnam and the contract for ethylene ovens signed in late 2006 with MOC in Thailand. As for Americas the backlog was down by 17% to €505.8 million (or 9.8% of the segment backlog), vs. €608.9 million at the end of 2006 (or 9.1% of the segment backlog). The most significant contracts in 2007 were the ones for CNRL in Canada (hydrogen unit and bituminous sand treatment unit), the HNAY (PDVSA) contract in Venezuela and several contracts for refining ovens in North America.

The SURF segment was the second contributor with €3,477.1 million, or 37.0% of backlog at 2007 year end, up 28% from €2,718.9 million, or 26.5% of backlog at 2006 year end. This change was mainly due to Africa, which accounted for 40.6% of backlog in 2007, vs. 35.1% in 2006 or €1,410.8 million in 2007 compared to €954.6 million in 2006. Particular mention should be made of a major contract won in 2007 as part of a consortium with Acergy, to develop the PAZ FLOR (TOTAL) oilfield that lies offshore from Angola at underwater depths reaching 1200 meters, and the continuation of the Agbami (CHEVRON TEXACO) contract in Nigeria, and to a lesser degree, Azurite (MURPHY OIL) in the Congo and ABO2 (AGIP) in Nigeria. Americas also contributed to backlog increase with €1,163.5 million in 2007, or 33.5% of the SURF backlog, vs. €945.3 million in 2006, or 34.8% of 2006 backlog. This increase was due especially to the large contribution from the new contract signed with Petrobras to develop the Cascade and Chinook gas fields located in the Gulf of Mexico at underwater depths of about 2500 and 2700 meters, respectively. We would also mention the contribution from the Canapu and PDET (PETROBRAS) projects in Brazil. The backlog in Europe, Russia and Central Asia grew by 20% in 2007, representing €575.8 million in 2007 (or 16.6% of the SURF backlog), vs. €479.4 million in 2006 (or 17.6% of the SURF backlog). This change was particularly due to two new contracts signed in Norway: the first one with BP to supply flexible pipes for the Skarv FPSO and the second one with Talisman Energy to develop the Yme field.

The Facilities segment stood at €550.9 million at the end of 2007 vs. €741.6 million at the end of 2006, down 26% as anticipated due to a slowdown in order intake. Some 46.3% of it consisted of contracts to be performed in Americas, or €254.8 million, in the form of the P56 and P51 (PETROBRAS) projects in Brazil and Perdido (SHELL) in the Gulf of Mexico. Africa contributed to 25.0% of the Facilities backlog with €137.7 million, including notably AKPO FPSO project (CHEVRON TEXACO) in Nigeria and OFON T&I (TOTAL). The Middle-East contributed to €109.0 million or 19.8% of Facilities backlog, mostly with the new contract for the ZAKUM (ADMA-OPCO) gas facilities off of Abu Dhabi.

The Industries segment backlog stood at €224.7 million in 2007, vs. €161.9 in 2006 or an increase of around 39%. This strong increase in backlog was due to the contribution of the Koniambo project, for which the customer committed its investment in the third quarter of 2007. The backlog consisted of various service and construction contracts in pharmaceuticals, chemicals, mines & metals, cement and industrial construction.

Cost of Sales

The cost of sales was €7,245.1 million in 2007, as compared to €6,202.1 million in 2006, or an increase of 16.8%. The increase was greater than the 13.9% increase in revenues, and was due mainly to expenses recognized in the fourth quarter 2007 on gas treatment contracts undertaken in Qatar. Thus gross margin in 2007 was 8.1% as compared with 10.5% in 2006.

The main components of cost of sales were expenses for wages and research, external costs (particularly purchases of equipment) and the subcontracting of construction work. Cost of sales in 2007 broke down by segment as follows: Onshore Downstream segment accounted for €4,481.2 million or 61.9% of total cost of sales in 2007 vs. 50.4% in 2006, while SURF segment and Facilities segment accounted for €2,562.6 million, or 35.4% of the 2007 total cost of sales, vs. 46.7% in 2006.

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

Research and Development Expenses

Research and development expenses amounted to €42.0 million in 2007, vs. €34.9 million in 2006, or an increase of €7.1 million (up 20.3%). This rise was due to an increase in research projects in 2007 in the SURF segment (up by €4.8 million) and to a lesser degree to an increase in the Facilities segment (up by €1.8 million)

Selling and Administrative Expenses

In 2007 selling and administrative expenses were €351.7 million or 4.5% of revenues, vs. €354.4 million in 2006 (5.1% of revenues). These expenses were relatively stable and do not call for particular comment.

Payroll Expenses

In the income statement expenses are disclosed by function. Therefore payroll expenses are included in the expense line items mentioned above. Payroll expenses represented €1,061.6 million in 2007, up by 12.0% over 2006 (€948.2 million) and included in 2007 a non-recurring charge of €5 million for a free shares plan implemented at the beginning of 2007. The increase of payroll expenses was mainly due to an increase of number of employees (plus 8.5% between 2006 and 2007). Technip has been strengthening its workforce to support growth of activities.

Other Operating Income and Expenses

Other operating income was €19.6 million in 2007 vs. €8.4 million in 2006, and other operating expenses were €20.3 million in 2007 vs. €10.3 million in 2006, or a net expense of €0.7 million vs. a net expense of €1.9 million in 2006. Other operating income basically covers insurance premiums and reversals of provisions for charges recognized by Technip's captive re-insurer, which stood at €14.5 million in 2007 vs. €5.7 million in 2006. Similarly, other operating expenses basically cover allowances of provisions for loss, which amounted to €13.7 million in 2007 vs. €6.1 million in 2006.

Operating Income / (Loss) from Recurring Activities

Operating income from recurring activities in 2007 was €247.0 million, vs. €333.2 million in 2006, or a decline of 25.9%. The operating margin was 3.1% vs. 4.8% in 2006.

OPERATING INCOME / (LOSS) FROM RECURRING ACTIVITIES BY BUSINESS SEGMENT

(In millions of Euro)	SURF		Facilities		Onshore Downstream		Industries		Corporate		Total Continuing Operations		Discontinued Operations	Total	
2007															
		Var.		Var.		Var.		Var.		Var.		Var.			Var.
Operating Income / (Loss) from Recurring Activities	390.9	83.1%	35.2	-43.5%	(172.5)	-352.2%	15.2	34.5%	(21.8)	-2.2%	247.0	-25.9%	-	247.0	-25.9%
% Operating Margin from Recurring Activities	15.8%		4.8%		-3.9%		6.5%				3.1%			3.1%	
Operating Income / (Loss)	407.9	91.1%	38.1	-54.5%	(172.5)	-333.7%	15.2	34.5%	(21.8)	-2.2%	266.9	-25.9%	-	266.9	-25.9%
% Operating Margin	16.5%		5.2%		-3.9%		6.5%				3.4%			3.4%	
2006															
Operating Income / (Loss) from Recurring Activities	213.5		62.3		68.4		11.3		(22.3)		333.2		-	333.2	
% Operating Margin from Recurring Activities	9.7%		5.2%		2.1%		5.5%				4.8%			4.8%	
Operating Income / (Loss)	213.5		83.8		73.8		11.3		(22.3)		360.1		-	360.1	
% OperatingMargin	9.7%		7.0%		2.2%		5.5%				5.2%			5,2%	

The strongest growth was reached by the SURF segment, which generated operating income from recurring activities of €390.9 million in 2007, or 15.8% of revenues, vs. €213.5 million in 2006, or 9.7% of revenues. This strong performance was due to good execution of projects in progress, and high factory and vessel utilization rates. The SURF segment was the leading contributor to Technip's operating income from recurring activities in 2007.

The Facilities segment generated operating income from recurring activities of €35.2 million in 2007, or 4.8% of revenues, vs. €62.3 million or 5.2% of revenues for 2006.

The Onshore Downstream segment generated a loss of €172.5 million in 2007, vs. a profit of €68.4 million in 2006 (or an operating margin of (3.9%) vs. 2.1% in 2006). This loss was generated mostly by expenses recognized on gas treatment contacts undertaken in Qatar.

The Industries segment generated operating income from recurring activities of €15.2 million in 2007, or an operating margin of 6.5%, vs. €11.3 million and a 5.5% operating margin in 2006.

The Corporate segment showed a loss from recurring activities of €21.8 million in 2007 vs. a loss of €22.3 million in 2006. This included stock options and allocation of free shares charges (€9.9 million).

OPERATING INCOME / (LOSS) FROM RECURRING ACTIVITIES BY REGION

(In million of Euro)	Europe, Russia Central Asia		Africa		Middle-East		Asia-Pacific		Americas		Not Allocable		Total	
2007														
		Var.		Var.		Var.		Var.		Var.		Var.		Var.
Operating Income / (Loss) from Recurring Activities	160.2	-4.6%	196.7	226.2%	(134.0)	-207.2%	40.9	-150.6%	5.0	-94.0%	(21.8)	-2.2%	247.0	-25.9%
% Operating Margin from Recurring Activities	13.1%		20.6%		-4.1%		4.0%		0.3%				3.1%	
Operating Income / (Loss)	166.8	-3.8%	196.7	226.2%	(134.0)	-207.2%	40.9	-150.6%	18.3	-82.5%	(21.8)	-2.2%	266.9	-25.9%
% Operating Margin	13.7%		20.6%		-4.1%		4.0%		1.3%				3.4%	
2006														
Operating Income / (Loss) from Recurring Activities	168.0		60.3		125.0		(80.9)		83.1		(22.3)		333.2	
% Operating Margni from Recurring Activities	12.0%		4.8%		6.0%		-10.0%		6.0%				4.8%	
Operating Income / (Loss)	173.4		60.3		125.0		(80.9)		104.6		(22.3)		360.1	
% Operating Margin	12.4%		4.8%		6.0%		-10.0%		7.5%				5.2%	

Europe, Russia and Central Asia

Operating income from recurring activities was €160.2 million in 2007 vs. €168.0 million in 2006, or a margin of 13.1% vs. 12.0% in 2006.

The SURF segment contributed to €110.2 million (or a margin of 15.6%) in 2007 vs. €123.4 million in 2006 (or a margin of 15.0%) due to the DSVI, Asgard and Schiehallion contracts in the U. K. and the Asgard contract in Norway. The Onshore Downstream segment contributed to €35.5 million (or a margin of 14.2%) in 2007 vs. €34.6 million in 2006 (or a margin of 12.2%) due to the Gonfreville, Feyzin and Donges Prime G contracts in France, as well as the contracts in Poland, including PKN HDS. The contribution from the Facilities segment was stable at €15.0 million in 2007 vs. €14.8 million in 2006, despite an increase in margin from 7.9% in 2006 to 13.6% in 2007. The contribution from the Industries segment was a loss of €0.5 million in 2007, vs. a loss of €4.8 million in 2006.

Africa

Operating income from recurring activities was €196.7 million in 2007 (or a margin of 20.6%) vs. €60.3 million in 2006 (or a margin of 4.8%).

The SURF segment contributed to €151.4 million in 2007 (or a margin of 24.4%) vs. €10.3 million in 2006 (or a margin of 1.6%), owing to the Agbami contract in Nigeria, and the Dalia and Block 18 contracts in Angola. The Facilities segment showed a net income of €17.5 million (or a margin of 8.2%) in 2007 vs. €26.8 million in 2006 (or a 6.4% margin), due to good execution of African projects (AKPO, FPSO, AMP2 in Nigeria and Dalia in Angola) and to favourable developments with certain contracts where there had been difficulties in 2006 (an insurance payment and riders conceded by customers). The Onshore Downstream segment contributed to €24.5 million in 2007 (or a margin of 21.6%) vs. €18.8 million in 2006 (a 12.6% margin). This good performance came mainly from the FEEDs and contracts under-

taken in Nigeria, in particular the gas liquefaction trains partnered with KBR, JGC and Snamprogetti.

Middle-East

Operating result from recurring activities in the Middle-East was a loss of €134.0 million, vs. a profit of €125.0 million in 2006, or a negative margin of 4.1% in 2007 vs. a positive margin of 6.0% in 2006.

This drop was mainly due to the Onshore Downstream segment, which recorded a loss of €137.2 million vs. a profit of €110.8 million in 2006 (or a 2006 margin of 5.7%). It was largely accounted for by Technip's decision to recognize in the fourth quarter of 2007 an expense of some €200 million based on the estimated financial results at the completion of four gas treatment projects underway in Qatar, estimates made in light of the outcome of negotiations on the Qatargas II project and the level of progress made on the site, as well as by a €50 million charge to a project underway in Saudi Arabia. The Facilities segment contributed to € 5.7 million in 2007 vs. €11.7 million in 2006, and its margin in 2007 declined to 9.1% from 12.5% in 2006. The Industries segment generated a loss from recurring activities of €2.5 million vs. a profit of €0.7 million in 2006 (or a 28.8% margin in 2006).

Asia-Pacific

Operating income from recurring activities in Asia-Pacific was a €40.9 million, vs. a loss of €80.9 million in 2006, or a margin of 4.0% vs. a negative margin of 10.0% in 2006.

In this region the largest contributor was the SURF segment, as it recorded a substantial increase in net operating income, to €57.7 million (or a margin of 12.5%) vs. €22.0 million in 2006 (or a margin of 7.3%). The contribution of the Facilities segment improved in 2007 but remained negative at €6.1 million (or a negative margin of 6.1%) vs. a loss of €26.2 million in 2006 (or a negative margin of 15.0%). The contribution from the Onshore Downstream segment in 2007 was negative by €22.0 million (or a negative margin of 5.0%) vs. a negative contribution of €82.6 million in 2006 (or a negative margin of 29.0%). The loss arose chiefly from the additional expense recognized in the fourth quarter of 2007 on a project whose contract completion is currently under negotiation. The outcome might fail to meet Technip's expectations.

Americas

Operating income from recurring activities in this area was €5.0 million vs. €83.1 million in 2006, or an operating margin of 0.3% in 2007 vs. 6.0% in 2006.

The SURF segment operating income from recurring activities was €71.6 million in 2007 vs. €56.0 million in 2006, or a margin of 10.4% vs. 13.8% in 2006. The major contributing contracts were Bidao, P54 and P52 in Brazil and Bass Lite Flowline, Princess and Neptune in the Gulf of Mexico.

The Onshore Downstream segment generated in 2007 a net loss from recurring activities of €73.3 million (or a negative margin of 16.1%) vs. a loss of €13.2 million in 2006 (or a negative margin of 2.1%). In the fourth quarter of 2007 an additional expense was charged to a North American project whose contract completion is currently under negotiation. The outcome might fail to meet Technip's expectations.

The Facilities segment generated a net income of €3.1 million in 2007 vs. €35.2 million in 2006, or a margin of 1.2% vs. 11.0% in 2006, as certain contracts were behind schedule. Moreover, 2006 net income included reversals of provisions on completed projects.

Net Income from Sale of Activities

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

In 2006 net income from disposals was €26.9 million and derived mainly from the sale of the Lyon building (€5.4 million) credited to Onshore Downstream, and from the sale of Gulf Marine Fabricators (€20.3 million) credited to the Facilities segment.

Net Operating Income

Net operating income in 2007 was €266.9 million, vs. €360.1 million in 2006, or a decline of €93.2 million (off 25.9%). This decline was largely due to the expenses booked on gas treatment contracts underway in Qatar, somewhat attenuated by the strong performance of the SURF segment. It broke down by segment as follows. SURF: €407.9 million (vs. €213.5 million in 2006); Facilities: €38.1 million (vs. €83.8 million in 2006); Onshore Downstream: negative €172.5 millions (vs. a profit of €73.8 million in 2006); Industries: €15.2 million (vs. €11.3 million in 2006) and Corporate: a negative contribution of €21.8 million in 2007 vs. a negative €22.3 million in 2006 (See Note 4 to the Consolidated Financial Statements at December 31, 2007.)

Financial Income and Expenses

Financial net expenses were €64.6 million in 2007 and relatively unchanged from 2006 (€61.5 million in 2006). In 2007 the absence of charge on convertible bond OCEANE, which in 2006 was a charge of €10 million, was offset by a deterioration in net foreign exchange, a loss of €20.9 million in 2007 vs. a loss of €6.8 million in 2006.

The yield on funds provided under turnkey contracts does not appear under this heading but is included in revenues. For 2007 financial net income on contracts represented a contribution to revenues of €90.9 million, vs. €78.7 million in 2006.

Income Tax

Income tax expense in 2007 was €77.1 million on pre-tax earnings of €205.1 million, vs. €94.1 million in 2006. Effective tax rate in 2007 was 36.8%, vs. 29.6% in 2006, as compared to the French tax rate which was 34.43% in 2007 and 2006.

Effective tax rate in 2007 showed a slight increase due to losses realized on contracts in parts of the world where loss carry-forwards are made difficult and where income tax rates are lower than French rates.

Net Income from Discontinued Activities

As in 2006, no operations were shut down or discontinued in 2007.

Net Income Attributable to Minority Interests

Net income attributable to minority interests was stable at €1.7 million in 2007 vs. €1.8 million in 2006.

Net income from affiliates accounted for using the equity method was €2.8 million in 2007, as compared to a loss of €2.6 million in 2006. In 2007 only Technip KTI Spa was accounted of using the equity method. In 2006, net income from equity-method affiliates included a non-recurring charge of €4 million for the provision on Nargan shares.

Net Income

Technip net income amounted to €126.3 million in 2007, vs. €200.1 million in 2006. This represented 1.6% of consolidated revenues, vs. 2.9% in 2006.

The reduction in net income was mainly due to the losses booked on the Onshore Downstream segment.

Earnings per Share

Calculated on a diluted basis of 104,996,104 shares, earnings per share came to €1.20 in 2007 vs. €1.86 in 2006 (down 35.2%).

Basic earnings per share were €1.22 in 2007, vs. €1.91 in 2006, or a drop of 36.3%.

To the best of Technip’s knowledge, no significant change in Technip's financial or business position occurred since the accounting period ended December 31, 2007.

(b) Operating Income / (Loss) 2006 vs. 2005

Revenues

The table below shows consolidated revenues by business segment for the years ended 31 December, 2006 and 2005.

(In millions of Euro)	SURF		Facilities		Onshore Downstream		Industries		Corporate	Total Continuing Operations		Discontinued Operations	Total	
2006														
		Var.		Var.		Var.		Var.			Var.			Var.
Revenues	2,209.2	22.9%	1,195.5	18.0%	3,317.8	43.1%	204.0	-17.4%	-	6,926.5	28.8%	-	6,926.5	28.8%
2005														
Revenues	1,797.6		1,013.4		2,318.2		246.9		-	5,376.1		-	5,376.1	

Revenues grew from €5,376.1 million in 2005 to €6,926.5 million in 2006 ; it represents an increase of 28.8%.

REVENUES BY BUSINESS SEGMENT

SURF

The SURF segment generated revenues of €2,209.2 million in 2006, up 22.9% over 2005 (€1,797.6 million). This increase was due to the major projects carried out in 2006, such as for Africa, DALIA UFL (TOTAL) and Block 18 Greater Plutonio (BP) in Angola and Agbami (CHEVRON TEXACO) in Nigeria; for Americas, Bidao and PDET (PETROBRAS) in Brazil; for Europe, Russia and Central Asia, the Fram Ost and Vilje (NORSK HYDRO) projects as well as Alvheim (MARATHON) in Norway; Brenda (OILEXCO) and Maria (BG) in Great Britain; and for Asia-Pacific, Stybarrow (BHPP) and Enfield (WOODSIDE) in Australia and Pohokura (STOS) in New Zealand. The SURF segment revenues represented 31.9% of consolidated revenues in 2006, vs. 33.4% in 2005.

Facilities

Revenues in the Facilities segment were €1,195.5 million 2006, up 18.0% over 2005 (€1,013.4 million). This increase was largely due to the following projects: for Africa, Dalia FPSO (TOTAL) in Angola, Akpo FPSO (TOTAL), East Area (EXXON MOBIL) and Amenam phase 2 (TOTAL) in Nigeria; for Asia-Pacific, Kikeh DTU (MURPHY OIL) in Malaysia; for Americas, Tahiti (CHEVRON TEXACO) and Perdido (SHELL) in the Gulf of Mexico and P51 and P52 (PETROBRAS) in Brazil; and for the Middle-East, Shah Deniz (BP) in Azerbaijan and Qatargas II Offshore. The Facilities segment revenues represented 17.3% of consolidated revenues in 2006, vs. 18.9% in 2005.

Onshore Downstream

The Onshore Downstream segment showed the highest growth in revenues in absolute value: reaching €3,317.8 million, up 43.1% over 2005 (€2,318.2 million). It accounted for 47.9% of 2006 consolidated revenues, vs. 43.1% of 2005 consolidated revenues. The growth in revenues stemmed mainly from the major contracts started in 2004 and 2005 which reached over 50% completion in 2007 (Qatargas II, Freeport NLNG and Nigeria Train VI); contracts started in 2005 (CNRL HOSP, Sabic Yanbu, Ras Laffan Ethylene, Dung Quat, Rasgas III and Yemen LNG); and from continued work on LNG contracts started in 2006 (Qatargas III & IV and AKG2).

Industries

The Industries segment generated revenues of €204.0 million or 2.9% of 2006 consolidated revenues, vs. €246.9 million in 2005 or 4.6% of 2005 consolidated revenues. Revenues were down by €42.9 million between 2005 and 2006 (off 17.4%) due to business refocusing undertaken in the recent years. Revenues in 2006 were generated by various contracts signed with the pharmaceuticals industry (Genzyme Thymoglobulin, the Sanofi projects), the chemicals industry (the Diester Industries projects in Compiègne and Montoir, Total Petrochemicals Chicago and the Oxychem projects), the mines & metals industry (Xstrata Koniambo and Global Alumina Sangaredi), and the construction industry.

REVENUES BY REGION

The following table shows consolidated revenues by region for the years ended December 31, 2006 and 2005:

(In million of Euro)	Europe, Russia Central Asia		Africa		Middle-East		Asia-Pacific		Americas		Not Allocable	Total	
2006													
		Var.		Var.		Var.		Var.		Var.			Var.
Revenues	1,399.2	1.2%	1,254.4	-0.3%	2,070.7	86.9%	806.7	38.3%	1,395.5	33.8%	-	6,926.5	28.8%
2005													
Revenues	1,382.9		1,258.4		1,108.1		583.4		1,043.3		-	5,376.1	

Europe, Russia and Central Asia

The region generated produced revenues of €1,399.2 million in 2006 vs. €1,382.9 million in 2005 (or 20.2% of 2006 consolidated revenues vs. 25.7% in 2005), or an increase of €16.3 million (up 1.2%). This small increase resulted from higher revenues in the SURF segment offset by lower revenues in the other three segments. The SURF segment was the largest contributor in 2006 with €823.2 million (or 58.8% of revenues), vs. €575.5 million in 2005 (or 41.6% of revenues), due especially to the Alvheim (MARATHON), Fram Ost and Vilje (NORSK HYDRO) projects in the Norwegian North Sea as well as Brenda (OILEXCO) and Maria (BG) in the UK sector. The Onshore Downstream segment generated revenues of €283.5 million, or 20.3% of the 2006 revenues, vs. €395.0 million or 28.6% of the 2005 revenues. The change mainly reflected delivery of the Gonfreville (TOTAL France) contract in 2006, which remained the main contract in the region. The following contracts also had a significant impact on revenues in the region: the Primes G Donges (TOTAL), HDT (Turkmaneft gas, Turkmenistan), Kazan (JSC Kazanorgsintez) and Dow Terneuzen GK6 (Dow Benelux). The Facilities segment generated 13.3% of revenues or €186.7 million in 2006, vs. 18.9% or € 262.7 million in 2005, which was mostly due to the Shah Deniz (BP) project in Azerbaijan. The Industries segment generated €105.8 million in 2006 vs. €149.7 million in 2005. The main contract worked on in the region in 2006 was the Termoli (Energia) contract in Italy.

Africa

The region generated revenues of €1,254.4 million, or 18.1% of 2006 consolidated revenues, vs. 23.4% or €1,258.4 million in 2005. Revenues remained stable in absolute value but decreased in terms of contribution due to increased revenues in 2006, mainly in the Middle-East. The SURF segment was the biggest contributor, with revenues of €662.6 million in 2006, or 52.8% of revenues, vs. €669.0 million in 2005, or 53.2% of revenues. The major projects contributing to revenues were DALIA UFL (TOTAL), Block 18 Greater Plutonio (BP) and Mondo (EXXON MOBIL) in Angola and Agbami (CHEVRON TEXACO) in Nigeria. The Facilities segment was the second-largest contributor with €420.6 million in revenues, or 33.5% of revenues, vs. €351.8 million in 2005, or 28.0% of revenues. The major contracts here were Akpo FPSO (TOTAL), East Area (EXXON MOBIL) and Amenam Phase 2 (TOTAL) in Nigeria and Dalia FPSO (TOTAL) in Angola. The Onshore Downstream segment generated revenues of €148.8 million in 2006, or 11.9% of revenues, vs. €220.2 million in 2005, or 17.5% of revenues. The major contracts involved Nigeria's LNG trains, delivered in 2006. Train VI for NLNG in Nigeria (NNPC, Shell, Total, Agip), another major project, will be delivered in 2007. In addition there were the Sasol P2 Plant in South Africa and OK LNG in Nigeria for which Technip provided the FEED.

Middle-East

The region generated contribution of 29.9% of consolidated revenues in 2006, vs. 20.6% in 2005. Indeed, revenues nearly doubled between 2005 and 2006, going from €1,108.1 million in 2005 to €2,070.7 million in 2006, or a growth of 86.9%. The Onshore Downstream segment is the largest contributor, with revenues of €1,957.4 million, or 94.5% of revenues, vs. €1051.5 million in 2005, or 94.9% of revenues. In 2006 business in that region was particularly supported by contracts for construction

of natural gas liquefaction plants and ethylene units. The most significant contracts in the region consisted of large LNG contracts in Qatar (Qatargas II, Rasgas III, Qatargas III & IV and AKG2 - signed in 2004, 2005 and 2006 in partnership with Chiyoda) and in Yemen (Yemen LNG signed in 2005) and major ethylene contracts (Sabic Yanbu in Saudi Arabia, Pic Dow in Kuwait and Ras Laffan in Qatar). One also needs to mention the contract for the Khursaniyah gas treatment unit in Saudi Arabia, even though its contribution to revenues remained modest insofar as it is a cost-plus contract for services.

Asia-Pacific

The region generated revenues of €806.7 million in 2006, or 11.6% of consolidated revenues, vs. €583.4 million in 2005 or 10.9% of revenues. The two main contributors were the SURF segment and the Onshore Downstream segment, with respective revenues of €299.8 million and €284.5 million in revenues in 2006, or 37.1% and 35.2% of 2006 revenues, vs. respectively €150.7 million (or 25.9% of revenues) and €235.1 million (40.2% of revenues) in 2005. In the SURF segment, the main contribution came from the Stybarrow (BHPP) and Enfield (WOODSIDE) projects in Australia and the Phookura (STOS) project in New Zealand. In the Onshore Downstream segment the most significant contract is the Dung Quat refinery in Vietnam (Petrovietnam) signed in 2005 in partnership with JGC and Tecnicas Reunidas, the progress on which stood at about 50% at the close of 2006. In addition, Technip built two polyethylene units in China, Dushanzi (Petrochina), an ethylene oven project in Korea for GS Caltex and the Otway (Woodside) project in Australia.

Americas

The region generated revenues of €1,395.5 million, or 20.1% of 2006 consolidated revenues, vs. 19.4% (€1043.3 million) in 2005. Revenues from the region, though up slightly, remained stable as a percent of consolidated revenues. The Onshore Downstream segment is the main contributor with €643.6 million in 2006 vs. €416.4 million in 2005, or 46.1% of revenues in 2006 vs. 39.9% in 2005. The most significant contracts in 2006 included two contracts for CNRL in Canada (one for a hydrogen production plant built by Technip USA and one for a bituminous sand treatment unit built by Technip Italy) and the contract for the Freeport LNG terminal signed in partnership in 2004 and now nearing 70% completion, as well as various contracts for hydrogen plants in North America. The SURF segment and the Facilities segment contributed respectively to €406.0 million and €320.8 million in 2006, or 29.1% and 23.0% of revenues, vs. respectively €381.5 million and €214.4 million in 2005 (or 36.6% and 20.6% of revenues). The major projects were Bidao and PDET (PETROBRAS) in Brazil and NCMA (BG) in Trinidad and Tobago for the SURF segment and Tahiti (CHEVRON TEXACO) and Perdido (SHELL) in the Gulf of Mexico and P51 and P52 (PETROBRAS) in Brazil for the Facilities segment.

Backlog and Order Intake

Backlog is defined as the difference between the total contractual sale prices of all contracts in force and the cumulated revenues recognized at that date on these contracts, was €10,272.8 on December 31, 2006 vs. €11,169.5 million on December 31, 2005, or a decline of 8.0%. The reduction was in line with Technip's objective of stabilization in 2006.

The Onshore Downstream segment was the largest contributor with €6,650.4 million, or 64.7% of backlog at 2006 year end, vs. €7126.9 million at 2005 year end, or 63.8% of backlog. Africa and the Middle-East accounted for 75.0% of the Onshore Downstream contribution. The backlog derived to a great extent from large LNG contracts started in 2004 (Qatargas II, Nigeria Train VI), in 2005 (Rasgas III, Yemen LNG) and in 2006 (Qatargas III & IV, AKG2), plus the ethylene contracts (Ras Laffan, Sabic Yanbu and Pic Dow Kuwait). The services contract for the Al Jubail refinery in Saudi Arabia, though generating a limited contribution to backlog, remained very significant in terms of engineering hours. In the Asia-Pacific region (€754.6 million or 11.3% of the Onshore Downstream 2006 backlog vs. €661.5 million or 9.3% of the Onshore Downstream 2005 backlog), the backlog mainly included two large contracts: one for the Dung Quat refinery in Vietnam and one for the ethylene ovens signed in late 2006 with MOC in Thailand. As for Americas (€608.9 million or 9.2% of the 2006 Onshore Downstream backlog vs. €1,063.1 million in 2005 and 14.9% of the 2005 Onshore Downstream backlog), the most significant contracts were those for CNRL in Canada (hydrogen unit and bituminous sand treatment unit), the LNG terminal in Freeport, Texas started in 2004, as well as several service contracts in North America based on hydrogen technology and the contract to expand the HDT Barranca (ECOPETROL) refinery in Colombia.

The SURF segment was the next largest contributor with €2,687.9 million in 2006 compared to €2,718.9 million in 2005. Africa contributed to 35.1% of the backlog, or €954.6 million (vs. €1,261.4 million at the end of 2005). Main contracts were the Agbami (CHEVRON TEXACO) contract in Nigeria and the Dalia UFL (TOTAL), Block 18 (BP), Mondo

(EXXON MOBIL) and Gimboa (SONANGOL) contracts in Angola. Americas represented 34.8% of the SURF backlog in 2006, with €945.4 million as compared to €621.0 million at the end of 2005, with a heavy contribution from Brazilian projects such as P52, P54, PDET and the renewed Sunrise (PETROBRAS) contract, along with Shenzi (BHP) in the United States.

The Facilities segment stood at €741.6 million at the end of 2006, vs. €1,206.7 million at the end of 2005, down by 38.5%. Americas contributed to 41.3% with €306.6 million in 2006 (vs. €393.8 million in 2005), thanks to the Perdido (SHELL) and Tahiti (CHEVRON TEXACO) projects in the Gulf of Mexico and the P51, P52 (PETROBRAS) projects in Brazil. Africa contributed to 35.1% with €260.3 million in 2006 (vs. €534.0 million in 2005) including the AKPO FPSO (CHEVRON TEXACO) project in Nigeria.

The Industries segment backlog stood at €161.9 million, vs. €161.9 in 2005 or an increase of around 10%. The backlog consisted of various service and construction contracts in pharmaceuticals, chemicals, mines & metals, cement and industrial construction.

Cost of Sales

The cost of sales was €6,202.1 million in 2006, as compared to €4,818.0 million in 2005. The increase was in line with the increase in revenues so that the gross margin remained stable between 2006 and 2005 (10.5% in 2006 vs. 10.4% in 2005). The main components of cost of sales were expenses for wages and research, external costs (particularly purchases of equipment) and the subcontracting of construction work. Cost of sales in 2006 broke down by segment as follows: Onshore Downstream segment represented €3,128.7 million (as compared to €2,123.1 million in 2005), or 50.4% of total cost of sales in 2006, vs. 44.0% in 2005; while SURF segment and Facilities segment represented €2,898.1 million in 2006, vs. €2,476.0 million in 2005.

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

Research and Development Expenses

Research and development expenses amounted to €34.9 million in 2006, vs. €29.4 million in 2005, or an increase of €5.5 million, attributable to the research effort made in the SURF segment during the period.

Selling and Administrative Expenses

In 2006 selling and administrative expenses were €354.4 million or 5.1% on revenues, vs. €308.2 million in 2005 (5.7% on revenues), or a slight drop in relative value for the year, consistent with the highly selective tender offer policy put in place by Technip.

Payroll Expenses

In the income statement expenses are disclosed by function. Therefore payroll expenses are included in the expense line items mentioned above. Payroll expenses represented €948.2 million in 2006, up 6.5% over 2005 (€889.9 million). The increase of payroll expenses was mainly due to an increase of number of employees. Technip has been strengthening its workforce to support growth of activities.

Other Operating Income and Expenses

In 2006 other operating income and expenses amounted to respectively €8.4 million and €10.3 million, or a net loss of €1.9 million, as compared to net income of €10.5 million in 2005.

Operating Income / (Loss) from Recurring Activities

Operating income from recurring activities in 2006 was €360.1 million, or an increase of 55.9% over the € 231.0 million operating income from recurring activities recorded in 2005.

The operating margin came out to 5.2% on revenues, reflecting a rise of 90 basis points over the 4.3% margin the previous year.

OPERATING INCOME / (LOSS) FROM RECURRING ACTIVITIES BY BUSINESS SEGMENT

(In millions of Euro)	SURF		Facilities		Onshore Downstream		Industries		Corporate		Total Continuing Operations		Discontinued Operations	Total	
2006															
		Var.		Var.		Var.		Var.		Var.		Var.			Var.
Operating Income / (Loss) from Recurring Activities	213.5	79.7%	62.3	129.9%	68.4	-22.5%	11.3	88.3%	(22.3)	142.4%	333.2	44.2%	-	333.2	44.2%
% Operating Margin from from Recurring Activities	9.7%		5.2%		2.1%		5.5%				4.8%			4.8%	
Operating Income / (Loss)	213.5	79.7%	83.8	209.2%	73.8	-16.4%	11.3	88.3%	(22.3)	142.4%	360.1	55.9%	-	360.1	55.9%
% OperatingMargin	9.7%		7.0%		2.2%		5.5%				5.2%			5.2%	
2005															
Operating Income / (Loss) from Recurring Activities	118.8		27.1		88.3		6.0		(9.2)		231.0		-	231.0	
% Operating Margin from Recurring Activities	6.6%		2.7%		3.8%		2.4%				4.3%			4.3%	
Operating Income / (Loss)	118.8		27.1		88.3		6.0		(9.2)		231.0		-	231.0	
% OperatingMargin	6.6%		2.7%		3.8%		2.4%				4.3%			4.3%	

The biggest increase was realized by the SURF segment, which had been penalized in 2005 by a non-recurring charge. The SURF segment generated an operating income from recurring activities of €213.5 million in 2006, or 9.7% of revenues, vs. €118.8 million in 2005, or 6.6% of revenues. This good performance in 2006 is due to a good performance on contracts over the period and a high asset utilization rate, which was 88% in 2006. The SURF segment contributed 59.3% to Technip's operating income from recurring activities in 2006, vs. 51.4% in 2005. Facilities generated operating income from recurring activities of €62.3 million in 2006, or 5.2% of revenues, vs. €27.1 million or 2.7% of revenues for 2005.

The Onshore Downstream segment generated an operating income from recurring activities of €68.4 million in 2006, vs. €88.3 million in 2005. Down by 22.5%, the operating income from recurring activities represented 2.1% of revenues in 2006, vs. 3.9% in 2005. This drop in operating margin was explained by the fact that a large portion of 2006 revenues came from new contracts, on which only a low margin at percentage of completion should be recognized according to Technip's accounting principles.

The Industries segment generated operating income from recurring activities of €11.3 million in 2006, or an operating margin of 5.5%, vs. €6.0 million and a 2.4% operating margin in 2005. This improvement in 2006 confirmed that the segment generated profit again, especially thanks to the sale of the TP Biopharm pharmaceutical business in late July 2005.

The Corporate segment recorded a loss from recurring activities of €22.3 million (vs. €9.2 million in 2005), of which €14.9 million arose from a non-recurring item for the implementation of procedures to comply with the American Sarbanes-Oxley Act.

OPERATING INCOME / (LOSS) FROM RECURRING ACTIVITIES BY REGION

(In million of Euro)	Europe, Russia Central Asia		Africa		Middle-East		Asia-Pacific		Americas		Not Allocable		Total	
2006														
		Var.		Var.		Var.		Var.		Var.		Var.		Var.
Operating Income / (Loss) from Recurring Activities	168.0	-2.0%	60.3	-241.9%	125.0	147.5%	(80.9)	-397.4%	83.1	147.3%	(22.3)	142.4%	333.2	44.2%
% Operating Margin from Recurring Activities	12.0%		4.8%		6.0%		-10.0%		6.0%				4.8%	
Operating Income / (Loss)	173.4	1.2%	60.3	-241.9%	125.0	147.5%	(80.9)	-397.4%	104.6	211.3%	(22.3)	142.4%	360.1	55.9%
% Operating Margin	12.4%		4.8%		6.0%		-10.0%		7.5%				5.2%	
2005														
Operating Income / (Loss) from Recurring Activities	171.4		(42.5)		50.5		27.2		33.6		(9.2)		231.0	
% Operating Margin from Recurring Activities	12.4%		-3.4%		4.6%		4.7%		3.2%				4.3%	
Operating Income / (Loss)	171.4		(42.5)		50.5		27.2		33.6		(9.2)		231.0	
% Operating Margin	12.4%		-3.4%		4.6%		4.7%		3.2%				4.3%	

Europe, Russia and Central Asia

Operating income from recurring activities was €168.0 million in 2006 vs. €171.4 million in 2005, or a margin of 12.0% vs. 12.4% in 2005 (down by 2.0%).

The SURF segment contributed to €123.4 million (or a margin of 15.0%) in 2006 vs. €104.1 million in 2005 (or a margin of 18.1%). The Onshore Downstream segment contributed to €34.6 million due to the HDT contract in Turkmenistan, the Dow Terneuzen GK6 contract in the Netherlands and the Grupa Lotos contract in Poland.

Africa

Operating income from recurring activities was very much improved at €60.3 million in 2006 vs. a loss of €42.5 million in 2005.

The Facilities segment showed an operating income from recurring activities of €26.8 million in 2006 (or a margin of 6.4%), vs. a loss of €12 million in 2005 (or a negative margin of 3.4%). The increased net income was related to good performance in 2006 in Africa, the negative net income in 2005 having been the result of a scheduling change in a Nigerian project. The Onshore Downstream segment generated an operating income from recurring activities of €18.8 million in 2006, vs. €27.7 million in 2005, largely in Nigeria on the gas liquefaction trains contracted in partnership with KBR, JGC and Snamprogetti. The SURF segment contributed to €10.3 million in 2006, vs. a loss of €59.2 million in 2005. This improvement was explained by the return to a profitable condition in 2006 of the African projects, after difficulties encountered in 2005 when a subsea pipe-laying contract ran into sizeable cost overruns.

Middle-East

The operating income from recurring activities in the Middle-East was €125.0 million in 2006, vs. €50.5 million in 2005, or a margin of 6.0% in 2006 vs. 4.6% in 2005. The Onshore Downstream segment was the main contributor with €110.8 million in 2006, vs. €33.1 million in 2005, or nearly 89% of operating income from recurring activities, which derived from contracts in Qatar (gas liquefaction trains in partnership with Chiyoda), Yemen (gas liquefaction trains in partnership with KBR and JGC), Kuwait (an ethylene cracker), Oman (an ethylene oven) and various contracts in Saudi Arabia (gas treatment, refinery and ethylene cracker). The Facilities segment contributed to €11.7 million in 2006, vs. €14.4 million in 2005. The good performance in 2005 was particularly due to reversals of provisions on completed projects (Soroosh Noroosh and Al Rayan).

Asia-Pacific

Operating result from recurring activities in Asia-Pacific was a loss of €80.9 million in 2006, vs. a profit of €27.2 million in 2005, or a negative margin of 10.0% on 2006 vs. a positive margin of 4.7% in 2005. The SURF segment strongly contributed with an operating income from recurring activities of €22.0 million, vs. €11.5 million in 2005. Net operating results from recurring activities were negative in the Facilities (loss of €26.2 million) and Onshore Downstream (loss of €82.6 million) segments, owing to the large provisions booked on projects nearing completion in Australia which were specifically penalized for the lack of productivity of their construction crews.

In 2005 the contributions from these two segments were positive, being respectively €6.6 million and €8.0 million. As to the main projects now underway, especially the Dung Quat refinery in Vietnam, they were moving ahead as expected, though their percentage of completion at the end of 2006 was not such that they could realize significant margin.

Americas

Operating income from recurring activities was €83.1 million in 2006 vs. €33.6 million in 2005, or operating margin of 6.0% in 2006 and 3.2% in 2005.

The SURF segment operating income from recurring activities was €56.0 million in 2006 vs. €60 million in 2005, or a margin of 13.8% vs. 15.7% in 2005. Both volume of activities and performances remained high. The great growth in 2006 revenues in Brazil (from the Bidao and PDET projects) offset the sharp drop in activity in Canada, where the Husky White Rose project had made a large contribution in 2005.

The Facilities segment generated a net income of €35.2 million in 2006 vs. €4.5 million in 2005, or a margin of 11.0% vs. 2.1% in 2005. The increase was mainly due to the good performance on the Tahiti and Constitution projects, as well as from reversals of provisions on completed projects. The 2005 net income included the under-capacity utilization at Gulf Marine Fabricators (Corpus Christi).

Net Income from Sale of Activities

In 2006 net income from disposals was €26.9 million and derived mainly from the sale of the Lyon building (€5.4 million) credited to Onshore Downstream, and from the sale of Gulf Marine Fabricators (€20.3 million) credited to the Facilities segment.

In 2005 net income from disposals was zero.

Financial Income and Expenses

Financial net expenses were €61.5 million in 2006, as compared to net expenses of €88.8 million in 2005, or an improvement of 30.7%.

The €27.3 million improvement in financial net income came substantially from converting the convertible bonds OCEANE in March of 2006. This borrowing had generated an expense of €38.0 million in 2005, which was brought down to €10.0 million in 2006.

The yield on funds provided under turnkey contracts does not appear under this heading but is included in revenues. For 2006 the financial net income from contracts represented a contribution to revenues of €78.7 million.

Income Tax

Income tax expense in 2007 was €94.1 million on pre-tax earnings of €296.0 million, vs. €43.5 million in 2005. Effective tax rate in 2006 was 29.6%, vs. 31.4% in 2005, as compared to the French tax rate of 34.43% in 2006.

Effective tax rate in 2006 showed a slight decline due to the recognition of deferred taxes on previously unrecognized tax losses, as the profit outlook for the subsidiaries involved had improved.

Net Income from Discontinued Activities

No operations were shut down or discontinued in 2006.

In 2005, net income on disposals in discontinued operations was a non-recurring charge of €5.0 million from the liquidation of Technip BioPharm, Technip having decided to close this business in late July 2005.

Net Income Attributable to Minority Interests

Net income attributable to minority interests was stable at €1.8 million in 2006 vs. €1.7 million the previous year.

Net Income

Technip net income amounted to €200.1 million in 2006, vs. €93.3 million in 2005. This represented 2.9% of consolidated revenues, vs. 1.7% in 2005.

The increase of €106.8 million in net income was mainly due to an improved operating performance in the SURF segment, which had been penalized in 2005 by a non-recurring charge, to the disposals of assets that provided a net income of €26.9 million, and to reduced financial expenses.

Earnings per Share

Calculated on a diluted basis of 108,849,404 shares, earnings per share came to €1.86 in 2006 vs. €0.96 in 2005 (up 94%). Basicnet earnings per share were €1.91 in 2006, vs. €0.98 in 2005 (up 95%).

To the best of Technip's knowledge, no significant change in Technip's financial or business position occurred since the accounting period ended December 31, 2006.

(c) Net Cash Position and Cash Flows 2007 vs. 2006

Technip net cash position as of December 31, 2007 and 2006 was as follows:

In million of euro	As of December, 2007	2006
Cash and Cash Equivalents	2,401.5	2,402.8
Cash and Cash Equivalents	**2,401.5**	**2,402.8**
Convertible Bonds OCEANE	-	-
Total Non-Current Financial Debts	653.3	676.7
Total Current Financial Debtst	43.9	185.9
Total Financial Debts	**697.2**	**862.6**
Net Cash / (Net Debt)	**1,704.3**	**1,540.2**

Net cash position was €1,704.3 million on December 31, 2007, up 10.7% (€164.1 million) over December 31, 2006 (€1,540.2 million). This change was mainly due to a debt reduction of €165.4 million, while cash and cash equivalents remained stable at €2,401.5 on December 31, 2007 compared to €2,402.8 on December 31, 2006.

There is no significant restriction of cash transfer between Technip SA and its subsidiaries.

Net Cash Generated from Operating Activities

Net cash generated from operating activities was €825.7 million compared to €946.8 million in 2006, or a reduction of 12.7%, which is primarily explained by the decrease in net income between 2007 and 2006 (down €73.9 million) and the differed taxes (less €53.0 million).

Free cash flow was €192.2 million vs. €352.6 million in 2006 (down 45.5%):

Depreciation of tangible and intangible assets rose from €159.8 million in 2006 to €162.9 million in 2007.

Net gains on disposals of assets and investments amounted €20.2 million in 2007 vs. €25.3 million in 2006. They are mainly made of gains realized on the sale of PSSI and PSSL (Perry Slingsby Systems Inc. and Perry Slingsby Systems Ltd.) for €17.0 million and the sale of the GIFI (Gulf Island Fabricators, Inc.) securities for €2.9 million.
Change in working capital remained high at €633.5 million in 2007, vs. €594.2 million in 2006 (up 6.6%).

Net Cash Used in Investing Activities

Net cash used in investing activities was €174.4 million in 2007, vs. €119.9 million in 2006, or an increase of 45.4%. This increase can be explained by the following items:

Capital expenditures amounted to €261.8 million in 2007 vs. €157.2 million in 2006, or a growth of 66.5%. This sharp growth was due to the implementation of announced policy to increase Technip's capacity both in terms of fleet of vessels and flexible pipe production. This policy will be continued in 2008.

Proceeds from sales of assets amounted to €20.5 million in 2007 vs. €40.4 million in 2006 or a decrease of 49.3%. In 2007 this primarily involved proceeds from the sale of GIFI (Gulf Island Fabricators Inc) securities for €19.3 million.

Net cash position increase due to changes in consolidation scope equals total purchase price or disposal price of entity less net cash position of purchased or sold entities, measured at the date of purchase or disposal, or an increase of €66.9 million in 2007, vs. a decrease of €3.1 million in 2006. In 2007 it was mainly due to cash received from the disposal of PSSL and PSSI (€M 62.1) and Technip's stake in Nargan (€M 4.2), and net cash position of Setudi, a new entity acquired in 2007 (€M 0.6).

Net Cash (Used in) / Generated from Financing Activities

Net cash used in financing activities amounted to €500.2 million in 2007 vs. €485.7 million in 2006. Reduction in debt picked up in 2007: debt was reduced by €175.9 in 2007 or a reduction of 20.4% vs. 2006, compared to a reduction of €6.4 million in 2006, or a decrease of 0.4%. Dividends paid increased strongly: €141.7 million were distributed in 2006, including payment of €89.3 million for the 2005 dividend and the down payment of €52.4 million on the 2006 dividend.

In 2007 remaining part of 2006 dividend was paid (€57.2 million) together with an extraordinary dividend for 2007 (€217.5 million). Extraordinary dividend for 2007 as well as reduction of number of treasury shares (€86.2 million) closed the shareholder value creation program started in 2006. Capital increases in 2007 amounted to €36.6 million as a result of capital increase reserved for employees (€20.0 million) and stock options exercised during the 2007 period (€16.6 million). In 2006 change was mainly due to early conversion of convertible bonds OCEANE (€304.5 million).

Net cash position was €1,540.2 million on December 31, 2006, up €872.1 million over December 31, 2005 (€668.1 million).

(d) Net Cash Position and Cash Flows 2006 vs. 2005

Technip net cash position as of December 31, 2006 and 2005 was as follows:

In million of euro	As of December, 2006	2005
Cash and Cash Equivalents	2,402.8	2,187.8
Cash and Cash Equivalents	**2,402.8**	**2,187.8**
Convertible Bonds OCEANE	-	650.1
Total Non-Current Financial Debts	676.7	655.2
Total Current Financial Debts	185.9	214.4
Total Financial Debts	**862.6**	**1,519.7**
Net Cash / (Net Debt)	**1,540.2**	**668.1**

This growth was mainly due to the conversion of convertible bonds OCEANE into shares, which allowed to reduce financial debts by €650.1 million, to free cash flow generated in 2006 (€352.6 million) and to change in working capital (less €594.2 million).

Net Cash Generated from Operating Activities

Net cash generated from operating activities was €946.8 million, as compared to €893.9 million in 2005, or a reduction of 5.9%. This change can be explained as follows:

- Free cash flow was €352.6 million in 2006 vs. €275.8 million in 2005 (up 28%):
  - Net income greatly increased in 2006 at €201.9 million vs. €95.0 million in 2005 (up €106.9 million),
  - Depreciation of tangible and intangible assets rose slightly to €159.8 million in 2006 (up 11.5%) vs. €1,143.3 million in 2005,
  - Non-cash expenses related to convertible bond OCEANE were €10.0 million in 2006, vs. €29.9 million in 2005. This significant decrease of 66.6% stemmed from the conversion of this debt in March 2006,
  - Net gains on disposals of assets and investments amounted to €25.3 million in 2006 vs. €10.4 million in 2005 (up 143.3%). In 2006 they are mainly made of gains realized on the sale of the assets of Gulf Marine Fabricators in the United States and the sale of the Gerland building in Lyon,
  - The change in deferred taxes represented a decrease of €38.5 million in 2006 free cash flow.
- Change in working capital remained high at €594.2 million, vs. €618.1 million in 2005.

Net Cash Used in Investing Activities

Net cash used in investing activities was €119.9 million in 2006, vs. €144.6 million in 2005, or a decrease of 17.1%, consisting of the following items:

- Capital expenditures amounted to €157.2 million in 2006 vs. €170.5 million in 2005, or a reduction of 7.8%.
- Proceeds from the disposal of assets amounted to €40.4 million in 2006 vs. €22.0 million in 2005, or an increase of 83.6%.
- Net cash position increase due to changes in consolidation scope equals total purchase price or disposal price of entity less net cash position of purchased or sold entities, measured at the date of purchase or disposal, or a decrease of €3.1 million in 2006 vs. an increase of €4.8 million in 2005.

Net Cash (Used in) / Generated from Financing Activities

Net cash used in financing activities amounted to €485.7 million in 2006 vs. negative €78.4 million in 2005. This change resulted mainly from the increase in treasury shares (€367.9 million) in 2006, of which some shares were given to bond holders at the time when OCEANE was converted and of which some other shares enabled capital decrease (€248.4 million). Dividends paid increased: €32 million had been distributed in 2005 on top of a down payment paid in December 2004; in 2006, the amount distributed of €141.7 million included a payment of €89.3 million

for the 2005 dividend and the down payment of €52.4 million on the 2006 dividend.

(e) Changes in Balance Sheet and Financial Position between December 31, 2007 and 2006

FIXED ASSETS

As of December 31, 2007 intangible net assets amounted to €2,419.5 million, vs. €2,422.9 million on December 31, 2006. They basically consisted of €2,357.4 million in net goodwill, including €2,233.2 million from the purchase of Coflexip, which was allocated to the SURF and Facilities business segments. In 2007 this goodwill was reduced by €2.5 million due to the use of tax losses unrecognized previously at the time when Coflexip was acquired. Other intangible net assets represented €62.0 million on December 31, 2007 and consisted of software, patents and brand names as well as development costs for Technip's E-Procurement platform (See Note 10 to the Consolidated Financial Statements at December 31, 2007).

Tangible net fixed assets stood at €818.0 million as of December 31, 2007, vs. €758.4 million as of December 31, 2006 (up 7.8%) and mainly included the vessels used in SURF operations, carried at €354.1 million, and land and buildings for administrative or productive use (production plants and construction yards). The net value increased over the 2007 period (vs. €758.4 million on December 31, 2006) was due to new capital expenditures and to depreciation expenses for the year, or €152.1 million (See Note 9 of the Consolidated Financial Statements at December 31, 2007).

Capital expenditures amounted to €261.8 million in 2007 vs. €157.2 million in 2006, or an increase of 66.5%. Indeed, Technip started the construction of a new pipe-laying vessel for rigid pipe (NPV), which is scheduled for delivery in 2010, and of a new diving-support vessel, the Skandi Arctic, scheduled for delivery in 2008. Finally, Technip continued to increase production capacity of flexible pipe by enlarging and improving its two factories located in Le Trait in France and Vittoria in Brazil. In 2008 capital expenditures are expected to increase to about €470 million, including about €300 million substantially for the fleet and the development of a new flexible pipe manufacturing plant in Southeast Asia. A new crane is planned for Le Trait in 2008, representing a capital expenditure of about €14 million. Main capital expenditures are self-financed.

The amount of pledged assets is not material and amounted to €1.9 million at the end of 2007 vs. €2.5 at the end of 2006.

CURRENT ASSETS

Entries under "Construction contracts" include the accumulated costs incurred, as well as the gross margin recognized at the contract's percentage of completion, after deducting the payments received from the clients. The net balance is on the asset side under the "Construction Contracts – Amounts in Assets" if the balance of those combined components is a debit; if the balance is a credit, these ones are shown on the liability side under the "Construction Contracts – Amounts in Liabilities" line item.

As of December 31, 2007 the line item "Construction contracts – Amounts in Assets" shown on the asset side amounted to €280.6 million, vs. €591.1 million in 2006, or decrease of 52.5%. The line item "Construction contracts – Amounts in Liabilities" was €1,860.2 million as of December 31, 2007, vs. €2,138.4 million as of December 31, 2006, or a decrease of 13% (See Note 15 of the Consolidated Financial Statements at December 31, 2007).

Inventories, trade receivables and other receivables were €1,953.4 million in 2007, up 18.3% over 2006 (€1,651.7 million), which was due to an increase in activities (13.9% growth in revenues) and completion level on the various contracts.

Net cash position remained stable at €2,401.5 million in 2007 vs. €2,402.8 as of December 31, 2006. Technip also had available sufficient resources to, if necessary, finance operating and investing activities. Cash generated from operating activities was €825.7 million in 2007, vs. €946.8 million in 2006.

SHAREHOLDERS' EQUITY

As of December 31, 2007 equity attributable to shareholders of the parent company amounted to €2,178.4 million, vs. €2,401.3 million at the end of 2006. This change was substantially due to the dividends paid in 2007 (€274.7 million, including the remaining amount of €0.55 per share on 2007 dividend and an extraordinary dividend of €2.10 per share), the cancellation of treasury shares for €86.2 million, a capital increase of €36.6 million and a reduction of €26.9 million in foreign currency translation reserve (See Note 20 of the Consolidated Financial Statements at December 31, 2007).

PROVISIONS

Provisions for liabilities and charges amounted to €232.7 million in 2007 vs. €197.9 million in 2006. These provisions consisted mainly in provisions for employee benefits of €104.5 million in 2007 (€115.8 million in 2006) as well as provisions for liabilities on completed contracts, provisions for litigation and provisions for charges recorded at the level of the Group's insurance captive (See Note 23 to the Consolidated Financial Statements at December 31, 2007).

FINANCIAL DEBTS

As of December 31, 2007 Technip's consolidated debt was €697.2 million, including a current portion of €43.9 million (See details of financial debts in part c- Net Cash Position and Cash Flows 2007 vs 2006). Consolidated debt declined slightly from last year (€862.6 million on December 31, 2006) because no commercial paper had been issued at the close of 2007. The current portion of financial debt mostly includes €25.2 million in overdrafts and in short-term bank credit lines and €18.7 million in accrued bond interest. Long-term financial debts of €653.3 million mainly refer to the bond issued on May 26, 2004 for €650 million (See Note 21 to the Consolidated Financial Statements at December 31, 2007).

FINANCING

As of December 31, 2007, the amount of credit facilities confirmed and available was €M 1,119.9 million of which €M 1,100.3 were available beyond December 31, 2008. This amount was little changed from December 31, 2006. Given market conditions, the Group had no commercial papers. The Group had authorization from « Banque de France » for a maximum amount of €M 600.0. Technip believed that these lines of credit, together with the cash and marketable securities available, provided Technip with the necessary resources to finance the activities.

OFF-BALANCE SHEET COMMITMENTS (SEE NOTE 31 TO THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2007).

The main off-balance sheet commitments consisted of parent company guarantees, foreign exchange instruments and lease contracts as well as commitments in the form of deposits, guarantees or counter-guarantees given by banks or insurance companies to customers to cover the due and proper performance of the specified construction contracts. Commitments given excluding parent company guarantees, financial instruments and lease contracts, amounted to €3,027.1 million in 2007 (€2,904.4 million in 2006).

Commitments received refer mainly to deposits or sureties received from suppliers or sub-contractors as a part of current contracts. They represented €933.8 million in 2007, as compared to €945.8 million in 2006.

Parent company guarantees given by Technip SA or its affiliates to clients covered the due and proper performance of the specified construction contracts. These guarantees amounted to €25,598.0 million as of December 31, 2007 and €25,766.7 million as of December 31, 2006. They were not reduced from the amount of parent company received from Technip's partners within these joint ventures, whereas Technip issued parent company guarantees in their favour.

(f) Changes in Balance Sheet and Financial Position between December 31, 2006 and 2005

FIXED ASSETS

As of December 31, 2006 intangible net assets amounted to €2,422.9 million, vs. €2,451.9 million as of December 31, 2005, or a decrease in this item of 1.2%. These assets consisted largely of €2,359.9 million in net goodwill, including €2,235.7 million from the acquisition of Coflexip. In 2006, this item decreased by €17.0 million, including €9.0 million due to the use of tax losses unrecognized previously at the time when Coflexip was acquired and €8.0 million from the reclassification of the assets of the Perry Slingsby Systems Inc. and the Perry Slingsby Systems Ltd. subsidiaries as assets held for sale. Other intangible net assets amounted to €63.0 million as of December 31, 2006 and consisted of patents and brand names as well as development costs for Technip's E-Procurement platform (See. Note 10 to the Consolidated Financial Statements at December 31, 2007).

Tangible net fixed assets stood at €758.4 million as of December 31, 2006, vs. €771.3 million as of December 31, 2005 or a decrease of 1.7%. They primarily included the vessels used in SURF operations, carried at €376.1 million, and land and buildings for administrative or productive use (production plants and construction yards). The net value decrease over the 2006 period was largely due to the sale of the Gerland building in Lyon, to depreciation expenses for the year, and to the change in the value of the dollar (See Note 9 to the Consolidated Financial Statements at December 31, 2007).

Capital expenditures amounted to €157.2 million in 2006 vs. €170.5 million in 2005, or a reduction of 7.8%. In 2007 capital expenditures were expected to exceed €250 million, about half of which will be for the fleet. Indeed, Technip started the construction of a new pipe-laying ship for rigid pipe, which is scheduled for delivery in 2010, and of a new diving-support vessel, which will be delivered in 2007. Furthermore, Technip continued to increase production capacity of flexible pipe by enlarging and improving its two factories located in Le Trait in France and Vittoria in Brazil.

The amount of pledged assets is not material and amounts to €2.5 million at the end of 2006.

CURRENT ASSETS

Entries under "Construction contracts" include the accumulated costs incurred, as well as the gross margin recognized at the contract's percentage of completion, after deducting the payments received from the clients. The net balance is on the asset side under the "Construction Contracts – Amounts in Assets" if the balance of those combined components is a debit;

if the balance is a credit, these ones are shown on the liability side under the "Construction Contracts – Amounts in Liabilities" line item.

As of December 31, 2006 "Construction contracts – Amounts in Assets" shown on the asset side amounted to €591.1 million, vs. €585.0 million in 2005, or an increase of 1%. "Construction contracts – Amounts in Liabilities" were €2,138.4 million as of December 31, 2006, as compared to €1,672.4 million as of December 31, 2005 (See Note 15 to the Consolidated Financial Statements at December 31, 2007).

Inventories amounted to €134.4 million in 2006, an increase over 2005 (€101.0 million).

Over 2006 net cash position increased by €215.0 million (up 9.8%) and amounted to €2,402.8 million as of December 31, 2006. Technip also had available sufficient resources to, if necessary, finance operating and investing activities. Cash generated from operating activities was €946.8 million in 2006, vs. €893.9 in 2005 (+5.9%).

SHAREHOLDER'S EQUITY

As of December 31, 2006 equity attributable to shareholders of the parent company amounted to €2,401.3 million, vs. €1,953.7 million at the end of 2005, or an increase of €447.6 million (up 22.9%) and did so after down payment on the 2006 dividend of €52.4 million in December 2006. This net increase in equity resulted from the very good net income realized in 2006 (€200.1 million) and from the conversion of OCEANE bonds in March 2006 (€550.2 million). Technip decided to let its shareholders benefit from the cash made available by the conversion of OCEANE bonds. After first buying back some shares, Technip decreased its capital by €250 million in December 2006 and proposed to the General Shareholders' Meeting an extraordinary dividend for 2006 of €2.10 per share, or about €223 million.

PROVISIONS

Provisions for liabilities and charges amounted to €197.9 million in 2006 vs. €239.7 million in 2005. These provisions consisted mainly in provisions for employee benefits of €115.8 million in 2006 (€112.7 million in 2005) as well as provisions for liabilities on completed contracts, provisions for litigation and provisions for charges recorded at the level of the Group's insurance captive.

FINANCIAL DEBTS

As of December 31, 2006 Technip's consolidated debt was €862.6 million, including a current portion of €185.9 million, vs. 1,519.7 million as of December 31, 2005 (See details of financial debts in part d- Net Cash Position and Cash Flows 2006 vs 2005). This sum was way down from the previous year (by 43.2%) owing to the conversion of the OCEANE debt in March 2006, which reduced debt by €650 million with no monetary offset since the bondholders chose to convert into shares. The current portion of financial debts included €150.0 million in commercial paper with maturities of less than 3 months, €9.2 million in overdrafts and short-term bank lines, €18.1 million in accrued interest on the May 2004 bond and €8.6 million in the portion of long-term debt due within one year. Long-term financial debts of €676.7 million chiefly involved the bond issued on May 26, 2004 for €650 million.

FINANCING

As of December 31, 2006 the amount of credit facilities confirmed and available was €1,133.4 million, including €1,102.2 million available beyond December 31, 2007. This amount was little changed from December 31, 2005. Commercial paper issued December 31, 2006 remained stable at €150 million for maturities of 1 to 3 months, as part of the program declared to « Banque de France » for a maximum amount of €M 600.0. Technip believed that these lines of credit, together with the cash and marketable securities available, provided Technip with the necessary resources to finance the activities.

OFF-BALANCE SHEET COMMITMENTS (SEE NOTE 31 TO THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2007).

The main off-balance sheet commitments consisted of parent company guarantees, foreign exchange instruments and lease contracts as well as commitments in the form of deposits, guarantees or counter-guarantees given by banks or insurance companies to customers to cover the due and proper performance of the specified construction contracts. Commitments given excluding parent company guarantees, financial instruments and lease contracts, amounted to €2,904.4 million in 2006 (€2,817.0 million in 2005).

Commitments received refer mainly to deposits or sureties received from suppliers or sub-contractors as a part of current contracts. They represented €945.8 million in 2006, as compared to €675.1 million in 2005.

Parent company guarantees given by Technip SA or its affiliates to clients covered the due and proper performance of the specified construction contracts. These guarantees amounted to €25,766.7 million as of December 31, 2006 and €23,234.9 million as of December 31, 2005. They were not reduced from the amount of parent company received from Technip's partners within these joint ventures, whereas Technip issued parent company guarantees in their favour.

b. Company's financial results

Technip's revenues for the 2007 financial year amounted to €113.3 million, compared with €105.4 million for the 2006 financial year, representing an increase of 7%. This figure mainly includes the reinvoicing of management and administrative costs as management fees and the reinvoicing of specific costs such as insurance and commissions relating to warranties.

Operating expenses amounted to €141.9 million in 2007 compared with €137.6 million in 2006, mainly due to purchasing and external expenses (€128.4 million in 2007 compared with €123.8 million in 2006), taxes (€2.2 million in 2007 compared with €2.3 million in 2006), payroll and social security withholdings (€8.4 million in 2007 compared with €6.8 million in 2006) and depreciation and allowances (€2.3 million in 2007 compared with €3.0 million in 2006).

Operating profits amounted to a loss of €19.6 million in 2007 compared with a €28.4 million loss in 2006.

Financial income amounted to €197.1 million in 2007 compared with €130.1 million in 2006, mainly due to dividends from subsidiaries (€178.8 million in 2007 compared with €106.4 million in 2006), provisions for adjustments (€9.6 million in 2007 compared with €5.0 million in 2006), and exchange rate gains (€5.6 million in 2007 compared with €8.6 million in 2006). The increase in dividends is mainly due to the increase in dividends received by Technip France (€93.1 million in 2007 compared with €47.2 million in 2006) and Technip Italy (€14.5 million in 2007, no dividends in 2006).

Financial expenses amounted to €118.0 million in 2007 compared with €81.5 million in 2006 and mainly include interest and related expenses (€103.5 million in 2007 compared with €46.8 million in 2006) and exchange rate losses (€10.9 million in 2007 compared with €8.8 million in 2006).

Financial profits were up by €79.1 million in 2007 compared with a €48.6 million gain in 2006.

Pre-tax profits were €59.5 million in 2007 compared with €20.2 million in 2006.

Exceptional income was not significant in 2007 (€0.6 million). In 2006, it amounted to €94.6 million and mainly included capital gains on disposals following the merger of two U.S. companies (€106.9 million) less capital losses following the disposal of securities of Brazilian subsidiaries.

Due to its fiscal integration, Technip recorded tax profits of €31.4 million in 2007 compared with €34.0 million in 2006.

Net profits amounted to €91.5 million in 2007 compared with €148.8 million in 2006.

3. Corporate governance

The Company believes that it is in compliance with the recommendations set forth in the AFEP-MEDEF report of October 2003.

In its January 15, 2007 meeting, the Board of Directors confirmed the proposal by the Nominations and Remunerations Committee and by Daniel Valot to appoint Thierry Pilenko as the Company's Executive Vice President, in order to prepare for and succeed Daniel Valot as Chairman and Chief Executive Officer at the appropriate time. Daniel Valot has decided not to seek another term.

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

In its meeting on April 27, 2007, the Board of Directors appointed Thierry Pilenko as Chairman and Chief Executive Officer for the duration of his membership on the Board of Directors. It confirmed the new management structure, which it determined as the best fit for the Company.

a. Composition of the Board of Directors at February 20, 2008, terms and responsibilities of directors

At February 29, 2008, the Board of Directors had 11 members. It does not include any directors representing employee shareholders. Four directors are of a nationality other than French. The average age of the directors is 61.

Following the Board's in-depth assessment over the first half of 2006, the Board began considering the outlook for developing its membership at the time of its renewal in 2007. The members of the Board of Directors were selected for their skill, experience and diversity.

On an annual basis, the Nominations and Remunerations Committee examines the independence of the Company's Board members with regard to the definition and criteria used in the AFEP-MEDEF report of October 2003 on pertaining to listed company corporate governance, which states that "a board member can only be considered independent if he/she has no relation with the company, its group, or its management that may compromise his/her free exercise of judgment." The Board has eight independent members and therefore exceeds the recommendations of the AFEP-MEDEF report, which stipulates that one-half of the Board members must be independent.

The term of Board members is set at four years, in accordance with the recommendations of the AFEP-MEDEF report.

In order to encourage the harmonious renewal of the Board and to prevent "renewal en masse" resulting from the resolution adopted in the Company's Combined Shareholders' Meeting on April 27, 2007, the Board of Directors, at its meeting on the same day, introduced a rolling renewal system, pursuant to which one-half of its members' terms end every two years. Under this new system, the terms of Jacques Deyirmendjian, Jean-Pierre Lamoure, Daniel Lebègue, Roger Milgrim, Rolf-Erik Rolfsen and Bruno Weymuller will be submitted to the Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2008.

Thierry PILENKO

Technip's Chairman and Chief Executive Officer.
Age: 50 - Nationality: French.
Professional address: 6-8 Allée de l'Arche
- Faubourg de l'Arche - 92400 Courbevoie

A graduate of the Ecole Nationale Supérieure de Géologie in Nancy as well as of the Ecole Nationale Supérieure des Pétroles et Moteurs, he has spent most of his career (1984-2004) in the Schlumberger Group, where he acquired vast

experience in the international oil and gas industry in numerous countries (Venezuela, Italy, Gabon, Nigeria, Dubai, Indonesia, United States, France) and with respect to various types of products. In March 2004, he became Chairman and Chief Executive Officer of Veritas DGC, a geophysical services company based in Houston, a position which he occupied until January 2007 when Veritas DGC merged with the Compagnie Générale de Géophysique.

Date of first appointment: April 27, 2007.
Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ending December 31, 2010.

Positions held within the Group:
Permanent representative of Technip on Technip's Board of Directors,
Chairman of Technip Italy.

Positions held outside the Group:
Director of CGG VERITAS (France).
Director of Hercules Offshore (United States).

Positions ended over the past five financial years:
None.

At February 29, 2008, Mr. Pilenko held 400 Company shares** in registered form.

Olivier APPERT

Director.
Chairman of the Institut Français du Pétrole ("IFP").
Age: 59 - Nationality: French.
Professional address: Institut Français du Pétrole
1 et 4 avenue de Bois-Préau - 92852 Rueil Malmaison Cedex

Former student of the French Ecole Polytechnique, Olivier Appert is a Civil Engineer. He began his career at the Mines de Lyon. After holding several posts in the French Ministry for Industry and in the Prime Minister's Cabinet, he held the post of Assistant Director to the Cabinet of the Minister for Industry from 1984 to 1986. In 1987, he managed the strategy for the Radioelectric and Telephony Telecommunications company. In 1989, he became Director of hydrocarbons in the Ministry for Industry. In 1994, he joined the corporate management of IFP and took charge of research and development activities. In 1998, he became Vice-chairman of ISIS, a holding company in which IFP was the majority shareholder and which held shares in companies from the oil and gas industry sectors. Olivier Appert has also been Director of Long-Term Cooperation and Energy Policy Analysis in the International Energy Agency since October 1, 1999. In April 2003, he was appointed Chairman of the Institut Français du Pétrole.

Date of first appointment: May 21, 2003.
Date of last appointment: April 27, 2007.
Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ending December 31, 2010.

Member of the Company's Strategic Committee.

Positions held outside the Group:
Chairman of the Institut Français du Pétrole ("IFP"),
Director of the Compagnie Générale de Géophysique (CGG VERITAS),
Director of the Institut de Physique du Globe.

Positions held within the Group:
None.

Positions ended over the past five financial years:
None.

At February 29, 2008, Mr. Appert held 510 Company shares** in registered form.

Pascal COLOMBANI

Independent Director*.
Associate Director and Senior Advisor at A.T. Kearney strategic consultancy.
Age: 62 - Nationality: French.
Professional address: A.T. Kearney
44 rue de Lisbonne - 75008 Paris

A graduate from the French Ecole Normale Supérieure, a professor of physics (1969) and Doctor of sciences (1974), he began his career at CNRS before spending close to 20 years (1978-1997) at Schlumberger in various posts, in Europe and in the United States, before chairing the group's Japanese subsidiary in Tokyo and creating his first R&D office in China. He was also the Director of Technology at the Ministry for Research (1997-1999) and was appointed as Managing Director of the CEA in 2000, a post that he held until December 2002, a period when much new nuclear research and technological research was launched. At the start of the restructuring of the industrial holdings of the CEA and the creation of Areva in 2000, he chaired the Supervisory Board until May 2003. Currently the Associate

Director and Senior Advisor for innovation, high technology and energy in the A.T. Kearney strategic consultancy firm, he is also a Director of Alstom, British Energy Group p.l.c., and Rhodia, a member of Rolls Royce Fuel Cell Systems' Technical Advisory Board and a member of the Académie des Technologies.
He is a Chevalier de la Légion d'honneur and an Officer of the Order of Merit.

Date of first appointment: April 27, 2007.
Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ending December 31, 2010.

Member of the Company's Strategic Committee and Nominations and Remunerations Committee.

Positions held outside the Group:
Director of Alstom,
Director of Rhodia,
Director of Valeo,
Director of Fondation C-Génial,
Director of Fondation "Pour le partage du savoir" (Switzerland),
Director of British Energy Group p.l.c. (United Kingdom)

Positions held within the Group:
None.

Positions ended over the past five financial years:
Managing Director of CEA,
Director of IFP,
Chairman of the Supervisory Board of Areva,
Director of Cogema,
Chairman of the Board of Directors of ENS Cachan,
Chairman of the French Association for the Advancement of the Sciences.

At February 29, 2008, Mr. Colombani held 400 Company shares** in registered form.

Jacques DEYIRMENDJIAN

Independent Director*.
Chairman of Deynergies SAS.
Age: 63 - Nationality: French.
Professional address: Deynergies SAS
62 rue de Courcelles - 75008 Paris

A former student of the Ecole Polytechnique and Ecole Nationale de la Statistique et de l'Administration Economique, Jacques Deyirmendjian joined Gaz de France in 1967 and, after various positions, was appointed International Director in 1990. He was promoted to Assistant Managing Director in 1996, then Deputy Managing Director in 2000. From 2002 to 2005, he held the posts of Chief Representative of the Gaz de France Group and Chairman and Chief Executive Officer of GDF International. Since July 2005, he has been Chairman of Deynergies SAS.

Date of first appointment: June 21, 2000.
Date of last appointment: April 27, 2007.
Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ending December 31, 2008.

Member of the Company's Strategic Committee and Audit Committee.

Positions held outside the Group:
Chairman of Deynergies SAS,
Director of Fingaz (Switzerland).

Positions held within the Group:
None.

Positions ended over the past five financial years:
Chairman and Chief Executive Officer of GDF International,
Director of the Institut Français du Pétrole ("IFP"),
Director of Gasag (Germany),
Director of SPP (Slovakia).

At February 29, 2008, Mr. Deyirmendjian held 404 Company shares** in registered form.

Germaine GIBARA

Independent Director*.
Chairman of Avvio Management Inc. strategic consultancy firm.
Age: 63 - Nationality: Canadian.
Professional address: Avvio Management - 1470 Peel Street - Suite 200 - Montreal H3A 1T1 - Canada

A graduate from the American University of Cairo (1966) and the University of Dalhousie, Halifax (1968) as well as Harvard Business School (1984), she is also a registered financial analyst. She began her career at Lombard Odier managing private assets (1970-1975) before joining Alcan Aluminium Ltd. where she successively held the posts of Director of Investor Relations (1975-1984), Director of Strategic Studies (1985-1986), then Chairman of the Alcan Automobile Structure (1986-1991). From 1994 to 1995, she was Vice-Chairman in

charge of holdings in companies from technological sectors at the Caisse des Dépôts et Placements in Quebec. At the same time, in 1992 she founded the Avvio Management Inc. Strategy Advisory practice and currently chairs it.
Germaine Gibara also gives conferences on technology management and marketing at McGill University and at the Massachusetts Institute of Technology. She also sits on the Boards of Directors of St. Lawrence Cement, Agrium, Cogeco Cable and Sun Life Financial. In the past, she has sat on the Boards of Directors of Pechiney, the Chamber of Commerce in Canada, Videotron, Ault Food and the Economic Council in Canada.

Date of first appointment: April 27, 2007.
Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ending December 31, 2010.

Member of the Company's Strategic Committee and Nominations and Remunerations Committee.

Positions held outside the Group:
Director of Sunlife Financial (Canada),
Director of Cogeco (Canada),
Director of St Lawrence Cement (Canada),
Director of Agrium (Canada).

Positions held within the Group:
None.

Positions ended over the past five financial years:
None.

At February 29, 2008, Ms. Gibara held 400 Company shares** in registered form.

Jean-Pierre LAMOURE

Independent Director*.
Chairman and Chief Executive Officer of Solétanche S.A.
Age: 59 - Nationality: French.
Professional address: Solétanche-Bachy - 6 rue Watford - 92000 Nanterre

A former student of the Ecole Polytechnique and a graduate from the Ecole des Mines in Paris, Jean-Pierre Lamoure held several posts within the French Ministry for Industry from 1975 to 1981, after which he joined Saint Gobain from 1981 to 1983. He joined the Solétanche Group in 1983 as a Development Manager. From 1988 to 1997, he was Chairman and Chief Executive Officer of Forasol-Foramer (Solétanche Group). Jean-Pierre Lamoure has been Chairman and Chief Executive Officer of Solétanche Bachy Entreprise since 1997 and of Solétanche S.A. since 1989.

Date of first appointment: March 13, 1998.
Date of last appointment: April 27, 2007.
Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ending December 31, 2008.

Member of the Company's Nominations and Remunerations Committee.

Positions held outside the Group:
Chairman and Chief Executive Officer of Solétanche S.A.,
Manager of the Compagnie du Sol,
Director of Solétanche Bachy France,
Manager of Promocalor,
Chairman of Psila,
Chairman of Solétanche Bachy Entreprises,
Chairman of Comemi,
Chairman of the Supervisory Board of Atlantic SFDT S.A.,
Chairman of the Management Board of Sedeco,
Member of the Supervisory Board of Fortis Banque France,
Vice-Chairman of the Fédération Nationale des Travaux Publics,
Director of Bachy Solétanche Holdings Ltd. (United Kingdom).

Positions held within the Group:
None.

Positions ended over the past five financial years:
Director of the Institut Français du Pétrole ("IFP"),
Director of Solétanche Etranger (France),
Director of Forasol,
Member of the Supervisory Board of Lapeyre,
Co-manager of IGeBe,
Director of Bachy Condax (Romania).

At February 29, 2008, Mr. Lamoure held 800 Company shares** in registered form.

Daniel LEBEGUE

Independent Director*.
Chairman of the Institut Français des Administrateurs.
Age: 64 - Nationality: French.
Professional address: IFA - Institut Français des Administrateurs 7 rue Balzac - 75382 Paris Cedex 08

A graduate from the Institut d'Etudes Politiques in Lyon and former student of the French Ecole Nationale d'Administration, Daniel Lebègue began his career in 1969 at the Ministry for

the Economy and Finances as a Civil Director for the Treasury Department. From 1974 to 1976, he was a Financial Attaché at the French Embassy in Japan. On his return to the Treasury Department, he held various posts until 1981. In 1981, he was appointed Technical Advisor to the Prime Minister's Cabinet, in charge of economic and financial affairs. He became Assistant Director to the Treasury Management in 1983, then Treasury Director from 1984 to 1987.

In 1987, he joined the Banque Nationale de Paris as the Managing Director, then became Vice Chairman in 1996. From 1998 to 2002, he held the posts of Chief Executive Officer of the Caisse des Dépôts et Consignations. He was also Chairman of the Institut du Développement Durable et des Relations Internationales, Chairman of the French section of Transparency International and Co-Chairman of Eurofi. Since July 2003, he has chaired the Institut Français des Administrateurs ("IFA"), a professional association of directors of companies exercising their functions in France.
Date of first appointment: April 11, 2003.
Date of last appointment: April 27, 2007.
Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ending December 31, 2008.

Chairman of the Company's Audit Committee.

Positions held outside the Group:
Chairman of the Institut Français des Administrateurs ("IFA"),
Director of Crédit Agricole S.A.,
Director of Alcatel Lucent,
Director of SCOR S.A.,
Director of SCOR US (United States).

Positions held within the Group:
None.

Positions ended over the past five financial years:
Director of Gaz de France,
Director of Areva,

At February 29, 2008, Mr. Lebègue held 400 Company shares** in registered form.

Roger MILGRIM

Independent Director*.
Lawyer.
Age: 70 - Nationality: American.
Professional address: 6-8 Allée de l'Arche
- Faubourg de l'Arche - 92400 Courbevoie

A graduate from the University of Pennsylvania and from the New York University School of Law, Roger Milgrim began his career as a lawyer at the Paris office of Baker & McKenzie (1963-1965) before working for different New York law firms from 1965 to 1992. From 1992 to 2005, Roger Milgrim was a Senior Partner of Paul, Hastings, Janofsky and Walker LLP. He has written two major law treatises on intellectual property and licenses. Furthermore, Roger Milgrim is involved in various charitable works.

Date of first appointment: December 13, 2001 (Supervisory Board).
Date of last appointment: April 27, 2007.
Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ending December 31, 2008.

Member of the Company's Audit Committee.
Positions held outside the Group:
None.

Positions held within the Group:
None.

Positions ended over the past five financial years:
None.

At February 29, 2008, Mr. Milgrim held 400 Company shares** in registered form.

John C.G. O'LEARY

Independent Director*.
Chairman and Chief Executive Officer of Strand Energy (Dubai).
Age: 52 - Nationality: Irish.
Professional address: 6-8 Allée de l'Arche
- Faubourg de l'Arche - 92400 Courbevoie

A graduate from Trinity College Dublin, University College of Cork as well as the Institut Français du Pétrole, he began his career as a trader in the Irish National Petroleum Corporation (1979-1980). He joined Total as a drilling engineer (1980-1985), then the Forasol-Foramer group where he held the posts of Development and Partnerships Manager (1985-1989) and Vice-Chairman for Marketing (1990-1997). After the takeover in 1997 of Forasol-Foramer by Pride International, a company specialized in onshore and offshore drilling, he became Chief Executive Officer of the new group until 2004. From 2004 to 2006, he was a partner in Pareto Offshore ASA, a Norwegian company specialized in advising customers in the exploration/production sector. Since January 2007, he has held the post of Chairman and Chief Executive Officer of Strand Energy (Dubai), a company involved in seeking

out investment and development opportunities in the oil and gas sector. He also sits on the Supervisory Boards of Huisman Itrec and Khan Shipping.

Date of first appointment: April 27, 2007.
Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ending December 31, 2010.

Member of the Company's Audit Committee.

Positions held outside the Group:
Member of the Audit Committee of Vantage Oilfield Services (United States),
Member of the Finance Committee of Atlantic Oilfield Services (Dubai),
Member of the Supervisory Board of Huisman-Itrec (Netherlands),
Member of the Supervisory Board of Huisman-Itrec (Netherlands).

Positions held within the Group:
None.

Positions ended over the past five financial years:
None.

At February 29, 2008, Mr. O'Leary held 800 Company shares** in registered form.

Rolf-Erik ROLFSEN

Independent Director*.
Age: 67 - Nationality: Norwegian.
Professional address: Haakon VII's GT.1
- PO Box 1679 VIKA 0120 Oslo - Norway

A graduate from the Oslo College of Commerce, Rolf-Erik Rolfsen is Chairman of the Executive Counsel of the Industrial Development in Trondheim. From 1980 to 1986, Rolf-Erik Rolfsen was Executive Vice President of Konsberg Våpenfabrikk A.S. From 1987 to 2000, he held the post of Chief Executive Officer of Total Norge AS. From 1999 to 2000, he was also Chief Executive Officer of Fina Exploration Norway.

Date of first appointment: December 13, 2001 (Supervisory Board).
Date of last appointment: April 27, 2007.
Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ending December 31, 2008.

Member of the Company's Strategic Committee.

Positions held outside the Group:
Director of Gaz de France Norge AS (Norway),
Chairman of CGG Veritas Services AS (Norway),
Chairman of the Executive Counsel of the Industrial Development Fund, NTNU (Norway).

Positions held within the Group:
None.

Positions ended over the past five financial years:
Director of Petroleum GeoServices A.S.A. (Norway),
Director of Umoe Mandal AS (Norway),
Director of HAG S.A. (France).

At February 29, 2008, Mr. Rolfsen held 400 Company shares** in registered form.

Bruno WEYMULLER

Director.
Managing Director for Strategy and Risk Assessment at Total.
Age: 59 - Nationality: French.
Professional address: Groupe TOTAL - Tour Coupole
- 2 place de la Coupole - La Défense 6
- 92078 Paris La Défense Cedex

A former student of the Ecole Polytechnique and a graduate of the Ecole des Mines in Paris, Bruno Weymuller also holds a Masters of Science from the Massachusetts Institute of Technology. He began his career at the Ministry for Industry from 1972 to 1978, after which he joined the Prime Minister's cabinet from 1978 to 1981 as an Official Representative. He then held the post of Chief Executive Officer for the NEU Group from June 1981 to June 1985, then various management posts within the Elf Aquitaine Group from July 1985 to January 2000. Since February 2000, Bruno Weymuller has held the position of Director for Strategy and Risk Assessment at Total and is also a member of its Executive Committee.

Date of first appointment: February 10, 1995.
Date of last appointment: April 27, 2007.
Expiry of the current term of office: ordinary shareholders' meeting convened to approve the financial statements for the year ending December 31, 2008.

Chairman of the Company's Nominations and Remunerations Committee.

Positions held outside the Group:
Director of Elf Aquitaine,
Director of Sanofi-Aventis,
Director of Rexecode,
Director of Eurotradia International,
Director of Total E&P France.
Positions held within the Group:
None.

Positions ended over the past five financial years:
None.

At February 29, 2008, Mr. Weymuller held 400 Company shares** in registered form.

Patrick PICARD

Secretary of the Board of Directors.

* At its meeting on February 1, 2008, the Nominations and Remunerations Committee assessed the independence of the members of Technip's Board of Directors with regard to the definition and criteria used in the AFEP-MEDEF report. The Committee presented its conclusions to the Board of Directors, which adopted them at its meeting on February 20, 2008. The list of independent directors is reviewed each year by the Board of Directors upon the Nominations and Remunerations Committee's proposal.

** Pursuant to the provisions of Article 14 of the Articles of Association in effect as of the date of this Reference Document, each Director must hold at least 400 Company shares in registered form.

b. Role and operation of the Board of Directors and agenda for meetings of Board of Directors in 2007

1. Role and practices of the Board of Directors

The Board of Directors is subject to a charter incorporating the majority of the recommendations contained in the AFEP-MEDEF report, a report issued in France in October 2003 to promote better corporate governance practices for listed companies (the "AFEP-MEDEF report"). Each committee of the Board of Directors has also adopted its own charter describing its particular duties, responsibilities and practices.

A directors' charter adopted on May 21, 2003 (and distributed to each director at the start of his or her term, along with the Board's internal charter) outlines the rights and responsibilities of the Company's directors. Each director must undertake to maintain his or her independence and to actively participate in the Board's work. Each director must inform the Board of any personal situation that could result in a conflict of interest or a potential conflict of interest and must clearly express, if necessary, his or her opposition to any matter under consideration by the Board, which, in his or her opinion, is not in the Company's best interest. In addition, each director is subject to a code of conduct regarding the disclosure and use of confidential information, and must refrain from trading in any of the Company's securities whenever such director is in possession of material non-public information.

Extract of Board of Directors' internal charter as updated on July 26, 2006:

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

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

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

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

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

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

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

The Board of Directors evaluates, at intervals of no more than three years, its operating policies.

In addition, it holds a discussion on its operations once a year.

2. Agenda of the Board of Directors' meetings held in 2007

During the 2007 financial year, the Board of Directors met 10 times. The attendance rate for all Directors was 88%. The average duration of a Board of Directors' meeting was approximately four hours.

Directors receive all the information which is useful to the exercise of their functions in accordance with the agenda prior to each Board meeting. For these purposes, the Company has undertaken to provide the relevant documents one week before the meeting.

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

In particular, the agenda for the meetings included the following points:

January 15, 2007:

- Nominations and Remunerations Committee Report
- Nomination of an Executive Vice President.

February 20, 2007:

- Strategic considerations.

February 21, 2007:

- Presentation of the Company's financial statements and consolidated financial statements for the 2006 financial year
- Audit Committee Report
- Statutory Auditors' observations
- Approval of the financial statements and consolidated financial statements for the 2006 financial year
- Review of the press release on the 2006 financial results
- Review of the provisional management documents
- Finalization of the share capital increase resulting from the exercise of share subscription options
- Nominations and Remunerations Committee Report
- List of independent Board members
- Modification of the articles of association
- Assessment of the draft reports and resolutions to be presented to the Combined Shareholders' Meeting.

March 12, 2007:

- Nominations and Remunerations Committee Report
- Strategic Committee Report
- Review of the draft resolutions to be presented to the Combined Shareholders' Meeting
- Determination of the agenda and confirmation of the Meeting date.

April 27, 2007:

- Answers to written questions submitted by a shareholder
- Decision to temporarily suspend the right to exercise share subscription options
- Nominations and Remunerations Committee Report
- Authorization to issue a parent company guarantee for a contract.

April 27, 2007 (following the Combined Shareholders' Meeting):

- Nomination of the Chairman of the Board of Directors
- Selection of management's operational methods
- Powers of the Chairman and Chief Executive Officer
- Nominations and Remunerations Committee Report
- Determination of Board member rotation order.

May 14, 2007:

- Presentation of the consolidated financial statements for the first quarter of 2007
- Audit Committee Report
- Statutory Auditors' observations
- Approval of the consolidated financial statements for the first quarter of 2007
- Review of the press release on the first quarter 2007 results
- Finalization of the April 30, 2007 share capital increase resulting from the employee-reserved share capital increase

and the exercise of share subscription options
- Adjustment of option beneficiaries' rights (distribution of reserves)
- Board members' independence (NYSE)
- Analysis of votes recorded in the April 27, 2007 Combined Shareholders' Meeting
- Distribution of directors' fees (outgoing members of the Board of Directors)
- Review of Technip's business.

July 25, 2007:
- Presentation of the consolidated financial statements at June 30, 2007
- Audit Committee Report
- Statutory Auditors' observations
- Approval of the consolidated financial statements at June 30, 2007 (second quarter)
- Review of the press release on the second quarter and half-year 2007 financial results
- Half-year financial report (AMF and BALO requirements)
- Update of the provisional management documents
- Finalization of the share capital increase resulting from the exercise of share subscription options
- Strategic Committee minutes
- Nominations and Remunerations Committee minutes
- Technip's delisting from the NYSE and deregistration
- Whistleblowing procedures
- Review of Technip's business
- Delegation to Chairman of the Board of Directors to create subsidiaries by contract.

November 14, 2007:
- Presentation of the consolidated financial statements at September 30, 2007
- Audit Committee Report
- Statutory Auditors' observations
- Approval of the consolidated financial statements at September 30, 2007 (third quarter)
- Review of the press release on the third quarter 2007 financial results
- Quarterly Financial Report
- Finalization of the share capital increase resulting from the exercise of share subscription options
- Strategic Committee Report
- Review of Technip's business
- Authorization to grant a parent company guarantee.

December 12, 2007:
- 2008 budget and investment plan
- Strategic Committee Report
- External growth opportunities
- Disposal of an equity interest in France
- Nominations and Remunerations Committee Report
- Pre-approval of Statutory Auditors' missions
- Renewal of the powers of the Chairman and Chief Executive Officer with regard to guarantees, securities and deposits.

3. Evaluation of the Board of Directors

In accordance with the provisions of its internal charter and the recommendations of the AFEP-MEDEF report, the Board of Directors evaluates, at regular intervals of no more than three years, its operating policies. This evaluation aims to ensure adherence to the operating policies of the Board of Directors and allows the Board to identify ways to improve its performance and effectiveness.

The Board regularly conducts an evaluation in order to:
- review its operating methods,
- verify that important questions are appropriately prepared and discussed,
- assess the contribution of each director to the Board's work through his or her expertise and involvement in discussions.

The Board conducted an in-depth evaluation during the first half of 2006 and gathered the feedback of each of the directors and the specialized committees on the operation of the Board. The Board considered the possibility of changing its composition in connection with its renewal in 2007 as a result of the feedback received.

c. Composition, role and operating policies of specialized committees

The Board of Directors has three specialized committees that assist it in carrying out its duties. In accordance with the recommendations of the AFEP-MEDEF report: (i) examining the financial statements, overseeing the internal audit and selecting the Statutory Auditors are subject to preparatory work by the Audit Committee, and (ii) nominating Board members and corporate officers, and determining the compensation policy and the policy for granting share subscription or share purchase options are subject to preparatory work by the Nominations and Remunerations Committee.

The Board of Directors also has a Strategic Committee that assists it in examining and making decisions on major transactions related to the Group's main strategic objectives.

1. The Audit Committee

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

The Audit Committee is responsible for:

- recommending the appointment and compensation of the Statutory Auditors to the Board of Directors, as well as ensuring their independence;
- recommending procedures to be followed when engaging the Statutory Auditors for tasks other than the auditing of the financial statements in order to guarantee the independence of the auditing provided by the Statutory Auditors, in accordance with rules, regulations and recommendations applicable to Technip, and ensuring that such procedures are appropriately followed;
- giving prior authorization for all engagements of the Statutory Auditors other than in connection with auditing, in accordance with the conditions described below;
- analyzing the assumptions used in the closing of accounts and reviewing the Company's financial statements and the consolidated annual and interim financial statements prior to the Board of Directors' review by remaining informed of the financial situation, liquidity and commitments, and the Statutory Auditors' audit report on the annual and semi-annual financial statements;
- evaluating the internal control procedures as well as any other measures adopted to correct any significant problems encountered in the internal audit;
- reviewing the scope of work of the internal and external auditors;
- evaluating the relevance of the risk analysis procedures;
- evaluating the relevance of the adopted accounting principles and methods in conjunction with the Statutory Auditors;
- at some time between the end of the financial year and the date on which the Audit Committee reviews the draft of the financial statements, consulting Technip's Chairman and Chief Executive Officer and Chief Financial Officer on the relevance of the adopted accounting principles and methods, the efficiency of the accounting control procedures and any other relevant matters;
- reviewing the conditions under which derivative products are used;
- remaining informed of significant legal proceedings;
- examining the procedures required to be implemented regarding the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, as well as documents sent anonymously and confidentially by employees raising concerns regarding questionable accounting or auditing matters; and
- advising and providing, in a general manner, all appropriate recommendations on the above issues.

The Committee is composed of at least three directors appointed by the Board of Directors.

Until April 27, 2007, the Audit Committee was composed of Daniel Lebègue (Chairman), Miguel Caparros, Roger Milgrim and Pierre Vaillaud. Since then, the Audit Committee is composed of Daniel Lebègue (Chairman), Jacques Deyirmendjian, Roger Milgrim and John O'Leary, all of whom are independent directors. The Audit Committee's composition complies with the AFEP-MEDEF report recommendations, which stipulate that the Committee cannot include a corporate officer and that two-thirds of its members must be independent directors.

At least two-thirds of the Audit Committee members were independent directors up to July 31, 2005, and thereafter, all of the Audit Committee members have been independent directors.

In considering directors for membership to the Audit Committee, the Board carefully reviews their independence and their qualifications in financial and accounting matters, in particular, their familiarity with French accounting standards.

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

The Audit Committee appoints its Chairman and its Secretary.

The Audit Committee meets at least four times per year, in particular, to examine the annual and quarterly consolidated financial statements.

The Audit Committee may interview the Chairman and Chief Executive Officer, the Chief Financial Officer and any operational or functional business heads in order to carry out its duties.

The Audit Committee interviews the Statutory Auditors, and may do so outside the presence of management.
The Audit Committee presents its written reports and recommendations to the Board of Directors.

The Audit Committee's work in 2007

The Committee met five times during the 2007 financial year and had an attendance rate of 100%.

The Audit Committee examined:
- the annual financial statements for 2006 and the fourth quarter of 2006,
- contracts requiring particular attention and progress of the Sarbanes-Oxley Act project,
- the consolidated financial statements for the first quarter of 2007,
- the 2006 annual report on Form 20-F,
- the presentation of conclusions with respect to the Sarbanes-Oxley Act project,
- the consolidated financial statements for the second quarter of 2007,
- Auditors' fees,
- the 2007 audit budget,
- the consolidated financial statements for the third quarter of 2007.

2. The Nominations and Remunerations Committee

The Nominations and Remunerations Committee is mainly responsible for the following:
- making recommendations to the Board of Directors for the appointment of directors, the Chairman, the Chief Executive Officer and other executive vice presidents *(directeurs généraux délégués)*, as necessary, as well as preparing applicable corporate governance rules; and

- examining executive compensation policies implemented in the Group and the compensation of senior management, proposing the compensation of the Chairman and Chief Executive Officer and other executive vice presidents, as appropriate, and to preparing a report on the foregoing.

It performs the following duties:

a) with respect to nominations
1. presenting recommendations to the Board of Directors on the composition of the Board of Directors and its committees;
2. proposing to the Board of Directors, on an annual basis, a list of directors qualified as "independent" directors pursuant to applicable recommendations in France;
3. assisting the Board of Directors in the choice and evaluation of the Chairman, the Chief Executive Officer and other executive vice presidents, as the case may be.

b) with respect to compensation:
- formulating recommendations and proposals to the Board of Directors regarding the compensation, retirement and health plans, benefits-in-kind and other financial rights, including, in case of retirement, of the Chairman and Chief Executive Officer and other executive vice presidents, as the case may be;
- reviewing policies related to the compensation of senior management;
- formulating recommendations and proposals regarding the grant of share purchase and share subscription options and, in particular, those granted to the Chairman and Chief Executive Officer and other executive vice presidents, as the case may be.
- reviewing policies related to the compensation of senior management, including stock options, equity-based plans, retirement and health plans and benefits-in-kind.

The Nominations and Remunerations Committee is composed of at least three directors appointed by the Board of Directors. On April 27, 2007, the Nominations and Remunerations Committee was composed of Bruno Weymuller (Chairman), Jean-Pierre Lamoure and Rolf-Erik Rolfsen. Since then, it has been composed of Bruno Weymuller (Chairman), Pascal Colombani, Germaine Gibara and Jean-Pierre Lamoure. The majority of the members are independent directors.

The Nominations and Remunerations Committee's composition complies with AFEP-MEDEF report recommendations, which stipulate that the committee cannot include a corporate officer and that two-thirds of its members must be independent directors.

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

The Nominations and Remunerations Committee appoints its Chairman and its Secretary.

The Nominations and Remunerations Committee meets at least twice a year.

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

The Company's Chairman, however, may not participate in deliberations that relate to him.

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

The Nominations and Remunerations Committee presents its written reports to the Board of Directors.

The work of the Nominations and Remunerations Committee in 2007

In 2007, the Committee met six times: January 4, February 1, March 6, April 25, July 24 and December 11, with an attendance rate of 100%.

Its work mainly focused on the following points:

- with respect to nominations:
  - proposed to the Board of Directors a list of directors qualified as independent directors in accordance with the rules and recommendations applicable in France and on the regulated markets where the Company's securities are traded,
  - discussed the composition of the Board of Directors and its committees and formulated a recommendation to the Board of Directors regarding the Board's composition,
  - recommended the nomination of the Chairman and Chief Executive Officer to the Board of Directors,
  - examined the mechanism for the director rotation,

- with respect to compensation:
  - examined a draft of the Company's report on executive compensation for the annual report,
  - examined the amount and allocation of directors' fees *(jetons de présence)* for 2007,
  - made a recommendation to the Board of Directors regarding the compensation of the Chairman and Chief Executive Officer,
  - examined the compensation of Executive Committee members (variable portion for 2006, base compensation for 2007 and criteria for determining the variable portion for 2007),
  - examined the grant of a new tranche of stock options,
  - examined the grant of free shares,
  - reviewed changes in the supplementary retirement plan for executive officers and the proposed introduction of a supplementary retirement plan for Executive Committee members,
  - reviewed the Group's new bonus system.

3. The Strategic Committee

The Strategic Committee's mission is to:

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

The Committee is composed of at least three directors appointed by the Board of Directors. On April 27, 2007, the Strategic Committee was composed of Jacques Deyirmendjian (Chairman), Olivier Appert, Roger Cairns and Pierre Vaillaud. Since then, the Strategic Committee has been composed of Jacques Deyirmendjian (Chairman), Pascal Colombani, Germaine Gibara, Rolf-Erik Rolfsen and Olivier Appert, all of whom are independent directors.

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

The Strategic Committee appoints its Chairman and its Secretary. The Strategic Committee meets at least twice a year.

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

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

The Strategic Committee presents its written reports to the Board of Directors.

The work of the Strategic Committee in 2007

The Committee met five times during the 2007 financial year with an attendance rate of 96%.

It focused mainly on the following points:
- simplified procedure for small-scale acquisitions,
- review of a study regarding the global engineering market,
- competitive overview - oil industry services,
- market report - pharmaceutical engineering sector,
- the Group's external growth,
- the extension of Technip's fleet of ships,
- an industrial investment,
- the Group's challenges and strategic priorities,
- new investment in an umbilical laying system,
- current investments,
- preparation of presentation of the Group's new strategies at "Investor Day" held in Paris and in New York on October 17, 2007 and 19, 2007, respectively,
- discussion on the outlook for order intake,
- 2008 budget.

d. Compensation and other benefits granted to corporate officers

Directors' fees

The amount of directors fees allocated to members of the Board of Directors for the 2007 financial year was €375,000, pursuant to the decision by the Combined Shareholders' Meeting of April 27, 2007. In accordance with AFEP-MEDEF report recommendations, directors' fees include a variable portion paid according to the rate of attendance at Board and committee meetings.

The Board meeting of December 12, 2007 finalized the distribution of directors' fees for 2007 as follows:
- €130,000 divided equally among Board members (with the exception of the Chairman who does not receive directors' fees), i.e., €10,000 per director;
- an additional amount of €30,000 divided equally among the three directors living in Europe (but outside of France);
- an additional amount of €60,000 allocated to the three directors living outside of Europe;
- an additional amount for 2007, depending on the attendance rate of the Board members since January 1, 2007, distributed between the directors (other than the Chairman) up to a fixed amount:
  - of €900 per Board meeting and €800 per meeting of the Strategic Committee and the Nominations and Remunerations Committee,
  - of €1,600 for the Chairmen of the Strategic Committee and the Nominations and Remunerations Committee,
  - of €2,600 per Board meeting for the Chairman of the Audit Committee, and €1,300 for the other members.

The individual amounts of directors' fees for the 2006 financial year, which were paid in January 2007 to each of the Board members (or to the company in which he or she conducts his main business), were as follows:

Olivier Appert:	€20,250
Roger Cairns:	€31,000[1]
Miguel Caparros:	€35,500[1]
Jacques Deyirmendjian:	€24,800
Jean-Pierre Lamoure:	€21,700
Daniel Lebègue:	€33,150
Roger Milgrim:	€45,500[1]
Rolf E. Rolfsen:	€32,500[1]
Pierre Vaillaud:	€29,300
Bruno Weymuller:	€26,200

[1] Before the 25% withholding applicable to directors' fees paid to Board members residing abroad.

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

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

[1] Before the 25% withholding applicable to directors' fees paid to Board members residing abroad.

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

The amount of directors' fees that will be proposed to the Shareholders' Meeting of April 25, 2008 for the 2008 financial year will total €375,000.

Compensation of the Chairman and Chief Executive Officer

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

Compensation of Thierry Pilenko

The total compensation paid in 2007 by the Company to Thierry Pilenko, appointed as Chairman and Chief Executive Officer on April 27, 2007, amounted to €404,945 in gross fixed compensation, €100,000 in bonuses and a benefit-in-kind of €4,618 related to a company car, for a total compensation package of €509,563.

The variable portion of compensation is based on the fixed compensation for the previous year and is subject to the Group's performance, which is evaluated using the following elements: operating income, backlog, net earnings per share and, up to 50% of this amount is based on individual performance as relates to the achievement of the Group's general goals. The variable compensation that will be paid to Mr. Pilenko in 2008, for 2007, was set at €631,100.

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

There is no specific retirement plan for the Chairman and Chief Executive Officer. The Chairman and Chief Executive Officer is a beneficiary of the supplementary retirement plan for Group executives, with fixed contributions of 8% of gross annual compensation paid up to income bracket 3, i.e., eight times the annual French Social Security limit. The contribution for 2007 amounted to €13,903. The Chairman and Chief Executive Officer also benefits from the Company's existing supplementary retirement plan for Executive Committee members: a retirement income guarantee of 1.8% per year of service, up to a limit of 15 years, on income bracket 4 of gross annual compensation paid, i.e., exceeding eight times the Social Security limit.

The amount of gross compensation to which this retirement income guarantee applies corresponds to the average of the gross base compensation (including variable compensation within the limit of the target bonus of 100%), received over the five complete financial years prior to the date of departure from the Company. The retirement income guarantee will only be due in the following events: a departure from the Company after his 60th birthday; a departure from the Company as a result of a 2nd or 3rd category disability (as defined under French law); a departure from the Company after his 55th birthday provided that such departure is not the result of gross misconduct or negligence on his part and that no salaried activity is resumed between leaving the Company and receiving a pension under the general French Social Security scheme.

At the time of his appointment on April 27, 2007, Mr. Pilenko signed a worldwide non-compete agreement for a period of three years starting from the date of his departure from Technip. This non-compete obligation provides for an indemnity of 70% of his gross compensation over three years.

During the 2007 financial year, 255,655 share subscription options were granted to Mr. Pilenko. Pursuant to Article L.225-185 of the French Commercial Code, the Board of Directors decided that Mr. Pilenko will hold a number of shares in registered form such that their value is equal to 50% of the net gains on acquisitions, as evaluated at the time of each exercise of an option, after sale of the number of shares necessary to finance the exercise, the payment of tax, social charges and fees related to the exercise. No free shares were granted to Mr. Pilenko in 2007. Mr. Pilenko has not exercised any Technip share subscription option or share

purchase option. Mr. Pilenko does not benefit from any share subscription warrants from Technip or any other Group company.

Compensation of Daniel Valot

The fixed gross compensation paid in 2007 to Daniel Valot, Chairman and Chief Executive Officer of Technip until April 27, 2007, amounted to €225,252. The gross amount of the variable compensation for the 2006 financial year, which was paid in 2007, amounted to €619,200. The variable compensation for 2007, up until April 27, 2007, amounted to €223,738 and was paid to Mr. Valot in 2007.

Mr. Valot has a company car corresponding to a benefit-in-kind of €1,560.

A departure indemnity of €1,128,250 was paid to Mr. Valot in 2007 following the approval by the Shareholders' Meeting of April 27, 2007 (in its 3rd resolution) of the Statutory Auditors' special report.

Pursuant to the non-compete agreement signed when he took office, Mr. Valot received in 2007 a payment of 60% of his gross compensation over three years, i.e., €2,030,850.

Mr. Valot had a supplementary retirement plan, with fixed contributions, identical to that of the executive officers. The payment in 2007 amounted to €5,021.

In accordance with the provisions of the consultancy contract, also approved by the Shareholders' Meeting of April 27, 2007 (in its 3rd resolution), fees amounting to €191,360 were paid in 2007 by the Company to Mr. Valot for services provided.

Compensation of the Group's principal executives

The aggregate amount of compensation directly or indirectly paid in 2007 by the Group and all of the Group's companies to its principal executives (Executive Committee members, Region managers and managers of SURF activities and Onshore-Offshore Product Lines), a total of 15 persons, amounted to €4,935,743. The variable portion represented 28% of the overall amount.

Retirement commitments

Payments made in 2007 by Group companies under supplementary retirement plans applicable to the principal executives discussed above amounted to €1,545,000, including €1,363,201 under the retirement income guarantee plan for Executive Committee members.

The amount provisioned for retirement commitments for Executive Committee members amounted to €0.6 million at December 31, 2007.

Technip share purchase or share subscription options granted to the Company's directors and officers and to the 10 employees (other than directors or officers) who were granted the largest number of options during the 2007 year

SHARE PURCHASE OR SHARE SUBSCRIPTION OPTIONS GRANTED TO AND EXERCISED BY DIRECTORS AND OFFICERS	Number of options */**	Subscription purchase price per option */**	Expiry date	Grant date
Options granted during the year to each director and officer by the issuer or by any Group company (list of names)				
Thierry Pilenko	255,655	€49.3536	03/12/2013	03/12/2007
Options exercised during the financial year by each director and officer (list of names)				
Daniel Valot	9,000	€17.5896	12/08/2008	12/09/2002

SHARE PURCHASE OR SHARE SUBSCRIPTION OPTIONS GRANTED TO AND EXERCISED BY THE 10 EMPLOYEES (OTHER THAN DIRECTORS AND OFFICERS) WITH THE LARGEST NUMBER OF OPTIONS	Number of options */**	Subscription purchase price per option */**	Expiry date	Grant date	Plan number
Options granted during the year by the issuer or by any company included in the grant perimeter to the 10 employees of the issuer or any company included in the grant perimeter, in receipt of the largest number of options (aggregate information)	128,857	€49.3536	03/12/2013	03/12/2007	2005 Plan 3rd tranche
Options held on the issuer and the aforementioned companies exercised during the year by the 10 employees of the issuer or another Group company having bought or subscribed to the highest number of options (aggregate information)	100,804	€10.2898 €10.5225 €26.8819 €17.5896 €17.9875 Average: €35.5775	06/06/2007 06/06/2008 12/09/2008	06/07/1997 06/07/1998 12/09/2002	9.2 Plan 9.3 Plan 2002 Plan

* The number of shares obtained upon exercise of the subscription options granted by the Board of Directors on March 12, 2007 is subject to Technip's achieving a satisfactory performance for its shareholders over the 2007-2010 period. This performance will be measured by an increase in fully diluted earnings per share (''EPS") compared to the average of that of a representative sampling the Group's competitors. 50% of the number of options that can be exercised is subject to achieving this performance goal, recorded at the option exercise start date.

** The distribution of an exceptional dividend taken from the Company's free reserves, approved by the Board of Directors' meeting of May 14, 2007, resulted in adjustments in accordance with the current regulations. As a result, the exercise price and the number of options were adjusted in a way to maintain a constant overall exercise price for beneficiaries. These adjustments were made in accordance applicable regulations and resulted in a decrease in the exercise price and an increase in the number of options.

Technip free shares granted to the Company's directors and officers and to the 10 employees (other than directors and officers) who were granted the largest number of free shares during the 2007 year

FREE SHARES GRANTED TO EACH DIRECTOR AND OFFICER	Number of free shares */**	Grant date	Acquisition date, subject to compliance with the conditions set by the Board of Directors	Exercise price
Free shares granted during the year to each director and officer by the issuer or by any Group company	0	NA	NA	0
Free shares acquired during the year by each director and officer	0	NA	NA	0

FREE SHARES GRANTED TO NON-DIRECTOR AND NON-OFFICER EMPLOYEES	Number of free shares */**	Grant date	Acquisition date, subject to compliance with the conditions set by the Board of Directors	Exercise price
Free shares granted during the financial year by the issuer or by any company included in the grant perimeter, to the employees of the issuer and of any company included within the grant perimeter (aggregate information)	1,110,670	03/12/2007 (Tranches A and B) 12/12/2007 (Tranches A and B)	Tranche A: 03/13/2010 12/12/2010 Tranche B: 03/13/2011 12/12/2011	0
Free shares of the issuer or of the aforementioned companies that were acquired during the year by the employees of the issuer or of these companies who have the largest number of free shares (aggregate information)	0	NA		0

* The number of free shares granted by the Board of Directors on March 12, 2007 and December 12, 2007 is subject to Technip's achieving a satisfactory performance for its shareholders over the 2007-2010 period. This performance will be measured by an increase in fully diluted earnings per share (''EPS'') compared to the average of that of a representative sampling the Group's competitors. 50% of the number of free shares that can be acquired is subject to achieving this performance goal, recorded as of the acquisition date of the shares.

** During its meeting of March 12, 2007, the Board of Directors granted 1,110,670 shares.

SUMMARY OF THE TRANSACTIONS LISTED IN ARTICLE L.621-18-2 OF THE FRENCH MONETARY AND FINANCIAL CODE DURING THE 2007 FINANCIAL YEAR

Name and Surname	Position	Financial instrument	Date and place of the operation	Type of transaction	Quantity	Unit price	Amount of the transaction
Pierre VAILLAUD	Director	Share	12/20/2006 Paris	Sale	4,600	€52.70	€242,420
		Share	12/21/2006 Paris	Purchase	4,600	€52.70	€242,420
		Share	12/21/2006 Paris	Sale	400	€51.4869	€20,594.76
		Share	12/22/2006 Paris	Purchase	400	€51.40	€20,560
Olivier DUBOIS	Executive Vice President, Finance and Control	Share	01/15/2007 Paris	Sale	1,500	€49.84	€74,760
Person related to Olivier DUBOIS	Executive Vice President, Finance and Control	Share	03/28/2007 Paris	Sale	2,580	€54.7121	€141,157.22
		Share	03/28/2007 Paris	Sale	2,550	€54.7121	€139,515.85
		Share	03/28/2007 Paris	Sale	2,580	€54.7121	€141,157.22
		Share	03/30/2007 Paris	Sale	42	€55.09	€2,313.78
		Share	03/30/2007 Paris	Sale	40	€55.09	€2,203.60
		Share	04/02/2007 Paris	Sale	42	€55.09	€2,313.78
		Share	04/02/2007 Paris	Sale	920	€55	€50,600
		Share	04/02/2007 Paris	Sale	920	€55	€50,600
		Share	04/02/2007 Paris	Sale	920	€55	€50,600
		Share	05/21/2007 Paris	Sale	2,262	€57	€128,912.32
		Share	05/21/2007 Paris	Sale	2,262	€57	€128,912.32
		Share	05/21/2007 Paris	Sale	2,262	€57	€128,912.32
		Share	06/08/2007 Paris	Sale	8,768	€56.20	€492,778.32
		Share	06/08/2007 Paris	Sale	8,768	€56.20	€492,778.32
		Share	06/08/2007 Paris	Sale	8,768	€56.20	€492,778.32
Olivier APPERT	Director	Share	03/14/2007 Paris	Purchase	81	€48.83	€3,963.53
		Share	08/21/2007 Paris	Purchase	30	€52.93	€1,587.90
Roger M. MILGRIM	Director	Share	03/13/2007 Paris	Purchase	1,000	€50.03	€50,030
Germaine GIBARA	Director	Share	07/09/2007 New York	Purchase	404	$86.2399	$34,878.86
John O'LEARY	Director	Share	05/22/2007 Paris	Purchase	800	€57.22	€45,776
Jean-Pierre LAMOURE	Director	Share	08/03/2007 Paris	Purchase	1,200	€58.68	€70,416
Pascal COLOMBANI	Director	Share	06/01/2007 Paris	Purchase	400	€57.83	€23,132
Thierry PILENKO	Chairman and Chief Executive Officer	Share	12/20/2007 Paris	Purchase	400	€52.18	€20,872

4. Outlook and risk management

a. Post year-end events

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

JANUARY 2008

Angola

Technip, leader of a consortium with Acergy, has won a contract from Total for the development of the Pazflor oil field, located off the coast of Angola in Block 17, at a depth of up to 1,200 meters. Technip's share of this U.S.$1.860 billion contract amounts to U.S.$1.160 billion.

Singapore

Technip was selected by the Neste Oil Corporation as a contractor for the engineering, procurement and construction management ("EPCM") of a second-generation NExBTL biodiesel unit that will be built in Singapore. The two companies plan to continue their partnership on other future NExBTL units.

Gulf of Mexico

Technip won a contract from Shell for the development of an oil field in Perdido, located in very deep seas at approximately 320 kilometers to the south of Freeport (Texas), in the Gulf of Mexico.

Technip won two major contracts from Petrobras America, a subsidiary of Petrobras (NYSE: PBR/PBRA), worth over U.S.$300 million, for the development of gas fields in Cascade and Chinook. These fields are situated in the Walker Ridge area of the Gulf of Mexico, at depths of approximately 2,500 meters and 2,700 meters, respectively.

The first contract includes the engineering, equipment procurement, construction and installation ("EPCI") of five independent hybrid risers intended for great depths for the Cascade and Chinook fields.

Group

In a ceremony in Kuala Lumpur, Technip signed an agreement with the port of Tanjung Langsat[2] for the concession of a plot of 20 hectares with a view to building a new flexible pipe manufacturing unit. Under the name Asiaflex Products, this plant will be located within the industrial complex of Tanjung Langsat, to the south of the Malayan peninsula, in the state of Johor, and will benefit from direct access to a platform in deep sea.

Financial position review and preliminary results for 2007 – outlook for 2008

Prior to the publication of the Group's 2007 consolidated financial statements, Technip issued a press release containing certain preliminary data[3].

ONSHORE-DOWNSTREAM BUSINESS SEGMENT

LNG and gas treatment projects in Qatar

In Qatar, the joint venture between Chiyoda and Technip has just reached an agreement with Qatargas II. This agreement, the terms of which are confidential, reverses the deterioration in the financial performance of the project, and enables an improvement in its performance, through a performance schedule compatible with the customer's production goals. For the other gas projects in Qatar (Rasgas 3, Qatargas III & IV and AKG2), negotiations are underway with customers.

In light of the outcome of negotiations on the Qatargas II project, the pace of progress in current discussions as well as the pace of progress of construction on the site, Technip has decided to record a charge of approximately €200 million in its financial statements for the fourth quarter of 2007, on the basis of estimated results at the end of these four projects.

Other Onshore-Downstream projects

End-of-contract negotiations are in progress for two projects in Asia-Pacific and in North America (one completed, the other 97% complete). The outcome of these negotiations could be below our expectations. On another project underway in the Asia-Pacific region, a more cautious approach to the estimated net income on completion has been taken due to the worsening of the current market conditions in the construction sector.

As a result, the financial statements for the fourth quarter will include an additional charge of approximately €70 million.

(2) Tanjung Langsat Port Sdn. Bhd., in charge of developing the port and industrial complex of Tanjung Langsat, is a wholly-owned subsidiary of the Johor State Economic Development Corporation.

(3) On January 30, 2008 press release specifies that the figures given in this press release have not been audited and remain subject to the finalization of financial statements for the periods in question.

For 2007, revenues from the Onshore-Downstream business segment should be approximately €4.5 billion, an increase of approximately 36% compared to 2006. Ordinary net operating income should be below €180 million.

SURF BUSINESS SEGMENT

For 2007, revenues from the SURF business segment are estimated at €2.5 billion, an increase of 13% over the year; the current operating margin should be approximately 16%. The fourth quarter was characterized by good asset utilization and continued satisfactory progress on our projects. It also includes payment of an insurance indemnity of €15 million, received for the Mediterranean project, which had negatively impacted Group financial statements in 2005.

OFFSHORE FACILITIES BUSINESS SEGMENT

Revenues from the Offshore Facilities business segment are estimated at approximately €750 million for 2007, a decrease of 37% compared to 2006. Ordinary net operating income should be approximately €35 million, with a current operating margin of approximately 4.7%.

INDUSTRIES BUSINESS SEGMENT

In the Industries business segment, 2007 revenues should amount to approximately €230 million, an increase of 13% compared to 2006. Ordinary net operating income should be approximately €15 million, i.e., a current operating margin of approximately 6.5%.

GROUP

2007 Group revenues should total approximately €8 billion, an increase of approximately 16% compared to Group revenues of €6.9 billion in 2006. Ordinary net operating income should total approximately €240 million and operating income including gains on disposals at approximately €260 million.
Thierry Pilenko, Technip's Chairman and Chief Executive Officer commented: "With the signing of an agreement with Qatargas II, we have made considerable progress, which greatly clarifies the situation of our gas projects in Qatar. Our 2007 results will be published and commented on as planned on February 21.
Concerning 2008, at the Group level, we expect revenues to stay constant, but with growth in the SURF/Subsea business of approximately 10%. Ordinary operating margin in the SURF/Subsea business should reach the goal of 15% that we announced in October 2007. For the Offshore and Onshore sectors, 3.8% remains our average goal for the current operating margin.
I have confidence in the solidity of the Group's assets and in our ability to ensure profitable growth with our strategic plan".

FEBRUARY 2008

Group

Kimberly Stewart was appointed Vice President, Investor Relations of Technip. She reports to Olivier Dubois, the Chief Financial Officer.

Full Year 2007 Results

On February 20, 2008, Technip's Board of Directors approved the full year 2007 financial statements.

Operational Highlights

Order Intake

In 2007, Technip's order intake increased by 17.2% and reached €7,197.8 million compared to €6,143.1 million in 2006. As of December 31, 2007, the Group backlog amounted to €9,389.5 million, compared to €10,272.8 million a year ago.

Projects

In the SURF business segment, ongoing projects progressed in a satisfactory manner in all our areas. In the Offshore Facilities business segment, on the Tahiti SPAR project and as requested by the customer, new mooring shackles were delivered to the client in January 2008 as anticipated. On the other SPAR project affected by metallurgical problems on certain mooring shackles, the solution provided by Technip to the client, including replacement shackles, is progressing as anticipated. The replacement costs of these shackles will be borne by insurance. After an unprecedented number of large contract awards in the oil and gas industry, 2007 was characterized by significant constraints as construction companies struggled to provide adequate resources to cope with the sharp increase in worldwide demand. As a result of this difficult environment, Technip recorded the charges during the fourth quarter of 2007, the full details of which can be found in the press release published on January 30, 2008: a charge of €200 million covering all four gas projects in Qatar, which was calculated based on forecasted results at completion of these four projects (Qatargas II, Rasgas III, Qatargas III & IV and AKG2); a charge of €70 million covering three projects, including two in the Asia-Pacific region (one completed and the other ongoing) and one in North America (97% completed). In the Industries business segment, projects progressed satisfactorily.

Resources

In early 2008, Technip signed an agreement with the Tanjung Langsat Port for a 20-hectare (49-acre) land lease to build a new flexible pipe manufacturing plant in Malaysia. With regard to its fleet of vessels, Technip awarded STX Heavy Industries (Korea) a contract for the construction of its new pipelay vessel. Another new flexible pipelay vessel dedicated to the Brazilian market is expected to join the fleet in 2009, pending contract signature.

Financial Results

Fourth Quarter 2007

At €2,101.0 million, Group revenues for the fourth quarter of 2007 increased by 6.0% compared to the fourth quarter of 2006. As a result of the €270 million charge recorded on Onshore-Downstream projects in the fourth quarter of 2007, Group operating income from recurring activities amounted to a loss of €108.0 million, compared to a profit of €113.8 million recorded during the fourth quarter of 2006. Net income amounted to a loss of €97.5 million, compared to a profit of €63.0 million during the fourth quarter of 2006. Diluted EPS was minus €0.92.

Full Year 2007

At €7,886.5 million, Group revenues for the 2007 financial year increased by 13.9% compared to 2006. Following the €320 million charge recorded on Onshore-Downstream projects in 2007, Group operating income from recurring activities was €247.0 million, a decrease of 25.9% compared to 2006. In 2007, income from asset disposals amounted to €19.9 million and resulted from the capital gains on the sale of PSSL and PSSI (€17.0 million after an €8.0 million goodwill amortization), and the sale of GIFI securities (€2.9 million). Net income amounted to €126.3 million, a decrease of 36.9% compared to 2006. Diluted EPS decreased by 35.2% to €1.20.

Greece

Technip has been awarded a contract for the engineering, procurement and construction management ("EPCM") of a crude oil distillation unit at the Corinth refinery, Greece by Motor Oil (Hellas) Corinth Refineries S.A.

MARCH 2008

Malaysia

KNM Process Systems Sdn Bhd awarded Technip a contract to provide assistance in the detailed engineering of the fatty acids methyl ester transesterification unit for a biodiesel production plant to be located at the port of Kuantan, Malaysia. This project will be executed by Mission Biofuel Sdn Bhd (investor), KNM (contractor) and Axens (licensor).

United Kingdom

Petrofac Energy Developments Ltd. (Petrofac) awarded Technip a contract worth approximately €36 million for the development of the Don West and Don South West oil fields. These fields are located 150 miles (240 kilometers) off Shetland, in the United Kingdom North Sea and will be tied back to the Northern Producer floating production facility.

Technip has entered into a partnership with Areva to develop major mining projects. The objective is to double Areva's uranium production capacity in the next five years, starting with approximately 10 new mining operations, mostly in Africa.

b. Outlook

(Source: February 21, 2008 press release)

The outlook for 2008 is as follows:

- 10% increase in Subsea (SURF) revenues,
- Group revenues of approximately €8 billion,
- Subsea operating margin rate above 15%,
- Onshore (Onshore-Downstream + Industries) and Offshore (Offshore Facilities) operating margin averaging 3.8%,
- As a result, a Group operating margin over 7.3%.

c. Risk factors and insurance

1. Risk factors

a. Risks related to the Group and its business

Technip may fail to successfully execute large integrated services contracts, which could decrease its margins and impact its net income.

Technip's recent experience indicates that clients, in particular, with respect to Offshore developments, tend to divide projects into much fewer contracts or to grant the whole project to a single contractor. This trend has enabled Technip to bid for larger projects and to be awarded larger and more integrated contracts. Its competitors, whether through consolidation or growth, may present more credible integrated solutions than those proposed by Technip, causing Technip to win fewer tenders. If Technip was not to be awarded the contracts for these projects, it could fail to increase or even maintain its volume of order intake, revenues and net income.

The execution of integrated projects that Technip has succeeded in obtaining presents risks. Larger average contract sizes may tend to concentrate Technip's portfolio on fewer contracts, increasing the potential volatility of its results and exposure to individual contract risks. Managing large-scale integrated projects may also increase the potential relative size of costs overruns and negatively affect its operating margins. Additionally, while in the past, Technip selectively bid on only those contracts related to the portions of a site, which it believed had the best potential for high margins, large-scale integrated projects may cause Technip to assume potentially lower margin portions of a site and thus have an impact on its results.

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

Despite a significant decrease resulting from greater selectivity in 2007, turnkey contracts still represented 43% of Technip's backlog for Onshore operations as of December 31, 2007 (compared to 87.5% as of December 31, 2006). Under the terms and conditions of such contracts, Technip generally agrees, for a fixed price, to design, build and install completed facilities, which are delivered in a ready-to-operate condition. The actual expenses of executing a turnkey contract may vary substantially from those originally expected for several reasons, including:
- unanticipated increases in the costs of materials, equipment or manpower,
- unforeseen construction conditions,
- delays caused by local weather conditions,
- the failure of suppliers or subcontractors to perform.

Under a turnkey contract, Technip is unable to increase its price to reflect these factors, which are difficult to predict at the time of bidding. For these reasons, it is not possible to estimate with complete certainty the final costs or margins on a contract at the time of bidding or during the early phases of its execution. If the costs were to increase for one of these reasons, Technip could experience reduced margins or even incur a loss on the contract.

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

Even though the backlog at the end of 2007 was better balanced between large turnkey contracts and other types of contracts, Technip's contract portfolio remains relatively concentrated. This concentration may increase to the extent the Group increases its success rate in winning ever-larger turnkey contracts. If Technip does not achieve the expected margins or suffers losses on one or more of these large contracts, this could reduce net income or cause Technip to incur a loss.

Unforeseen added costs could reduce Technip's margin on fixed-price contracts.

Technip's engineering, procurement and construction ("EPC") projects can encounter difficulties likely to entail added costs, lower revenues, disputes or lawsuits. These projects are generally complex, requiring significant purchases of equipment and the management of large-scale construction projects. Slips in the schedule could occur; and Technip could encounter difficulties in terms of design or engineering or with respect to the supply chain, construction or installation. These factors could have an impact on Technip's ability to complete certain projects in compliance with the schedule initially planned.

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

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

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

Risks related to subcontractors and suppliers with respect to fixed-price or refundable-cost contracts.

Technip generally resorts to subcontractors and suppliers for the performance of its contracts. If Technip were not able to hire subcontractors or to acquire equipment and materials, this would compromise its ability to carry out a project with a significant margin or in compliance with the anticipated schedule.

For fixed-price contracts, if the amount that Technip is bound to pay for such services, equipment or materials exceeds the estimate in the bidding process, Technip might incur losses in the performance of such contracts. Any delay on the part of subcontractors or suppliers in the completion of the part of the project of which they are in charge, any failure on the part of a subcontractor or supplier to meet its obligations or any other event attributable to the latter beyond Technip's control can lead to delays in the overall progress of the project and/or generate extra costs.

Failures and defaults on the part of subcontractors or suppliers could entail significant delays and extra costs, and Technip could be required to compensate customers for such delays. Even where these extra costs are borne by the defaulting supplier or subcontractor, Technip could be unable to recover all these costs.

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

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

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

Technip's operations are subject to hazards inherent in providing engineering and construction services for the hydrocarbon/petrochemical industry, such as the risk of equipment failure, work accidents, fire or explosion. These hazards can cause personal injury and loss of life, business interruptions, property and equipment damage, pollution and environmental damage. Technip may be subject to claims as a result of these hazards. Technip may also be subject to claims resulting from the subsequent operations of facilities it has designed or delivered. Technip's policy is to contractually limit its liability and provide for indemnities and insurance. However, such precautions may not always be effective. In some of the jurisdictions in which Technip operates, environmental and workers' compensation liability may be assigned to Technip as a matter of law. Clients and subcontractors may not have adequate financial resources to meet their indemnity obligations to Technip.

Furthermore, losses may derive from risks not addressed in Technip's indemnity agreements or insurance policies.

Finally, it may no longer be possible to obtain adequate insurance against some risks on commercially reasonable terms. Failure to effectively cover itself against engineering and construction industry risks for any of these reasons could expose Technip to substantial costs and potentially lead to material losses. Additionally, the occurrence of any of these risks could hurt Technip's reputation.

Dependence

Technip uses, on a project-by-project basis, the patents it holds primarily in the areas of offshore construction and ethylene plants.
Technip believes that the large technology portfolio that it owns or is granted by a third party is a strategic asset in winning and managing its projects. However, Technip does not believe that its business or financial situation is dependent upon any single patent, brand, technology or intellectual property right.

Technip is not dependent on any suppliers as a result of its policy of procuring equipment through international tenders.

Similarly, its large customer base means that Technip is not dependent on any individual customer. Over the course of the last three years, Technip's principal customers (representing over 5% of revenues) were as follows:

In € millions	2007	2006	2005
Total revenues	7,886.5	6,926.5	5,376.1
Principal customers with the following percentages of revenues:			
Customer A	12.2%	11.4%	6.0%
Customer B	11.9%	14.0%	11.6%
Customer C	6.7%	5.2%	3.9%
Customer D	5.6%	1.1%	0.0%
Customert E	5.3%	2.3%	3.0%

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

Much of Technip's business involves projects in emerging market countries that are experiencing or may experience political and social instability. In 2007, a majority of Technip's revenues came from projects located in these countries. Unanticipated political or social disturbances in these countries or a change in the economic policies in these countries could cause a material decrease in the Group's profitability. In response to some of the risks it faces, Technip has adopted a policy of maximizing its insurance coverage by using private export credit and insurance agencies and by matching its work progress and outlays to cash advances on all contracts. However, in the event of national or regional political instability, these insurance policies may be inadequate to prevent Technip from incurring a loss on contracts in progress, which could reduce its net income or cause Technip to incur a loss. Political instability may also result in fewer new project tenders meeting Technip's criteria. For these reasons, political instability in developing countries could increase Technip's costs and reduce its future growth opportunities.

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

If Technip's partners do not perform their obligations pursuant to the joint venture agreement, Technip could face additional obligations likely to reduce its profits or, in certain cases, generate significant losses.

b. Risks related to the Group's industry

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

Over the last financial year, the recruitment of qualified employees in the skill areas needed at Technip has continued to increase, as Technip's customers have stepped up their investments and have increasingly turned to it for its services.

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

Technological progress might make the technologies used by Technip obsolete.

Technology changes rapidly in Technip's line of business. New products are frequently launched on the market, particularly for gas and oil reserves in deep seas. Technip's success is highly dependent on its ability to develop and manufacture, in a timely manner, new and better-performing products and services with good cost-benefit ratios, in order to meet the demands of its industry.

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

Most of Technip's contracts are obtained through a competitive bidding process, which is customary in the industry. Technip competes primarily against U.S., European and Southeast Asian engineering and construction companies. While service quality, technological capacity, reputation and experience are strongly considered in client decisions, price remains a major factor in most tender awards. In the past, this industry has been frequently subject to intense price competition. If pricing pressure were to intensify in the future, the number of tenders meeting Technip's criteria for margins could decline, and its volume and revenues could grow more slowly or decrease.

The reduced availability of export credits could increase the cost of projects for clients and reduce the number of new projects and Technip's future growth opportunities.

To a certain extent, Technip depends on private or public export credit agencies, such as Coface (France), Sace (Italy), Atradius (Netherlands), ECGD (United Kingdom), Hermes (Germany) and JEBIC (Japan), to assist its customers in obtaining financing for major contracts. Should this financial assistance fall below their current level, customers could choose to undertake fewer projects. A decline in the number of new contracts would reduce Technip's growth opportunities.

Because most of Technip's sales are to companies in the hydrocarbon/petrochemical industry, a reduction in investments in this industry could cause Technip's projects to be postponed or cancelled and limit its ability to grow or maintain profits.

Technip's business partially depends on the hydrocarbon/petrochemical industry's capital expenditures for the development of fields, the refining of oil and gas and the production of their derivatives. Revenues derived from this industry accounted for approximately 97.7% of Technip's revenues in 2007, 97.1% of its revenues in 2006 and 95.4% of its revenues in 2005. Technip estimates that the hydrocarbon/petrochemical industry will continue to account for a substantial majority of its revenues in the coming years. The prices of oil and gas on world markets have a significant influence on the hydrocarbon/petrochemical industry's capital expenditures. In the upstream segment of the industry, were sustained reductions in oil and gas prices to occur, Technip's upstream clients' financial incentives to invest in new developments may decrease, with high-cost offshore developments and onshore gas-related projects generally being the most severely affected.

In the downstream segment of the industry, sustained increases in oil and gas prices may put downward pressure on consumer demand for products derived from oil and gas, including gasoline and plastics. Any resulting reduction or slowing of demand reduces Technip's downstream clients' financial incentives to invest in additional production capacity. In both the upstream and downstream segments, sustained volatility of oil and gas prices can also cause capital expenditures to be postponed or cancelled.

The hydrocarbon/petrochemical industry's capital expenditures are also influenced by the following factors:

- the rate of discovery and development of new oil and gas reserves;
- global demand for energy;
- global demand for petrochemicals;
- local political and economic conditions; and
- trends in environmental legislation.

A reduction of capital investments in the hydrocarbon/petrochemical industry due to any of these factors or for any other reason could limit Technip's ability to grow, or even maintain, its profits and operating result.

c. Legal risks

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

Since the Shareholders' Meeting of October 4, 1994, the Company's Articles of Association *(statuts)* specify that shareholders who hold their fully paid-up shares in registered form in the same name for at least two years have the right to two votes for every share thus held. As a result, new purchasers of the Company's shares qualify to obtain double voting rights only after holding such shares in registered form in the same name for two years. Shares in registered form that benefit from double voting rights and that are converted into bearer form or that are transferred will lose such double voting rights. The revocation of double voting rights must be approved at an Extraordinary Shareholders' Meeting with the approval of a special assembly of holders of such double voting rights.

As of February 29, 2008, 5,213,761 shares carried double voting rights, representing approximately 4.9% of the outstanding share capital and approximately 4.6% of the Company's voting rights.

Furthermore, Technip is a party to a number of contracts within the framework of its activities (joint ventures, concessions, license arrangements) that contain change of control provisions. The double voting rights and change of control provisions may make it difficult or undesirable for a potential acquirer to acquire a percentage of the Company's share capital, and may therefore provide a defense against hostile takeovers or, more generally, may delay and impede a change in control in which Company shareholders might receive a premium in relation to the market price of Technip's shares.

If Technip fails to protect its technologies effectively, certain competitors could develop similar technologies, causing Technip to lose its competitive advantage and thus revenues.

Certain of Technip's products, as well as the processes Technip uses to produce and market such products, are patented or in the process of obtaining a patent, or constitute trade secrets. If Technip's intellectual property rights were to be considered invalid or if they could not be protected, or if Technip failed to acquire a given patent, its competitors could develop and exploit technologies similar to Technip's unpatented or unprotected technologies.

Technip may have to bring a legal action to have its intellectual property rights respected, as well as to determine the validity and extent of the rights held by third parties. Any court proceedings could entail major expenses for Technip, the dedication of resources and a significant impact on its net operating income.

New governmental regulations could potentially be unfavorable to Technip.

Technip's operations are governed by federal, regional, national, foreign and local laws and regulations, including environmental protection laws. Technip must make financial and technical investments in order to comply with these laws and regulations (and possible amendments) and with the requirements to obtain all necessary permits.

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

As a foreign multinational corporation with operations throughout the world, Technip engages in activities in and with countries within which U.S. citizens and U.S. legal persons, including, in some cases, foreign persons and corporations, are prohibited from exercising any activity. Pursuant to the Iran and Libya Sanctions Act of 1996, as amended in 2001 and 2006 (the "ISA"),

the President of the United States may impose a certain number of sanctions on any person or company, regardless of nationality, that makes an investment in Iran exceeding U.S.$20 million or that directly contributes to the enhancement of Iran's ability to develop its petroleum industries. Technip is engaged in activities in Iran, consisting principally of turnkey projects, and Technip's revenues in Iran in 2007 amounted to €51.3 million (approximately U.S.$76.2 million). As of December 31, 2007, Technip had a backlog amounting to approximately €21.1 million (approximately U.S.$30.9 million) in Iran, representing 0.22% of total backlog. If the United States government were to determine that some or all of Technip's activities in Iran are "investments" as statutorily defined by ISA, the President of the United States, under currently existing legislation, would be granted discretion in determining which sanctions to apply, which can include restricting Technip's ability to obtain credit from U.S. financial institutions or support from the United States Export-Import Bank, or restricting Technip's ability to make sales in the United States, potentially increasing its cost of borrowing and reducing its business opportunities.

d. Industrial and environmental risks

Operations of facilities Technip has constructed or is constructing may expose Technip to liability claims pursuant to laws and regulations relating to the protection of the environment and the prevention of industrial risks

Technip operates in a number of different jurisdictions that have numerous types of governmental laws and regulations that are more and more stringent and constantly changing, relating to the protection of the environment and the operation of industrial sites. Technip could be held liable for some types of pollution, including the release of oil, hazardous substances and debris from production, refining or industrial facilities, as well as other assets owned, operated, or which were operated in the past, by the Group, its customers or subcontractors.
Infringing the environmental laws and regulations could require remediation for costs, which could prove to be substantial, the disruption or prohibition of certain activities and the implication of Technip's liability in the event of damage to third parties, which could have an important negative impact on the Group's operations and financial results.

Furthermore, changes to the regulation relating to the protection of the environment and industrial risks, the interpretation or enforcement thereof, such as the European Directive of April 21, 2004 with regard to environmental liability, which is still in the process of being implemented by the European Union member States, could increase Technip's liability, which could have an important negative impact on its activities and financial results.

Severe weather conditions could affect Technip's operations

Technip's business could be materially and adversely affected by severe weather in countries where it operates. Repercussion of severe weather conditions may require Technip to evacuate personnel and suspend its activities. Furthermore, if severe weather conditions were to affect platforms and structures, this could result in the suspension of Technip's operations until repairs are completed. Severe weather conditions could have significant negative effects on Technip's net operating income.

Technip could face claims for occupational disease related to asbestos

Like most diversified industrial groups, Technip may have to deal with claims for occupational disease related to its employees' exposure to asbestos. In the event asbestos-related occupational disease is discovered, an employer can face a liability lawsuit and be required to pay large amounts in compensation to victims or their heirs and assigns. The exposure of Technip's employees to asbestos may be largely due to the presence of asbestos in certain buildings or equipment used in the Group's business and not to the use of this material in manufacturing, with some very particular exceptions. The Group is unaware of any claims for occupational diseases in this respect. Nevertheless, should Technip's liability be engaged and should case law evolve in favor of victims with respect to the indemnities payable, the Group could suffer serious financial consequences.

e. Market risks (liquidity, currency, rate and shares)

Credit risk

A significant portion of the Group's activity is concentrated on a limited number of clients since the worldwide market related to the production, transportation and transformation of hydrocarbons and derived products, and the other industrial sectors in which the Group is involved, are dominated by a small number of companies. As a result, the Group regularly performs credit

risk analyses before entering into contracts and has set up procedures for monitoring payments made by customers. In 2007 and to date, the Group has not observed significant payment defaults by its clients.

Stock risk

As of December 31, 2007, the Group had not made any investments in funds partially composed of company stocks (Organisme de Placement Collectif en Valeurs Mobilières, or "OPCVM").

Sensitivity to changes in share price

The Company owns 3,066,658 treasury shares. Even if a 10% decrease in Technip's share price as of December 31, 2007, resulting in a share price of €54.50, were to occur, the Company would not have to register a provision in its financial statements.

Risks related to Technip's shares

	Portfolio of third-party shares or mutual funds (OPCVM)	Portfolio of treasury shares (in € millions)
Asset balance	0	144.3
Off balance-sheet	0	0
Net total position	0	144.3

A – Group financing is carried out within the scope of a Group policy implemented by the Finance and Control Division.

B – Cash management is centralized at the head office and coordinated through financial centers located in the Group's main operating subsidiaries.

Technip Eurocash SNC (general partnership) acts as a cash pooling entity for the Group's main entities in respect of the various legislation and regulations in force locally. Thus, Technip Eurocash SNC entered into cash pooling agreements with the Group's subsidiaries in order to pool surplus cash, to meet their needs except when economic and financial conditions result in giving priority to an external local debt. Technip Eurocash SNC's management committee is comprised of representatives of each of the Group's subsidiaries that are members of the SNC. This committee meets several times per year.

C – In May 2004, Technip took advantage of favorable market conditions to issue a bond loan for an amount of €650 million (see Note 21 - Consolidated financial statements for the year ended December 31, 2007 - Financial debts). It thus extended the average maturity of its debt.

D – As of December 31, 2007, the Group had various unused financing sources that allow it to finance its needs:

1/ An authorized €850 million credit facility, which was signed in 2004 and amended in 2005, 2006 and 2007 by Technip (single redemption date: June 20, 2012). This credit line is not guaranteed by security on the Group's real property. This credit line comes with the usual commitments from Technip and the Group's subsidiaries entitled to borrow, excluding all financial ratios.

The amendment signed in June 2005 mainly related to a credit maturity extension to June 2010 and to the decrease in financial conditions. The amendment signed in June 2006 extended the credit maturity to June 2011. The amendment signed in June 2007 extended the credit maturity to June 2012.

2/ Two credit facilities granted to Technip, for an amount of €125 million each, usable in Euros or in U.S. Dollars. The expiry dates are respectively May 26, 2012 and June 27, 2012. They have the same commitments as the credit line described above.

3/ Various unused credit facilities amounting to €19.9 million.

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

As of December 31, 2007, the amount of credit facilities confirmed and available to the Group amounted to €1,119.9 million, of which €1,100.3 million are available beyond December 31, 2008. Given market conditions, there were no outstanding treasury notes as of the same date. Technip Eurocash SNC still has a line of credit of €600 million with the "Banque de France".

E – Amounts due under long-term debt in 2008 and 2009 amount to €45.1 million, including €18.7 million of accrued interest and €25.2 million in principal on long-term debts in 2008 and €1.2 million in principal in 2009.

Currency risk

As indicated in Note 1 **C. (c) to the Consolidated Financial Statements** *"Currency Transactions and Financial Instruments"*, Technip uses financial instruments to manage its exposure to currency risks incurred in the normal course of its business. The exchange rate hedging contracts arranged by the Group relate to identified, future operations. The exchange rate hedging contracts are spread among several banking counterparties that are selected after due analysis. Management of currency instruments is ensured with the Group's IT systems. A consolidated report is transmitted to the Finance and Control General Director.

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

In € millions	Dec-31-2007 Nominal value	2008	2009 and beyond	Dec-31-2006 Nominal value	Dec-31-2005 Nominal value
Hedging instruments					
Buy Foreign Currency Sell National Currency (forwards, swaps and FX options)	198.2	152.1	46.1	233.3	139.4
Sell Foreign Currency Buy National Currency (forwards, swaps and FX options)	1,209.6	743.2	466.3	1,145.3	1,553.0
Buy/Sell Foreign Currency	395.9	231.0	164.9	392.6	661.4
Currency Financial Instruments	1,803.7	1,126.3	677.3	1,771.2	2,353.8

Interest rate risk

The following table sets forth the maturity of Technip's financial assets and financial debts as of December 31, 2007. The schedule of maturity corresponds to the date of revision of interest rates.

In € millions	Call Money Rate within 1 year and Floating Rate	1 to 5 years	Over 5 years	Total
Fixed rate				
Convertible Bonds (including Accrued Interest Payable)				
Bond Loan (including Accrued Interest Payable)	18.1	650.0		668.1
Bank Borrowings and Credit Lines (including Accrued Interest Payable)	0.2			0.2
Refundable advances				
	18.3	**650.0**		**668.3**
Floating rate				
Cash and Cash equivalents	2,401.5			
Commercial Papers				
Bank Credits	22.3	3.3		25.6
Bank Overdrafts	3.3			3.3
	2,357.9	3.3		2,372.6
TOTAL	**2,357.6**	**653.3**		**1,704.3**

Sensitivity analysis in regards to a change in interest rates:

Inasmuch as Technip's floating rate indebtedness only amounted to €28.9 million as of December 31, 2007, the Group is only slightly exposed to interest rate risk.

The Group's treasury is invested in short-term securities so as to ensure its liquidity. Financial gains are subject to changes in currency exchange rates.

The Group's short-term net cash amounted to €2,357.6 million as of December 31, 2007.

A 1% (100 bp.) rate increase would represent a €19.4 million reduction in the fair value of fixed-rate debt as of December 31, 2007. A 1% (100 bp.) rate decrease would represent a €20.2 million increase in the fair value of such fixed-rate debt.

Furthermore, a 1% (100 bp.) increase in interest rates would represent a €23.7 million additional profit on the floating rate debt and an equivalent shortfall in case of a 1% (100 bp.) decrease in interest rates.

Method of monitoring interest rate risk:

Technip regularly analyzes its exposure to interest rate risk. This activity is the responsibility of the Director of the Treasury Division, who directly reports to the Finance and Control General Director.

The Group does not use financial instruments for speculative purposes.

As of December 31, 2007, the Group has not entered into any hedging instruments used by the Group to manage its exposure to interest rate risks, such as interest rate swaps or forward rate agreements.

The outstanding fixed-rate debt — whose residual maturity is greater than one year — amounted to €650 million, composed only of the bond loan.

2. Insurance

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

The current insurance policy focuses on two main types of policies:
- insurance policies relating to contracts (1),
- permanent insurance policies (2).

(1) Insurance policies relating to contracts

Insurance policies relating to contracts are specific policies subscribed to cover the needs of and for the duration of a single project, whose costs are either re-invoiced to the customer or borne directly by the customer according to the terms described below. Technip is the beneficiary under these policies, either as a direct subscriber on its own behalf or on behalf of its contracting partners on the project (the costs relating to these policies are passed on to the customer as part of the contract price) or as an additional insured on policies directly maintained by the customer. Generally, policies relating to contracts are "Builders' All Risks", which have the advantage of covering the installation to be completed, including equipment, products and materials to be incorporated, against risks of damage during the design, transport, transit, construction, assembling, load testing and maintenance phases. These policies cover the total value of the installations to be completed.

The high premiums and deductibles under these policies drive the Group to improve its technical and legal means of prevention and protection.

In this regard, the Group has established, at the Group level, a panel of guidelines specific to insurance contract negotiation.

(2) Permanent insurance policies

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

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

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

A key component of the plan is Engineering Re, a captive reinsurance company that covers professional liability insurance. Given the favorable environment of the insurance market, the Group extended its civil liability insurance program for an additional three-year period (2007-2010) before the expiration of the

current three-year period (July 1, 2008) and did so at improved rates. At this time, Engineering Re's level of involvement in the lower risk layers was increased.

B. Policies relating to the Group's maritime business through its Offshore operations, which include the following:

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

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

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

In October 2006, a Group multi-risk policy covering all of its industrial assets with respect to damages and operating losses was established.

The cost of the Group's insurance for all permanent policies in 2007 amounted to approximately 1% of revenues.

d. Exceptional events and litigation

1. Exceptional events

Chevron North America Exploration and Production Company

On August 15, 2005, Technip Offshore Inc. signed a contract with Chevron North America Exploration and Production Company, a division of Chevron USA Inc ("Chevron") (the "Tahiti Spar Contract"). The Tahiti Spar contract encompasses the supply of the hull and the components of the mooring system of the Spar platform.

During the final execution phase of the contract, discrepancies in metallurgical properties were evidenced on certain shackles which were to be integrated into the mooring system of the platform. In agreement with Chevron, new shackles were ordered with a new supplier with a view to replacement (as soon as possible) of the entirety of the mooring shackles which were part of the original contractual scope of supply. A certain number of these replacement shackles were delivered during the third quarter of 2007 and the remainder during January 2008. In such circumstances the replacement costs for the shackles are habitually covered by the insurance policies of either the customer, or the manufacturer (or any other party involved), or Technip.

Following the aforementioned events, Technip and Chevron entered into discussions to resolve certain contractual differences as foreseen by the terms of the contract. An arbitration in accordance with the terms of the contract cannot be excluded at this stage.

2. Principal pending legal proceedings

The Group is occasionally involved in legal proceedings related to its business. However, the Group believes that the outcome of all pending legal proceedings is not likely to have a material adverse effect on its financial condition, results of operations, its assets or the activities of the Company or its subsidiaries and have not had any such impact in recent years.

ITP DISPUTE

On December 21, 2001, Interpipe S.A. ("ITP"), a French company, filed a complaint with the Commercial Court of Versailles (*Tribunal de Commerce de Versailles*) against Coflexip, Coflexip Stena Offshore Ltd and Coflexip Stena Offshore International (renamed Technip France and Technip UK Ltd) seeking damages based on alleged breaches of several confidentiality agreements. On May 16, 2006, the Tribunal de Commerce rendered a ruling partially in favor of ITP. On June 28, 2006, Technip filed an appeal. The appeal is still pending before the Paris Court of Appeals (Cour d'Appel de Paris).

ITP had also brought an action before the Scottish and U.S. courts for infringement of a patent relating to "pipe-in-pipe" technologies. In February 2004, the European Patent Office ("EPO") invalidated the patent claimed by ITP. Subsequently, the court in Edinburgh cancelled the judgment of first instance that had recognized the patent infringement, considering that the EPO decision should be applied in British territory. The Scottish proceedings are closed.

A settlement agreement that was reached in October 2007 ended the proceedings before the U.S. court of Alabama, without any financial compensation.

In April 2007, Technip filed a complaint against ITP to annul its French patent on the "pipe-in-pipe" technologies. The proceedings are still pending.

Based on the elements in its possession, Technip believes that ITP's allegations are unfounded and that its exposure is not material.

LEGAL RISKS RELATED TO ONGOING PROCEEDINGS

Technip is a shareholder of TSKJ, which carried out the construction of a natural gas liquefaction complex in Nigeria for Nigeria LNG Limited ("NLNG"). The companies Kellog Brown & Root ("KBR") (a subsidiary of the U.S. Group, Halliburton), Snamprogetti Netherlands BV (a subsidiary of the Italian Group, ENI), JGC Corporation (Japan) and Technip each hold 25% of TSKJ's share capital.

In its 2005 annual report, Halliburton Company indicated that the United States Securities and Exchange Commission ("SEC") and the United States Department of Justice ("DoJ") are conducting formal investigations into payments made in connection with the construction by TSKJ of a natural gas liquefaction complex located at Bonny Island in Rivers State, Nigeria for NLNG. Halliburton Company also reported that these formal investigations relate to payments made by TSKJ under several agency agreements and that the SEC has issued a subpoena to the KBR's former Chairman, to certain current and former KBR employees and to at least one of KBR's subcontractors.

During the summer of 2004, Technip was asked by the SEC to voluntarily provide information related to the implementation of this project. In October 2005, Technip has decided to cooperate fully with the U.S. authorities and has engaged an independent U.S. law firm to conduct an internal investigation of Technip's possible involvement in this matter.

Upon the recommendation of this independent U.S. law firm, Technip relaunched its internal investigation at the end of 2006, which led to a request for information from the U.S. authorities, through diplomatic channels, and a subsequent judicial summons received at the end of 2007.

5. Technip and its shareholders

a. Information relating to the share capital

1. Amount of share capital

As of January 1, 2007, the start of the fiscal year, Technip's share capital amounted to €80,914,345.18, divided into 106,117,174 fully paid-up ordinary shares.

At the end of the fiscal year, i.e., December 31, 2007, Technip's share capital amounted to €81,857,252.68, divided into 107,353,774 fully paid-up ordinary shares.

As of February 29, 2008, Technip's share capital amounted to €81,866,587.20, divided into 107,366,016 shares.

2. Change in share capital

Change in share capital over the past three years

Date of Board of Directors' meeting recording the share capital variation	Type of operation	Number of shares issued/ cancelled	Nominal amount of the share capital increase/ reduction	Global issuance premium	Successive amounts of share capital	Total number of shares	Par value of the shares
02/23/05	Stock options exercised	19,680	€60,024.00	-	€73,597,518.70	24,130,334	€3.05
04/29/05	Stock options exercised	7,990	€24,369.50	-	€73,621,888.20	24,138,324	€3.05
05/18/05	Stock options exercised	785	€2,394.25	-	€73,624,282.45	24,139,109	€3.05
05/18/05	Division of the par value and multiplication by 4 of the number of shares			-	€73,624,282.45	96,556,346	€0.7625
05/18/05	Share capital decrease (shares cancelled)	34,108	€26,007.35	-	€73,598,275.10	96,522,328	€0.7625
07/27/05	Stock options exercised	65,128	€49,660.10	-	€73,647,935.20	96,587,456	€0.7625
11/16/05	Stock options exercised	784,916	€598,498.45	-	€74,246,433.65	97,372,372	€0.7625
02/22/06	Stock options exercised	1,501,800	€1,145,122.50	-	€75,391,556.15	98,874,172	€0.7625
04/28/06	Stock options exercised	600,787	€458,100.08	-	€75,849,656.23	99,474,959	€0.7625
04/28/06	Conversion of OCEANEs (convertible bonds) into new shares	11,592,066	€8,838,950.33	-	€84,688,606.56	111,067,025	€0.7625
07/26/06	Stock options exercised	167,453	€127,682.91	-	€84,816,289.48	111,234,478	€0.7625
11/15/06	Stock options exercised	30,200	€23,027.50	-	€84,839,316.98	111,264,678	€0.7625
12/14/06	Stock options exercised	123,508	€94,174.85	-	€84,933,491.83	111,388,186	€0.7625
12/14/06	Share capital decrease (shares cancelled)	5,569,409	€4,246,674.30	-	€80,686,817.46	105,818,777	€0.7625
02/21/07	Stock options exercised	298,397	€227,527.72	-	€80,914,345.18	106,117,174	€0.7625
05/14/07	Recording of the share capital increase under the group savings plan	516,207	€393,607.84	-	€81,307,953.02	106,633,381	€0.7625
05/14/07	Stock options exercised	188,876	€144,017.95	€19,566,441.32	€81,451,970.96	106,822,257	€0.7625
07/25/07	Stock options exercised	296,059	€225,744.99	-	€81,677,715.95	107,118,316	€0.7625
11/14/07	Stock options exercised	102,987	€78,527.59	-	€81,756,243.54	107,221,303	€0.7625

Since January 1, 2008, the change in share capital, as recorded by the Board of Directors, is the following:

Date of Board of Directors' meeting	Type of operation	Number of shares issued/ cancelled	Nominal amount of the share capital increase/ reduction	Global issuance premium	Successive amounts of share capital	Total number of shares	Par value of the shares
02/20/08	Stock options exercised	132,471	€101,009.14	-	€81,857,252.68	107,353,774	€0.7625

b. Company shareholding structure

1. Breakdown of share capital

Breakdown of share capital as of December 31, 2007

As of December 31, 2007, to the Company's knowledge and on the basis of statements received by the Company, the breakdown of the Company's share capital and voting rights was as follows:

	Shares	% of shares outstanding	Votings rights*	% of voting rights
OPPENHEIMER FUNDS	5,800,000	5.40	5,800,000	5.30
ING GROEP NV	5,558,884	5.15	5,558,884	5.10
CAUSEWAY CAPITAL MANAGEMENT	5,466,822	5.10	5,466,822	5.00
CAPITAL RESEARCH	5,065,295	4.70	5,065,295	4.60
ARTISAN FUNDS INC	4,265,759	3.95	4,265,759	3.90
TRADEWINDS NWQ	3,895,691	3.60	3,895,691	3.60
INSTITUT FRANÇAIS DU PÉTROLE	3,088,212	2.90	6,176,424	5.60
T.ROWE PRICE ASSOCIATES INC	1,625,439	1.50	1,625,439	1.50
FCP GROUPAMA	1,254,471	1.15	1,254,471	1.10
AMBER CAPITAL	1,171,282	1.10	1,171,282	1.05
SELF-OWNED**	3,066,658	2.90	0	0.00
GROUP EMPLOYEES***	2,534,780	2.40	4,462,077	4.10
PUBLIC	64,560,481	60.15	64,742,364	59.15
TOTAL	**107,353,774**	**100.00**	**109,484,508**	**100.00**

* Including double voting rights (article 12 of the Company's Articles of Association). As of December 31, 2007, 5,197,392 shares carried double voting rights. As of December 31, 2007, the total number of voting rights calculated on the basis of all of the shares to which they are attached, including shares stripped of voting rights (in accordance with Article 223-11 of the AMF's General Regulations), amounted to 112,551,166.

** As of December 31, 2007, the Company did not own any treasury shares.

*** The number of shares held by employees includes employees who hold shares as a result of the exercise of options; Note 20 to the consolidated financial statements for the year ended December 31, 2007 included in this Reference Document does not take into consideration shares issued from the exercise of stock options (0.45%).

To the Company's knowledge, there are no other shareholders, other than those listed in the table above, whose beneficial ownership represents 1% or more of the Company's share capital or voting rights.

Between January 1, 2007 and December 31, 2007, the Company received the following notices from its shareholders, relating to the crossing of thresholds provided for in its Articles of Association:

Shareholder	Notification Date	Effective date	Number of shares held	Share capital threshold crossed*	Voting rights threshold crossed*
SOCIÉTÉ GÉNÉRALE	January 5, 2007	December 29, 2004	1,410,357	1.27% (d)	1.21% (d)
T. ROWE PRICE ASSOCIATES INC	January 8, 2007	September 30, 2006	1,269,186	1.14% (u)	
UBS	January 24, 2007	January 23, 2007	1,109,915	1.05% (d)	0.95% (d)
UBS	January 25, 2007	January 24, 2007	932,973	0.88% (d)	0.80% (d)
UBS	February 6, 2007	February 5, 2007	2,183,486	2.06% (u)	1.88% (u)
UBS	February 7, 2007	February 6, 2007	2,492,064	2.36% (u)	2.14% (u)
CAUSEWAY CAPITAL MANAGEMENT	March 8, 2007	March 7, 2007	4,752,584	4.49% (u)	4.49% (u)
ARTISAN PARTNERS	April 30, 2007	April 30, 2007	4,342,339	4.09% (u)	3.90% (u)
FCP GROUPAMA	May 10, 2007	May 10, 2007	1,254,471	1.18% (u)	
UBS	June 4, 2007	May 29, 2007	1,846,248	1.73% (d)	1.59% (d)
		June 1, 2007	1,572,404	1.35% (d)	1.35% (d)
UBS	July 25, 2007	July 23, 2007	1,051,181	0.98% (d)	0.94% (d)
ING Groep NV	September 6, 2007	September 3, 2007	1,116,773	1.04% (u)	
ING Groep NV	September 18, 2007	September 14, 2007	2,175,767	2.04% (u)	
ING Groep NV	October 19, 2007	October 18, 2007	3,800,528	3.56% (u)	
TRADEWINDS GLOBAL INVESTORS	October 23, 2007	September 30, 2007	3,895,691	3.63% (d)	3.47% (d)
(Statement addressed to the AMF and not to Technip)					
UBS	October 30, 2007	October 22, 2007	1,107,797	1.03% (u)	0.99% (u)
ING GROEP NV	October 30, 2007	October 23, 2007	4,400,528	4.12% (u)	
ING GROEP NV	November 23, 2007	November 16, 2007	5,558,884	5.18% (u)	4.94% (u)
AMBER CAPITAL	November 23, 2007	November 21, 2007	1,171,282	1.09% (u)	1.04% (u)
ARTISAN	November 27, 2007	November 27, 2007	4,265,759	3.98% (d)	3.79% (d)
UBS	December 5, 2007	November 29, 2007	760,153	0.71% (d)	0.68% (d)
CAUSEWAY CAPITAL MANAGEMENT	December 25, 2007	December 21, 2007	5,466,822	5.09% (u)	4.86% (u)

* d = crossing of threshold downwards / u = crossing of threshold upwards.

Between January 1, 2008 and March 6, 2008, the following thresholds (as provided by law or the Articles of Association) were crossed:

Shareholder	Notification Date	Effective date	Number of shares owned	Share capital threshold crossed*	Number of voting rights held	Voting rights threshold crossed*
AMBER CAPITAL	January 11, 2008	January 9, 2008	2,226,617	2.07% (u)	2,226,617	1.98% (u)
AMBER CAPITAL	January 11, 2008	January 10, 2008	2,293,367	2.14% (u)	2,293,367	2.04% (u)
AMBER CAPITAL	February 6, 2008	February 1, 2008	2,234,175	2.08% (d)	2,234,175	1.99% (d)
CAUSEWAY CAPITAL MANAGEMENT	February 6, 2008	January 31, 2008	5,645,518	5.27% (u)	5,645,518	5.02% (u)
UBS	February 8, 2008	February 6, 2008	2,174,312	2.03% (u)	2,174,312	1.93% (u)
T. ROWE PRICE ASSOCIATES INC	February 21, 2008	December 31, 2007	1,625,439	1.50% (u)	1,625,439	1.40% (u)
UBS	February 25, 2008	February 20, 2008	3,417,842	3.18% (u)	3,417,842	3.04% (u)
AMBER CAPITAL	March 3, 2008	February 29, 2008	2,344,175	2.18% (u)	2,344,175	2.08% (u)
UBS	March 4, 2008	March 4, 2008	874,074	0.81% (d)	874,074	0.78% (d)
OPPENHEIMER FUNDS Inc	March 6, 2008	March 5, 2008	5,192,221	4.84% (d)	5,192,221	4.61% (d)

* d = crossing of threshold downwards / u = crossing of threshold upwards.

At the Company's request, Euroclear France drew up a statement ("TPI statement"), dated December 31, 2007 on identifiable bearer shares with no restriction on the number of shares held by shareholders or by financial intermediaries. The TPI statement listed 51,787 shareholders holding shares in bearer form. As of December 31, 2007, 968 shareholders held their shares in registered form in their name *(inscrits au nominatif pur)*.

Change in the breakdown of share capital and voting rights over the past three years

31 December	2005		2006		2007	
	Share capital	Voting rights*	Share capital	Voting rights*	Share capital	Voting rights*
TRADEWINDS NWQ	-	-	6.50%	6.30%	3.60%	3.60%
OPPENHEIMER FUNDS	5.87%	5.68%	5.50%	5.30%	5.40%	5.30%
INSTITUT FRANÇAIS DU PÉTROLE	3.12%	6.05%	2.90%	5.60%	2.90%	5.60%
CAPITAL RESEARCH	-	-	4.80%	4.60%	4.70%	4.60%
ARTISAN FUNDS INC	-	-	3.35%	3.20%	3.95%	3.90%
ING GROEP NV	-	-	-	-	5.15%	5.10%
CAUSEWAY CAPITAL MANAGEMENT	-	-	-	-	5.10%	5.00%
LEHMAN BROTHERS INTERNATIONAL	4.70%	4.55%	-	-	-	-
SELF-OWNED	1.60%	0%	1.25%	0%	2.90%	0%
GROUP EMPLOYEES	1.90%	3.01%	1.70%	3.10%	2.40%	4.10%
PUBLIC	82.81%	80.71%	74.00%	71.90%	63.90%	59.15%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

* Including double voting rights.

The total number of Company shares at the end of the 2005, 2006 and 2007 financial years amounted to, respectively, 98,874,172 shares, 106,117,174 shares and 107,353,774 shares.

2. Agreements involving Technip's shares

Not applicable.

c. Dividends paid over the past three years

The Combined Shareholders' Meeting of April 27, 2007 approved the payment to shareholders of an ordinary dividend of €1.05 per share and an exceptional dividend of €2.10 for the year ended December 31, 2006.

The Shareholders' Meeting also indicated that for the past three years, the amount of dividends, the corresponding French tax credit (known as the *avoir fiscal*), and since 2005, distributions eligible for the 40% tax credit, were as follows:

Year	Dividend per share	*Avoir fiscal*	Amount of the distribution eligible for the 40% tax credit (since 2005)
2004	€2.00	€1.00	NA
	€1.30	NA	€1.30
2005 (*)	€0.92	NA	€0.92
2006	€1.05	NA	€1.05
	€2.10	NA	€2.10

(*) the par value of the Company's shares was divided by four on May 18, 2005

The payment of a dividend of €1.20 per share for the financial year ended December 31, 2007 is being proposed to Technip's Shareholders' Meeting of April 25, 2008.

This dividend would be paid on May 13, 2008.

This proposal is in line with Technip dividend distribution policy, which aims to regularly increase its ordinary dividend.

However, in the future, the payment of dividends will depend on Technip's current and projected company and consolidated financial situation and the Company cannot guarantee that dividends will be distributed or that they will continue to be in line with this policy.

The payment of dividends, which is handled by BNP Paribas Securities Services, is made to the financial intermediaries holding the accounts following the direct payment procedure by Euroclear France.

Morgan Guaranty Trust Company of New York is in charge of the payment of dividends to ADR holders.

Dividends that are not claimed within five years of the date of declared payment revert to the French State.

d. Share repurchase programs

1. Overview of the share repurchase programs as of February 29, 2008:

a. Combined Shareholders' Meeting of April 26, 2006

The Combined Shareholders' Meeting of April 26, 2006, in its 7th resolution, authorized the Board of Directors to repurchase a number of Technip shares up to 10% of the outstanding share capital for the following purposes:

- compliance with the Company's obligations relating to stock option plans or any other grant programs in favor of employees or executives of the company or any associated company;

- delivery of shares for payment or exchange in relation to external growth transactions;

- creating a market for the shares for purposes of ensuring its liquidity, through a financial services intermediary pursuant to a liquidity agreement in accordance with a professional code of ethics approved by the AMF;

- cancellation of shares;

- delivery of securities upon exercise of rights attached to securities giving access to share capital; and

- implementation of any market practice that could subsequently become recognized by law or by the AMF.

The maximum repurchase price for the Company's shares was set at €75 per share.

The table below is a summary of Technip's transactions involving its own shares under this share repurchase program:

Technip transactions carried out on its own shares from April 28, 2006 to February 29, 2008*	
Percentage of capital held directly or indirectly by the Company	2.90%
Number of shares cancelled over the past 24 months	5,569,409**
Number of shares held in the Company portfolio	3,066,658
Book value of portfolio	€114.3 million
Market value of portfolio***	€166.0 million

* The repurchases of shares occurred between April 28, 2006 and February 29, 2008 pursuant to the 7th resolution of the Shareholders' Meeting held on April 26, 2006.

** Of the 5,569,409 shares cancelled, 5,494,323 shares came from the program that ended on April 27, 2007, and 75,086 shares came from the program that ended on April 27, 2006.

*** On the basis of the February 29, 2008 closing price of Technip's shares on Eurolist, i.e., €54.14.

During the financial year ended December 31, 2007, 1,729,994 shares were purchased at an average price of €49.82 (excluding fees) and represented 0.02% of the Company's share capital as at December 31, 2007. No shares were sold during this period. Transaction fees amounted to €86,487.

	Cumulated gross flows*		Positions open on February 29, 2008**			
	Purchases	Sales/ Transfers	Positions open for purchase		Positions open for sale	
			Call bought	Future buying	Call sold	Future sales
Number of shares[(1)]	€8,560,981					
Average maximum due date[(2)]			NA	NA	NA	NA
Average transaction price[(3)]	€45,554	NA				
Average Exercise Price	NA	NA	NA	NA	NA	NA
Amounts	€390,347,836.35	NA				

(1) Of the 8,560,981 purchased shares, 5,494,323 from the program that ended on April 27, 2007 were cancelled.

(2) The above program ended on April 27, 2007 and was replaced by the new program as authorized by the Shareholders' Meeting of April 27, 2007 in its 8th resolution.

(3) Relates to cash transactions.

* The cumulated gross flows include the cash put or sale transactions and the option and future transactions exercised or expired.
** The open positions include future sales or purchases unexpired and the call options that have not been exercised.

b. Allocation of held shares by objectives

All 3,066,658 treasury shares as at February 29, 2008 were allocated for purposes of satisfying obligations related to stock option plans or other share allocations for employees and directors and officers.

c. Combined Shareholders' Meeting of April 27, 2007

The Combined Shareholders' Meeting of April 27, 2007, in its 18th resolution, authorized the Board of Directors to repurchase a number of Technip shares up to 10% of the outstanding share capital for the following purposes:

- compliance with the Company's obligations relating to stock option plans or any other grant programs in favor of employees or executives of the company or any associated company;
- delivery of shares for payment or exchange in relation to external growth transactions;
- creating a market for the shares for purposes of ensuring its liquidity, through a financial services intermediary pursuant to a liquidity agreement in accordance with a professional code of ethics approved by the AMF;
- cancellation of shares;
- delivery of securities upon exercise of rights attached to securities giving access to share capital; and
- implementation of any market practice that could subsequently become recognized by law or by the AMF.

The maximum repurchase price for the Company's shares was set at €80 per share.

As of February 29, 2008, the Company had not yet used this program.

2. Renewal of the Company's share repurchase program

A proposal will be submitted to the Shareholders' Meeting of April 25, 2008 (7th resolution) to authorize the Board of Directors to repurchase a number of Technip shares up to 10% of the then outstanding share capital. The maximum purchase price would be set at €80 (excluding costs) per share.

3. Legal framework

The implementation of this plan is subject to the approval of Technip's Shareholders' Meeting of April 25, 2008 through the 7th resolution, which reads as follows:

"The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, after having acknowledged the Board of Directors' report, authorizes the Board of Directors to purchase shares in the Company, in accordance with the provisions of Articles L.225-209 et seq. of the French Commercial Code, in one or more transactions, to:

- honor obligations resulting from share option plans or other share grants to employees or to directors and officers of the company or an associated company;
- deliver shares as a means of payment or exchange in connection with external growth transactions;
- create a market for the shares for purposes of ensuring its liquidity, through a financial services intermediary pursuant to a liquidity agreement in accordance with a professional code of ethics approved by the AMF;
- cancel shares;
- deliver shares upon exercise of rights attached to securities granting access to the share capital;
- implement any market practice that has subsequently been recognized by law or by the AMF.

The purchase of shares as well as the conservation, sale or transfer of shares purchased can, depending on the case, be carried out, in one or more transactions, by any means, on the market or by private sale, particularly by means of the purchase or sale of blocks, or the use of derivative financial instruments and coupons, in accordance with current regulations. The part of the repurchase program that can be carried out through block trades may reach the totality of the scheme.

The Shareholders' Meeting sets the maximum purchase price at €80 (excluding costs) per share and decides that the maximum number of shares that may be purchased cannot be greater than 10% of the shares comprising the share capital on the date of this Meeting.

In the event of a share capital increase through the incorporation of premiums, reserves or profits, resulting in either an increase in the nominal value, or the creation and grant of free shares, as well

as in the event of a stock split or reverse stock split or any other transaction relating to the share capital, the Board of Directors may adjust the abovementioned purchase price in order to take into account the impact of these transactions on the share's value.

All powers are granted to the Board of Directors, with the option of delegation to the chief executive officer or, in agreement with the latter, to one or several deputy managing directors, to deposit any orders on the stock market or outside of the market, to allocate or reallocate the shares acquired to the different goals pursued subject to applicable legal or regulatory provisions, to sign all agreements with a view to keeping records on the purchase and sale of shares, drawing up all documents, completing all formalities, declarations and press releases to all organizations, and in particular, the AMF, regarding the transactions carried out under this resolution, setting the terms and conditions pursuant to which, as applicable, the rights of holders of marketable securities granting access to the Company's share capital and those of the beneficiaries of options will be preserved in accordance with regulatory provisions, and, in general, do all that is necessary. The Shareholders' Meeting also confers all powers to the Board of Directors, if the law or the AMF extends the permitted objectives for share repurchase programs, to inform the public, pursuant to applicable legal and regulatory provisions, of any amendments to the scheme as a result of the amended objectives.

This authorization renders void any previous authorization granted for the same purpose and, in particular, the 18th resolution of the Extraordinary Shareholders' Meeting of April 27, 2007. It is granted for a period of 18 months as of the date of this Meeting.

In its annual report to the Shareholders' Meeting, the Board of Directors will provide shareholders with information relating to the transactions carried out."

4. Terms

The maximum number of shares that may be purchased cannot be greater than 10% of the share capital as of the day of the Shareholders' Meeting.

Acquisitions made by the Company can in no case result in its holding, directly or indirectly, more than 10% of the share capital.

Under the terms of the authorization submitted for approval by the Shareholders' Meeting of April 25, 2008, on the basis of 107,366,016 shares forming the share capital at February 29, 2008, and taking into account the 3,066,658 treasury shares held on this same date, the maximum number of shares that may be repurchased would total 7,669,943 shares, which would represent a maximum, theoretical investment of €613,595,440, based on a maximum purchase price of €80.

6. Sustainable development

a. Employee-related information

1. Profit sharing and incentive bonuses: PEG, PERCO

a. Profit sharing

Pursuant to applicable law, the Group's French companies that have at least 50 employees, and which generate sufficient profits, must distribute a profit-sharing amount to their employees. For the 2007 financial year, the total profit-sharing amount to be paid in France was estimated at €17.9 million. Profit-sharing agreements are negotiated and signed in each company. The Group Savings Plan *(Plan d'Epargne de Groupe, or "PEG")* and the Group Pension Savings Plan *(Plan d'Epargne pour la Retraite Collectif, or "PERCO")* provide for the possibility of distributing profit-sharing amounts into different company mutual funds *(Fonds Communs de Placement d'Entreprise, or "FCPE")*.

b. Incentive bonus

With regard to the incentive bonus, all of the Group's French companies are covered by an agreement: Technip, Technip France, Flexi France, Citex, Technip TPS, Seal Engineering and Setudi. Calculation methods vary for each company according to their business. Employees choose between a direct payment option, transfer to the PEG where the amounts are locked-up for a period of five years and allocation to the PERCO where the amounts are locked-up until retirement.

The employees of Technip Iberia and Technip Italy also benefit from a similar mechanism introduced under the regulations that are applicable to them.

For the 2007 financial year, the total amount of incentive bonus that was paid in the Group's subsidiaries was approximately €4.3 million.

c. Group Saving Plan – Employee Share Ownership

The Group Savings Plan *(Plan d'Epargne de Groupe, or "PEG")* has been in place since May 31, 1991 and has been revised several times. It was last updated on January 18, 2007.

Its purpose is to enable employees to build, with the help of their company, a collective portfolio of marketable securities and to benefit, where applicable, from social security and tax benefits applicable to this form of collective savings. The total amount invested in the PEG at December 31, 2007 was €109.5 million, including €76.6 million under employee shareholding.

At any time over the year, members may invest assets in the PEG and can choose between the various company mutual funds *(Fonds Communs de Placement d'Entreprise, or "FCPE")*, whose portfolios are invested in shares, bonds or monetary instruments pursuant to a management strategy corresponding to a specific investment goal. One of these funds is fully invested in Technip listed shares and associates employees to the Group's development.

Other FCPEs created within the PEG are solely created for purposes of a share capital increase reserved for employees, including employees of foreign companies that have joined the PEG.

The PEG provides a common framework for all Group companies that have joined, in terms of the payments that can be made, the means by which company profits can be shared, investment options and general operating regulations.

A share capital increase reserved for Group employees was carried out on April 3, 2007, with the creation of 516,207 new Technip shares. 5,238 Technip employees in 16 countries throughout the world participated in this offering and invested a total of €20.5 million. This is the highest participation rate recorded since the Group introduced this type of offering.

A new share capital increase reserved for Group employees was approved by the Combined Shareholders' Meeting of April 27, 2007 and then by the Board of Directors on February 20, 2008. Subject to the approval by the AMF, the offering should be completed over the second half of 2008.

d. Group Pension Savings Plan

The Group Pension Savings Plan *(Plan d'Epargne pour la Retraite Collectif, or "PERCO")* was first introduced on July 1, 2006 following the Group agreement of June 16, 2006. It is open to all employees of the Group's French companies, who have a seniority of at least three months and who have joined the PERCO.

Its purpose is to enable employees to build, with the help of their company, pension savings and to benefit, where applicable, from social security and tax benefits applicable to this form of collective savings.

The total amount invested in the PERCO at December 31, 2007 was €4.5 million.

It is composed of various company FCPEs, whose portfolios are invested in shares, bonds or monetary instruments depending on the management strategy chosen by each employee.

2. Other related information

Other related information is presented in the 2007 Annual and Sustainable Development Report.

b. Environmental information

See the 2007 Annual and Sustainable Development Report for further information.

APPENDICES TO THE REPORT PREPARED BY THE BOARD OF DIRECTORS

1. Report by the Chairman of the Board on internal control

This report was prepared pursuant to the provisions of Article L.225-37 of the French Commercial Code to present the internal control procedures introduced by the Company. The conditions applicable to the preparation and organization of the Board of Directors' work are set out in section I. 3.b (pages 47 et seq.) of this Reference Document.

There are clearly major technological specificities in each of Technip's different business segments. However, the principal commonality is the Group's ability to carry out projects that are entrusted to it by its customers under optimized cost, deadlines, reliability and safety.

In order to confront the risks inherent in its business, the Company is, and has been from the outset, equipped with an internal control structure and tools that have been developed over time based around the fundamental concept of a project.

The Chairman and Chief Executive Officer, assisted by the Chief Financial Officer, ensures that effective control measures are deployed within the Group. They are assisted in their task by the Audit Committee of the Board of Directors, which assesses the internal control procedures, as well as all of the measures adopted, with a view to remedying any major dysfunctions relating to internal control. Furthermore, the Audit Committee reviews the external and internal auditors' annual work programs and assesses the relevance of the risk monitoring procedure.

In accordance with the Group's strategic orientations, a new organizational structure was decided with effect as of October 1, 2007. The implementation of this new structure commenced in the final quarter of 2007 and will continue in 2008 and does not affect the financial reporting for 2007. The main principles behind this new structure are presented in the third section of this report.

Internal control goals

The purpose of the Group's internal control procedures is:

- on the one hand, to ensure that management activities, transactions and employee conduct are in compliance with the Company's corporate objectives as defined by corporate bodies, applicable laws and regulations and the Company's values, standards and internal charters.

  In particular, these standards are developed by Technip's Values and Charters as well as the principles of the United Nations Global Compact to which Technip adheres;

- and on the other hand, to verify that the accounting, financial and management information submitted to the Company's corporate bodies are a true and fair reflection of the Group's position.

The procedures are in line with the principles defined by the standards of the Committee Sponsoring Organization's ("COSO") framework, a reference used by the AMF in relation to internal control.

I – INTERNAL CONTROL AS PART OF PROJECTS

A. PRINCIPLES

The project is the Group's base unit, its essential profit center.

Each project is carried out by a team whose team leader (manager, engineer or project manager) is fully responsible for the completion and results of the project. Authority and responsibility are inseparable. Because he or she has complete authority over the project team, the team leader in charge of the project assumes full responsibility for the performance of the underlying contract.

Each team leader for a project reports to a Project Sponsor who is, barring specific exceptions, the Technical Manager or Chief Operating Officer ("COO") of the Trade and Projects Unit, to which the Project Sponsor reports. The Project Sponsor is the sole person authorized to give the team leader instructions relating to the performance of the project.

The team leaders, who constitute an essential resource for the Group, are managed at the Group level, regardless of the subsidiary to which they belong and the business segment in which they work.

B. COMPLETION OF PROJECTS

1. The development of proposals and the completion of projects require the human and material resources provided by engineering and resource centers, which are responsible for providing the projects, under optimized cost, quality and safety conditions, with the resources that they require, namely:

   a) Engineering and project teams. Operation and Engineering Centers ("OEC"s) are the entities that group and manage these teams.

   b) Naval and industrial resources from offshore business centers: ships, plants, building sites, spoolbases. The Offshore Assets Centers ("OAC"s) are the centers in charge of managing these resources.

The main OECs (Paris, Rome, Aberdeen, Houston, Rio de Janeiro, Kuala Lumpur) supervise the OECs or OACs under them.

As the quality and cost of services provided by these centers are critical for the success of projects, OEC managers (and, for offshore projects, the managers of the OACs involved) are heavily involved in developing the proposals for and monitoring the projects in progress.

2. Relations with customers, at the marketing, negotiation and execution stages of a project fall under the responsibility of the Trade and Projects Units, each of which acts within its domain of competence, which can be a region, a sector or a product.

   - Regional Business Units, or RBUs. Their domain is a region of the world, inside of which the RBU can, depending on the case, work on a single business segment (e.g., the North Sea/Canada RBU, involved solely in SURF) or on several business segments (e.g., the Asia-Pacific RBU, active in SURF, Offshore Facilities, Onshore-Downstream and Industries).

   - Sectoral Business Units, or SBUs (e.g., Life Sciences). In charge of a specific business segment, the purpose of the SBU is to work in different parts of the world, by relying on the support that can be given in certain zones by the RBUs and the Group's OECs.

   - Units whose main role is to propose and implement the Group's strategy and to coordinate the operations of several Group units with regard to a particular "product" (e.g., ethylene) called Product Business Units ("PBU"s).

RBU and SBU managers take on the responsibility for the results of the projects that they bring to the Group. This is why RBUs and SBUs report to the Group's management, not only on the progress made in acquiring contracts, but also on the results achieved on the contracts that they have brought to the Group. On the other hand, PBUs delegate the supervision of the performance of projects, as well as the reporting on projects to the competent RBU/SBUs.

3. Geographical distribution of the Group's contracts (in the gas and oil field) and of its installations requires, in order to avoid unnecessary overlaps, defining geographical zones assigned to the Group's business units. These zones rely on the Group's main OECs as follows:

Main OECs	Geographical zones
Paris	Western Europe, Africa, Middle East A (United Arab Emirates, Qatar, Iran, Yemen, Oman + Pakistan, India)
Rome	Southern Europe, Eastern Europe, Russia, Central Asia, Middle East B (Saudi Arabia and Kuwait), Latin America (excluding Brazil)
Aberdeen	North Sea and east coast of Canada
Houston	United States and the Caribbean
Rio de Janeiro	Brazil
Kuala Lumpur	Asia-Pacific

Depending on the technologies used or the customers involved, exceptions can be made to this geographical distribution by way of an Executive Committee decision.

4. Generally, the director of the main regional OEC is simultaneously responsible for managing the RBU that covers the same region. This synchronization ensures flexibility and efficiency. However, for the two main European OECs (Paris and Rome), the situation is inevitably more complex since their area of intervention covers several business segments and very wide territories (Europe, Africa, Middle East, Russia, Central Asia, etc.), which are thus covered by several RBUs.

C. DECISIONS RELATING TO PROJECTS

1. Areas of remit

Decisions relating to the preparation, commitment to and supervision of projects are, according to their size, made by the following authorities:

Estimated revenues of the project (in € millions, Group share)
- greater than 100 (oil and gas) or 30 (Industries), Executive Committee
- from 30 to 100 (oil and gas) or from 10 to 30 (Industries), DGP/DGI
- less than 30 (oil and gas) or 10 (Industries), RBU or SBU involved

However, any project below €100 million (oil and gas) or below €30 million (Industries), but which presents unusual risks, must be, on the initiative of the RBU or SBU involved, transferred for a decision to be made by the Executive Committee.

2. Decisions cited above refer to:

- the commitment of proposal costs (Early Tendering (“ET”) procedure),
- tendering of an offer (Authorization To Tender (“ATT”) procedure),
- signing of the contract (Authorization To Commit (“ATC”) procedure),
- appointment of the Project Manager, as well as the Project Sponsor,
- the project performance plan as well as its adaptation to circumstances throughout the term of the project, particularly during Project Monthly Reports (“PMR”s).

D. PROJECT SUPERVISION IS SUBJECT TO DUAL REPORTING

- up the hierarchical line: RBU (or SBU), then the Oil and Gas General Division (DGP) or Industries General Division (DGI) and Corporate Management
- up the operational line: Assessment and Monitoring of Projects (ECP) then Finance and Control Division (DGFC) and Corporate Management.

The rules relating to project reporting, with regard to the progress made and the structure of the control documents and the procedures for estimating costs and receipts (recettes à terminaison), are strict rules, determined by the Finance and Control Division.

II – INTERNAL CONTROL WITHIN GROUP STRUCTURES

A. CORPORATE MANAGEMENT

The Group is directed by its Board of Directors, which sets, on behalf of the shareholders and under their control, the main guidelines and delegates their implementation to the Chairman and Chief Executive Officer. The latter is at the head of the Group's corporate management, with the assistance of the Executive Committee and the Management Committee.

The Executive Committee (Comité Excécutif, or "COMEX"), which meets twice a month, is consulted on the following questions:

- preparation of the Board of Directors' decisions relating to the closing of financial statements, the determination of goals and budgets, strategic orientations and acquisitions and disposals of assets and companies,
- contract monitoring at the COMEX level, both at the preparation stage (ET, ATT, ATC procedures, appointment of the Project Manager and the Project Sponsor) and at the performance stage (Project Monthly Report ("PMR") procedure),
- investments: the COMEX reviews all investment projects above €10 million (included in the annual budget) or €3 million (for investment projects not included in the annual budget), as well as all overruns of over 10% in relation to the budget approved for each project,
- internal audit: approval of the annual audit plan and follow-up of recommendations,
- IT and telecommunications: review of strategic orientations, and associated budgets,
- human resources: appointment and compensation of the principal managers, collective measures concerning compensation, incentive and loyalty programs, appointment of experts, projected management of managers and Group business lines,
- asset management: acquisition and disposal of assets, creation of legal entities, transfer of subsidiaries, long-term partnership agreements.

The Management Committee (*Comité Directeur*, or "CODIR"):

The CODIR's duties are the following:

- reviewing business development, project progress and change in income,
- ensuring the consistency of actions undertaken in the different Group units and resolving any conflicts of remit that may arise,
- analyzing the performances achieved with regard to HSE, quality and customer satisfaction and suggesting any appropriate corrective measures,
- making recommendations on key decisions that may be submitted to it in the following areas:
  - strategic orientations,
  - technological choices,
  - human resources policy,
  - selection of experts,
  - detection of high potentials,
  - replacement plans,
  - decisions on partnerships.

Three other special committees report to the Corporate Management:

- Ethics Committee: in charge of monitoring the application of the Group's Code of Ethics, the Ethics Committee reports on its work to the Chairman and Chief Executive Officer through at least two reports per year.
- Sustainable Development Committee: in charge of promoting and measuring the Group's progress in its sustainable development strategy.
- Disclosure Committee: in charge of assisting the Chairman and the Finance and Control Director in their duties to ensure that the laws and regulations applicable to listed companies are complied with in terms of the true and fair nature of the financial statements. The Disclosure Committee meets four times a year and is presided over by the Corporate Secretary.

B. CENTRAL DIVISIONS

1. OIL AND GAS GENERAL DIVISION (*DIRECTION GÉNÉRALE PÉTROLE ET GAZ*, OR "DGP")

The purpose of the DGP is commercial prospecting, the negotiation of new contracts and the supervision of the performance of oil and gas projects and it relies on the following units:

A) At the central level:

1) **Operational Management Division for Naval Resources** prepares the schedules for the use of ships, optimizes their use, monitors their adaptation to market needs and provides the projects with all assistance required to ensure that laying operations are successful.
2) **Marine Technologies Division**, in charge of industrial property, offshore technology development and the assessment and management of technical risks, in connection with offshore installation projects.
3) **Terrestrial Technologies Division** coordinates the Group's network of terrestrial technology correspondents, proposes and implements technological partnerships and identifies and manages technical risks related to onshore installation projects.
4) **Large Accounts Manager** is in charge of relations with principal customers. He identifies their needs, surveys their relations with different Group units and promotes the Group's image.
5) **PBUs:** Business units whose task is to coordinate the operations of the various Group units with regard to a particular product. They are:
   - **the Offshore Production Supports PBU,**

- **the Ethylene PBU,**
- **the LNG/GTL PBU,**
- **the Hydrogen PBU.**

B) At the local level, the units that report to the DGP are business units in charge of - in the oil and gas field - prospecting, negotiating and supervising projects, either on a regional basis (RBU), or on a sectoral basis (SBU).

1) **RBUs,** operating at a regional level, are the following:
- **North Sea/East Canada RBU** (United Kingdom, Norway, the Netherlands, Denmark, east coast of Canada).
  This RBU is mainly involved in SURF. It can also, with the support of Paris (Offshore Production Supports PBU), operate in the Offshore Facilities sector.
- **Western Europe RBU** (France, Benelux, Germany, Switzerland, the Iberian Peninsula, as well as, for Onshore-Downstream operations, the United Kingdom and the Scandinavian countries).
- **Africa RBU** (all of the countries of the African-Mediterranean zone, for both Offshore and Onshore-Downstream projects).
- **Middle East A RBU** (United Arab Emirates, Qatar, Iran, Yemen, Oman + Pakistan, India)
  Mainly dedicated to Onshore-Downstream operations in the Middle East A zone, this entity will also be in charge of Offshore operations throughout the Middle East (including the Middle East B RBU).
- **Southern Europe, Eastern Europe, Russia, Central Asia RBU** (Italy, Greece, Eastern Europe, Russia, Central Asia).
- **Middle East B RBU** (Saudi Arabia and Kuwait).
- **Hispanic America RBU** (Latin America, with the exception of Brazil).
- **USA RBU** (United States + Caribbean/Mexico zone for Offshore operations + Canada for Onshore-Downstream operations).
- **Brazil RBU.**
- **Asia Pacific RBU** (Southeast Asia, China, Australia, New Zealand).

Within each of these RBUs, the RBU Manager and his Technical Manager work closely together:
- the RBU Manager is in charge of selecting potential projects, negotiating contracts and managing customer relations until the project is completed,
- the Technical Manager (COO), who is in charge of supporting the Project Managers in their duties and supervising the performance of the projects, is in charge of project planning and risk analysis from the prospecting stage.

For each COMEX level project (as well as for smaller size projects, presenting unusual risks), the Technical Manager of the RBU involved will convene, before the ATT/ATC, a Risk Assessment Committee (*Comité d'Evaluation des Risques*, or "CER"), that groups together the managers of the technical matters concerned, the assessment of the proposals made by the Legal Division, the Finance and Control Division, the Terrestrial Technologies and Marine Technologies Divisions, as well as, for SURF projects, a member of the Operational Management Division for Naval Resources. The CER reports on its assessment during the ATT/ATC sessions.

2) **SBUs**, operating at a sectoral level, are the following:
- **Umbilicals SBU**
- **DRAPS SBU**
- **ROV SBU**

2. INDUSTRIES GENERAL DIVISION (*DIRECTION GÉNÉRALE INDUSTRIES*, OR "DGI")

The DGI is in charge of commercial prospecting, negotiating new contracts and monitoring the performance of projects in the area of industries other than the oil and gas industry.

The DGI relies on the following business units:
- the **Chemicals SBU**
- the **Life Sciences SBU**
- the **Metals, Aeronautics and Diverse Industries SBU**
- the **Buildings SBU (TPS)**

For the performance of projects, the DGI relies on the resources provided by the Group's various OECs, as well as a dedicated engineering center, CITEX, in Lyon.

3. GENERAL OPERATIONS DIVISION (*DIRECTION GÉNÉRALE DES OPÉRATIONS*, OR "DGO")

The DGO provides technical support to projects as and when required. In particular, it develops and harmonizes the procedures, tools and methods deployed within the Group to ensure project performance and to improve quality, safety and the cost/efficiency ratio of services provided by the Group, as well as to reach the highest standards with regard to safety, health and the protection of the environment. The Global Engineering and Construction ("GEC") Council reports to the DGO.

The DGO groups together the following entities:

A) At the central level:

1) **Quality / Methods / Realization ("QMR") Division**

This Division performs the following duties:

- ensures the monitoring of quality at the Group level;
- circulates best practices with regard to engineering, construction and the realization of projects, particularly on the basis of work undertaken by the GEC;
- triggers and performs operational audits on OECs and on projects, in liaison with the DGFC (ECP and Internal Audit);
- ensures the management of Project Managers and construction managers at the Group level: project management, recruitment (in tandem with the HRC), organization of training and career path, in liaison with the DGP/DGI. Consulted once the choice of Project Managers and construction managers has been proposed, the QMR Division issues a reasoned assessment of their achievements on an annual basis;
- monitors the change in achievements and in the financial situation of the main construction subcontractors, identifies new participants, participates in drafting plans for the performance of the main projects;
- centralizes and coordinates the assessment of customer satisfaction for all projects undertaken by the Group.

2) **Purchasing Division (Global Procurement)**

This Division performs the following tasks:

- develops Technip's knowledge of raw materials, equipment and major subcontracting for its business,
- enters into global agreements with principal suppliers,
- helps projects to define an optimum procurement strategy,
- coordinates the Group's purchasing network: RPOM (Regional Procurement Managers) and CFM (Commodity Family Managers),
- manages the Group's e-procurement tool by liaising with the IT Division.

3) **Information Technology ("IT") Division**

The duties of this Division include the following:

- improving IT and telecommunications tools provided to Group units for undertaking projects and the Group's administrative and accounting management,
- ensuring the convergence of information systems in subsidiaries,
- entering into global agreements with IT suppliers,
- co-managing the Group's e-procurement tool with the Purchasing Division.

4) **Health, Safety and Environment ("HSE") Division**

This Division is in charge of monitoring the application of the Group's HSE Charter, of ensuring the constant improvement of tools and procedures used to reach the goals in these fields, and the implementation of the Group's goals with regard to sustainable development.

5) **Security Division**

This Division's task is to ensure the protection of the Group's persons and property in all circumstances, and to protect information systems from outside attacks.

B) At the local level:

1) All of the Group's OECs report to the DGO.

The Group has six main OECs, which supervise the other OECs that report to them. Supervision relates to budgets, workforce, load forecasts, harmonization of work methods and control of quality and methods.

- The **Paris OEC** supervises the Lyon, Zootermeer, Dusseldorf, Barcelona, Abu Dhabi, Luanda, Chennai and Delhi OECs
- The **Rome OEC** supervises the Athens, Bogota, Caracas and Saint-Petersburg OECs
- The **Aberdeen OEC** supervises the Oslo OEC
- The **Houston OEC** supervises the Claremont OEC
- The **Rio de Janeiro OEC**
- The **Kuala Lumpur OEC** supervises the Balikpapan, Bangkok, Djakarta, Perth and Shanghai OECs

The DGO ensures that the two main pillars of the Group with regard to engineering, Paris and Rome, closely coordinate their operations, methods and load plans, and provide the Group's other OECs, particularly Houston, Rio de Janeiro and Kuala Lumpur, with the resources that they may need to carry out their projects.

2) The OACs also report to the DGO, and ensure that these units maintain the best quality of service at the best cost to the projects. For this purpose, the DGO directly carries out the technical supervision of the following OACs:

- The **manufacturing units for flexible products and umbilicals** (Le Trait, Vitoria and the umbilical plants)

- The **units in charge of the specialized ship** fleet for the Group
- The **ROV units**
- The **Pori construction site** in Finland.

4. FINANCE AND CONTROL DIVISION (*DIRECTION GÉNÉRALE FINANCE ET CONTRÔLE*, OR "DGFC")

The DGFC, managed by the Chief Financial Officer ("CFO"), is in charge of the Group's financing and the financial engineering of projects, preparing individual and consolidated financial statements and management control[2], financial control of projects (appraisal, planning and cost control), tax management, internal audit and relations with investors. It also supervises the Strategy Division.

Under the French law on Financial Security, the CFO, with the Chairman, has specific responsibility in preparing and certifying financial statements published by the Group. He is thus, immediately after the Chairman and Chief Executive Officer, the leading authority within the Group with regard to internal control.

A) At the central level, the DGFC has the following duties:
- Financing / Treasury / Management of the JVs / Management of financial risks
- Appraisal and Project Control (*Estimation et Contrôle des Projets*, or "ECP")
- Strategy
- Consolidation and Group Reporting
- SURF and Offshore Facilities Management Control
- Onshore-Downstream Management Control
- Industries Management Control
- Tax System
- Internal audit
- Investor Relations

B) At the local level, the DGFC has operational authority over all the subsidiaries' financial managers, as well as over all the appraisers in charge of planning and cost control who perform their duties within the subsidiaries or on projects.

5. GENERAL DIVISION FOR HUMAN RESOURCES AND COMMUNICATION (*DIRECTION GÉNÉRALE DES RESSOURCES HUMAINES ET DE LA COMMUNICATION*, OR "DGRHC")

The DGRHC is in charge of managing the Group's human resources (recruitment, training, career and skills management, compensation) as well as of all forms of communication both inside and outside the Group.

It performs the following functions:
- Development of human resources
- Compensation, employee shareholding and international mobility
- Human resources information systems and company data
- Public relations
- Internal communication.

All of the Human Resources Managers and the communication managers of the Group's subsidiaries, as well as the career managers, operationally report to the DGRHC.

With respect to the principles governing the determination of the management's compensation, please refer to the management report (Sections I and II of this document).

6. LEGAL DIVISION

The Legal Division prepares and maintains the Group's contracting policies, supervises the tasks carried out by all of the Group's lawyers specialized in contract law, assesses the terms and legal risks of contracts at the COMEX level and manages any litigation arising from the performance of contracts.

The Legal Division relies, in particular, on legal managers specialized in contracts from the different Group entities, who operationally report to it.

7. CORPORATE SECRETARY

The Corporate Secretary performs secretarial duties for Technip's Board of Directors and Executive Committee. He is also in charge, with his teams, of monitoring corporate legal questions (other than those related to construction engineering contracts) and insurance management.

He ensures the performance of the legal obligations of all if the Group's legal entities and is therefore represented on their boards of directors. He proposes the appointment of directors within the subsidiaries' administrative bodies.

The Corporate Secretary chairs the Disclosure Committee.

[2] Management control is structured according to "business segments" whose performance is monitored by the Group and published internally and externally: SURF (subsea pipes), Offshore Facilities (platforms), Onshore-Downstream, Industries.

III – MAIN PRINCIPLES OF THE NEW ORGANIZATION

The main principles guiding the change in structure, established on October 1, 2007, are as follows:

1. The Chief Operating Officer ("COO") is in charge of the entire operational structure, business and realization resources. This includes commercial operations, business development, projects, engineering and construction resources, support and technology development resources.

2. Activities per segment are defined as follows:
- Subsea (formerly SURF)
- Onshore, which includes Onshore-Downstream and Industries
- Offshore, which includes Offshore Facilities and FPSO (formerly FFF).

3. The core operational unit is the Region. It is defined by a territory, its operational resources (commercial and performance) and its projects. It is in charge of customer relations, the completion of its projects and their financial performance. Each Region will pursue its activities according to the segments set forth above, and can be active in one, two or all three segments.

Regions	Headquarters	Business
Region A: Western Europe, Africa, Middle East A	Paris	Subsea Onshore Offshore
Region A: Italy, Greece, Eastern Europe/Russia/CIS, Middle East B, South America	Rome	Onshore
Asia-Pacifice	Kuala Lumpur	Subsea Onshore Offshore
North Sea, Canada	Aberdeen	Subsea
North America	Houston	Subsea Onshore Offshore
Brazil	Rio de Janeiro	Subsea Offshore/Onshore

4. A Middle East Strategy Division has been created. The latter reports directly to the COO.

5. The PBUs are entities that work toward the growth and development of technologies and expertise throughout the Group. They take part in the preparation of sales proposals and assist the Regions. They are not directly responsible for a specific profit account but must have a global vision of the operations and their profitability in order to establish benchmarks and propose mid-to long-term strategies.

6. The Subsea business, an integrated business (R&D, design/engineering, manufacturing and installation with its own assets) calls for a unique structure. Strategic management of R&D operations, the fleet, the plants and their scheduled expansion has been entrusted to an integrated Business Unit that reports directly to the COO. Project management continues to be handled by the Regions.

Each Region with a Subsea business will regroup the relevant specific resources. Each Region will continue to pool any resources that are not specific to Subsea operations, or other operations.

7. The following Divisions report to the COO: Project Management and Construction

8. At the Corporate level, the main changes are as follows:

A General Counsel position has been created to whom the Legal Division and the Group's Corporate Secretary, report.

A New Technologies Division, reporting directly to the Chairman and Chief Executive Officer, is in charge of identifying future technologies.

A General Global Processes and Development Division is in charge of HSE, Quality & Methods, Safety, IT, Global Procurement and

Operational Audit operations and will be involved in M&A transactions.

All other Divisions remain the same.

9. The Authorization to Tender ("ATT") and the Authorization to Commit ("ATC") contractual procedures are maintained and the authorization thresholds were adapted to the new organizational framework.

IV – ANALYSIS OF INTERNAL CONTROL PROCEDURES

Following the Board of Directors' decision of July 25, 2007, the Group decided to initiate the procedure to delist its shares from the NYSE. Nonetheless, as is the case for any foreign issuer listed on the NYSE, the Company filed in 2007, along with its 2006 annual report on Form 20-F, a report on its internal control system in compliance with the provisions of the Sarbanes-Oxley Act on internal control (Management's assessment of internal controls).

Technip therefore completed the following steps in early 2007:

- a second phase of tests on the 2006 financial reporting methods,

- the appraisal of the effectiveness of internal controls in order to certify the quality of procedures and to identify corrective actions in response to any issues detected.

In the middle of June 2007, the Group was able to issue the certification, as required under U.S. regulations, signed by the Chairman and Chief Executive Officer and the Chief Financial Officer, and to file the annual report on Form 20F. This certification, based on the most recent internal control analysis process, which was completed using "COSO" standards and "PCAOB" recommendations, certifies that the Statutory Auditors, the Audit Committee and the Board of Directors have been informed of all cases of fraud and all significant deficiencies and material weaknesses reasonably likely to affect the financial information provided in the annual report.

Although the Group chose to delist its shares from the NYSE, the internal control analysis process, based on the "COSO" standards, was renewed in 2007. Certain changes have been made in order to focus the control efficiency analysis process on the main risks and internalize this process through a system of "self-appraisal".

In this regard, an Internal Control team was organized within the Internal Audit Division and is in charge of implementing, in collaboration with the Internal Control correspondents appointed by each entity within the scope of intervention, the 2007 control efficiency analysis process and the follow-up of the implementation of the corrective actions identified at the end of the process relating to the 2006 financial statements.

Important steps were achieved:

- update of the scope of intervention on the basis of the Group's economic expansion,
- update of the reference documents,
- issuance of self-appraisal procedures and training of local teams,
- launch of test campaigns within the entities.

The first few months of 2008 will mostly be dedicated to verifying the implementation of the corrective actions identified at the end of the 2006 process, completing the test campaigns currently underway and analyzing the effectiveness of control procedures as well as identifying actions required to remedy any weaknesses detected.

In future years, the Group's objective is to ensure the sustainability of both the strategy to constantly improve internal control and its continuous analysis, in particular, through the use of tailored IT systems.

2. Report by the Statutory Auditors on internal control

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

ERNST & YOUNG et Autres
41, rue Ybry
92576 Neuilly-sur-Seine Cedex

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2007

Statutory auditors' report, prepared in accordance with article L.225-235 of the French Commercial Code, on the report prepared by the Chairman of the Board of Technip, on the internal control procedures relating to the preparation and processing of the financial and accounting information.

To the shareholders,

In our capacity as statutory auditors of Technip, and in accordance with article L.225 235 of the French Commercial Code (Code de commerce), we hereby report to you on the report prepared by the Chairman of your company in accordance with article L.225-37 (or L.225-68) of the French Commercial Code for the year ended December 31, 2007.

It is the Chairman's responsibility to describe in his report the preparation and organization of the Board of Directors' work and the internal control procedures implemented by the company. It is our responsibility to report to you on the information set out in the Chairman's report on internal control procedures relating to the preparation and processing of the financial and accounting information.

We performed procedures in accordance with French professional standards. These standards require that we perform procedures to assess the fairness of the information set out in the Chairman's report on internal control procedures relating to the preparation and processing of financial and accounting information. These procedures mainly consisted of:
- obtaining an understanding of the internal control procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report and existing documentation are based;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation.
- determining if any material weaknesses in the internal control relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board's report, prepared in accordance with article L.225-37 (or article L.225-68) of the French Commercial Code.

Neuilly-sur-Seine, March 19, 2008
The Statutory Auditors

PricewaterhouseCoopers Audit
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3. Shareholders' Meeting of April 25, 2008: agenda and proposed resolutions

1. Agenda

A/ WITHIN THE AUTHORITY OF THE ORDINARY SHAREHOLDERS' MEETING

1. Report of the Board of Directors to the Ordinary Shareholders' Meeting;

2. Approval of the statutory financial statements for the fiscal year ended December 31, 2007;

3. Allocation of earnings for the fiscal year ended December 31, 2007, setting the dividend and the payment date;

4. Approval of the consolidated financial statements for the fiscal year ended December 31, 2007;

5. Special report of the Statutory Auditors on the regulated agreements referred to in Articles L.225-38 et seq. of the French Commercial Code and approval of the new agreement entered into in 2007;

6. Special report of the Statutory Auditors on the regulated agreements referred to in Articles L.225-38 et seq. of the French Commercial Code and appraising the agreement previously entered into and which remained in effect in 2007;

7. Directors' attendance fees;

8. Authorization granted to the Board of Directors for the repurchase of Company shares.

B/ WITHIN THE AUTHORITY OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

9. Report of the Board of Directors to the Extraordinary Shareholders' Meeting;

10. Authorization granted to the Board of Directors to allocate existing shares for free to (i) Technip's employees, and (ii) the employees and directors and officers (*mandataires sociaux*) of the companies related to the Company within the meaning of Article L.225-197-2 of the French Commercial Code;

11. Authorization granted to the Board of Directors to allocate existing shares for free to the Chairman and Chief Executive Officer of Technip, the Company's managing agent (*mandataire social*);

12. Authorization granted to the Board of Directors to allocate Company stock options to (i) Technip's employees, and (ii) the employees and directors and officers (*mandataires sociaux*) of the companies related to the Company within the meaning of Article L.225-180 of the French Commercial Code;

13. Authorization granted to the Board of Directors to allocate stock options to the Chairman and Chief Executive Officer of Technip, the Company's managing agent (*mandataire social*).

C/ WITHIN THE AUTHORITY OF THE COMBINED SHAREHOLDERS' MEETING

14. Powers for formalities.

2. Presentation of resolutions

A/ PRESENTATION OF RESOLUTIONS RELEVANT TO THE ORDINARY SHAREHOLDERS' MEETING

FIRST, SECOND AND THIRD RESOLUTIONS

Approval of the company's financial statements and appropriation of earnings

The purpose of the **first** resolution is the approval of Technip S.A.'s financial statements for the year 2007.

The purpose of the **second** resolution is to determine the appropriation of Technip S.A.'s earnings and set the dividend for the year 2007 at **€1.20** per share and the payment date on May 13, 2008.

Pursuant to Article 243bis of the French General Tax Code, the amount of distributed dividends are eligible for the 40% abatement for natural persons who are tax residents in France, as provided for in Article 158-3 of the French General Tax Code.

The purpose of the **third** resolution is the approval of the Technip Group's consolidated financial statements for the year 2007.

FOURTH RESOLUTION

Special report of the Statutory Auditors (Approval of the commitments made to Thierry Pilenko)

Pursuant to the law, the **fourth** resolution specifically addresses the commitments made by the Company, in terms of severance compensation in the event of the departure of the Chairman and Chief Executive Officer, at the time of Thierry Pilenko's appointment to this position on April 27, 2007, as well as the required performance objectives for the payment of this severance compensation, as determined by the Board of Directors on February 20, 2008 pursuant to the French law of August 21, 2007.

Compensation will be paid out to the Chairman and Chief Executive Officer in the event he is dismissed or his term is not renewed, with the exception of a dismissal for gross or wrongful misconduct.

As indicated in the special report of the Statutory Auditors, the characteristics of this severance compensation are as follows:
- Amount of severance compensation: the compensation paid out shall not exceed one year's compensation during the first three years and 18 months' compensation thereafter.

  The amount of compensation for the year corresponds to the sum of the gross base salary plus the variable component within the limit of 100% of the target bonus received over the year preceding the date of the occurrence.

- Performance objectives: The Board of Directors has selected the following three performance criteria that they deem important considering the company's business: Technip's share price, EBITDA, and the HSE Total Recordable Cases Frequency rate.

  The expected performance from each of these criteria is defined as follows:
  - Relative performance of Technip's share price compared to those of similar companies,
  - Increase in profitability measured by EBITDA,
  - A Total Recordable Cases Frequency rate lower than a sample of its competitors.

  The payment of severance compensation will be subject to achieving at least two of the three criteria. The performance achieved will be calculated as an average over the three fiscal years preceding the year of the Chairman and Chief Executive Officer's departure, on a pro-rata basis for his current term. In the event the Chairman and Chief Executive Officer leaves in 2008, the payment of severance compensation will be subject to comparing 2007 performance with that achieved in 2008.

FIFTH RESOLUTION

Special report of the Statutory Auditors (including continuation of the commitments made to Daniel Valot)

The **fifth** resolution acknowledges the special report of the Statutory Auditors on the regulated agreements appraising the continuation in 2007 of commitments made by the Company to Daniel Valot with regard to the ceasing of his duties as Chairman and Chief Executive Officer on April 27, 2007.

As indicated in the special report of the Statutory Auditors, the amounts paid in 2007 are as follows:
- severance compensation of 1,128,250 euros;
- fees under the consultancy agreement: 191,360 euros, all tax included.

SIXTH RESOLUTION

Directors' attendance fees

While attendance fees paid out by Technip remain inferior to market practices (as confirmed by a study requested from a specialized firm), the Board of Directors has decided not to propose an increase in the current amount in light of the decrease in the Group's 2007 financial results.

The Board of Directors therefore proposes maintaining the 2007 allocation for 2008, i.e., €375,000 for 10 directors (the Chairman and Chief Executive Officer does not receive any attendance fees).

SEVENTH RESOLUTION

Repurchase of Company shares

The seventh resolution is a component of the policy aimed at avoiding dilutive measures while implementing means to motivate and promote loyalty among the teams by having at its disposal a reserve of shares free of charge and stock options.
Therefore, the purpose of this resolution is the renewal of the authorization granted by the Shareholders' Meeting of April 27, 2007, which will expire on October 27, 2008.

The purchase of shares may occur at any time except during periods of a public offering on the Company's share capital in accordance with the applicable regulatory provisions.

The proposed authorization is for an 18-month period, a maximum purchase price of €80 and the maximum legal limit of 10% of the total number shares comprising the share capital.

As of December 31, 2007, the Company's share capital was divided into 107,353,774 shares. On this basis, the maximum number of shares that the Company would be able to repurchase amounts to 7,668,719 shares (taking into account 3,066,658 treasury shares).

B/ PRESENTATION OF RESOLUTIONS RELEVANT TO THE EXTRAORDINARY SHAREHOLDERS' MEETING

The 8th, 9th, 10th and 11th resolutions are related to a free share plan (8th and 9th) and a stock option plan (10th and 11th), with each plan being divided so as to allow the Shareholders' Meeting to vote specifically on the grants proposed for the Chairman and Chief Executive Officer.

The reasons supporting these resolutions are numerous:

- The first reason is a crucial need for measures to foster loyalty and motivate employees in order to confront the high turnover in the petroleum industry's employment market within the context of high contractual stakes, especially during the important implementation phases of the Group's contracts in the Middle East, Africa, and Asia.
  The elevated level of investments in petroleum and gas has created high tensions over resources and has made it clear that there is a lack of qualified personnel on a global level to respond to global need. This personnel gap varies from 5 to 40% depending on sector and region (Transmar Consult, Inc.).
- The diversity of the regulatory and tax situations in the various countries under consideration necessitates using the following two measures: free shares and stock options.
- The previous authorizations date back to the Shareholders' Meetings of 2005 (stock options) and 2006 (free shares). These authorizations have since been used and, as they were not renewed in 2007, the Company cannot over the long term do without these essential measures to mobilize and promote loyalty within the teams.
- Without such measures, the Group would have to resort to much more costly substitutive plans.

It is specified that all of the authorizations submitted to the vote of the Shareholders' Meeting in relation to stock options (1%) and free shares (1%) represent a total 2% of the share capital, i.e., a decrease by half as compared to the total corresponding authorizations submitted to the Shareholders' Meeting in 2007 (3% for stock options and 1% for free shares).

Considering the allocations carried out pursuant to earlier authorizations, the percentage of capital represented by non-exercised stock options (3.56%), free shares whose acquisition period has not yet expired (0.9%) and the authorizations submitted to the vote of the Shareholders' Meeting (2 x 1%=2%) amounts to 6.56%.

In terms of dilution, the dilution potential is not increased by the authorizations submitted to the vote of the Shareholders' Meeting as they do not relate to the creation of new shares but, on the contrary, to the use of treasury shares.

EIGHTH AND NINTH RESOLUTIONS

Free shares

The 8th resolution represents the entire program of free shares; it is specified that the 9th resolution addresses the authorization with regards to the Chairman and Chief Executive Officer.

These resolutions are presented in the context of the general policy regarding management planning and promotion of team loyalty (see the presentation of resolutions relevant to the Extraordinary Shareholders' Meeting above).

The free share plan resulting from these two resolutions applies to a maximum of 1% of the share capital and is characterized by the following:
- limit applicable to the Chairman and Chief Executive Officer: 0.03% of the share capital,
- grants to the Chairman and Chief Executive Officer are decided by the Board of Directors upon proposal by the Nominations and Remunerations Committee,
- limit applicable to the entire management team*: 20 % of the program.

*As of December 31, 2007, the management team was composed as follows:
- the members of the Executive Committee (6 persons),
- the managers from the 6 Regions and the Middle-East Strategy,
- the managers from Subsea and Onshore-Offshore PBUs.

As defined above, the management team is composed of 15 members (14 in 2006).

Grants to members of the management team are decided by the Board of Directors pursuant to the recommendations formulated within the context of the plan by the Nominations and Remunerations Committee.

- The definitive grant of shares is subject to the accomplishment by the Company of a performance that is satisfactory to Company shareholders, to be measured by the progression of the Consolidated Operating Income** in relation to a representative sample of the Group's competitors and based on the following scale:
- If the progression of the Group's Consolidated Operating Income is equal or higher than that of the sample, all of the shares will be granted according to the terms and conditions provided in the plan's regulations.
- If the progression of the Group's Consolidated Operating Income is lower than 80% of that of the sample, 50% of the shares will be granted according to the terms and conditions provided in the plan's regulations.
- If the progression of the Group's Consolidated Operating Income falls between 80% and 100% of that of the sample, the portion of the shares granted will be determined by linear interpolation between 50% and 100% and according to the terms and conditions provided in the plan's regulations.

**The Consolidated Operating Income is one of the audited accounting items on which the Group reports regularly and, in particular, at the time of each publication of its financial results.
- Authorization is granted for a period of 24 months (instead of the previous 38 months).

TENTH AND ELEVENTH RESOLUTIONS

Stock options plan

The 10th resolution addresses the stock options plan as a whole; it is specified that the 11th resolution specifically addresses the authorization with regards to the Chairman and Chief Executive Officer.

These resolutions are presented in the context of the general policy regarding management planning and promotion of team loyalty (see the presentation of resolutions relevant to the Extraordinary Shareholders' Meeting above).

The stock options plan resulting from the 10th and 11th resolutions applies to a maximum amount of 1% of the share capital, as opposed to the previous 3%. The underlying reason is to establish an approach to allocations based on frequency, i.e., 1% per year as opposed to 3% spread out over 38 months.

In order to avoid a dilutive effect, the options that are granted are options to purchase existing shares and are not subscription options implying the creation of new shares.

The other characteristics are the following:
- No discount on the purchase price,
- No possibility to modify the initial conditions,
- Loss of options in the event of resignation or dismissal for wrongful or gross misconduct,
- Limit applicable to the Chairman and Chief Executive Officer: 0.10% of the share capital,
- Grants to the Chairman and Chief Executive Officer are decided by the Board of Directors upon proposal by the Nominations and Remunerations Committee,
- Limit applicable to the entire management team*: 20 % of the program,

*As of December 31, 2007, the management team was composed as follows:
- the members of the Executive Committee (6 persons),
- the managers from the 6 Regions and the Middle-East Strategy,
- the managers from Subsea and Onshore-Offshore PBUs.

As defined above, the management team is composed of 15 members (14 in 2006).

Grants to members of the management team are decided by the Board of Directors pursuant to the recommendations formulated within the context of the plan by the Nominations and Remunerations Committee.

- The exercise of the options is subject to the accomplishment by the Company of a performance that is satisfactory to Company shareholders, to be measured by the progression of the Consolidated Operating Income** in relation to a representative sample of the Group's competitors and based on the following scale:
- If the progression of the Group's Consolidated Operating Income is equal or higher than that of the sample, all of the options will be exercisable according to the terms and conditions provided in the plan's regulations.
- If the progression of the Group's Consolidated Operating Income is lower than 80% of that of the sample, 50% of the options will be exercisable according to the terms and conditions provided in the plan's regulations.
- If the progression of the Group's Consolidated Operating Income falls between 80% and 100% of that of the sample, the portion of the options exercisable will be determined by linear interpolation between 50% and 100% and according to the terms and conditions provided in the plan's regulations.

**The Consolidated Operating Income is one of the audited accounting items on which the Group reports regularly and, in particular, at the time of each publication of its financial results.

- Authorization is granted for a period of 24 months (instead of the previous 38 months).

3. Draft Resolutions

A / RESOLUTIONS WITHIN THE AUTHORITY OF THE ORDINARY SHAREHOLDERS' MEETING

FIRST RESOLUTION

Approval of the Company's financial statements for the fiscal year ended December 31, 2007

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed:

- the report of the Board of Directors on the activity and condition of the Company over the 2007 fiscal year;
- the report of the Statutory Auditors on the performance of their mission during the 2007 fiscal year; and
- additional explanations provided orally;

Hereby approves the Company's financial statements for the fis-

cal year ended December 31, 2007, as presented, with profits of 91,495,476.38 euros. The Shareholders' Meeting also approves the transactions evidenced in these statements or summarized in these reports.

SECOND RESOLUTION

Allocation of earnings for the fiscal year ended December 31, 2007, setting the dividend and the payment date

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings,

- acknowledges that the profits for the fiscal year ended December 31, 2007 amount to 91,495,476.38 euros;
- acknowledges that there shall be no allocation to the legal reserve, which has already reached one-tenth of the share capital;
- acknowledges that distributable profits amount to 102,167,617.06 euros, taking into account the available retained earnings of 10,672,140.68 euros;
- acknowledges that the "Other Reserves" account amounts to 141,967,742.71 euros.

The Shareholders' Meeting decides to allocate as an ordinary dividend, in the amount of €1.20 per share, representing a total amount of 125,144,539.20 euros, with up to 102,167,617.06 taken from distributable profits and up to €22,976,922.14 from the "Other Reserves" account, which account will be reduced to €118,990,820.57 as a result.

Treasury shares on the date of payment of the dividend shall be excluded from the benefit of this distribution, and the corresponding amounts shall be allocated to retained earnings.

The dividend will be paid on May 13, 2008 in cash. The amount of the dividends that will be paid corresponds in full to distributions eligible for the 40% abatement referred to in subsection 2 of section 3 of Article 158 of the French General Tax Code.

The Shareholders' Meeting grants full powers, as necessary, and given the distribution of reserves, to the Board of Directors to carry out adjustments to the bases for exercising options to subscribe to new shares or to purchase existing shares.

The Shareholders' Meeting recalls that the amount of distributed dividends, the corresponding tax credits and the distributions eligible since 2005 for the 40% abatement were as follows for the last three fiscal years:

Fiscal Year	Dividend per Share	Tax Credit	Amount of distributions eligible for the 40% abatement (since 2005)
2004	€2.00	€1.00	NA
	€1.30	NA	€1.30
2005 (*)	€0.92	NA	€0.92
2006	€1.05	NA	€1.05
	€2.10	NA	€2.10

(*) The nominal value of a Company share was divided by four on May 18, 2005.

THIRD RESOLUTION

Approval of the consolidated financial statements for the fiscal year ended December 31, 2007

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed:

- the report of the Board of Directors on the activity and condition of the Group over the 2007 fiscal year;
- the report of the Statutory Auditors on the consolidated financial statements; and
- additional explanations provided orally;

Hereby approves the consolidated financial statements for the fiscal year ended December 31, 2007, as presented, as well as the transactions evidenced in these statements or summarized in these reports.

FOURTH RESOLUTION

Special report of the Statutory Auditors on the regulated agreements referred to in Articles L.225-38 et seq. of the French Commercial Code and approval of the new agreement entered into in 2007

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed:

- the special report of the Statutory Auditors on the agreements referred to in Articles L.225-38 et seq. of the French Commercial Code;

Hereby takes note of the report's conclusions and approves the new agreement described therein, which was entered into during the fiscal year ended December 31, 2007.

FIFTH RESOLUTION

Special report of the Statutory Auditors on the regulated agreements referred to in Articles L.225-38 et seq. of the French Commercial Code and appraising the agreement previously entered into and which remained in effect in 2007

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed:

- the special report of the Statutory Auditors on the agreements referred to in Articles L.225-38 et seq. of the French Commercial Code;

Hereby takes note of the report's conclusions describing the previously authorized and executed agreement which remained in effect during the fiscal year ended December 31, 2007.

SIXTH RESOLUTION

Directors' attendance fees

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, hereby decides to maintain a global amount of €375,000 for the attendance fees to be allocated to the Board of Directors for the 2008 fiscal year.

The Shareholders' Meeting grants full powers to the Board of Directors to allocate all or part of these attendance fees in accordance with the terms and conditions to be set by the Board of Directors.

SEVENTH RESOLUTION

Authorization granted to the Board of Directors for the repurchase of Company shares

The Shareholders' Meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the report of the Board of Directors;

Authorizes the Board of Directors to purchase shares of the Company, in accordance with the provisions of Articles L.225-209 et seq. of the French Commercial Code, on one or more occasions, for the following primary purposes:
- to honor commitments related to stock-option plans or other share grants to employees or directors or officers *(mandataires sociaux)* of the Company or its affiliates;
- to use shares in payment or in exchange in connection with external growth transactions;
- to promote share trading, in order, in particular, to ensure liquidity, pursuant to a liquidity contract with an investment services provider in compliance with the ethics charter approved by the *Autorité des Marchés Financiers;*
- to cancel such shares;
- to deliver shares upon the exercise of rights attached to securities giving right to shares;
- to implement any market practice that becomes recognized by law or the *Autorité des Marchés Financiers*.

The purchase, holding, sale or transfer of the purchased shares may be carried out, depending on the case, on one or more occasions, in any manner, on the market or through negotiated transactions, in particular, through the acquisition or sale of blocks, or by using financial derivatives and warrants, in compliance with current regulations. The portion of the repurchase program that may be carried out by negotiation of blocks may be as large as the entire program.

The Shareholders' Meeting sets the maximum purchase price at €80 (before charges) per share and decides that the maximum number of shares that may be acquired may not exceed 10% of the shares comprising the share capital on the date of the present Shareholders' Meeting.

In the event of a share capital increase by incorporation of premiums, reserves and benefits, resulting in either an increase in the nominal value, or in a free grant of shares, and in the event of a split or reverse split of shares or any other transaction affecting the share capital, the Board of Directors may adjust the aforementioned purchase price to take into account the effect of those transactions on the value of the shares.

Full powers are granted to the Board of Directors, with power of delegation to the Chief Executive Officer or, with his consent, to one or more deputy chief executive officers, to place, at any time, except during the period of a public offering on the Company's securities, any orders on a securities exchange or through negotiated transactions, to allocate or re-allocate repurchased shares to the primary repurchase purposes in accordance with applicable law and regulations, to enter into any agreements, specifically for the keeping of purchase and sale registers, to draft any documents, to carry out any formalities, to make any declarations and communications to any agencies, particularly to the *Autorité des Marchés Financiers*, concerning the transactions carried out pursuant to this resolution, to set the terms and conditions to preserve, as necessary, any rights of holders of securities giving access to the share capital of the Company and any rights of beneficiaries of options in accordance with applicable regulations and, generally, to take any necessary action. The Shareholders' Meeting also grants full powers to the Board of Directors, if applicable laws or the *Autorité des Marchés Financiers* were to extend or supplement the primary purposes authorized for share repurchase programs, to inform the public according to applicable regulations of potential modifications to the repurchase program pertaining to the amended purposes.

This authorization invalidates any previous authorization for the same purpose and, in particular, the Eighteenth Resolution of the Extraordinary Shareholders' Meeting of April 27, 2007. It is granted for a period of eighteen months from the date of this Shareholders' Meeting.

The Board of Directors shall provide the shareholders information relating to the purchases and sales of shares carried out pursuant to this authorization in its report to the annual Shareholders' Meeting.

B / RESOLUTIONS WITHIN THE AUTHORITY OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

EIGHTH RESOLUTION

Authorization granted to the Board of Directors to grant existing shares for free to (i) Technip's employees, and (ii) the employees and directors and officers (mandataires sociaux) of companies related to the Company within the meaning of Article L.225-197-2 of the French Commercial Code

The Shareholders' Meeting, acting under the conditions of quorum and majority required for extraordinary shareholders' meetings, after having reviewed:

- the report of the Board of Directors and
- the special report of the Statutory Auditors

and pursuant to Articles L.225-197-1 et seq. of the French Commercial Code,

1. Authorizes the Board of Directors to grant, free of charge, on one or more occasions, the Company's existing shares to, on the one hand, employees of Technip ("the Company") and, on the other hand, the employees and directors and officers (*mandataires sociaux*) of companies related to the Company within the meaning of Article L.225-197-2 of the French Commercial Code.

2. Decides that the grant of free shares carried out by the Board of Directors pursuant to this authorization may not apply to a number of existing shares representing more than 1% of the Company's share capital on the date of this shareholders' meeting, it being specified that this amount does not take into account any adjustments that may be made in compliance with applicable laws or regulations, and as the case may be, applicable contractual provisions providing for other cases of adjustments.

The shares granted free of charge to the management team pursuant to this resolution and, specifically, to the Chairman and Chief Executive Officer, the Company's managing agent, pursuant to the ninth resolution, (i.e., including the shares within the maximum limit of 0.03% of the share capital that would be granted free of charge to the Chairman and Chief Executive Officer), may not represent, as a whole, more than 20% of the total number of shares granted free of charge authorized by this resolution.

3. Decides that the grant of shares to their beneficiaries will become definitive at the end of an acquisition period whose length will be set by the Board of Directors, with the understanding that this period may not be less than two years, as from the decision by the Board of Directors to grant shares.

The beneficiaries must hold these shares for a time period set by the Board of Directors, with the understanding that the holding period may not be less than two years as from the definitive acquisition of these shares.

Nonetheless, the Shareholders' Meeting authorizes the Board of Directors, insomuch as the acquisition period for all or part of one or more grants is at least four years long, to not impose a holding period for those shares.

4. Decides that in the event of a disability of a beneficiary corresponding to the second and third categories of classification provided for in Article L.341-4 of the French Social Security Code, the shares will be definitively granted to the beneficiary before the end of the remainder of the acquisition period. These shares may be freely transferred or sold as from their delivery.

5. The Board of Directors will grant free shares and determine the identity of the beneficiaries.

A definitive grant of the shares will be subject to the accomplishment by the Company of a performance that is satisfactory to Company shareholders, to be measured by the progression of the Consolidated Operating Income in relation to a representative sample of the Group's competitors and based on the following scale:

- If the progression of the Group's Consolidated Operating Income is equal or higher than that of the sample, all of the shares will be allocated according to the terms and conditions provided in the plan's regulations.
- If the progression of the Group's Consolidated Operating Income is lower than 80% of that of the sample, 50% of the shares will be allocated according to the terms and conditions provided in the plan's regulations.
- If the progression of the Group's Consolidated Operating Income falls between 80% and 100% of that of the sample, the portion of the shares allocated will be determined by linear interpolation between 50% and 100% and according to the terms and conditions provided in the plan's regulations.

The Board of Directors will determine the other terms and conditions and, as applicable, the criteria for the grant of the shares.

6. The Board of Directors will have the powers necessary to implement this authorization, in accordance with the terms described above and subject to applicable legal provisions, and to do all that is useful and necessary in accordance with applicable laws and regulations.

The Board of Directors will, each year, inform the Shareholders' Meeting of the transactions carried out pursuant to this resolution, in accordance with legal and regulatory requirements and particularly Article L.225-197-4 of the French Commercial Code.

The authorization granted to the Board of Directors by the present resolution is valid for a period of 24 months following the date of this Shareholders' Meeting.

NINTH RESOLUTION

Authorization granted to the Board of Directors to grant existing shares for free to the Chairman and Chief Executive Officer of Technip, the Company's managing agent (mandataire social)

The Shareholders' Meeting, acting under the conditions of quorum and majority required for extraordinary shareholders' meetings, after having reviewed:

- the report of the Board of Directors and
- the special report of the Statutory Auditors

and pursuant to Articles L.225-197-1 et seq. of the French Commercial Code,

1. Authorizes, subject to the condition precedent of the adoption of the eighth resolution, the Board of Directors to grant, free of charge, on one or more occasions, the Company's existing shares to the Chairman and Chief Executive Officer of Technip S.A., the Company's managing agent.

2. Decides that the grant of free shares carried out by the Board of Directors pursuant to this authorization may not apply to a number of existing shares representing more than 0.03% of the Company's share capital on the date of this Shareholders' Meeting, it being specified that this amount does not take into account any adjustments that may be made in compliance with applicable laws or regulations, and as the case may be, applicable contractual provisions providing for other cases of adjustments.

The shares granted for free to the members of the management team pursuant to the eighth resolution and, specifically, to the Chairman and Chief Executive Officer, the Company's managing agent, pursuant to this resolution (i.e., including the shares within a maximum limit of 0.03% of the share capital that would be granted free of charge to the Chairman and Chief Executive Officer), shall not represent, as a whole, more than 20% of the total grants of free shares authorized by the eighth resolution.

3. Decides that the grant of shares to the beneficiary will become definitive at the end of an acquisition period whose length will be set by the Board of Directors, with the understanding that this period may not be less than two years, as from the decision by the Board of Directors to grant shares.

The beneficiary must hold these shares for a time period set by the Board of Directors, with the understanding that the holding period may not be less than two years as from the definitive acquisition of these shares, without prejudice to the provisions in Article L.225-197-1, II, last paragraph, of the French Commercial Code.

4. Decides that in the event of a disability of a beneficiary corresponding to the second and third categories of classification provided for in Article L.341-4 of the French Social Security Code, the shares will be definitively granted to the beneficiary before the end of the remainder of the acquisition period. These shares may be freely transferred or sold as from their delivery.

5. A definitive grant of the shares will be subject to the accomplishment by the Company of a performance that is satisfactory to Company shareholders, to be measured by the progression of the Consolidated Operating Income in relation to a representative sample of the Group's competitors and based on the following scale:

- If the progression of the Group's Consolidated Operating Income is equal or higher than that of the sample, all of the shares will be granted according to the terms and conditions provided in the plan's regulations.
- If the progression of the Group's Consolidated Operating Income is lower than 80% of that of the sample, 50% of the shares will be granted according to the terms and conditions provided in the plan's regulations.
- If the progression of the Group's Consolidated Operating Income falls between 80% and 100% of that of the sample, the portion of the shares granted will be determined by linear interpolation between 50% and 100% and according to the terms and conditions provided in the plan's regulations.

The Board of Directors will determine the other terms and conditions and, as applicable, the criteria for the grant of the shares.

6. The Board of Directors will have the powers necessary to implement this authorization, in accordance with the terms described above and subject to applicable legal provisions, and to do all that is useful and necessary in accordance with applicable laws and regulations.

The Board of Directors will, each year, inform the Shareholders' Meeting of the transactions carried out pursuant to this resolution, in accordance with legal and regulatory requirements and particularly Article L.225-197-4 of the French Commercial Code.

The authorization granted to the Board of Directors by the present resolution is valid for a period of 24 months following the date of this Shareholders' Meeting.

TENTH RESOLUTION

Authorization granted to the Board of Directors to grant Company stock options to (i) Technip's employees, and (ii) the employees and directors and officers (mandataires sociaux) of the companies related to the Company within the meaning of Article L.225-180 of the French Commercial Code

The Shareholders' Meeting, acting under the conditions of quorum and majority required for extraordinary shareholders' meetings, having reviewed the report of the Board of Directors and the special report of the statutory auditors, in accordance with Articles L.225-177 et seq. of the French Commercial Code:

1. Authorizes the Board of Directors to grant, on one or more occasions, on the one hand, to the employees of Technip (the "Company") and, on the other hand, the employees and directors and officers (mandataires sociaux) of the companies related to the Company within the meaning of Article L.225-180 of the French Commercial Code, or certain categories among them, options giving the right to purchase existing shares of the Company resulting from repurchases carried out by the Company in accordance with legal provisions.

2. Decides that the options that may be granted by the Board of Directors pursuant to this authorization may not give the right to purchase a total number of shares greater than 1% of the share capital as of the date of this authorization. This amount does not take into account the adjustments that may be carried out in accordance with legislative and regulatory provisions.

The options granted to members of the management team pursuant to this resolution and, specifically, to the Chairman and Chief Executive Officer, the Company's managing agent, pursuant to the eleventh resolution, (i.e., including the shares within the maximum limit of 0.10 % of the share capital that would be granted to the Chairman and Chief Executive Officer), shall not apply to, as a whole, more than 20% of the total number of options granted authorized by this resolution.

3. Decides that the exercise price will be set by the Board of Directors on the date that the options are granted and that this price will be undiscounted and equal to the average share purchase price indicated in Article L.225-179 of the French Commercial Code without, however, being less than the average of the share's listed price on Eurolist of Euronext Paris over the twenty trading days preceding the date of the option grant.

The exercise price, as determined above, may not be modified except in the event measures necessary for the protection of the interests of the beneficiaries of the options are implemented pursuant to Article L.225-181 of the French Commercial Code and in accordance with legal and regulatory conditions.

4. The exercise of the options will be subject to the accomplishment by the Company of a performance considered satisfactory by its shareholders, to be measured by the progression of its Consolidated Operating Income in relation to a representative sample of the Group's competitors and based on the following scale:

- If the progression of the Group's Consolidated Operating Income is equal or higher than that of the sample, all of the options will be exercisable according to the terms and conditions provided in the plan's regulations.
- If the progression of the Group's Consolidated Operating Income is lower than 80% of that of the sample, 50% of the options will be exercisable according to the terms and conditions provided in the plan's regulations.
- If the progression of the Group's Consolidated Operating Income falls between 80% and 100% of that of the sample, the portion of the options exercisable will be determined by linear interpolation between 50% and 100% and according to the terms and conditions provided in the plan's regulations.

5. Acknowledges that no option may be granted less than twenty trading days following the coupon detachment from the shares giving right to a dividend or a capital increase.

6. Acknowledges that no option can be granted during (i) the 10 trading days preceding and following the date on which the consolidated financial statements or, in the absence of these, the Company's annual accounts, are made public, and (ii) the period between the date on which the Company's management bodies receive information that, if it were made public, could have a significant impact on the Company's share price, and the tenth trading day following the date on which this information is made public.

7. Decides that the options must be exercised within a maximum period of six (6) years as from the date of grant by the Board of Directors; nevertheless, the Board of Directors may set a shorter exercise period for all or part of the options and/or for all or certain of the beneficiaries.

8. The beneficiaries' right to exercise the options will be lost in the event of resignation or dismissal for wrongful or gross misconduct.

9. Gives all powers to the Board of Directors for the purpose of:
- determining the list of the option beneficiaries and the number of options granted to each of them;
- setting the conditions applicable to the exercise and grant of the options; the Board of Directors may, in particular, (a) restrict, suspend, limit or prohibit (1) the exercise of options or (2) the sale or conversion into bearer form of the shares obtained through the exercise of the options during certain periods or starting from certain events; its decision may apply to all or part of the options or shares and concern all or certain beneficiaries, and (b) accelerate the dates or the periods for the exercise of options, maintain their exercisable nature or modify the dates or periods during which the shares obtained from the exercise of options shall not be sold or converted into bearer form; its decision may apply to all or part of the options or shares and concern all or certain beneficiaries;
- allow for, as applicable, a lock-up period or a period of non-delivery to the beneficiary of the shares obtained from the exercise of the options; such period may not exceed three years as from the exercise of the option.

This delegation to the Board of Directors is granted for a period of 24 months following the date of this Shareholders' Meeting and invalidates any previous authorization for the same purpose.

In accordance with the provisions of Article L.225-184 of the French Commercial Code, each year the Board of Directors will inform the shareholders' meeting of the transactions carried out pursuant to the present resolution.

ELEVENTH RESOLUTION

Authorization granted to the Board of Directors to grant stock options to the Chairman and Chief Executive Officer of Technip, the Company's managing agent (mandataire social)

The Shareholders' Meeting, acting under the conditions of quorum and majority required for extraordinary shareholders' meetings, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, in accordance with Articles L.225-177 et seq. of the French Commercial Code:

1. Authorizes, subject to the condition precedent of the adoption of the tenth resolution, the Board of Directors to grant, on one or more occasions, to the Chairman and Chief Executive Officer of Technip S.A., the Company's managing agent (mandataire social), options giving the right to purchase existing shares of the Company resulting from repurchases carried out by the Company in accordance with legal provisions.

2. Decides that the options that may be granted by the Board of Directors pursuant to this authorization may not give the right to purchase a total number of shares greater than 0.10% of the share capital as of the date of this authorization. This amount does not take into the adjustments that may be carried out in accordance with legislative and regulatory provisions.

The options granted to the members of the management team pursuant to the tenth resolution and, specifically, to the Chairman and Chief Executive Officer, the Company's managing agent, pursuant to this resolution (i.e., including the options within a maximum of 0.10% of the share capital that would be granted to the Chairman and Chief Executive Officer), shall not represent more than 20%, as a whole, of the total grants of options authorized by the tenth resolution.

3. Decides that the exercise price will be set by the Board of Directors on the date that the options are granted and that this price will be undiscounted and equal to the average share purchase price indicated in Article L.225-179 of the French Commercial Code without, however, being less than the average of the share's listed price on Eurolist of Euronext Paris over the twenty trading days preceding the date of the option grant.

The exercise price, as determined above, may not be modified except in the event measures necessary for the protection of the interests of the beneficiaries of the options are implemented pursuant to Article L.225-181 of the French Commercial Code and in accordance with legal and regulatory conditions.

4. The exercise of the options by the beneficiaries will be subject to the accomplishment by the Company of a performance considered satisfactory by its shareholders, to be measured by the progression of its Consolidated Operating Income in relation to a representative sample of the Group's competitors and based on the following scale:

- If the progression of the Group's Consolidated Operating Income is equal or higher than that of the sample, all of the options will be exercisable according to the terms and conditions provided in the plan's regulations.
- If the progression of the Group's Consolidated Operating Income is lower than 80% of that of the sample, 50% of the options will be exercisable according to the terms and conditions provided in the plan's regulations.
- If the progression of the Group's Consolidated Operating Income falls between 80% and 100% of that of the sample, the portion of the options exercisable will be determined by linear interpolation between 50% and 100% and according to the terms and conditions provided in the plan's regulations.

5. Acknowledges that no option may be granted less than twenty trading days following the coupon detachment from the shares giving right to a dividend or a capital increase.

6. Acknowledges that no option can be granted during (i) the 10 trading days preceding and following the date on which the consolidated financial statements or, in the absence of these, the Company's annual accounts, are made public, and (ii) the period between the date on which the Company's management bodies receive information that, if it were made public, could have a significant impact on the Company's share price, and the tenth trading day following the date on which this information is made public.

7. Decides that the options must be exercised within a maximum period of six (6) years as from the date of grant by the Board of Directors; nevertheless, the Board of Directors may set a shorter exercise period for all or part of the options.

8. Acknowledges that the beneficiaries' right to exercise the options will be lost in the event of resignation or dismissal for wrongful or gross misconduct.

9. Gives all powers to the Board of Directors for the purpose of:

- determining the number of options granted to the beneficiary;
- setting the conditions applicable to the grant and exercise of the options; the Board of Directors may, in particular, (a) restrict, suspend, limit or prohibit (1) the exercise of options or (2) the sale or conversion into bearer form of the shares obtained through the exercise of the options during certain periods or starting from certain events; its decision may apply to all or part of the options or shares, and (b) accelerate the dates or the periods for the exercise of options, maintain their exercisable nature or modify the dates or periods during which the shares obtained from the exercise of options shall not be sold or converted into bearer form; its decision may apply to all or part of the options or shares, within the limits set by the applicable legal provisions;
- allow for, as applicable, a lock-up period or a period of non-delivery to the beneficiary of the shares obtained from the exercise of the options; such period may not exceed three years as from the exercise of the option.

This delegation to the Board of Directors is granted for a period of 24 months following the date of this Shareholders' Meeting and invalidates any previous authorization for the same purpose.

In accordance with the provisions of Article L.225-184 of the French Commercial Code, each year the Board of Directors will inform the shareholders' meeting of the transactions carried out pursuant to the present resolution.

TWELFTH RESOLUTION

Powers for formalities

The Shareholders' Meeting, acting under the conditions of quorum and majority required for combined shareholders' meetings, grants full powers to the bearer of an original, a copy or a certified extract of the minutes of this shareholders' meeting for the purpose of carrying out any legal formalities such as registration, publicity or others.

4. Summary of authorizations currently in effect approved by the Extraordinary Shareholders' Meeting

The table below summarizes the resolutions adopted by the Extraordinary Shareholders' Meeting, authorizing the Board of Directors to increase the share capital.

Purpose	Validity	Limit	Use during the 2007 financial year
Authorization granted to the Board of Directors to grant share subscription or share purchase options	Extraordinary Shareholders' Meeting of April 29, 2005 10th resolution Term: 38 months Expires: June 28, 2008	3% of the share capital	1 %
Free grant of new or existing shares to be issued to eligible employees and directors or officers of the Company or other associated companies	Extraordinary Shareholders' Meeting of April 28, 2006 10th resolution Term: 38 months Expires: June 28, 2009	1% of the share capital	1 %
Share capital increase through the issue of shares or securities granting access to the share capital in favor of Company Savings Plan members	Extraordinary Shareholders' Meeting of April 28, 2006 11th resolution Term: 26 months Expires: June 28, 2008	3% of the share capital	None
Share capital increase through the issue of shares or securities granting access to the share capital or granting the right to debt certificates, with preferential subscription rights	Extraordinary Shareholders' Meeting of April 27, 2007 20th resolution Term: 26 months Expires: June 26, 2009 Invalidates the delegation granted by the Extraordinary Shareholders' Meeting of April 29, 2005 2nd resolution	Par value: €37.5 million (1) €2.5 billion for securities representing debt certificates granting access to share capital (2)	None
Share capital increase through the issue of shares or securities granting access to the share capital or granting the right to debt certificates, without preferential subscription rights	Extraordinary Shareholders' Meeting of April 27, 2007 21st resolution Term: 26 months Expires: June 26, 2009 Invalidates the delegation granted by the Extraordinary Shareholders' Meeting of April 28, 2006 8th resolution	Face value: €15 million(1) €2.5 billion for securities representing debt certificates granting access to share capital (2)	None
Share capital increase through incorporation of reserves, profits or premiums or other sums for which capitalization would be accepted	Extraordinary Shareholders' Meeting of April 27, 2007 23rd resolution Term: 26 months Expires: June 26, 2009 Invalidates the delegation granted by the Extraordinary Shareholders' Meeting of April 29, 2005 8th resolution	€75 million	None
Share capital increase through the issue of shares or securities granting access to the share capital in favor of Company Savings Plan members	Extraordinary Shareholders' Meeting of April 27, 2007 25th resolution Term: 26 months Expires: June 26, 2009	3% of the share capital (1)	None
Share capital increase through the issue of shares in favor of certain categories of beneficiaries, without preferential subscription rights	Extraordinary Shareholders' Meeting of April 27, 2007 26th resolution Term: 18 months Expires: October 26, 2008	3% of the share capital (1)	None

(1) Share capital increases carried out pursuant to the 20th, 21st, 25th and 26th resolutions of the Extraordinary Shareholders' Meeting of April 27, 2007 must not exceed a total nominal value of €37.5 million.
(2) The total amount of debt securities granting access to the share capital, issued pursuant to the 20th and 21st resolutions of the Extraordinary Shareholders' Meeting of April 27, 2007, must not exceed €2.5 billion.

Furthermore, on March 12, 2007, the Board of Directors carried out a grant of share subscription options with an exercise price of €50.47 per option, relating to 1% of the share capital, and a grant of free shares relating to 1% of the share capital.

On December 12, 2007, the Board of Directors carried out an additional grant of share subscription options for tranches 1, 2 and 3 of the 2005 Plan with an exercise price of €55.88 per option, and an additional grant of free shares due to the availability of a certain number of options and shares resulting from the departure of a number of beneficiaries from the Group.

With a certain number of these authorizations reaching expiration, the Shareholders' Meeting of April 25, 2008 (1st notice) is being requested to:

- authorize the Board of Directors, for a period of 24 months, to carry out, on one or more occasions, a grant of free existing shares representing up to 1% of the share capital to eligible employees and directors or officers of companies related to the Company within the meaning of Article L.225-197-2 of the French Commercial Code. (8th resolution)

- authorize the Board of Directors, subject to the adoption of the 8th resolution, for a period of 24 months, to carry out, on one or more occasions, a grant of free existing shares representing up to 0.03% of the share capital to the Chairman and Chief Executive Officer, the Company's managing agent. (9th resolution)

- authorize the Board of Directors, for a period of 24 months, to carry out, on one or more occasions, a grant of share purchase options representing up to 1% of the share capital to eligible employees of the Company and of the companies related to the Company. (10th resolution)

- authorize the Board of Directors, subject to the adoption of the 10th resolution, for a period of 24 months, to carry out, on one or more occasions, a grant of share purchase options representing up to 0.10% of the share capital to the Chairman and Chief Executive Officer, the Company's managing agent. (11th resolution)

Authorization to reduce share capital

The Combined Shareholders' Meeting of April 29, 2005 authorized the Board of Directors to cancel shares purchased under share repurchase programs carried out by the Company in an amount of up to 10% of the share capital per 24-month period. This authorization was granted for a period of five years pursuant to the following resolution (11th resolution):

"The Shareholders' Meeting, acting under the conditions of quorum and majority required for extraordinary shareholders' meetings, and having reviewed:

- the Board of Directors' report; and
- the Statutory Auditors' Special Report;

and in accordance with Article L.225-209 of the French Commercial Code:

1. Authorizes the Board of Directors to reduce the share capital, on one or more occasions, by cancelling all or part of the shares repurchased pursuant to share repurchase programs authorized by the Shareholders' Meeting in an amount of up to 10% of the share capital per 24-month period and to allocate the difference between the repurchase value of the cancelled shares and their par value to the premiums and available reserves.

2. The Board of Directors will have all the powers required to determine the terms and conditions of this or these cancellations and to proceed with the resulting amendment of the articles of association and to carry out all the necessary formalities.

This authorization is granted for a period of five years. It invalidates any previous authorization for the same purpose."

During the 2007 financial year, Technip did not cancel any shares under this authorization.

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In millions of Euro	Notes	2007	12 months 2006	2005
Revenues	4 (a)	**7,886.5**	**6,926.5**	**5,376.1**
Cost of Sales	4 (b)	(7,245.1)	(6,202.1)	(4,818.0)
Gross Margin		**641.4**	**724.4**	**558.1**
Research and Development Expenses	4 (c)	(42.0)	(34.9)	(29.4)
Selling Costs		(100.2)	(84.6)	(84.0)
Administrative Costs	4 (d)	(251.5)	(269.8)	(224.2)
Other Operating Income	4 (e)	19.6	8.4	32.6
Other Operating Expenses	4 (f)	(20.3)	(10.3)	(22.1)
Operating Income / (Loss) from Recurring Activities		**247.0**	**333.2**	**231.0**
Income from Sale of Activities	4 (g)	85.6	76.2	-
Charges from Sale of Activities	4 (g)	(65.7)	(49.3)	-
Operating Income / (Loss)		**266.9**	**360.1**	**231.0**
Financial Income	5 (a)	20.1	14.7	20.0
Financial Expenses	5 (b)	(84.7)	(76.2)	(108.8)
Share of Income / (Loss) of Associates Accounted for Using the Equity Method	11	2.8	(2.6)	1.3
Income / (Loss) before Tax		**205.1**	**296.0**	**143.5**
Income Tax Expense	6	(77.1)	(94.1)	(43.5)
Income / (Loss) from Continuing Operations		**128.0**	**201.9**	**100.0**
Income / (Loss) from Discontinued Operations	7	-	-	(5.0)
Net Income / (Loss) for the Year		**128.0**	**201.9**	**95.0**
Attributable to:				
Shareholders of the Parent Company		126.3	200.1	93.3
Minority Interests		1.7	1.8	1.7
Earnings per Share (in Euros) (1)	8	1.22	1.91	0.98
Diluted Earnings per Share (in Euros) (1)	8	1.20	1.86	0.96

(1) Earnings per share and diluted earnings per share: see Note 1-C-(h) Earnings per Share.

2. CONSOLIDATED BALANCE SHEET

ASSETS		As of December 31,		
In millions of Euro	Notes	2007	2006	2005
Property, Plant and Equipment, Net	9	818.0	758.4	771.3
Intangible Assets, Net	10	2,419.5	2,422.9	2,451.9
Investments in Associates Accounted for Using the Equity Method	11	4.9	2.3	9.7
Other Financial Assets	12	21.0	16.8	11.6
Deferred Tax Assets	6 (c)	183.4	111.3	90.0
Available-for-Sale Financial Assets	13	17.0	44.5	-
Total Non-Current Assets		**3,463.8**	**3,356.2**	**3,334.5**
Inventories	14	173.7	134.4	101.0
Construction Contracts - Amounts in Assets	15	280.6	591.1	585.0
Advances Paid to Suppliers		464.4	548.1	266.9
Derivatives	26	5.2	29.5	3.5
Trade Receivables	16	783.4	583.7	440.0
Current Income Tax Receivables		68.4	93.7	51.8
Other Current Receivables	17	458.4	262.4	283.6
Cash and Cash Equivalents	18	2,401.5	2,402.8	2,187.8
Total Current Assets		**4,635.5**	**4,645.7**	**3,919.6**
Assets of Disposal Group Classified as Held for Sale	19	-	61.5	42.9
TOTAL ASSETS		**8,099.3**	**8,063.4**	**7,297.0**

EQUITY AND LIABILITIES		As of December 31,		
In millions of Euro	**Notes**	**2007**	**2006**	**2005**
Common Stock	20 (a)	81.9	80.9	75.4
Paid-in-Surplus		1,640.0	1,604.5	1,336.7
Retained Earnings		458.0	531.8	522.7
Treasury Shares	20 (c)	(144.3)	(58.1)	(52.4)
Foreign Currency Translation Reserve		(46.7)	(19.8)	4.5
Fair Value Reserve	20 (d)	63.2	61.9	(26.5)
Net Income		126.3	200.1	93.3
Total Equity Attributable to Shareholders of the Parent Company		**2,178.4**	**2,401.3**	**1,953.7**
Minority Interests		18.4	15.5	13.9
TOTAL EQUITY		**2,196.8**	**2,416.8**	**1,967.6**
Convertible Bonds OCEANE (1)	21	-	-	650.1
Other Non-Current Financial Debts	21	653.3	676.7	655.2
Provisions	23	109.7	124.1	106.3
Deferred Tax Liabilities	6 (c)	128.7	142.4	100.4
Other Non-Current Liabilities	25	45.5	18.9	8.6
Total Non-Current Liabilities		**937.2**	**962.1**	**1,520.6**
Current Financial Debt	21	43.9	185.9	214.4
Trade Payables	24	1,866.3	1,658.3	978.1
Construction Contracts - Amounts in Liabilities	15	1,860.2	2,138.4	1,672.4
Derivatives	26	5.1	5.3	77.1
Provisions	23	123.0	73.8	133.4
Current Income Tax Payables		201.7	122.0	34.9
Other Current Liabilities	25	865.2	482.0	698.5
Total Current Liabilities		**4,965.3**	**4,665.7**	**3,808.8**
TOTAL LIABILITIES		**5,902.5**	**5,627.8**	**5,329.4**
Liabilities Directly Associated with the Assets Classified as Held for Sale	19	-	18.8	-
TOTAL EQUITY AND LIABILITIES		**8,099.3**	**8,063.4**	**7,297.0**

(1) Convertible bonds (OCEANE) whose maturity was set on January 1, 2007 were subject to early conversion in March 2006 (see Note 21-(g) Convertible Bonds).

3. CONSOLIDATED CASH FLOW STATEMENT

In millions of Euro	Notes	2007	12 months 2006	2005
Net Income for the Year (Minority Interests included)		128.0	201.9	95.0
Adjustments for :				
Depreciation of Property, Plant and Equipment and Intangible Assets	9-10	162.9	159.8	143.3
Amortization of Convertible Bond Loan Redemption Premium	5		-	13.3
Charge related to Convertible Bond Split Accounting	5		10.0	16.6
Stock Option and Free Shares Charge	4 (d)	9.9	2.5	5.4
Non-Current Provisions (including Employee Benefits)	23	(9.3)	17.8	0.7
Share of Income / (Loss) of Associates Accounted for Using the Equity Method	11	(2.6)	2.9	(0.6)
Net (Gains) / Losses on Disposal of Assets and Investments	4 (g)	(20.2)	(25.3)	(10.4)
Reduction of Goodwill related to Realized Income Tax Loss Carry Forwards	10 (b)	2.5	9.0	-
Deferred Tax	6 (c)	(79.0)	(26.0)	12.5
		192.2	**352.6**	**275.8**
Decrease (Increase) in Advance to Suppliers		119.1	(307.0)	(23.1)
Decrease (Increase) in Construction Contracts - Amounts in Assets	15	358.8	3.1	(129.7)
Decrease (Increase) in Trade and Other Receivables	16	(401.3)	(230.9)	(0.1)
(Decrease) Increase in Construction Contracts - Amounts in Liabilities	15	(92.2)	568.9	695.8
(Decrease) Increase in Trade Payables and Other Payables	24-25	649.1	560.1	75.2
Net Cash Generated from Operating Activities		**825.7**	**946.8**	**893.9**
Purchases of Property, Plant and Equipment	9	(250.3)	(151.2)	(167.4)
Proceeds from Sales of Property, Plant and Equipment	4 (e)	0.8	40.4	19.4
Purchases of Intangible Assets	10	(11.5)	(6.0)	(3.1)
Acquisitions of Investments, Net of Cash Acquired	4 (e)	-	-	(0.9)
Proceeds from Sales of Investments (1)	4 (e) (g)	19.7	-	2.6
Changes in Scope of Consolidation (2)	4 (g)	66.9	(3.1)	4.8
Net Cash Used in Investing Activities		**(174.4)**	**(119.9)**	**(144.6)**
Increase in Borrowings	21	21.9	75.6	51.1
Decrease in Borrowings	21	(197.8)	(82.0)	(141.2)
Capital Increase	20 (a)	36.6	30.3	63.8
Share Buy-Back	20 (c)	(86.2)	(367.9)	(20.1)
Dividends Paid	20 (g)	(274.7)	(141.7)	(32.0)
Net Cash (Used in) / Generated from Financing Activities		**(500.2)**	**(485.7)**	**(78.4)**
Effects of Foreign Exchange Rate Changes on Cash and Cash Equivalents		(152.4)	(126.2)	82.9
Net Increase in Cash and Cash Equivalents		**(1.3)**	**215.0**	**753.8**
Cash and Cash Equivalents as of January 1,	18	2,402.8	2,187.8	1,434.0
Cash and Cash Equivalents as of December 31,	18	2,401.5	2,402.8	2,187.8
		(1.3)	**215.0**	**753.8**

(1) Income from financial assets disposals amounted to €M 19.7, mainly due to the sale of GIFI shares (Gulf Island Fabricators Inc.) in 2007 (€M 19.3).

(2) Net cash position increase due to changes in consolidation scope equals total purchase price or disposal price of entity less net cash position of purchased or sold entities, measured at the date of purchase or disposal. In 2007 it is mainly due to cash received from the disposal of Perry Slingsby Systems Ltd. (PSSL) and Perry Slingsby Systems Inc. (PSSI) (€M 62.1) and Technip's stake in Nargan (€M 4.2), and net cash position of Setudi, a new entity acquired in 2007 (€M 0.6).

Interests paid in 2007, 2006 and 2005 amounted respectively to €M 43.8, €M 55.6 and €M 51.7.
Interests received in 2007, 2006 and 2005 amounted respectively to €M 82.4, €M 102.8 and €M 33.2.
Income taxes paid in 2007, 2006 and 2005 amounted respectively to €M 87.1, €M 76.0 and €M 35.8.

4. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In millions of Euro	Common Stock 20 (a)	Paid-in-Surplus	Retained Earnings	Treasury Shares 20 (c)	Foreign Currency Translation Reserve	Fair Value Reserve 20 (d)	Net Income (Parent Company)	Share-holders' Equity (Parent Company)	Minority Interests	Total Equity
As of January 1, 2005	**73.5**	**1,275.6**	**445.8**	**(32.4)**	**(34.3)**	**11.6**	**111.8**	**1,851.6**	**9.8**	**1,861.4**
First-time Application IAS 32 / IAS 39 as of January 1, 2005:										
- Foreign Currency Translation Reserve	-	-	-	-	-	11.2	-	11.2	-	11.2
- Valuation of Derivative Instruments	-	-	-	-	-	30.0	-	30.0	-	30.0
IAS 32 / IAS 39 - Cash Flow Hedging (1)	-	-	-	-	-	(117.5)	-	(117.5)	-	(117.5)
Total Income and Expense Recognized Directly in Equity	**-**	**-**	**-**	**-**	**-**	**(76.3)**	**-**	**(76.3)**	**-**	**(76.3)**
Net Income 2005	-	-	-	-	-	-	93.3	93.3	1.7	95.0
Total Recognized Income 2005	**-**	**-**	**-**	**-**	**-**	**(76.3)**	**93.3**	**17.0**	**1.7**	**18.7**
Capital Increase	1.9	61.9	-	-	-	-	-	63.8	-	63.8
Appropriation of Net Income 2004 (2)	-	-	79.8	-	-	-	(111.8)	(32.0)	-	(32.0)
Split 4-for-1 Shares (3)	-	-	-	-	-	-	-	-	-	-
Treasury Shares	-	(0.8)	-	(20.0)	-	-	-	(20.8)	-	(20.8)
Foreign Currency Translation Reserves	-	-	-	-	38.8	-	-	38.8	2.4	41.2
Stock Option Charge	-	-	-	-	-	5.4	-	5.4	-	5.4
Convertible Bonds Split Accounting (4)	-	-	-	-	-	32.8	-	32.8	-	32.8
Others	-	-	(2.9)	-	-	-	-	(2.9)	-	(2.9)
As of December 31, 2005	**75.4**	**1,336.7**	**522.7**	**(52.4)**	**4.5**	**(26.5)**	**93.3**	**1,953.7**	**13.9**	**1,967.6**
Fair Value Adjustment on Financial Assets Available for Sale	-	-	-	-	-	7.3	-	7.3	-	7.3
Cash-Flow Hedging	-	-	-	-	-	94.3	-	94.3	-	94.3
Stock Option Charge	-	-	-	-	-	-	-	-	-	-
Total Income and Expense Recognized Directly in Equity	**-**	**-**	**-**	**-**	**-**	**101.6**	**-**	**101.6**	**-**	**101.6**
Net Income 2006	-	-	-	-	-	-	200.1	200.1	1.8	201.9
Total Recognized Income 2006	**-**	**-**	**-**	**-**	**-**	**101.6**	**200.1**	**301.7**	**1.8**	**303.5**
Capital Increase	9.7	513.0	-	-	-	-	-	522.7	-	522.7
Capital Decrease	(3.2)	(245.2)	-	-	-	-	-	(248.4)	-	(248.4)
Appropriation of Net Income 2005 (5)	-	-	4.0	-	-	-	(93.3)	(89.3)	-	(89.3)
Prepaid Dividend (6)	-	-	(52.4)	-	-	-	-	(52.4)	-	(52.4)
Treasury Shares	(1.0)	-	-	(5.7)	-	-	-	(6.7)	-	(6.7)
Foreign Currency Translation Reserves	-	-	-	-	(24.2)	-	-	(24.2)	(0.3)	(24.5)
Stock Option Charge	-	-	-	-	-	2.5	-	2.5	-	2.5
Convertible Bonds Split Accounting (4)	-	-	57.6	-	-	(25.6)	-	32.0	-	32.0
Others	-	-	(0.1)	-	(0.1)	9.9	-	9.7	0.1	9.8
As of December 31, 2006	**80.9**	**1,604.5**	**531.8**	**(58.1)**	**(19.8)**	**61.9**	**200.1**	**2,401.3**	**15.5**	**2,416.8**

(1) First-time application of the IAS 32 and 39 as of January 1, 2005, regarding the foreign exchange hedging financial instruments.

(2) Includes the remaining part of 2004 dividend payment (€M 32.0), down payment being paid in 2004 (€M 47.5).

(3) On May 13, 2005, Technip's ordinary shares were split 4-for-1 in accordance with the decision of the Combined General Shareholders' Meeting of April 29, 2005.

(4) First-time application of the IAS 32 and 39 as of January 1, 2005, regarding the OCEANE convertible bonds: split accounting into a separate financial debt component and a shareholders' equity component (see Note 1-C-(t) Financial Debts).

(5) Includes the 2005 dividend payment (€M 89.3).

(6) Includes down payment on the 2006 dividend (€M 52.4).

In millions of Euro	Common Stock 20 (a)	Paid-in-Surplus	Retained Earnings	Treasury Shares 20 (c)	Foreign Currency Translation Reserve	Fair Value Reserve 20 (d)	Net Income (Parent Company)	Share-holders' Equity (Parent Company)	Minority Interests	Total Equity
As of December 31, 2006	**80.9**	**1,604,5**	**531.8**	**(58.1)**	**(19.8)**	**61.9**	**200.1**	**2,401.3**	**15.5**	**2,416.8**
Fair Value Adjustment on Financial Assets Available for Sale	-	-	-	-	-	(5.3)	-	(5.3)	-	(5.3)
Cash-Flow Hedging	-	-	-	-	-	1.1	-	1.1	(0.2)	0.9
Stock Option Charge and Free Shares	-	-	-	-	-	-	-	-	-	-
Total Income and Expense Recognized Directly in Equity	**-**	**-**	**-**	**-**	**-**	**(4.2)**	**-**	**(4.2)**	**(0.2)**	**(4.4)**
Net Income 2007	-	-	-	-	-	-	126.3	126.3	1.7	128.0
Total Recognized Income 2007	**-**	**-**	**-**	**-**	**-**	**(4.2)**	**126.3**	**122.1**	**1.5**	**123.6**
Capital Increase	1.0	35.6	-	-	-	-	-	36.6	-	36.6
Capital Decrease	-	-	-	-	-	-	-	-	-	-
Appropriation of Net Income 2006 (7)	-	-	142.9	-	-	-	(200.1)	(57.2)	-	(57.2)
Extraordinary Dividend (8)	-	-	(217.5)	-	-	-	-	(217.5)	-	(217.5)
Treasury Shares	-	-	-	(86.2)	-	-	-	(86.2)	-	(86.2)
Foreign Currency Translation Reserves	-	-	-	-	(26.9)	-	-	(26.9)	0.9	(26.0)
Stock Option Charge	-	-	-	-	-	9.9	-	9.9	-	9.9
Others	-	(0.1)	0.8	-	-	(4.4)	-	(3.7)	0.5	(3.3)
As of December 31, 2007	**81.9**	**1,640.0**	**458.0**	**(144.3)**	**(46.7)**	**63.2**	**126.3**	**2,178.4**	**18.4**	**2,196.8**

(7) In accordance with General Shareholders' Meeting held on April 27, 2007, a dividend of € 1.05 per share was distributed, including a down payment of € 0.5 per share paid in December 2006. Remaining amount of € 0.55 per share (€M 57.2) was paid in May 2007.

(8) In accordance with General Shareholders' Meeting held on April 27, 2007, an extraordinary dividend of € 2.10 per share (€M 217.5) was paid in May 2007.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Technip's principal business includes the following:
- Lump sum or cost-to-cost engineering service contracts performed over a short period;
- Engineering, manufacturing, installation and commissioning service contracts lasting approximately 12 months;
- Turnkey projects related to complex industrial facilities with engineering, procurement, construction and start-up, in respect of industrial performances and a contractual schedule. The average duration of these contracts is three years, but can vary depending on the contract.

Note 1 – Summary of Significant Accounting Principles

A. ACCOUNTING FRAMEWORK

Due to the listing of Technip' securities on Euronext Paris and in accordance with the European Union's regulation No. 1606/2002 of July 19, 2002, the 2007 consolidated financial statements of the Group have been prepared in accordance with IFRS (IFRS - International Financial Reporting Standards), as of December 31, 2007, and as adopted by the European Union as of the date when the Board of Directors approved consolidated financial statements. They include the standards approved by the International Accounting Standards Board ("IASB"), the International Accounting Standards ("IAS") and the accounting Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") at February 20, 2008.

As a first-time adopter of IFRS at December 31, 2005 Technip followed IFRS1 specific regulations. At the transition date (January 1, 2004), the following options were selected:

Business Combinations: Technip has elected not to restate, as provided by IFRS 3, business combinations prior to January 1, 2004.

Property, Plant and Equipment, and Intangible Assets: Technip has elected not to record the fair value or the revaluation of its assets as assumed cost. However, the Group performed a review of useful lives of amortization and residual values of main assets.

Translation Gains and Losses in relation to Foreign Entity: Technip has elected to reclassify cumulative translation gains and losses as of January 1, 2004 under consolidated reserves. If a subsidiary is disposed of, the disposal gain or loss will only include the translation gains and losses recognized after January 1, 2004.

Retirement Benefit Obligations: Technip has elected to account for residual cumulated actuarial gains and losses in equity for post-employment benefits, not recognized as of January 1, 2004, and to use the "corridor" method for the future actuarial gains and losses. According to this method, actuarial gains and losses that exceed 10% of the greater of the present value of the defined obligation and the fair value of the plan assets are recognized on a straight-line basis over the remaining working lives of the employees participating in that plan.

Share-based Payments: Technip has elected to apply IFRS 2 retrospectively in respect of share option plans granted since November 7, 2002.

Financial Instruments: Technip has elected to apply IAS 32 and IAS 39 as from January 1, 2005. Following are the impacts of these standards:
- Split accounting of compound financial instruments applied to the OCEANE convertible bonds. It generated an increase in equity and a reduction in convertible bonds (non-current financial debt) for €M 32. as of January 1, 2005.
- Accounting in the balance sheet of the fair value in respect of financial instruments and mainly foreign exchange hedging instruments.

New Standards and Interpretations Issued in 2007:

Technip has adopted the following standards, amendments and interpretations issued in 2007:

IFRS 7: Disclosures on Financial Instruments. This standard requires entities to disclose new informations regarding financial instruments in the notes to the financial statements. It has no impact on the classification, assessment and accounting of transactions (see Note 26 – Financial Instruments).

IAS 1 (amendment): Presentation of Financial Statements. This amendment requires entities to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital (see Note 20-(j) Capital Management).

IFRIC 8: This interpretation requires IFRS 2 to be applied to any arrangement in which the entity cannot identify specifically some or all of the goods received, in particular where equity instruments are issued for consideration which appears to be less than fair value. This interpretation had no impact on the financial statements of the Group.

IFRIC 9: Reassessment of Embedded Derivatives. IFRIC 9 states that the date to assess the existence of an embedded derivative is the date that an entity first becomes a party to the contract with reassessment only if there is a change to the contract that significantly modifies the cash flows. As the Group has no embedded derivatives requiring separation from the host contract, the interpretation had no impact on the Group's financial position or performance.

Published Accounting Standards and Interpretations not Effective yet:

Technip's financial statements as of December 31, 2007, do not include the possible impact of standards published as of December 31, 2007 of which application is only mandatory for periods starting after December 31, 2007. Among these standards and interpretations those which could affect the Group financial statements are as follows:

IFRS 8: This standard concerns additional information which must be displayed in the notes. It requires to be applied for annual period as from January 1, 2009. Segment information is disclosed by the Group as of December 31, 2007, according to IAS 14.

IAS 23 (Amendment): Borrowing Costs. This standard requires capitalization of borrowing costs that relate directly to the acquisition, construction or production of an asset. The previous option that allowed recording these borrowing costs as an expense has been removed. This standard requires to be applied for annual period as from January 1, 2009.

IFRIC 11: Group and Treasury Share Transactions. This standard requires to be applied for annual period as from March 1, 2007.

IFRIC 14: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. This standard requires to be applied for annual period as from January 1, 2008.

The Group is currently assessing the potential impact of these new standards on its financial statements. At this stage, the Group does not anticipate any significant impact on the Group's financial situation and net income.

B. CONSOLIDATION PRINCIPLES

Companies over which the Group has significant control are fully consolidated, in particular when the voting rights exceed 50% or when the Group controls financial or operating policies.

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

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

Investments in which the Group's ownership is less than 20% or for non-significant investee or subsidiaries (such as empty entities) are recorded under "Other Financial Assets (Non-Current)" line item and only impact net income through dividends received. When fair value cannot be estimated reliably, these investments are maintained at historical cost, net of depreciation.

The list of the main Group's consolidated companies and their respective method of consolidation are provided in Note 2-(b) Scope of Consolidation as of December 31, 2007.

The financial statements of main affiliates are prepared for the same reporting period as the parent company, using consistent accounting policies.

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

Subsidiaries are consolidated from the date of acquisition, being the date when the Group obtains control and continue to be consolidated until the date when such control ceases.

The classification between current assets and liabilities, and non-current assets and liabilities is based on contracts' operating cycle and if not related to contracts, on their maturity classified as less or greater than 12 months.

C. RULES AND ESTIMATES

Consolidated financial statements have been prepared in accordance with the IFRSs: fair presentation, going concern, consistency, relative extent and business combinations. The consolidated assets have been evaluated under the historical cost convention, except for financial assets and derivative financial instruments, which have been measured at fair value. The Group consolidated financial statements are presented in million of euros and all values are rounded to the nearest thousand, except when otherwise indicated.

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

(a) Use of Estimates

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

The main assessments and accounting assumptions made in the Group's financial statements relate to the construction contracts, to the valuation of Group exposure to litigations towards third parties, to residual goodwill valuation and to valuation of income tax assets resulting from carry-forward tax losses (the latter being measured in compliance with accounting principles shown in Note 1-C-(s) Deferred Income Tax). Regarding construction contracts, the Group policy is described in Note 1-C-(b) Construction Contracts. In terms of legal proceedings and claims, the Group regularly draws up lists and performs analyses of main litigations in progress, so as to record the adequate provisions when necessary. Possible uncertainties related to ongoing litigations are described in Note 32-(c) Off-balance Sheet Commitments and Contingencies.

Goodwill is no longer amortized but is tested for impairment at least annually and whenever there is an indication that it may be impaired. This impairment test enables to determine whether its carrying amount does not exceed its recoverable amount. Goodwill is allocated to cash-generating units (CGU) for the purpose of impairment testing. Each of these CGU corresponds to the Group's businesses, representing independent cash-generating flows. The recoverable amount is the higher of selling prices and values in use related to CGU. The latter corresponds to the discounted future cash flows forecasted for these CGU.

Technip also performs sensitivity analyses on main assumptions with regards to impairments tests, in order to make sure that no reasonable change of an hypothesis on which the Group has determined its CGU's recoverable value, jeopardizes the conclusions of these impairment tests.

(b) Construction Contracts

In compliance with IAS 11, construction contract gross margins at completion are measured in using the percentage-of-completion method. As soon as the estimate of the final outcome of a contract indicates a loss, a provision is made for the entire loss.

The percentage-of-completion ratio is computed consistently for each and every homogenous type of contracts as follows:

- For all contracts, which include construction services subjected to performance commitments (lump-sum turnkey contracts), the percentage of completion is based on technical milestones defined for the main components of the contracts, once their progress is deemed sufficient.

- For other construction contracts, the percentage of completion is recognized based on the ratio between costs incurred to date and estimated total costs at completion.

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

Costs incurred on construction contracts at completion include the following:

- The purchase of material, the subcontracting cost of engineering, the cost of markets, and every other related cost directly linked to the contract.

- The labor cost and its related social charges which are directly connected with contracts. The man-hour rates taken into account are based on standard level of activity. Selling costs, research and development costs and the potential charge of "overabsorption" are excluded from those evaluations.

- Other costs which could be reinvoiced to the client when specified as such in the contract clauses.

Costs on construction contracts do not include financial expenses.

Revenues on contracts are measured on the basis of costs incurred and of margin recognized at the percentage of completion, in accordance with the above-mentioned method.

Revenues on contract include:

- The first selling price

- Every additional clause, variation order and modification ("changes") to the initial contract if it is probable that these changes could be reliably measured and that they would be accepted by the client

- Financial result on contracts.

A lump-sum turnkey contract is considered as completed when the last milestone, represented by the contractual transfer of ownership regarding the facilities built or by its provisional acceptance (even though minor conditions are outstanding) is passed.

Construction contracts are presented in the balance sheet as follows: for each construction contract, the accumulated costs incurred, as well as the gross margin recognized at the contract's percentage of completion (plus accruals for foreseeable losses if needed), after deducting the payments received from the clients, are shown on the asset side under the "Construction Contracts – Amounts in Assets" if the balance of those combined components is a debit; if the balance is a credit, these ones are shown on the liability side under the "Construction Contracts – Amounts in Liabilities" line item.

Upon completion of the contract:

- The balance of "Construction Contracts – Amounts in Assets" (which at that time amounts to the total contract's sale price), less accumulated payments received under this contract at this date, is invoiced to the customer and recorded as current receivables on contracts (see Note 16 – Trade Receivables).

- To get the acceptance certificate from the client, if necessary, accrued liabilities may be recorded to cover pending expenses and are recorded as Other Current Payables in the balance sheet.

For the purpose of cash flow statements, those line items above-mentioned are considered as current for the measurement of changes in working capital.

Costs directly attributable to obtaining future turnkey engineering/construction contracts ("bid costs"), the signature of which can be reasonably expected, are capitalized in the balance sheet under the "Construction Contracts – Amounts in Assets" line item (see Note 15 – Construction Contracts), then transferred to contract costs upon final contract award. The costs incurred by bids with insufficient probability of success are expensed immediately.

(c) Foreign Currency Transactions and Financial Instruments

FOREIGN CURRENCY TRANSACTIONS

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

At the closing date, monetary assets and liabilities stated in foreign currencies are translated into the presentation currency at the exchange rate prevailing at that date. Resulting

exchange gains or losses are directly recorded in the income statement, excepting exchange gains or losses on cash accounts eligible for future cash flow hedging and for hedging on net foreign currency investments.

TRANSLATION OF FINANCIAL STATEMENTS FOR FOREIGN COMPANIES

The income statements of foreign subsidiaries are translated into Euro at the average rate of exchange prevailing during the year. Balance sheets are translated at the exchange rate at the balance sheet date. Differences arising in the translation of financial statements of foreign subsidiaries are recorded in shareholders'equity as foreign currency translation reserve. The functional currency of the foreign subsidiaries is the local currency, except for some African subsidiaries which have the US $ as functional currency.

DERIVATIVES AND HEDGING PROCESSING

Technip has applied the IAS 32-39 for the first time as of January 1, 2005.

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

In addition, foreign currency treasury accounts designed for a contract and used to finance its future expenses in foreign currencies may qualify for foreign currency cash flow hedge.
Finally, an economic hedging may occasionally be obtained by offsetting cash inflows and outflows on a same contract (natural hedging).
When implementing hedging transactions, each Group's subsidiary enters into forward exchange contracts with banks or with the Group treasury company, Technip Eurocash SNC (a general partnership). However, only instruments that involve a third party to the Group are designated as hedging instruments.

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

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

- Its hedging role must be clearly defined and documented at inception.

- Its efficiency should be proved at inception and for the entirety of its period of use. If the efficiency test is included between 80 and 125 %, changes in fair value of the covered element should be almost offset by the changes in fair value of the derivative instrument.

All derivative instruments are recorded and disclosed in the balance sheet at fair value.

- Derivatives qualified for hedging are classified as current assets and liabilities, as they follow the operating cycle.

- Derivatives not qualified for hedging are classified as current assets and liabilities.

Changes in fair value are recognized as follows:

- Regarding cash flow hedge, the portion of the gain or loss corresponding to the effectiveness of the hedging instrument is recognized directly in equity, and the ineffective portion of the gain or loss on the hedging instrument is posted on the profit and loss account. The exchange gain or loss on derivative cash flow hedging instruments, deferred in equity, is reclassified in the net income of the period(s) whenever the forecast hedged transaction affects the profit or loss.

- The variations of fair value hedge incurred by derivative instruments are posted as financial income or expenses. The ineffective portion of the gain or loss immediately impacts net income. The carrying amount of a hedged item is adjusted by the gain or loss on this hedged item allocable to the hedged risk and is recorded in the income statement.

- The changes in fair value of derivative financial instruments that do not qualify for hedging are directly recognized as financial income or expenses.

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

BID CONTRACTS IN FOREIGN CURRENCY:

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

In some cases, Technip may enter into foreign currency options for some proposals during the bid-period.

(d) Business Combinations

From January 1, 2004, assets and liabilities acquired within business combinations are valued using the purchase method. Assets and liabilities are valued at their fair value. The residual value is posted on the "Goodwill" line item when significant, under the "Intangible Assets" category. Since January 1, 2004, goodwill is no longer amortized as per IFRS 3.

The net value of intangible assets is subject to impairment tests performed on a regular basis, using the discounted cash flow method on the basis of the most likely assumptions considered by the Board of Directors. Impairment tests are based on estimates in terms of growth rates, discount rates and corporate tax rates. Approved by the Board of Directors, those assumptions come from the business plan covering the years 2008 to 2010 for each business segment.

The goodwill as well as the related assets and liabilities are allocated to the appropriate segment of activity.

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

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

(e) Operating Income from Recurring Activities and Operating Income

A new intermediate aggregate was created in Income Statement called Operating Income from Recurring Activities, in order to disclose on two separate lines operating income and income from activity disposal. Per IAS 1, gains or losses on disposal are included in operating income.

(f) Financial Result on Contracts

The financial result realized on treasury related to construction contracts is recorded together with the revenues. Only financial result on treasury not related to construction contracts is separately disclosed in the consolidated statement of income under the "Financial Income" and "Financial Expenses" line items.

(g) Income / (Loss) from Discontinued Operations

In compliance with IFRS 5, the result incurred by the discontinued operations through sales or disposals is recorded under this line item. Discontinued operations consist of a whole line of business or geographical area.

(h) Earnings per Share

Earnings per share are based on the average number of outstanding shares over the period, after deducting the treasury shares.

Diluted earnings per share calculation method was modified as of January 1, 2007. Fully diluted earnings per share calculation has been removed. Diluted earnings per share amounts are calculated by dividing the net profit of the period, in case of need restated of dilutive financial charge after tax, by the weighted average number of outstanding shares, plus weighted average number of stock options not yet exercised plus weighted average number of attributed free shares calculated using share purchase method (IFRS 2), and in case of need the impact of any other dilutive instrument.

In conformity with share purchase method, anti dilutive stock options are ignored in calculating EPS. Dilutive options are taken into account if the subscription price of the stock options plus the future IFRS 2 expense (i.e. the sum of annual expenses to be recorded until the end of the plan of stock) is lower than the average market price during the period.

(i) Property, Plant and Equipment (Tangible Assets)

In compliance with IAS 16 "Property, Plant and Equipment", an asset is recognized only if the cost can be measured reliably and if future economic benefits are expected from its use.

Property, plant and equipment are carried at their historical cost or at their fair value in case of business combinations.

As per IAS 16, Technip depreciates separately components of property, plant and equipment, when the useful life differs from the main asset. Following are the main useful lives applied by the Group:

Buildings	10 to 50 years
Vessels	10 to 25 years
Machinery and Equipment	6 to 10 years
Office Fixtures and Furniture	5 to 10 years
Vehicles	3 to 7 years
EDP Equipment	3 to 5 years

Every material residual value of an asset is taken into account to define its depreciable amount.

On a regular basis, the Group reviews the useful lives of the assets. That review is based on the effective use of the assets.

As per IAS 23, borrowing costs may be capitalized in the carrying cost of property, plant and equipment. Technip has elected not to apply this option.

As per IAS 17, assets at the Group's disposal through lease contracts are capitalized when all risks and benefits related to the asset property have been transferred to the Group.

As per IAS 16, dry dock expenses are capitalized as a distinct component of the main related asset. They are amortized over a period of 3 to 5 years.

Amortization costs are classified by function of the expenses. Therefore amortization costs are classified as cost of sales, research and development costs, general administrative costs.

In accordance with IAS 36, the carrying value of property, plant and equipment is reviewed for impairment whenever internal or external events indicate that there may be impairment. In that case, an impairment loss is recognized.

(j) Intangible Assets

RESEARCH AND DEVELOPMENT COSTS GENERATED INTERNALLY

Research costs are expensed when incurred. In compliance with IAS 38, development costs are capitalized as long as criteria mentioned hereunder are simultaneously fulfilled:

- The projects are clearly identified;
- The Group is able to measure reliably the expenditure incurred by each project during its development;
- The Group is able to demonstrate the technical feasibility of the project;
- The Group has the financial and technical resources available to achieve the project;
- The Group can demonstrate its intention to complete, to use or to commercialize products resulting from the project;
- The Group is able to demonstrate the existence of a market for the output of the intangible asset, or, if it is used internally, the usefulness of the intangible asset.

At the closing date of these financial statements, all conditions were not fulfilled, and therefore no development expense was capitalized.

OTHER INTANGIBLE ASSETS

Patents are amortized over their useful life, on average 10 years. Costs related to software rights are capitalized, as well as those attached to material industrial projects, such as the E-procurement platform or group management projects. Those projects costs are amortized over their useful life, 5 years on average.

(k) Other Financial Assets (Non-Current)

Other financial assets are recorded at fair value, or at original cost if there is no way to evaluate them reliably. Impairment is recorded if its recoverable amount is lower than its historical cost. The estimated recoverable amount is computed by type of financial asset based on the future profitability or the market value of the company considered, as well as its net equity if needed.

NON-CONSOLIDATED INVESTMENTS

Non-consolidated investments are recognized at their acquisition cost including directly attributable transaction costs.
At each balance sheet date, these investments are measured at their fair value. As investments under this category relate to unlisted securities, fair value is determined on the basis of discounted cash flows or failing that, based on the Group's share in the company's equity.

These companies are mainly entities without any business activity. Therefore, their investments are fully depreciated.

RECEIVABLES RELATED TO INVESTMENTS

This category comprises loans and advances through current accounts granted to unconsolidated companies or associates accounted for using the equity method.

SECURITY DEPOSITS AND OTHERS

This category essentially includes guarantee security deposits and escrow accounts related to litigations or arbitrations.

(l) Inventories

Inventories are recognized at the lower of cost or market value with cost being determined on the weighted-average cost basis. Every year, the inventories are subject to impairment tests, based on market data and their likely use within the framework of Group's activities.

(m) Advances Paid to Suppliers

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

(n) Trade Receivables

Trade receivables are measured at their nominal value. A provision for doubtful accounts is recorded when receivables are highly expected to be uncollectible. Trade receivables only relate to delivered contracts, ongoing contract assets being disclosed in the "Construction Contracts – Amounts in Assets".

(o) Cash and Cash Equivalents

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

(p) Treasury Shares

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

(q) Stock Options and Free Shares Allocation

In accordance with IFRS 2, stock options and free shares allocation correspond to services granted to holders and represent an additional benefit given by the Group. This supplementary benefit is recognized as follows: the fair value of the granted stock options corresponding to the services rendered by the employees against the options received – is estimated at the grant date and recorded under the equity line item.

The fair value of the stock options is evaluated as per the Cox Ross Rubinstein binomial model. That model takes into account the features of the stock option plan (net price, period of exercise), the market data at the grant date (risk-free rate, volatility, share price) and behavioral assumptions on stock options' holders.

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

(r) Provisions

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

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

CURRENT PROVISIONS

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

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

NON-CURRENT PROVISIONS

Employee benefits: The Group is committed in various long-term employee benefit plans. Those obligations will be settled either at the employee departure dates or later on. The main defined benefit plans can be, depending on the affiliates:

- End-of-career indemnities, which are to be paid at retirement date;
- Deferred wages indemnities, which are to be paid when employees leave the company;
- Retirement indemnities, which are to be paid as annuities.

In accordance with IAS 19, independent actuaries using the projected unit credit method determine charges related to those defined benefit plans. The actuarial assumptions used to determine the obligations may vary depending on the country. The actuarial estimation is based on usual parameters such as future wage and salary increases, life expectancy, turnover of staff, inflation rate and rate of return on investment.
The defined benefit asset or liability comprises the present value of the defined benefit obligation less past services cost not yet recognized and less the fair value of plan assets out of which the obligations are to be settled directly. The cost of providing benefits under the defined benefit plans is determined using the projected unit credit actuarial valuation method. Present value of the defined benefit obligation is determined using present value of future cash disbursements based on interest rates of convertible bonds, in the currency used for benefit payment, and whose life is equal to average expected life of defined benefit plan. Actuarial gains and losses are recognized as income or expenses when the net cumulative unrecognized actuarial gains and losses for each individual plan at the end of the previous reporting period exceeded 10% of the higher of the defined benefit obligation and the fair value of plan assets at that date. These gains and losses are recognized over the expected average remaining working lives of the employees participating in the plans.
IAS 19 amendment opens the possibility to record actuarial gains and losses directly in Equity from January 1, 2006. This option has not been retained by the Group.

(s) Deferred Income Tax

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

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

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

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

- Taxable results forecasts;
- Analysis of the past taxable results;
- Existence of significant and non-recurrent income and expenses, included in the past tax results, which should not repeat in the future.

Deferred income tax liabilities are recognized for all taxable temporary differences, except particular circumstances that may justify the non-recognition of this potential debt.

When a fiscal integration mechanism is in place in a given country, the deferred tax calculation takes into account the individual tax situation of each subsidiary located in that country as well as the global situation of all subsidiaries of that country.
Assets and liabilities are not discounted.

(t) Financial Debts (Current and Non-Current)

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

As of December 31, 2005 this line item comprises the debt component of the OCEANE convertible bond. This OCEANE consists in a compound financial instrument, which breaks down into a separate debt component and an equity component representing the bondholder's option of conversion into a fixed number of Technip shares. The conversion may occur at maturity or at any moment, if certain conditions, especially on share price, are met. The debt component is measured at the amortized cost (amortization of the difference with the redemption amount at maturity as per the effective interest rate method).

As per IAS 32, the part accounted for in equity corresponds to the difference between the fair value of the debt (without option of conversion) that the Group would have initially issued on the market, and the debt measured at its price of issue (split accounting).

The initial value allocated to the option of conversion does not change during the loan lifetime, excepting in case of early redemption.

(u) Assets and Liabilities Held for Sale

The Group considers every non-current asset as an asset held for sale if it is very likely that its book value will be recovered by a sale transaction rather than its continuous use. These assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Note 2 – Scope of Consolidation

(a) Changes in Scope of Consolidation

YEAR ENDED DECEMBER 31, 2007

On February 2, 2007, Technip sold two entities located in the United States and in the United Kingdom which manufacture subsea ROV (Remotely Operated Vehicles) and other subsea equipments. Their assets and liabilities had been classified as held for sale in the 2006 balance sheet.

In January 2007 investment in Nargan was sold. As of December 31, 2006 Nargan was consolidated using the equity method and was classified as assets held for sale.

Companies which entered the consolidation perimeter in 2007 do not have a significant activity.

YEAR ENDED DECEMBER 31, 2006

In 2006, Gulf Marine Fabricators' assets were sold and the gain on the disposal amounted to €M 20.3.

In March 2006, the two American holding companies merged in order to group all our American activities within a sole entity.

Similarly, at the end of 2006, two Brazilian holding companies merged to gather all our Brazilian activities within a sole entity.

YEAR ENDED DECEMBER 31, 2005

In 2005, no significant change in scope of consolidation occurred. Only three entities entered the consolidation scope, Technip South Africa (subsidiary controlled at 51%), Technip Marine Sdn. Bhd (subsidiary controlled at 90%) and Technipetrol Hellas (subsidiary controlled at 99%).

2005 was also characterized by the closure of pharmaceutical activities in U.S.A. through the liquidation in progress of Technip BioPharm at the end of July 2005, the disposal of Technip Engineering Brunei on September 30, 2005 and the sale of Technip Portugal to its management at the end of December 2005, without any significant impact on net income from continuing operations.

Over the year 2005, new legal entities were created to support contracts in joint ventures: CTEP in Qatar, Yemgas FZCO in Yemen, HT JV (Koniambo) in New Caledonia and TPVI (Hovensa) in the U.S. Virgin Islands.

(b) Scope of Consolidation as of December 31, 2007

Fully Consolidated Companies	Country	December 31, 2007 % Control
Technip	France	Consolidating Entity
Technip France	France	100%
Technip Eurocash	France	100%
Technip TPS	France	100%
T.T.I.L.	France	100%
Citex	France	100%
Eurobatch	France	100%
SNPE Ingénierie Défense	France	100%
Seal Engineering	France	100%
Cofri	France	100%
Clecel	France	100%
SCI CB3 Défense	France	100%
Technipnet	France	100%
Technip Nouvelle-Calédonie	France	100%
Technip Offshore International	France	100%
Flexi France	France	100%
Middle East Projects International	France	100%
Technip Marine	France	100%
Angoflex	France	100%
Coflexip Développement	France	100%
Consorcio Intep	France	90%
Setudi	France	100%
Technip Angola	Angola	60%
Angoflex Ltda	Angola	70%
Technip Oceania (Pty) Ltd.	Australia	100%
Technip CSO Australia (Pty) Ltd.	Australia	100%
Technip CSO Oil & Gas (Pty) Ltd.	Australia	100%
Genesis Oil & Gas Consultants (Pty) Ltd.	Australia	100%
Technip Maritime Overseas	Bahamas	100%
Technip Benelux NV	Belgium	100%
Technip Capital	Belgium	100%
ABAY Engineering	Belgium	100%
Technip Brasil Engenharia S/A	Brazil	100%
Flexibras Tubos Flexiveis	Brazil	100%
Technip Maritime Do Brazil	Brazil	100%
Brasflex Overseas	British Virgin Island	100%
Technip Canada	Canada	100%
Sea Oil Marine Services	Cayman Islands, British West-Indies	100%
CSO Oil & Gas Technology (West Africa)	Channel Islands	100%
Technip Engineering Consultant (Shanghai)	China	100%
Technip Tianchen Engineering	China	60%
Technip Offshore Finland OY	Finland	100%
Technip Germany	Germany	100%
Technip Seiffert	Germany	100%
M. Seiffert Industrieanlagen	Germany	100%
Technipetrol Hellas SA	Greece	99%
Technip KT India	India	100%
SEAMEC Limited	India	78.20%
PT Technip Indonesia	Indonesia	90%
Technip Italy	Italy	100%
TPL	Italy	100%
Consorzio Jantech	Italy	99%
Stena Offshore (Jersey)	Jersey	100%
Technip Far East	Malaysia	100%
Technip Geoproduction (M)	Malaysia	44.10%

Fully Consolidated Companies	Country	December 31, 2007 % Control
Asiaflex Products	Malaysia	100%
Coflexip Stena Offshore (Mauritius)	Mauritius	100%
Technip Servicios de Mexico S.C.	Mexico	100%
Flex service N.V.	Netherland Antilles	100%
Sunflex Offshore N.V.	Netherland Antilles	100%
Technip Benelux BV	Netherlands	100%
Technip Holding Benelux BV	Netherlands	100%
Technipnet BV	Netherlands	100%
Technip Oil & Gas BV	Netherlands	100%
Technip Offshore NV	Netherlands	100%
Technip Offshore Contracting BV	Netherlands	100%
Technip Offshore (Nigeria)	Nigeria	100%
Neptune Maritime Nigeria	Nigeria	66.91%
Technip Norge AS	Norway	100%
Technip Coflexip Norge AS	Norway	100%
Coflexip Stena Offshore AS	Norway	100%
Technip Overseas	Panama	100%
Technip Polska	Poland	100%
Technip CIS	Russia	70%
Technip Saudi Arabia	Saudi Arabia	40%
TPL Arabia	Saudi Arabia	90%
Technip Singapore	Singapore	100%
Coflexip Singapore Pte Ltd.	Singapore	100%
TP-NPV Singapore	Singapore	100%
Technip Iberia	Spain	100%
Technip International AG	Switzerland	100%
Engineering Re	Switzerland	100%
Technip Upstream Management	U.S.A.	100%
Technip USA	U.S.A.	100%
Technip BioPharm	U.S.A.	100%
Technip USA Holdings	U.S.A.	100%
RJ Brown Deepwater	U.S.A.	100%
DUCO Inc.	U.S.A.	100%
Coflexip Maritime	U.S.A.	100%
Technip Offshore Moorings	U.S.A.	100%
Genesis Oil & Gas Consultants Inc.	U.S.A.	100%
Aransas Partners	U.S.A.	100%
Gulf Deepwater Yards	U.S.A.	100%
Deepwater Technologies	U.S.A.	75%
Technip Middle East	United Arab Emirates	100%
TPG (UK)	United Kingdom	100%
Technip Offshore Holdings	United Kingdom	100%
Technip UK	United Kingdom	100%
Technip Ships One	United Kingdom	100%
Technip Ships Three	United Kingdom	100%
Technip Coflexip UK Holdings	United Kingdom	100%
Coflexip UK	United Kingdom	100%
DUCO Ltd.	United Kingdom	100%
Genesis Oil & Gas Consultants Ltd.	United Kingdom	100%
Spoolbase UK	United Kingdom	100%
Genesis Oil & Gas Ltd.	United Kingdom	100%
Technip Maritime U.K.	United Kingdom	100%
Technip Offshore Manning Service	United Kingdom	100%
Subsea Integrity Group	United Kingdom	100%
Technip Bolivar	Venezuela	100%
TPVI	Virgin Island, U.S.A.	100%

Consolidated Companies under Proportionate Method	Country	December 31, 2007 % Control
Floater Angola	France	55%
Saibos Akogep	France	30%
Yemen Project Coordination Services	France	33.33%
TS USAN	France	50%
TSLNG	France	50%
TSS Dalia	France	55%
SPF-TKP Omifpro / SP-TKP Fertilizer	France / Italy	50%
Consorcio Contrina	France / Venezuela	34.40%
Technip Subsea 7 Asia Pacific (Pty) Ltd.	Australia	55%
FSTP Brasil Ltda.	Brazil	25%
Tipiel	Colombia	44.10%
ProTek Germany	Germany	50%
Technip India	India	50%
Consorzio Overseas Bechtel / Technip Italy	Italy	50%
Technip Subsea 7 Asia Pacific BV	Netherlands	55%
Nigetecsa Free Zone Enterprise	Nigeria	50%
Crestech Engineering	Nigeria	39%
Doftech DA	Norway	50%
TSKJ Servicos de Engenharia Lda. / TSKJ II / LNG Servicos e Gestao de projectos Lda. / Bonny Project Management Co. / TSKJ - US LLC / TSKJ Italia / TSKJ Nigeria Portugal / United Kingdom / U.S.A. / Italy / Nigeria		25%
FSTP Pte Ltd.	Singapore	25%
Technip Subsea 7 Asia Pacific Singapore Pte Ltd.	Singapore	55%
Technip South Africa (Pty) Ltd.	South Africa	51%
Bechtel Technip Goro LLC	U.S.A.	50%
Technip Zachry Saipem LNG LP	U.S.A.	43%
Deep Oil Technology	U.S.A.	50%
Spars International	U.S.A.	50%
C.T.M.E. FZCO	United Arab Emirates	50%
Yemgas FZCO	United Arab Emirates	33.33%
CTEP FZCO	United Arab Emirates	40%
Technip Subsea 7 Asia Pacific UK Ltd.	United Kingdom	55%

Consolidated Companies under Proportionate Method	Country	December 31, 2007 % Control
Technip KTI	Italy	25%

All consolidated companies close their books on December 31 except Technip KT India, Technip India and Technip South Africa. Technip KT India and Technip India close their books on March 31, and Technip South Africa closes its books on June 30. However they perform an interim closing of books on December 31 on which external auditors perform a limited review.

Note 3 – Segment Information

(a) Information by Business Segment

The primary segment-reporting format of the Technip Group is determined to be by business segment. Secondary information is reported geographically.

The business segments consist in a separate component of an entity which produces or provides goods or a line of services linked to different risks or different profitability.
In order to improve the presentation of its operating performances, the Group organized the reporting of its operations into five segments:

- The SURF segment (Subsea Umbilicals, Risers and Flowlines), which includes the manufacturing, the supply and the installation of sub-marine equipments.

- The Facilities segment, which includes the fabrication of floaters, fixed platforms and topsides.

- The Onshore Downstream segment, which comprises all business units in charge of engineering and construction of petrochemical and refining units as well as upstream facilities, including gas treatment units, LNG facilities and onshore pipelines.

- The Industries segment, which is devoted to engineering and construction of non-oil and gas related facilities, such as pharmaceutical or chemical units, metal and mining facilities, and industrial buildings.

- The Corporate segment, which comprises the Holding activities, the reinvoicing of Group services, management fees, EDP services and reinsurance activities.

The segment result disclosed by Technip in its business segment information is the "Operating Income / (Loss) from Recurring Activities" and the "Operating Income / (Loss)".

Consequently, the segment result does not include financial income and expenses (except financial result on contracts), income tax expense and the share of income / (loss) of associates accounted for using the equity method. Segment assets do not include asset items related to the latter, such as income tax assets. Similarly, segment liabilities do not include liability items that are not connected to segment result, such as current and deferred income tax liabilities.

In millions of Euro	SURF	Facilities	Onshore Downstream	Industries	2007 Corporate (1)	Not Allocable	Total Continuing Operations	Discontinued Operations	Total
Revenues	2,478.2	738.8	4,436.7	232.8	-	-	7,886.5	-	7,886.5
Gross Margin	558.8	95.6	(44.5)	36.3	(4.8)	-	641.4	-	641.4
Operating Income / (Loss) from Recurring Activities	**390.9**	**35.2**	**(172.5)**	**15.2**	**(21.8)**	**-**	**247.0**	**-**	**247.0**
Income from Sales of Activities	17.0	2.9	-	-	-	-	19.9	-	19.9
Operating Income / (Loss)	**407.9**	**38.1**	**(172.5)**	**15.2**	**(21.8)**	**-**	**266.9**	**-**	**266.9**
Financial Income / (Expenses)	-	-	-	-	-	(64.6)	(64.6)	-	(64.6)
Share of Income / (Loss) of Associates Accounted for Using the Equity Method	-	-	2.8	-	-	-	2.8	-	2.8
Income Tax Expense	-	-	-	-	-	(77.1)	(77.1)	-	(77.1)
Discontinued Operations	-	-	-	-	-	-	-	-	-
Net Income / (Loss) for the Year	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**128.0**	**-**	**128.0**
Segment Assets	3,635.0	836.7	2,660.0	120.9	115.3	-	7,367.9		7,367.9
Investments in Associates Accounted for Using the Equity Method	-	-	4.9	-	-	-	4.9	-	4.9
Unallocated Assets	-	-	-	-	-	726.5	726.5	-	726.5
Total Assets	**3,635.0**	**836.7**	**2,664.9**	**120.9**	**115.3**	**726.5**	**8,099.3**	**-**	**8,099.3**
Segment Liabilities (2)	1,398.1	343.4	2,946.3	118.0	812.4	-	5,618.2	-	5,618.2
Unallocated Liabilities	-	-	-	-	-	2,481.1	2,481.1	-	2,481.1
Total Liabilities	**1,398.1**	**343.4**	**2,946.3**	**118.0**	**812.4**	**2,481.1**	**8,099.3**	**-**	**8,099.3**
Other Segment Information									
Backlog (3)	3,477.1	550.9	5,136.8	224.7	-	-	9,389.5	-	9,389.5
Capital Expenditure:									
Property, Plant and Equipment	222.7	7.7	19.1	0.8	-	-	250.3	-	250.3
Intangible Assets	3.3	2.0	5.8	0.4	-	-	11.5	-	11.5
Depreciation of Property, Plant and Equipment	(137.0)	-	(12.8)	(0.5)	(1.8)	-	(152.1)	-	(152.1)
Amortization of Intangible Assets	-	(8.5)	(0.4)	(0.9)	(1.0)	-	(10.8)	-	(10.8)
Impairment of Goodwill	-	-	-	-	-	-	-	-	-
Impairment of Intangible Assets	-	-	-	-	-	-	-	-	-
Reversals of Impairment Losses	-	-	-	-	-	-	-	-	-
Restructuring Costs	(0.7)	-	-	-	-	-	(0.7)	-	(0.7)
Non-Cash Expenses: Stock Options and Free Shares Charge	-	-	-	-	(9,9)	-	(9.9)	-	(9.9)
Non-Current Provisions (including Employee Benefits)	(3.3)	(0.8)	(10.3)	(0.4)	(0.3)	-	(15.1)	-	(15.1)
Fair Value Gains / (Losses) on Derivatives through Profit and Loss	1.3	-	1.6	-	-	-	2.9	-	2.9

(1) Reinvoicing performed by the Corporate segment regarding Group services provided to other segments are not presented in the section “Segment information”, as they are not related to the activity of Technip.

(2) The segment liabilities of the Corporate segment include financial debts such as bond loan and other borrowings.

(3) The backlog is defined as the difference between the total contractual sale prices of all contracts in force and the cumulated revenues recognized at that date on these contracts.

In millions of Euro	SURF	Facilities	Onshore Downstream	Industries	2006 Corporate (1)	Not Allocable	Total Continuing Operations	Discontinued Operations	Total
Revenues	2,209.2	1,195.5	3,317.8	204.0	-	-	6,926.5	-	6,926.5
Gross Margin	373.5	133.1	189.1	28.7	-	-	724.4	-	724.4
Operating Income / (Loss) from Recurring Activities	**213.5**	**62.3**	**68.4**	**11.3**	**(22.3)**	**-**	**333.2**	**-**	**333.2**
Income from Sales of Activities	-	21.5	5.4	-	-	-	26.9	-	26.9
Operating Income / (Loss)	**213.5**	**83.8**	**73.8**	**11.3**	**(22.3)**	**-**	**360.1**	**-**	**360.1**
Financial Income / (Expenses)	-	-	-	-	-	(61.5)	(61.5)	-	(61.5)
Share of Income / (Loss) of Associates Accounted for Using the Equity Method	-	-	(2.6)	-	-	-	(2.6)	-	(2.6)
Income Tax Expense	-	-	-	-	-	(94.1)	(94.1)	-	(94.1)
Discontinued Operations	-	-	-	-	-	-	-	-	-
Net Income / (Loss) for the Year	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**201.9**	**-**	**201.9**
Segment Assets	3,650.3	929.1	2,488.6	126.2	161.0	-	7,755.2	-	7,755.2
Investments in Associates Accounted for Using the Equity Method	-	-	2.3	-	-	-	2.3	-	2.3
Unallocated Assets	-	-	-	-	-	305.9	305.9	-	305.9
Total Assets	**3,650.3**	**929.1**	**2,490.9**	**126.2**	**561.0**	**305.9**	**8,063.4**	**-**	**8,063.4**
Segment Liabilities (2)	1,184.1	485.7	2,751.6	138.0	903.9	-	5,463.3	-	5,463.3
Unallocated Liabilities	-	-	-	-	-	2,600.1	2,600.1	-	2,600.1
Total Liabilities	**1,184.1**	**485.7**	**2,751.6**	**138.0**	**903.9**	**2,600.1**	**8,063.4**	**-**	**8,063.4**
Other Segment Information									
Backlog (3)	2,718.9	741.6	6,650.4	161.9	-	-	10,272.8	-	10,272.8
Capital Expenditure:									
Property, Plant and Equipment	127.5	9.7	13.4	0.6	-	-	151.2	-	151.2
Intangible Assets	1.3	1.7	2.2	0.3	0.5	-	6.0	-	6.0
Depreciation of Property, Plant and Equipment	(125.5)	(6.4)	(9.6)	(1.0)	(2.0)	-	(144.5)	-	(144.5)
Amortization of Intangible Assets	(6.8)	(2.9)	(0.7)	-	(4.9)	-	(15.3)	-	(15.3)
Impairment of Goodwill	-	-	-	-	-	-	-	-	-
Impairment of Intangible Assets	-	-	-	-	-	-	-	-	-
Reversals of Impairment Losses	-	-	-	-	-	-	-	-	-
Restructuring Costs	-	-	(1.8)	-	-	-	(1.8)	-	(1.8)
Non-Cash Expenses:									
Amortization of Convertible Bond Redemption Premium	-	-	-	-	-	-	-	-	-
Charge related to Convertible Bond Split Accounting	-	-	-	-	(8.1)	-	(8.1)	-	(8.1)
Stock Option Charge	-	-	-	-	(2.5)	-	(2.5)	-	(2.5)
Non-Current Provisions (including Employee Benefits)	(2.2)	(6.6)	(16.6)	(0.1)	(1.4)	-	(26.9)	-	(26.9)
Fair Value (Gains) / Losses on Derivatives through Profit and Loss	(1.4)	0.3	2.0	-	-	-	0.9	-	0.9

(1) Reinvoicing performed by the Corporate segment regarding Group services provided to other segments are not presented in the section "Segment information", as they are not related to the activity of Technip.

(2) The segment liabilities of the Corporate segment include financial debts such as bond loan and other borrowings.

(3) The backlog is defined as the difference between the total contractual sale prices of all contracts in force and the cumulated revenues recognized at that date on these contracts.

In millions of Euro	SURF	Facilities	Onshore Downstream	Industries	2005 Corporate (1)	Not Allocable	Total Continuing Operations	Discontinued Operations	Total
Revenues	1,797.6	1,013.4	2,318.2	246.9	-	-	5,376.1	-	5,376.1
Gross Margin	243.7	91.3	195.1	28.0	-	-	558.1	-	558.1
Operating Income / (Loss) from Recurring Activities	**118.8**	**27.1**	**88.3**	**6.0**	**(9.2)**	**-**	**231.0**	**-**	**231.0**
Income from Sales of Activities	-	-	-	-	-	-	-	-	-
Operating Income / (Loss)	**118.8**	**27.1**	**88.3**	**6.0**	**(9.2)**	**-**	**231.0**	**-**	**231.0**
Financial Income / (Expenses)	-	-	-	-	-	(88.8)	(88.8)	-	(88.8)
Share of Income / (Loss) of Associates Accounted for Using the Equity Method	-	-	1.3	-	-	-	1.3	-	1.3
Income Tax Expense	-	-	-	-	-	(43.5)	(43.5)	-	(43.5)
Discontinued Operations	-	-	-	-	-	-	-	(5.0)	(5.0)
Net Income / (Loss) for the Year	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**100.0**	**(5.0)**	**95.0**
Segment Assets	3,427.5	1,112.2	2,091.3	216.2	158.4	-	7,005.6	-	7,005.6
Investments in Associates Accounted for Using the Equity Method	-	-	9.7	-	-	-	9.7	-	9.7
Unallocated Assets	-	-	-	-	-	281.7	281.7	-	281.7
Total Assets	**3,427.5**	**1,112.2**	**2,101.0**	**216.2**	**158.4**	**281.7**	**7,297.0**	**-**	**7,297.0**
Segment Liabilities (2)	936.0	239.9	404.2	1,914.3	1,708.8	-	5,203.2	-	5,203.2
Unallocated Liabilities	-	-	-	-	-	2,093.8	2,093.8	-	2,093.8
Total Liabilities	**936.0**	**239.9**	**404.2**	**1,914.3**	**1,708.8**	**2,093.8**	**7,297.0**	**-**	**7,297.0**
Other Segment Information									
Backlog (3)	2,687.9	1,206.7	7,126.9	148.0	-	-	11,169.5	-	11,169.5
Capital Expenditure:									
Property, Plant and Equipment	138.6	10.8	16.7	1.3	-	-	167.4	-	167.4
Intangible Assets	0.1	1.0	1.1	0.1	0.8	-	3.1	-	3.1
Depreciation of Property, Plant and Equipment	(101.7)	(11.4)	(9.0)	(2.0)	(2.1)	-	(126.2)	-	(126.2)
Amortization of Intangible Assets	(6.0)	(3.5)	(2.2	(0.4)	(5.0)	-	(17.1)	-	(17.1)
Impairment of Goodwill	-	-	-	-	-	-	-	-	-
Impairment of Intangible Assets	-	-	-	-	-	-	-	-	-
Reversals of Impairment Losses	-	-	-	-	-	-	-	-	-
Restructuring Costs	-	-	(0.9)	-	-	-	(0.9)	-	(0.9)
Non-Cash Expenses:									
Amortization of Convertible Bond Redemption Premium	-	-	-	-	-	(13.3)	(13.3)	-	(13.3)
Charge related to Convertible Bond Split Accounting	-	-	-	-	-	(16.6)	(16.6)	-	(16.6)
Stock Option Charge	-	-	-	-	(5.4)	-	(5.4)	-	(5.4)
Non-Current Provisions (including Employee Benefits)	(6.2)	(0.8)	(8.9)	(1.5)	(2.1)	-	(19.5)	-	(19.5)
Fair Value (Gains) / Losses on Derivatives through Profit and Loss	4.8	0.1	(1.7)	-	-	-	3.2	-	3.2

(1) Reinvoicing performed by the Corporate segment regarding Group services provided to other segments are not presented in the section "Segment information", as they are not related to the activity of Technip.

(2) The segment liabilities of the Corporate segment include financial debts such as convertible bonds OCEANE, bond loan and other borrowings.

(3) The backlog is defined as the difference between the total contractual sale prices of all contracts in force and the cumulated revenues recognized at that date on these contracts.

(b) Information by Geographical Segment

From a geographical standpoint, operating activities and performances of Technip are reported on the basis of five regions:

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

The segment result disclosed by Technip in its geographical segment information is the "Operating Income / (Loss) from Recurring Activities" and the "Operating Income / (Loss)".

Consequently, the segment result does not include financial income and expenses (except financial result on contracts), income tax expense and the share of income / (loss) of associates accounted for using the equity method. Segment assets do not include asset items related to the latter, such as income tax assets.

Geographical areas were defined according to the following criteria: specific risks associated with activities performed in a given area, similarity of economic and political framework, regulation of exchange control, and underlying monetary risks.

The split per geographical area is based on the contract delivery within the specific country.

In millions of Euro	2007						
	Europe, Russia, Central Asia (1)	Africa	Middle-East (2)	Asia-Pacific	Americas	Not Allocable	Total
Revenues	1,218.8	954.8	3,246.6	1,032.2	1,434.1	-	7,886.5
Operating Income / (Loss) from Recurring Activities	160.2	196.7	(134.0)	40.9	5.0	(21.8)	247.0
Operating Income / (Loss)	166.8	196.7	(134.0)	40.9	18.3	(21.8)	266.9
Segment Assets (3)	805.3	166.1	594.9	275.5	780.3	3,070.8	5,692.9
Investments in Associates Accounted for Using the Equity Method	4.9	-	-	-	-	-	4.9
Unallocated Assets (4)	-	-	-	-	-	2,401.5	2,401.5
Total Assets	**810.2**	**166.1**	**594.9**	**275.5**	**780.3**	**5,472.3**	**8,099.3**
Other Segment Information							
Backlog (5)	1,691.8	1,623.3	3,198.0	944.0	1,932.4	-	9,389.5
Capital Expenditures:							
Property, Plant and Equipment	45.0	1.5	4.7	4.0	27.0	168.1	250.3
Intangible Assets	10.7	-	0.1	0.6	0.1	-	11.5

(1) Of which revenues performed in France: €M 161.5.

(2) Of which revenues performed in Qatar: €M 1,818.0.

(3) The segment assets which are not allocable correspond to goodwill for €M 2,357.4 and to vessels for €M 354.1 that are meant to operate in different geographical regions and therefore cannot be allocated to a specific region.

(4) Unallocated assets mainly include cash and cash equivalents which are managed centrally.

(5) The backlog is defined as the difference between the total contractual sale prices of all contracts in force and the cumulated revenues recognized at that date on these contracts.

In millions of Euro	2006						
	Europe, Russia, Central Asia (1)	Africa	Middle-East (2)	Asia-Pacific	Americas	Not Allocable	Total
Revenues	1,399.2	1,254.4	2,070.7	806.7	1,395.5	-	6,926.5
Operating Income / (Loss) from Recurring Activities	168.1	60.3	125.0	(80.9)	83.1	(22.3)	333.2
Operating Income / (Loss)	173.4	60.3	125.0	(80.9)	104.6	(22.3)	360.1
Segment Assets (3)	873.6	375.1	653.1	316.6	488.8	2,951.1	5,658.3
Investments in Associates Accounted for Using the Equity Method	2.3	-	-	-	-	-	2.3
Unallocated Assets (4)	-	-	-	-	-	2,402.8	2,402.8
Total Assets	**875.9**	**375.1**	**653.1**	**316.6**	**488.8**	**5,353.9**	**8,063.4**
Other Segment Information							
Backlog (5)	932.9	1,338.4	4,940.1	1,192.8	1,868.5	-	10,272.7
Capital Expenditures:							
Property, Plant and Equipment	37.8	1.4	4.3	2.8	28.4	76.5	151.2
Intangible Assets	5.4	-	-	0.4	0.2	-	6.0

(1) Of which revenues performed in France: €M 194.4.

(2) Of which revenues performed in Qatar: €M 1,222.2.

(3) The segment assets which are not allocable correspond to goodwill for €M 2,359.9 and to vessels for €M 376.1 that are meant to operate in different geographical regions and therefore cannot be allocated to a specific region.

(4) Unallocated assets mainly include cash and cash equivalents which are managed centrally.

(5) The backlog is defined as the difference between the total contractual sale prices of all contracts in force and the cumulated revenues recognized at that date on these contracts.

In millions of Euro	Europe, Russia, Central Asia (1)	Africa	2005 Middle-East (2)	Asia-Pacific	Americas	Not Allocable	Total
Revenues	1,382.9	1,258.4	1,108.1	583.4	1,043.3	-	5,376.1
Operating Income / (Loss) from Recurring Activities	171.4	(42.5)	50.5	27.2	33.6	(9.2)	231.0
Operating Income / (Loss)	171.4	(42.5)	50.5	27.2	33.6	(9.2)	231.0
Segment Assets (3)	601.0	168.5	493.1	210.5	582.3	2,864.2	4,919.6
Investments in Associates Accounted for Using the Equity Method	1.4	-	8.3	-	-	-	9.7
Unallocated Assets (4)	-	-	-	-	-	2,367.7	2,367.7
Total Assets	**602.4**	**168.5**	**501.4**	**210.5**	**582.3**	**5,231.9**	**7,297.0**
Other Segment Information							
Backlog (5)	961.3	2,007.9	5,099.4	1,014.2	2,086.7	-	11,169.5
Capital Expenditures:							
Property, Plant and Equipment	39.7	49.6	6.0	4.2	12.7	55.2	167.4
Intangible Assets	0.6	-	0.4	0.1	0.6	1.4	3.1

(1) Of which revenues performed in France: €M 256.7.

(2) Of which revenues performed in Qatar: €M 392.8.

(3) The segment assets which are not allocable correspond to goodwill for €M 2,376.9 and to vessels for €M 386.7 that are meant to operate in different geographical regions and therefore cannot be allocated to a specific region.

(4) Unallocated assets mainly include cash and cash equivalents which are managed centrally.

(5) The backlog is defined as the difference between the total contractual sale prices of all contracts in force and the cumulated revenues recognized at that date on these contracts.

Note 4 – Operating Income / (Loss)

The breakdown of the different items of "Operating Income / (Loss)" per nature can be analyzed as follows:

(a) Revenues

Revenues are broken down as follows:

In millions of Euro	2007	2006	2005
Rendering of services (1)	7,825.2	6,733.7	5,277.7
Sales of goods	61.4	192.8	98.4
Revenues	**7,886.6**	**6,926.5**	**5,376.1**

(1) Financial income and expenses arising from ongoing contracts are included in revenues. They amounted to €M 90.9 in 2007, €M 78.7 in 2006 and €M 31.4 in 2005. The reported increase during the period results from significant contracts awarded to the Group in 2005.

In 2007, two customers represent respectively 12.2% and 11.9% of the Group's turnover. In 2006, two customers represented respectively 14.0% and 11.4% of the Group's turnover. None of the other customers represented individually more than 10% of the Group's turnover. In 2005, one customer represented more than 10% of the Group's turnover. None other customer represented individually more than 10% of the total of the Group's turnover.

(b) Cost of Sales by Nature

The cost of sales comprises the following items:

In millions of Euro	2007	2006	2005
Employee Benefit Expenses	(885.4)	(789.3)	(666.4)
Operating Leases	(58.9)	(69.4)	(59.6)
Amortization of Intangible Assets	(10.8)	(7.9)	(7.3)
Amortization of Tangible Assets	(138.2)	(135.1)	(108.2)
Change in Inventories	39.3	33.4	(13.8)
Purchases, External Charges and Other Expenses	(6,191.1)	(5,233.8)	(3,962.7)
Total Cost of Sales	**(7,245.1)**	**(6,202.1)**	**(4,818.0)**

(c) Research and Development Expenses

Research and development expenses amounted to €M 42.0 in 2007, compared to €M 34.9 in 2006 and €M 29.4 in 2005. As the projects did not meet the requirements for capitalization, no development costs were capitalized during the period.

(d) Administrative Costs by Nature

Administrative costs by nature can be analyzed as follows:

In millions of Euro	2007	2006	2005
Employee Benefit Expenses(1)	(98.6)	(79.5)	(81.7)
Operating Leases	(33.8)	(7.3)	-
Amortization of Tangible Assets	(13.9)	(7.8)	(11.2)
Purchases, External Charges and Other Expenses	(105.2)	(175.2)	(131.3)
Total Administrative Costs	**(251.5)**	**(269.8)**	**(224.2)**

(1) Including charges for stock options and allocation of free shares: €M 9.9 in 2007 compared to €M 2.5 in 2006 and €M 5.4 in 2005.

(e) Other Operating Income

Since 2007, gains or losses on disposal are disclosed separately, but still included in operating income (see Note 1-C-(e) Operating Income from Recurring Activities and Operating Income). Other operating income and expenses from 2006 and 2005 have been restated in order to take into account this new aggregate.

Other operating income breaks down as follows:

In millions of Euro	2007	2006	2005
Proceeds from Sales of Assets	0.8	0.1	22.0
Reinsurance Income	14.5	5.7	6.4
Reversal of Financial Assets Provisions	-	0.9	-
Reversal of Provision for Litigations	-	0.5	-
Others	4.3	1.2	4.2
Other Operating Income	**19.6**	**8.4**	**32.6**

(f) Other Operating Expenses

In millions of Euro	2007	2006	2005
Net Book Value of Disposed Assets	(1.7)	(1.0)	(9.6)
Restructuring Costs (1)	(2.6)	(1.8)	(0.9)
Reinsurance Costs	(13.7)	(6.1)	(5.8)
Others	(2.3)	(1.4)	(5.8)
Other Operating Expenses	**(20.3)**	**(10.3)**	**(22.1)**

(1) Corresponds in 2007 to the restructuring costs of a subsidiary in Finland.

(g) Income from Activity Disposal

In 2007 income from activity disposal was mainly due to the sale of Perry Slingsby Systems Inc. and Perry Slingsby Systems Ltd. (see Note 2-(a) Changes in Scope of Consolidation) generating a net income of €M 17.0 (net book value of €M 45.1 and disposal price of €M 62.1) and the sale of minority ownership in GIFI (Gulf Island Fabricators Inc.), a company located in the United States, generating a net income of €M 2.9 (net book value of €M 16.4 and disposal price of €M 19.3).

In 2006 income from activity disposal was mainly due to the sale of Gulf Marine Fabricators assets generating a net income of €M 20.3 (net book value of €M 47.0 and disposal price of €M 67.3), and the sale of a building located in Lyon generating a net income €M 5.4 (net book value of €M 2.3 and disposal price of €M 7.7).

(h) Employee Benefit Expenses

Employee benefit expenses can be analyzed as follows:

In millions of Euro	2007	2006	2005
Wages and Salaries	827.5	752.0	705.2
Social Security Costs	154.5	147.0	143.6
Pension Costs - Defined Contribution Plans	22.1	14.7	6.4
Pension Costs - Defined Benefit Plans	8.7	13.6	12.4
Stock Options and Free Shares	9.9	2.7	5.4
Others	38.9	18.2	16.9
Employee Benefit Expenses	**1,061.6**	**948.2**	**889.9**

Employee benefits expenses are related only to own employees. Subcontractors are excluded.

Note 5 – Financial Income and Expenses

Net financial result breaks down as follows:

(a) Financial Income

In millions of Euro	2007	2006	2005
Interest Income from Treasury Management (1)	12.2	8.9	14.3
Dividends from Non-Consolidated Investments	0.4	0.5	-
Financial Income related to Employee Benefits	4.6	3.8	3.8
Changes in Derivative Fair Value (excluding Hedging) (2)	2.9	0.9	1.9
Others	-	0.6	-
Total Financial Income	**20.1**	**14.7**	**20.0**

(1) Mainly resulting from gains on disposals of marketable securities and interests income from short term security deposits.

(2) Arising from the application of IAS 32 and IAS 39 as of January 1, 2005, related to foreign exchange hedging financial instruments used by the Group.

(b) Financial Expenses

In millions of Euro	2007	2006	2005
Convertible Bonds : Financial Charges (1)	-	(10.0)	(38.0)
Convertible Bonds : Loss on Buy Out	-	-	(1.6)
Bond Interest Expense	(30.1)	(30.1)	(30.1)
Fees Related to Credit Facilities	(0.8)	(0.8)	(1.4)
Financial Expenses related to Employee Benefits	(8.3)	(7.4)	(9.2)
Interest Expenses on Bank Borrowings and Overdrafts	(11.4)	(9.1)	(12.4)
Net Foreign Currency Translation Losses	(21.4)	(6.4)	(9.5)
Inefficient Part of Hedging Instruments	(2.4)	(1.2)	(1.2)
Others	(10.3)	(11.2)	(5.4)
Total Financial Expenses	**(84.7)**	**(76.2)**	**(108.8)**
Net Financial Expenses	**(64.6)**	**(61.5)**	**(88.8)**

(1) Financial charges on convertible bonds OCEANE include for an amount of €M 8.3 in 2006 and €M 16.6 in 2005 of additional non-cash charges related to IAS 32 and IAS 39 as of January 1, 2005.

Note 6 – Income Tax

(a) Income Tax Expenses

The income tax expense can be analyzed as follows:

In millions of Euro	2007	2006	2005
Current Income Tax Credit / (Expense)	(150.8)	(109.2)	(31.0)
Deferred Tax Credit / (Expense)	85.3	26.0	(12.5)
Reduction of Goodwill related to Realized Income Tax Loss Carry Forwards (1)	(2.5)	(9.0)	-
Tax on Net Gains related to Investment Disposals	(9.1)	(1.9)	-
Tax Credit / (Expense) as reported in the Consolidated Income Statement	**(77.1)**	**(94.1)**	**(43.5)**
Deferred Income Tax related to Items Booked Directly to Opening Equity	(2.3)	24.0	(11.9)
Deferred Income Tax related to Items Booked to Equity during the Year	2.4	(26.3)	35.9
Other Equity Operations	-	-	-
Income Tax Expense as reported in the Consolidated Equity	**0.1**	**(2.3)**	**24.0**

(1) According to IFRS 3 and IAS 12, in a business combination, when losses carried forwards were not initially recognised in the opening balance sheet but utilised after, Technip books the resulting deferred tax income in P&L, reduces the carrying amount of goodwill (as an expense) to the amount that would have been recognized if the deferred tax asset had been recognized as an identifiable asset from the acquisition date. This reduction in goodwill is disclosed in a separate line item in the above table and in the cash flow statement.

(b) Income Tax Reconciliation

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

In millions of Euro	2007	2006	2005
Net Income from Continuing Operations	128.0	201.9	100.0
Income / (Loss) from Discontinued Operations	-	-	(5.0)
Reduction of Goodwill related to Realized Income Tax Loss Carry Forwards	2.5	9.0	-
Income Tax Credit / (Expense) on Continuing Operations	(77.1)	(94.1)	(43.5)
Income Before Tax	**202.6**	**287.0**	**138.5**
Adjustments on Income before Tax			
Share of Income / (Loss) of Associates Accounted for Using the Equity Method	(2.8)	2.6	(1.3)
Stock Option and Free Shares Expenses	10.1	2.7	5.6
Charge related to Reduction of Goodwill	5.0	(14.5)	-
Charge related to Convertible Bond Split Accounting	-	8.1	16.3
Adjusted Income before Tax	**214.9**	**285.9**	**159.1**
At Parent Company Statutory Income Tax Rate of 34,43% (2005: 34,93%)	(74.0)	(98.4)	(55.6)
Territoriality and Local Taxes	(4.1)	11.8	(2.3)
Other Non-Deductible Expenses	(2.0)	(1.2)	(3.0)
Allowance / Reversals of Taxes and Tax Losses	5.7	17.3	9.3
Dividends not Taxable in Parent Company	(0.4)	2.4	(1.5)
Share of General Fees on Dividends	(3.9)	(2.6)	(1.1)
Seamec (Tonnage Scheme)	1.5	2.5	1.1
Difference between Parent Company and Foreign Income Tax Rates	(2.5)	(5.0)	5.1
Tax Savings / (Expenses) due to Tax Integration	1.9	0.6	2.4
Convertible Bond Redemption Premium	-	(5.1)	(4.7)
Others	3.2	(7.4)	6.8
Effective Income Tax Credit / (Expense)	**(74.6)**	**(85.1)**	**(43.5)**
Effective Tax Rate	**36.82%**	**29.65%**	**31.41%**
Reduction of Goodwill related to Realized Income Tax Loss Carry Forwards	(2.5)	(9.0)	-
Income Tax Credit / (Expense) as reported in the Consolidated Income Statement	**(77.1)**	**(94.1)**	**(43.5)**

(c) Deferred Income Tax

Principles described in Note 1-C-(s) Deferred Income Tax result in the following:

	As of December 31,		
In millions of Euro	**2007**	**2006**	**2005**
Employee Benefits	26.8	24.5	22.2
Fair Value Adjustments on Financial Instruments	5.9	6.5	26.1
Deferred Gains and Losses on Foreign Exchange Contracts	-	2.1	1.5
Differences between Taxable and Accounting Depreciation	17.1	30.1	50.3
Margin Recognition on Construction Contracts	32.3	48.6	25.1
Capital Leases	6.7	5.7	8.1
Provisions / Expenses Temporarily Non Deductible	60.6	15.3	15.4
Changes in Tax Rates	-	-	0.4
Tax Losses Carried Forward (1)	84.8	33.3	7.7
Convertible Bond Redemption Premium	-	-	15.8
Others	4.1	16.1	8.4
Total Deferred Income Tax Assets	**238.3**	**182.2**	**181.0**
Fair Value Adjustments on Financial Instruments	11.2	12.8	1.6
Deferred Gains and Losses on Foreign Exchange Contracts	-	1.5	1.4
Differences between Taxable and Accounting Depreciation (2)	126.8	116.5	117.7
Margin Recognition on Construction Contracts	14.1	41.0	37.4
Capital Leases	-	1.1	1.4
Tax Accruals	5.5	6.6	4.1
Capitalized Acquisition Costs of Tangible and Intangible Assets	-	-	0.2
Differences from Changes in Functional Currency	1.0	2.4	3.3
Fair Value Adjustments on Acquisitions	17.7	21.1	25.9
Others	7.3	10.3	(1.6)
Total Deferred Income Tax Liabilities	**183.6**	**213.3**	**191.4**
Net Deferred Income Tax Assets / (Liabilities)	**54.7**	**(31.1)**	**(10.4)**

(1) Including a €M 7.7 and a €M 4.1 deferred tax assets related to tax loss carry-forwards recognised in 2007 respectively in Australia and in Finland (see Note 1-C-(s) Deferred Tax).
(2) Differences between taxable and accounting depreciation arise from vessel depreciation.

In order to disclose the detail of deferred tax assets and liabilities per nature of temporary differences, it has been necessary to split up deferred tax assets and liabilities by subsidiary (every subsidiary shows in its balance sheet a net amount of deferred tax liabilities/assets). The net deferred tax asset of €M 54.7 as of December 31, 2007 breaks down in a deferred tax asset of €M 183.4 and a deferred tax liability of €M 128.7, as recorded in the balance sheet. In 2006 the net deferred tax liability of €M 31.1 breaks down in a deferred tax asset of €M 111.3 and a deferred tax liability of €M 142.4. In 2005 the net deferred tax liability of €M 10.4 breaks down in a deferred tax asset of €M 90.0 and a deferred tax liability of €M 100.4.

(d) Tax Loss Carry-Forwards and Tax Credits

Tax loss carry-forwards not yet utilized amount to €M 202.3. They mainly come from an Australian entity (€M 106.1), from two German entities (€M 38.3) and from American subsidiaries (€M 37.0). A total amount of €M 61.8 of deferred income tax related to these tax loss carry-forwards has not been recorded as of December 31, 2007. Most of these tax loss carry-forwards are reportable over unlimited period of time.

Note 7 – Income / (Loss) from Discontinued Operations

In 2007 and 2006, no activity has been closed or sold.
As of December 31, 2005, the loss of €M 5.0 accounted for the discontinued operations stems from the decision of closing the company Technip BioPharm, subsidiary of the Group located in the United States.

The loss from discontinued operations can be analyzed as follows:

In millions of Euro	2007	2006	2005
Gains / (Losses) on Consolidated Investment Disposals	-	-	(5.0)
Income / (Loss) from Discontinued Operations	**-**	**-**	**(5.0)**

As per IAS 1, the result from operations sold or closed during the year has been disclosed under this category.

The breakdown of income / (loss) from discontinued operations can be analyzed as follows:

In millions of Euro	2007	2006	2005
Revenues	-	-	1.2
Cost of Sales	-	-	(5.3)
Gross Margin	**-**	**-**	**(4.1)**
Operating Income / (Loss) from Recurring Operations	-	-	(5.0)
Operating Income / (Loss)	-	-	(5.0)
Financial Income / (Expenses)	-	-	-
Result Recognized on the Re-Measurement to Fair Value	-	-	-
Result before Tax from Discontinued Operations	**-**	**-**	**(5.0)**
Income Tax Expense:			
related to Income / (Loss) before Tax	-	-	-
related to Re-Measurement to Fair Value	-	-	-
Income / (loss) from Discontinued Operations	**-**	**-**	**(5.0)**

In Euro	2007	2006	2005
Net Earnings per Share			
Basic, for Discontinued Operations	-	-	(0.05)
Net Diluted, for Discontinued Operations	-	-	(0,05)

In millions of Euro	2007	2006	2005
Net Cash Flows from Operating Activities	-	-	(5,7)
Net Cash Flows from Investing Activities	-	-	-
Net Cash Flows from Financing Activities	-	-	-
Total Net Cash Flows from Activities	**-**	**-**	**(5,7)**

Note 8 – Earnings per Share

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

In millions of Euro	2007	2006	2005
Net Income Attributable to Shareholders of the Parent Company	126.3	200.1	93.3
Convertible Bonds: Financial Costs net of Tax	-	1.9	-
Net Income before Convertible Bond Financial Costs	**126.3**	**202.0**	**93.3**
In thousands			
Weighted Average Number of Outstanding Shares during the Period (excluding Treasury Shares) used for Basic Earnings per Share	103,936	104,843	95,687
Effect of Dilution :			
- Convertible Bonds	-	3,191	-
- Stock Options	693	814	1,531
- Free Shares	367	-	-
Weighted Average Number of Outstanding Shares during the Period (excluding Treasury Shares) Adjusted for Diluted Earnings per Share	104,996	108,848	97,218
In Euro			
Diluted Earnings per Share	**1.20**	**1.86**	**0.96**
Basic Earnings per Share	**1.22**	**1.91**	**0.98**

In 2005 weighted average number of shares over the period adjusted for diluted earnings per share calculation did not include neither convertible bonds (OCEANE) nor stock options granted on December 14, 2005 under condition of performance for block A of the 2005 plan because they have anti-dilution impact. In 2006 and 2007 no convertible bond, nor stock options plan, nor free shares have an anti-dilutive impact.

If number of shares issued for capital increase performed on April 3, 2007 and reserved for employees had been taken into account for earnings per share calculation in 2005 and 2006, it would have had no significant impact on 2005 nor 2006 earnings per share.

During the fiscal year 2007, the Group attributed free shares and the last edge of the plan of stock-options 2005 under condition of performance and realized a capital increase reserved for the employees which brought an additional dilution of the earnings per share. On March 9 and 23, 2006, Technip carried out the conversion of 289,362 and of 3,288,420 convertible bonds OCEANE to shares. These 3,577,782 bonds were redeemed for 14,311,128 shares, of which 11,592,066 newly issued shares (see Note 2-(g) Convertible Bonds).

Net income and diluted earnings per share for discontinued operations are disclosed in Note 7 – Income / (Loss) from Discontinued Operations.

Note 9 – Property, Plant and Equipment (Tangible Assets)

The following tables illustrate the cost, the accumulated amortization and depreciation per type of tangible assets:

In millions of Euro	Land	Buildings	Vessels	Machinery and Equipment	Office Fixtures and Furniture	Assets under construction	Others	Total
Costs	10.6	118.7	715.3	530.0	122.9	15.3	79.6	1,592.4
Accumulated Amortization	(1.1)	(57.8)	(328.6)	(295.6)	(93.9)	-	(44.1)	(821.1)
Accumulated Impairment Losses	-	-	-	-	-	-	-	-
Net Book Value as of December 31, 2005	**9.5**	**60.9**	**386.7**	**234.4**	**29.0**	**15.3**	**35.5**	**771.3**
Costs	9.5	158.4	758.0	521.9	133.6	23.2	85.3	1,689.9
Accumulated Amortization	-	(88.9)	(381.9)	(314.6)	(99.0)	-	(46.1)	(930.5)
Accumulated Impairment Losses	(1.0)	-	-	-	-	-	-	(1.0)
Net Book Value as of December 31, 2006	**8.5**	**69.5**	**376.1**	**207.3**	**34.6**	**23.2**	**39.2**	**758.4**
Costs	10.9	162.2	763.3	563.4	140.8	89.0	113.9	1,843.5
Accumulated Amortization	-	(98.0)	(409.2)	(350.0)	(101.3)	-	(66.0)	(1,024.5)
Accumulated Impairment Losses	(1.0)	-	-	-	-	-	-	(1.0)
Net Book Value as of December 31, 2007	**9.9**	**64.2**	**354.1**	**213.4**	**39.5**	**89.0**	**47.9**	**818.0**

In 2007, an additional amortization expense has been accounted for €M 7.3 on specific Group assets to offset an accelerated deterioration due to hard climate conditions.

Changes in net property, plant and equipment during the previous three periods can be analyzed as follows:

In millions of Euro	Land	Buildings	Vessels	Machinery and Equipment	Office Fixtures and Furniture	Assets under construction	Others	Total
Value as of January 1, 2005, Net of Accumulated Amortization and Impairment	**13.0**	**71.1**	**408.5**	**169.4**	**22.4**	**15.6**	**36.5**	**736.5**
Additions - Acquisitions - Internal Developments	-	3.2	31.7	88.4	20.7	11.7	11.3	167.0
Additions - Business Combinations	-	-	-	0.1	0.2	-	0.1	0.4
Disposals	-	(0.3)	(14.6)	(0.1)	(0.6)	-	3.7	(11.9)
Disposals of Subsidiaries	(0.1)	(0.3)	-	(0.1)	(0.2)	-	-	(0.7)
Depreciation Expense for the Year	-	(6.2)	(45.7)	(45.6)	(17.0)	-	(11.7)	(126.2)
Impairment Losses	-	-	-	-	-	-	-	-
Net Foreign Exchange Differences	1.2	3.6	12.0	13.3	1.5	1.8	1.9	35.3
Attributable to Discontinued Operations / Assets Held for Sale	(4.7)	(10.1)	-	(7.3)	-	-	(0.2)	(22.3)
Others (1)	0.1	(0.1)	(5.2)	16.3	2.0	(13.8)	(6.1)	(6.8)
Value as of December 31, 2005, Net of Accumulated Amortization and Impairment	**9.5**	**60.9**	**386.7**	**234.4**	**29.0**	**15.3**	**35.5**	**771.3**
Additions - Acquisitions - Internal Developments	-	6.8	42.0	44.0	22.0	22.6	13.8	151.2
Additions - Business Combinations	-	-	-	-	-	-	-	-
Disposals	(0.6)	(1.6)	(0.4)	(2.2)	(0.5)	-	(1.1)	(6.4)
Disposals of Subsidiaries	-	-	-	-	-	-	-	-
Depreciation Expense for the Year	-	(37.0)	(57.2)	(28.5)	(15.7)	-	(6.4)	(144.8)
Impairment Losses	-	-	-	-	-	-	-	-
Net Foreign Exchange Differences	(0.2)	(1.7)	(0.7)	(0.5)	(0.9)	(3.9)	(1.3)	(9.2)
Attributable to Discontinued Operations / Assets Held for Sale	(0.2)	-	-	(1.0)	(0.7)	-	(0.4)	(2.3)
Others (1)	-	42.1	5.7	(38.9)	1.4	(10.8)	(0.9)	(1.4)
Value as of December 31, 2006, Net of Accumulated Amortization and Impairment	**8.5**	**69.5**	**376.1**	**207.3**	**34.6**	**23.2**	**39.2**	**758.4**
Additions - Acquisitions - Internal Developments	2.2	10.3	55.8	53.8	22.3	86.8	19.1	250.3
Additions - Business Combinations	-	-	-	-	-	-	-	-
Disposals	-	(0.4)	-	(3.1)	(0.5)	-	(0.6)	(4.6)
Disposals of Subsidiaries	(0.8)	-	-	-	-	-	-	(0.8)
Depreciation Expense for the Year	-	(13.6)	(61.5)	(53.3)	(16.5)	-	(7.2)	(152.1)
Impairment Losses	-	-	-	-	-	-	-	-
Net Foreign Exchange Differences	0.1	(1.8)	(16.6)	(8.4)	(1.5)	(4.0)	(0.4)	(32.6)
Attributable to Discontinued Operations / Assets Held for Sale	-	-	-	-	-	-	-	-
Others (1)	(0.1)	0.2	0.3	17.1	1.1	(17.0)	(2.2)	(0.6)
Value as of December 31, 2007, Net of Accumulated Amortization and Impairment	**9.9**	**64.2**	**354.1**	**213.4**	**39.5**	**89.0**	**47.9**	**818.0**

(1) Includes mainly reclassification of assets under construction to specific category to be used when they are delivered. In 2006 it mainly included reclassification of the Angolan spoolbase from machinery and equipment to assets under construction.

Assets are not the subject of any capital lease.

The amount of pledged assets is not material and amounts to €M 1.9 at the end of 2007.

The Group decided to accelerate investments in particular in order to increase number of vessels (construction and delivery of new vessels). Main vessels booked on "assets under construction" as of December 31, 2007 are as follows:

- The Skandi Arctic, 50% owned by Technip, is a new diving support vessel and will be dedicated to the Norwegian North Sea. Commitments attached amount to €M 56.9 as of December 31, 2007 for Technip's share.
- A new pipelay vessel dedicated to deep water. Commitments attached amount to €M 118.0 as of December 31, 2007.

Note 10 – Intangible Assets

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

In millions of Euro	Goodwill	Licenses / Patents / Trademarks	Software	Others (1)	Total
Costs	2,376.9	95.0	51.9	18.1	2,541.9
Accumulated Amortization	-	(38.6)	(42.1)	(9.3)	(90.0)
Accumulated Impairment Losses	-	-	-	-	-
Net Book Value as of December 31, 2005	**2,376.9**	**56.4**	**9.8**	**8.8**	**2,451.9**
Costs	2,359.9	89.7	52.8	22.3	2,524.7
Accumulated Amortization	-	(44.4)	(47.8)	(9.6)	(101.8)
Accumulated Impairment Losses	-	-	-	-	-
Net Book Value as of December 31, 2006	**2,359.9**	**45.3**	**5.0**	**12.7**	**2,422.9**
Costs	2,357.4	86.4	58.8	28.5	2,531.1
Accumulated Amortization	-	(51.0)	(51.2)	(9.5)	(111.6)
Accumulated Impairment Losses	-	-	-	-	-
Net Book Value as of December 31, 2007	**2,357.4**	**35.4**	**7.6**	**19.0**	**2,419.5**

(1) Including assets under construction. As of December 31, 2007 it mainly includes ERP project capitalized costs.

(a) Intangible Assets

Changes in net intangible assets during the previous three periods can be analyzed as follows:

In millions of Euro	Goodwill	Licenses / Patents / Trademarks	Software	Others (1)	Total
Value as of January 1, 2005, Net of Accumulated Amortization and Impairment	**2,394.9**	**61.6**	**14.9**	**1.3**	**2,472.7**
Additions - Acquisitions - Internal Developments	-	-	2.5	0.6	3.1
Additions - Business Combinations	-	-	-	-	-
Disposals	-	-	-	-	-
Disposals of Subsidiaries	-	-	-	-	-
Attributable to Discontinued Operations / Assets Held for Sale	(18.3)	-	-	-	(18.3)
Amortization Charge for the Year	-	(8.3)	(7.9)	(0.9)	(17.1)
Impairment Losses	-	-	-	-	-
Net Foreign Exchange Differences	0.3	3.1	0.3	(0.3)	3.4
Others	-	-	-	8.1	8.1
Value as of December 31, 2005, Net of Accumulated Amortization and Impairment	**2,376.9**	**56.4**	**9.8**	**8.8**	**2,451.9**
Additions - Acquisitions - Internal Developments	-	-	1.7	4.3	6.0
Additions - Business Combinations	-	-	-	-	-
Disposals	-	-	-	-	-
Disposals of Subsidiaries	-	-	-	-	-
Attributable to Discontinued Operations / Assets Held for Sale	(8.0)	(0.7)	-	-	(8.7)
Amortization Charge for the Year	-	(8.3)	(6.5)	(0.5)	(15.3)
Impairment Losses	-	-	-	-	-
Net Foreign Exchange Differences	-	(2.1)	-	-	(2.1)
Others (2)	(9.0)	-	-	0.1	(8.9)
Value as of December 31, 2006, Net of Accumulated Amortization and Impairment	**2,359.9**	**45.3**	**5.0**	**12.7**	**2,422.9**
Additions - Acquisitions - Internal Developments (3)	-	-	3.8	7.7	11.5
Additions - Business Combinations	-	-	-	-	-
Disposals	-	-	-	-	-
Disposals of Subsidiaries	-	-	-	-	-
Attributable to Discontinued Operations / Assets Held for Sale	-	-	-	-	-
Amortization Charge for the Year	-	(8.0)	(2.8)	-	(10.8)
Impairment Losses	-	-	-	-	-
Net Foreign Exchange Differences	-	(1.9)	-	0.4	(1.5)
Others (2)	(2.5)	-	1.6	(1.7)	(2.6)
Value as of December 31, 2007, Net of Accumulated Amortization and Impairment	**2,357.4**	**35.4**	**7.6**	**19.1**	**2,419.5**

(1) Including intangible assets under construction. The Group is currently in the process of setting up an integrated software. Remaining related costs were capitalized as assets under construction for €M 7.1 in the column "Others" in 2007, €M 3.0 in 2006 and €M 7.0 in 2005.

(2) The amount mentioned on the line "Others" of goodwill in 2006 and 2007 for €M 9.0 and €M 2.5 comes from some Coflexip tax losses carried forward not recognized before but used in 2006. The corresponding amount has been booked on the line income tax in the Profit and Loss Statement (see Note 6-(a) Income Tax).

(b) Goodwill

The goodwill arising from an acquisition is the difference between the purchase price and the share of restated equity, after allocation to the identifiable assets and liabilities, as long as this procedure is deemed to be appropriate. This goodwill is subject to impairment tests performed on an annual basis or whenever a meaningful event occurs (see Note 1-C-(d) Business Combinations).

In 2007, the goodwill allocated to the SURF segment has been decreased by €M 2.5 due to the use of tax losses unrecognized previously at the time when Coflexip was purchased.

In 2006, the classification of the assets regarding the two entities Perry Slingsby Systems Ltd. and Perry Slingsby Systems Inc. as held for sale, including the goodwill allocated to the SURF segment, resulted in a decrease in goodwill of €M 8.0. In addition, the goodwill allocated to the SURF segment has been decreased by €M 9.0 due to the use of tax losses unrecognized before.

In 2005, the classification of the assets regarding the consolidated affiliate Gulf Marine Fabricators as held for sale, including the goodwill allocated to the Facilities segment, resulted in a decrease in goodwill by €M 18.3 in terms of net value.

The following table shows the detail of goodwill:

	As of December 31,		
In millions of Euro	**2007**	**2006**	**2005**
SURF (1)	1,928.6	1,931.1	1,948.1
Facilities (1)	304.6	304.6	304.6
Onshore Downstream and Industries	115.6	115.6	115.6
Others	8.6	8.6	8.6
Total	**2,357.4**	**2,359.9**	**2,376.9**

(1) The goodwill relative to Coflexip resulting from both installments has been assigned – after allocation to identifiable items – to two business segments: SURF and Facilities (see Note 3 – Segment Information).

Impairment tests were performed on the goodwill, using method described in Note 1-C-(j) Intangible Assets.

Impairment tests performed by the Group are based on the most likely hypothesis using the discounted cash flow method. Assumptions made in 2006 rely on the business plans covering years 2008 to 2010 for each business segment and approved by the Board of Directors. Beyond 2010, the growth rate taken into account is 3.0%, of which 1.5% is related to inflation. The discount rate of cash flows is 8.84% before tax. The tax rate used in the model is 28.0% in 2008, 27.0% in 2009 and 25.1% in 2010 and beyond.

As of December 31, 2007, the net book value of goodwill was confirmed by the impairment tests performed. Any decrease of 10% in the operating margin in comparison with the estimates of the Group management would not have any impact on the value of the goodwill.

No impairment loss was recorded in 2006 and 2005.

Note 11 – Investments in Associates Accounted for Using the Equity Method

As of December 31, 2007, and as of December 31, 2006, only one entity, Technip KTI Spa, is consolidated under the Equity Method. Nargan was classified as assets held for sale while it was sold in 2007. As of December 31, 2005, investments in associates accounted for using the equity method related to two entities on which the Group exercised significant influence: Nargan and Technip KTI Spa.

The main financial data of these companies accounted for using the equity method are disclosed hereafter on a 100% basis:

In millions of Euro	As of December 31, 2007	
	TP KTI Spa	Total
Country	Italy	
Percentage of Interest	25%	
Carrying Amount of the Investment	4.9	4.9
Financial Data at 100%		
Total Assets	317.4	
Total Liabilities (except Equity)	300.8	
Net Assets	**16.6**	
Revenues	173.0	
Net Income	6.3	

	As of December 31, 2006	
	TP KTI Spa	Total
Country	Italy	
Percentage of Interest	25%	
Carrying Amount of the Investment	2.3	2.3
Financial Data at 100%		
Total Assets	221.9	
Total Liabilities (except Equity)	215.9	
Net Assets	**6.0**	
Revenues	116.9	
Net Income	5.0	

	As of December 31, 2005		
	Nargan	TP KTI Spa	Total
Country	Iran	Italy	
Percentage of Interest	20%	25%	
Carrying Amount of the Investment	8.3	1.4	9.7
Financial Data at 100%			
Total Assets	75.7	300.7	
Total Liabilities (except Equity)	64.6	297.4	
Net Assets	**11.1**	**3.3**	
Revenues	65.4	63.8	
Net Income	7.2	2.3	

Changes in investments in associates accounted for using the equity method can be analyzed as follows:

In millions of Euro	2007	2006	2005
Carrying Amount of Investments as of January 1,	**2.3**	**9.7**	**19.9**
Additions	-	-	-
Disposals (1)	-	-	(10.7)
Share of Income / (Loss) of Associates Accounted for Using the Equity Method	2.8	(2.6)	1.3
Paid Dividends	-	-	(0.7)
Foreign Exchange Differences	-	-	0.3
Net Gains / (Losses) from Fair Value Adjustments	-	-	-
Other Reclassifications (2)	(0.2)	(4.8)	(0.4)
Carrying Amount of Investments as of December 31,	**4.9**	**2.3**	**9.7**

(1) Companies previously consolidated in TPL using equity method were fully consolidated.

(2) Nargan interests were reclassified in assets held for sale as of December 31, 2006.

Note 12 – Other Financial Assets

As per Note 1-C-(k) Other Financial Assets (Non-Current), other financial assets are posted at their fair value or at their historical cost if there is no way to evaluate them reliably. In this latter case, depreciation is recorded if its recoverable amount is lower than its historical cost.

As of December 31, 2007, impairment tests performed on net book value of other financial assets (non-current) has not led the Group to account for an impairment loss. The analysis of this item by nature is presented hereafter:

	Carrying Amount As of December 31,			Fair Value As of December 31,		
In millions of Euro	**2007**	**2006**	**2005**	**2007**	**2006**	**2005**
Non-Consolidated Investments	4.8	5.4	4.8	4.8	5.4	4.8
Valuation Allowance	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)
Net Value of Non-Consolidated Investments	**3.5**	**4.1**	**3.5**	**3.5**	**4.1**	**3.5**
Receivables related to Investments	0.5	0.2	3.0	0.5	0.2	3.0
Valuation Allowance	-	-	(2.8)	-	-	(2.8)
Net Value of Receivables Related to Investments	**0.5**	**0.2**	**0.2**	**0.5**	**0.2**	**0.2**
Loans	7.3	2.2	2.8	7.3	2.2	2.8
Valuation Allowance	(1.3)	(1.7)	(2.8)	(1.3)	(1.7)	(2.8)
Net Value of Loans	**6.0**	**0.5**	**-**	**6.0**	**0.5**	**-**
Security Deposits	6.8	7.5	6.6	6.8	7.5	6.6
Others	4.2	4.5	1.3	4.2	4.5	1.3
Total Other Financial Assets (Non-Current), Net	**21.0**	**16.8**	**11.6**	**21.0**	**16.8**	**11.6**

Note 13 – Available-for-Sale Financial Assets

In 2005, no available-for-sale financial asset was recorded in the Group accounts. In 2006, part of the price of Gulf Marine Fabricators assets has been paid through an interest in Gulf Island Fabricators Inc. (GIFI), an American company listed in New York (NASDAQ). Around half of these stocks were sold during the fiscal year 2007.

	Carrying Amount As of December 31,			Fair Value As of December 31,		
In millions of Euro	**2007**	**2006**	**2005**	**2007**	**2006**	**2005**
Share - Unlisted	-	-	-	-	-	-
Share - Listed	17.0	44.5	-	17.0	44.5	-
Total Available-for-Sale Financial Assets	**17.0**	**44.5**	**-**	**17.0**	**44.5**	**-**

Note 14 – Inventories

The inventories can be analyzed as follows:

In millions of Euro	2007	As of December 31, 2006	2005
Raw Materials	100.0	77.8	58.4
Work in Progress	53.0	40.7	25.2
Finished Goods and Merchandise	29.5	21.9	25.3
Valuation Allowance	(8.8)	(6.0)	(7.9)
Total Inventories, Net	**173.7**	**134.4**	**101.0**

Note 15 – Construction Contracts

Long-term ongoing construction contracts are valued and disclosed as per Note 1-C-(b) Construction Contracts.

In millions of Euro	2007	As of December 31, 2006	2005
Construction Contracts - Amounts in Assets	280.6	591.1	585.0
Construction Contracts - Amounts in Liabilities	(1,860.2)	(2,138.4)	(1,672.4)
Total Construction Contracts, Net	**(1,579.6)**	**(1,547.3)**	**(1,087.4)**
Costs and Margins Recognized at the Percentage of Completion	11,806.5	10,396.6	10,275.8
Payments Received from Clients	(13,201.7)	(11,909.4)	(11,331.2)
Losses at Completion	(188.5)	(44.7)	(35.5)
Bid Costs	4.1	10.2	3.5
Total Construction Contracts, Net	**(1,579.6)**	**(1,547.3)**	**(1,087,4)**

Note 16 – Trade Receivables

Given the specific nature of Group operations, clients are mainly major oil and gas, petrochemical or oil-related companies. This line item only represents receivables from completed contracts, reimbursable contracts and miscellaneous invoices (trade, services...).

In millions of Euro	2007	As of December 31, 2006	2005
Receivables on Contracts	783.4	583.7	437.6
Doubtful Accounts	36.5	18.7	19.3
Allowance for Doubtful Accounts	(36.5)	(18.7)	(16.9)
Total Trade Receivables, Net	**783.4**	**583.7**	**440.0**

Trade receivables are non-interest bearing. Their maturities are linked to the operating cycle of contracts.

Each customer's financial situation is periodically reviewed. Provisions for doubtful receivables, which are deemed to be sufficient at the Group scale, are recorded for all potential uncollectible receivables, and are as follows:

In millions of Euro	2007	2006	2005
Provisions as of January 1,	**(18.7)**	**(16.9)**	**(25.8)**
Increase	(26.6)	(9.4)	(6.6)
Write-off	8.3	2.7	11.9
Unused provisions reversed	0.1	3.8	2.2
Others	0.4	1.1	1.4
Provisions as of December 31,	**(36.5)**	**(18.7)**	**(16.9)**

Note 17 – Other Current Receivables

The other current receivables can be analyzed as follows:

In millions of Euro	As of December 31, 2007	2006	2005
Value Added Tax Receivable	72.3	78.1	52.0
Other Tax Receivables	84.0	37.8	42.9
Advances to Non-Consolidated Subsidiaries	-	3.8	13.6
Receivables from Personnel	5.2	9.1	3.0
Prepaid Expenses	80.9	42.8	67.6
Insurance Indemnities to Be Received	5.7	0.2	0.1
Joint Venture Associates' Current Accounts	103.4	53.2	7.9
Stock Option Exercise (1)	-	-	33.4
Others	106.9	37.4	63.1
Total Other Receivables, Net	**458.4**	**262.4**	**283.6**

(1) In 2005, following the maturity of a stock option plan at mid December, the bank in charge of the operation has transferred the funds on January 10, 2006. To reflect the operation and adjust the share capital increase in the 2006 accounts, the counterpart has been booked in other current liabilities.

Other current receivables are non-interest bearing.

Note 18 – Cash and Cash Equivalents

The Cash and Cash Equivalents can be analyzed as follows:

In millions of Euro	As of December 31, 2007	2006	2005
Cash at Bank and in Hands	585.5	611.6	740.0
Cash Equivalents	1,816.0	1,791.2	1,447.8
Total Cash and Cash Equivalents	**2,401.5**	**2,402.8**	**2,187.8**
Euro	709.8	784.8	1,053.8
U.S. Dollar	1,062.6	1,127.9	808.4
Pound Sterling	117.5	113.9	77.7
Japanese Yen	149.1	156.1	104.0
Canadian Dollar	26.5	49.4	19.9
Australian Dollar	36.5	45.5	32.3
Brazilian Real	94.0	37.4	6.6
Norwegian Crown	53.8	22.6	17.4
Others	151.7	65.2	67.7
Total Cash and Cash Equivalents per Currency	**2,401.5**	**2,402.8**	**2,187.8**
Historical Cost	1,816.0	1,791.2	1,447.8
Valuation Allowance	-	-	-
Total Marketable Securities' Market Value	**1,816.0**	**1,791.2**	**1,447.8**
Mutual Funds	-	140.1	471.2
Certificates of Deposits	91.4	49.7	50.4
Fixed Term Deposits	1,670.1	1,591.9	912.3
Others	54.5	9.5	13.9
Total Marketable Securities	**1,816.0**	**1,791.2**	**1,447.8**

A large part of cash and marketable securities are booked or invested in Euro or U.S. Dollar. The Group frequently uses these currencies within the framework of its commercial relations. Cash and cash equivalents in other currencies correspond to deposits retained by subsidiaries located in countries where such currencies are the national currency in order to ensure their liquidity or to amounts received from customers prior to the payment of expenses in these same currencies, or the payment of dividends. The nature of the short terms deposits leads us to classify them with marketable securities.

Subprime crisis has had no impact on the Group financial statements nor on its activities. Investments in mutual funds were done safely in risk free mutual funds. They were sold at the beginning of 2007.

Note 19 - Assets and Liabilities Held for Sale

As of December 31, 2007, there are no Assets nor Liabilities Held for Sale.

As of December 31, 2006, Assets and Liabilities Held for Sale relate to:

- Perry Slingsby Systems Ltd. located in the United Kingdom and Perry Slingsby Systems Inc. located in the U.S.A. both belonging to SURF segment. These entities were sold on February 2, 2007.
- Nargan, a company belonging to the Onshore Downstream segment and previously consolidated using equity method. Corresponding stocks were sold in January 2007.

At December 31, 2005, assets held for sale related to the assets of the consolidated affiliate Gulf Marine Fabricators, offshore fabrication yard in the United States and belonging to the Facilities segment.

Assets and Liabilities Held for Sale can be analyzed as follows:

	As of December 31,		
In millions of Euro	**2007**	**2006**	**2005**
Property, Plant and Equipment	-	2.1	24.0
Intangible Assets	-	8.9	18.3
Other Debtors	-	46.5	0.6
Cash and Cash Equivalents	-	4.0	-
Assets of Disposal Group Classified as Held for Sale	**-**	**61.5**	**42.9**
Creditors	-	18.8	-
Interest-Bearing Liabilities	-	-	-
Liabilities Directly Associated with the Assets Classified as Held for Sale	**-**	**18.8**	**-**
Net Assets of Disposal Group Classified as Held for Sale	**-**	**42.7**	**42.9**

In millions of Euro	2007	2006	2005
Net Cash Flows from Operating Activities	-	(2.5)	(2.0)
Net Cash Flows from Investing Activities	-	(1.3)	(0.1)
Net Cash Flows from Financing Activities	-	0.4	2.2
Total Net Cash Flows from Activities	**-**	**(3.4)**	**0.1**

Note 20 – Shareholders' Equity

(a) Changes in the Parent Company's Common Stock

As of December 31, 2007, Technip common stock consisted of 107,353,774 outstanding authorized shares with a par value of € 0.7625. The changes since January 1, 2005 can be analyzed as follows:

	Number of Shares Outstanding	Common Stock (In millions of Euro)
Common Stock as of January 1, 2005	**24,110,654**	**73.5**
Capital Increase due to Share Split 4-for-1 (1)	72,331,962	-
Capital Increase due to Stock Option Exercised (2)	2,465,664	1.9
Cancellation of Treasury Shares	(34,108)	-
Common Stock as of December 31, 2005	**98,874,172**	**75.4**
Capital Increase due to OCEANE Redemption	11,592,066	8.8
Capital Increase due to Stock Option Exercised (2)	1,220,345	0.9
Capital Decrease due to Cancellation of Treasury Shares	(4,246,674)	(3.2)
Cancellation of Treasury Shares	(1,322,735)	(1.0)
Common Stock as of December 31, 2006	**106,117,174**	**80.9**
Capital Increase due to Stock Option Exercised (2)	720,393	0.6
Capital Increase reserved to Employees	516,207	0.4
Common Stock as of December 31, 2007	**107,353,774**	**81.9**

(1) On May 13, 2005, Technip's ordinary shares were split 4-for-1 on the decision of the Combined General Shareholders' Meeting of April 29, 2005.

(2) These increases result from the exercise of stock options granted to employees.

(b) Technip Shareholders as of December 31

Technip shareholders are as follows:

	As of December 31,		
	2007	2006	2005
Oppenheimer Funds Inc	5.4%	5.5%	5.9%
ING Group NV	5.2%	-	-
Causeway	5.1%	-	-
Capital Research	4.7%	4.8%	-
Tradewinds NWQ	3.6%	6.5%	-
Institut Français du Pétrole	2.9%	2.9%	3.2%
Artisan	4.0%	3.4%	-
Lehman Brothers International	-	-	4.7%
Group Employees	1.9%	1.7%	2.0%
Treasury Shares	2.9%	1.3%	1.6%
Others	64.3%	73.9%	82.6%
Total	**100.0%**	**100.0%**	**100.0%**

(c) Treasury shares

Treasury shares are as follows:

	Number of Shares	Treasury Shares (In millions of Euro)
Treasury Shares as of January 1, 2005	**340,242**	**(32.4)**
Increase due to Share Split 4-for-1 (1)	1,020,726	-
Cancellation of Treasury Shares	(34,108)	0.8
Increase	949,652	(41.8)
Decrease due to Stock Options Exercised	(695,964)	21.0
Treasury Shares as of December 31, 2005	**1,580,548**	**(52.4)**
Cancellation of Treasury Shares	(5,569,409)	249.5
Increase	8,130,987	(370.2)
OCEANE Conversion	(2,805,462)	115.0
Treasury Shares as of December 31, 2006	**1,336,664**	**(58.1)**
Cancellation of Treasury Shares	-	-
Increase	1,729,994	(86.2)
Decrease due to Stock Options Exercised	-	-
Treasury Shares as of December 31, 2007	**3,066,658**	**(144.3)**

(1) On May 13, 2005, Technip's ordinary shares were split 4-for-1.

Part of treasury shares are meant to be used for free shares allocation plan granted to employees in 2007 for a maximum number of 1,110,670 shares.

(d) Fair Value Reserves

Fair value reserves are as follows:

In millions of Euro	Convertible Bond (1)	Hedging Reserve (2)	Stock Options and Free Shares (3)	Other (4)	Total
As of January 1, 2005	**-**	**-**	**11.6**	**-**	**11.6**
IAS 32/39 - Net Gains / (Losses) on Cash Flow Hedges	-	(100.3)	-	-	(100.3)
Tax Effect on IAS 32/39	-	24.0	-	-	24.0
Convertible Bonds - Equity Component	32.8	-	-	-	32.8
Stock Options	-	-	5.4	-	5.4
As of December 31, 2005	**32.8**	**(76.3)**	**17.0**	**-**	**(26.5)**
IAS 32/39 - Net Gains / (Losses) on Cash Flow Hedges	-	116.7	-	-	116.7
Tax Effect on IAS 32/39	-	(22.4)	-	-	(22.4)
Convertible Bonds - Equity Component	(25.6)	-	-	-	(25.6)
Cancellation of Shares Call related to OCEANE	7.4	-	-	-	7.4
Stock Options and Free Shares Charges	-	-	2.5	-	2.5
Fair Value Changes on Available for Sale Investments Recognized Directly in Equity	-	-	-	11.2	11.2
Tax effect on Fair Value Changes on Available for Sale Investments	-	-	-	(3.9)	(3.9)
Others (5)	-	-	-	2.5	2.5
As of December 31, 2006	**14.6**	**18.0**	**19.5**	**9.8**	**61.9**
IAS 32/39 - Net Gains / (Losses) on Cash Flow Hedges	-	1.6	-	-	1.6
Tax Effect on IAS 32/39	-	(0.5)	-	-	(0.5)
Stock Options and Free Shares Charges	-	-	9.9	-	9.9
Fair Value Changes on Available for Sale Investments Recognized Directly in Equity	-	-	-	(8.2)	(8.2)
Tax effect on Fair Value Changes on Available for Sale Investments	-	-	-	2.9	2.9
Others (5)	-	-	-	(4.4)	(4.4)
As of December 31, 2007	**14.6**	**19.1**	**29.4**	**0.1**	**63.2**

(1) In accordance with IAS 32/39 effective from January 1, 2005, convertible bonds are accounted for using the split accounting method by splitting the bond into a separate debt component and a shareholders' equity component. They were converted in shares in 2006 (see Note 21-(g) Convertible Bonds).

(2) Is booked here part of gain or loss realized on a cover instrument in a relation of cover of cash considered as efficient.

(3) This item records the counterpart of the stock-option and free shares charge booked in the profit and loss every year.

(4) Relates to GIFI shares. They are stated at fair value as of December 31, the variation in fair value is booked in equity until the sale of the shares (see Note 13 – Available for Sale Financial Assets).

(5) Is mainly related to reevaluation of shareholders'equity in foreign currency done by Italian entity's subsidiaries.

(e) Distributable Retained Earnings

The distributable retained earnings of the parent company amount to €M 244.2 as of December 31, 2007.

(f) Statutory Legal Reserve

Under French Law, companies must allocate each year 5% of their consolidated statutory net profit to their legal reserve fund before dividends may be paid with respect to that year. Funds are allocated until the amount in the legal reserve is equal to 10% of the aggregate nominal value of the issued and outstanding share capital. The legal reserve may only be distributed to shareholders upon liquidation of the Company. The statutory legal reserve was of €M 9.8 as of December 31, 2007.

(g) Dividends Paid and Proposed

2005 dividends paid amounted to €M 89.3 (€ 0.92 per share). 2006 dividends paid amounted to €M 109.6 (€ 1.05 per share). In 2007 an extraordinary dividend of €M 217.5 was paid (€ 2.10 per share) partly taken out from retained earnings.
2007 recommended dividends amounting to €M 125.1 (€ 1.20 per share) will be submitted to General Shareholders' meeting planned to take place on April 25, 2008. Given that no decision was taken as of December 31, 2007, no impact was booked in 2007 accounts.

(h) Executive Stock Option Plans

The 2000 stock option plan was authorized by the General Shareholders' Meeting held on April 28, 2000 and implemented by the Board of Directors on December 14, 2000. These options are valid up to eight years from the date of grant.

The 2002 stock option plan (part A and part B) was authorized by the General Shareholders' Meetings held on August 24, 2001 and June 20, 2002 implemented by the Management Board on December 9, 2002. These options are valid up to 6 years from the date of grant.

The 2002 stock option plan (remaining portion of part B) was authorized by the General Shareholders' Meeting held on June 20, 2002 and implemented by the Board of Directors on May 21, 2003. These options are valid up to 6 years from the date of grant.

The 2005 stock option plan (part A) was authorized by the General Shareholders' Meeting held on April 29, 2005 and implemented by the Board of Directors on December 14, 2005. These options are valid up to 6 years from the date of grant.

The 2005 stock option plan (part B) was authorized by the General Shareholders' Meeting held on April 29, 2005 and implemented by the Board of Directors on July 26, 2006. These options are valid up to 6 years from the date of grant.

The 2005 stock option plan (part C) was authorized by the General Shareholders' Meeting held on April 29, 2005 and implemented by the Board of Directors on March 12, 2007. These options are valid up to 6 years from the date of grant.

Available stock options from 2005 stock option plan (part A and B) were redistributed following Board of Directors on December 12, 2007. These options are valid up to 6 years from the date of grant.

After the merger of Technip and Coflexip SA, Technip has taken over the former stock option plans of Coflexip. Following are the granted stock option plans:

- Stock option plan 9.2 was authorized by the General Shareholders' Meeting held on May 21, 1996 and implemented by the Board of Directors on March 24, 1997. These options are valid up to 10 years from the date of grant.
- Stock option plan 9.3 was authorized by the General Shareholders' Meeting held on May 21, 1996 and implemented by the Board of Directors on May 18, 1998. These options are valid up to 10 years from the date of grant.
- Stock option plan 10 was authorized by the General Shareholders' Meeting held on June 2, 1999 and implemented by the Board of Directors on December 14, 1999. These options are valid up to 10 years from the date of grant.
- Stock option plan 11 was authorized by the General Shareholders' Meeting held on May 30, 2000 and implemented by the Board of Directors on March 20, 2001. These options are valid up to 10 years from the date of grant.

Following to the share-split occurred in May 2005, every option attributed earlier gives the right to buy 4 shares. On November 15, 2006, to simplify the calculation and unify the plans, the Board of Directors has fixed the parity of one stock-option in multiplying by four the number of options and in dividing simultaneously the exercise price by 4. The earlier situation (4 shares for one option) has been simplified from November 15, 2006. One option gives the right to buy one share. Therefore changes since 2006 are shown in quantity (1 option=4 shares). Final number of stock options as of December 31, 2007 was recalculated following the Board of Directors' decision.

The Board of Directors decided as of May 14, 2007 to adjust rights of options recipients in order to take into account extraordinary dividend taken out from retained earnings and voted by General Shareholders' Meeting on April 27, 2007. Consequently exercise prices and number of options were recalculated.

Technip Plans Number of Stock Options	Plan 2000 2nd Part	Plan 2002		Plan 2005				Total
		Part A and B	Remaining Portion of Part B	Part A	Part B	Part C	Part A and B Re-Granted	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Options Granted as of December 31, 1999	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Options Granted (Purchase)	139,576	-	-	-	-	-	-	139,576
Options Granted (Subscription)	493,028	-	-	-	-	-	-	493,028
Options Granted as of December 31, 2000	**632,604**	**-**	**-**	**-**	**-**	**-**	**-**	**632,604**
Options Cancelled (Subscription)	(3,200)	-	-	-	-	-	-	(3,200)
Options Granted as of December 31, 2001	**629,404**	**-**	**-**	**-**	**-**	**-**	**-**	**629,404**
Options Cancelled (Subscription)	(13,950)	-	-	-	-	-	-	(13,950)
Options Granted (Subscription)	-	697,000	-	-	-	-	-	697,000
Options Granted as of December 31, 2002	**615,454**	**697,000**	**-**	**-**	**-**	**-**	**-**	**1,312,454**
Options Cancelled (Subscription)	(27,200)	(26,490)	-	-	-	-	-	(53,690)
Options Granted (Subscription)	-	-	5,200	-	-	-	-	5,200
Options Granted as of December 31, 2003	**588,254**	**670,510**	**5,200**	**-**	**-**	**-**	**-**	**1,263,964**
Options Exercised (Subscription)	-	(900)	-	-	-	-	-	(900)
Options Cancelled (Subscription)	(34,000)	(20,730)	-	-	-	-	-	(54,730)
Options Granted as of December 31, 2004	**554,254**	**648,880**	**5,200**	**-**	**-**	**-**	**-**	**1,208,334**
Options Granted (Subscription)	-	-	-	965,213	-	-	-	965,213
Options Exercised (Subscription)	(234,274)	(255,910)	-	-	-	-	-	(490,184)
Options Exercised (Purchase)	(139,576)	-	-	-	-	-	-	(139,576)
Options Cancelled (Purchase)	-	-	-	-	-	-	-	-
Options Cancelled (Subscription)	(14,000)	(15,930)	-	-	-	-	-	(29,930)
Options Granted as of December 31, 2005	**166,404**	**377,040**	**5,200**	**965,213**	**-**	**-**	**-**	**1,513,857**
Options Granted (Subscription)	-	-	-	-	965,213	-	-	965,213
Options Exercised (Subscription)	(73,283)	(165,710)	(1,300)	-	-	-	-	(240,293)
Options Cancelled (Subscription)	(900)	(8,640)	-	-	-	-	-	(9,540)
Options Granted as of December 31, 2006	**92,221**	**202,690**	**3,900**	**965,213**	**965,213**	**-**	**-**	**2,229,237**
Options Granted (Subscription)	1,988	3,997	129	21,339	21,867	987,192	-	1,036,512
Options Re-Granted (Subscription)	-	-	-	-	26,078	15,345	85,000	126,423
Options Exercised (Subscription)	(36,825)	(93,064)	(2,864)	-	-	-	-	(132,753)
Options Cancelled (Subscription)	(750)	(1,737)	(551)	(62,885)	(48,193)	(15,345)	-	(129,461)
Options Granted as of December 31, 2007	**56,634**	**111,886**	**614**	**923,667**	**964,965**	**987,192**	**85,000**	**3,129,958**
Options Granted as of December 31, 2007 After Approval by the Board of Directors	**226,535**	**447,546**	**2,455**	**923,667**	**964,965**	**987,192**	**85,000**	**3,637,360**
Maturity Date	Dec 14, 08	Dec 9, 08	May 21, 09	Dec 14, 11	Jul 26, 12	Mar 12, 13	Dec 12, 13	

(1) Options exercisable after 3 years from 12.14.2000.

(2) Options exercisable after 3 years from 12.09.2002.

(3) Options exercisable after 3 years from 05.21.2003.

(4) Options exercisable after 4 years from 12.14.2005 and under condition of achieving targets.

(5) Options exercisable after 4 years from 07.26.2006 and under condition of achieving targets.

(6) Options exercisable after 4 years from 12.03.2007 and under condition of achieving targets.

(7) Options exercisable after 4 years from 12.12.2007 and under condition of achieving targets.

Coflexip Plans Number of Stock Options	Plan 9.3	Plan 10	Plan 11	Total
Options Granted in	1998	1999	2001	
Purchase Options Granted	-	-	34,415	34,415
Subscription Options Granted	123,400	127,386	180,000	430,786
Options as of December 31, 2003	**97,750**	**91,384**	**178,415**	**367,549**
Options Exercised (Subscription)	(8,050)	(20,760)	-	(28,810)
Options Cancelled (Subscription)	(1,900)	(1,334)	(1,000)	(4,234)
Options Granted as of December 31, 2004	**87,800**	**69,290**	**177,415**	**334,505**
Options Exercised (Subscription)	(44,705)	(44,245)	(24,785)	(113,735)
Options exercised (purchase)	-	-	(34,415)	(34,415)
Options Cancelled (Subscription)	(2,000)	-	(16,915)	(18,915)
Options Granted as of December 31, 2005	**41,095**	**25,045**	**101,300**	**167,440**
Options Exercised (Subscription)	(18,220)	(6,950)	(36,207)	(61,377)
Options Cancelled (Subscription)	(2,000)	-	-	(2,000)
Options Granted as of December 31, 2006	**20,875**	**18,095**	**65,093**	**104,063**
Options Granted (Subscription)	471	356	1,311	2,138
Options Exercised (Subscription)	(9,828)	(8,642)	(18,845)	(37,315)
Options Cancelled (Subscription)	-	-	(1,023)	(1,023)
Options Granted as of December 31, 2007	**11,518**	**9,809**	**46,536**	**67,862**
Options Granted as of December 31, 2007 After Approval by the Board of Directors	**46,070**	**39,235**	**186,143**	**271,448**

IFRS 2 applies to stock option plans implemented after November 7, 2002 and whose rights are not acquired as of January 1, 2005. Consequently, the Group recorded a charge of €M 4.9 in 2007 compared to €M 2.5 in 2006 and €M 5.4 in 2005.

So as to evaluate this plans, and considering the lack of relevant historical information, the Group has used the 6 common general assumptions to all options' valuation models (exercise price, useful life and share price at the grant date, expected volatility of share price, estimated dividends and risk-free interest rate for the option life). Regarding the assessment of volatility, the historical measures performed on the stock price show great discrepancies according to the periods and the maturities chosen. In order to achieve a reliable measure of the future volatility, Technip has decided to use the approach to comparing measures of historical volatility over periods of 1 year, 2 years, 3 years and 5 years on one hand and the implicit share volatility on the other hand. The following table illustrates the assumptions made for the charge computation. The method used by the Group is the Cox Ross Rubinstein (binomial type).

Technip Plans		Plan 2002 (1)		Plan 2005			
In Euro		Part A and B	Remaining Portion of Part B	Part A	Part B	Part C	Part A and B Re-Granted
Share Price at the Grant Date		18.14	18.63	48.87	43.01	50.19	54.21
Exercise Price		17.99	18.50	48.19	42.48	50.47	55.88
Dividend Yield		2.6%	2.7%	2.0%	2.0%	2.0%	2.0%
Turnover Rate		2.0%	2.0%	5.0%	5.0%	5.0%	5.0%
Volatility		45.5%	46.2%	28.0%	31.0%	30.3%	32.0%
Annual Risk Free Interest Rate	6 months	2.9%	2.3%	2.6%	3.3%	4.0%	4.9%
	1 year	2.9%	2.2%	2.8%	3.5%	4.1%	4.9%
	3 years	3.3%	2.4%	2.9%	3.7%	3.9%	4.1%
	5 years	3.6%	3.0%	3.1%	3.8%	4.0%	4.2%
	10 years	4.5%	3.8%	3.3%	4.0%	4.0%	4.4%
Option Fair Value		6.40	6.50	10.97	11.22	12.75	13.74
Maturity Dates		**Dec 9, 08**	**May 21, 09**	**Dec 14, 11**	**July 26, 12**	**Mar 12, 13**	**Dec 12, 13**

(1) The share prices at the grant date and exercise prices of the 2002 plan have been divided by four to reflect the decision of the Board of Directors taken on November 15, 2006.

Average market price per Technip shares amounted to € 56.59 in 2007, € 48.58 in 2006 and € 38.33 in 2005.

(i) Free Shares Allocation Plans

The following free shares allocation plans were implemented in 2007:

- The subscription plan 2007 (part A) was allowed by the General Shareholders' Meeting on April 28, 2006, and implemented by Board of Directors on March 12, 2007. The acquisition period is of 3 years and the conservation period is of 2 years.

- The subscription plan 2007 (part B) was allowed by the General Shareholders' Meeting on April 28, 2006, and set up by Board of Directors on March 12, 2007. The acquisition period is of 4 years.

- Available shares from part A and B were redistributed following Board of Directors' decision taken on December 12, 2007. Acquisition period and conservation period are the same as described here above.

Free shares were granted under performance conditions. Final number of shares granted to employees is linked to satisfactory Technip's performance towards shareholders. This performance being measured by evolution of Technip's earnings per share in comparison with an average earnings per share from a panel of competitors.

Changes over the year are as follows:

	Plan 2007			Total
	Part A	Part B	Part A and B Re-Granted	
Shares Granted as of December 31, 2006	**-**	**-**	**-**	**-**
Shares Granted	398,800	711,870	45,500	1,110,670
Shares Re-Granted	-	-	-	44,500
Shares Exercised	-	-	-	-
Shares Cancelled	(4,600)	(39,900)	-	(44,500)
Shares Granted as of December 31, 2007	**394,200**	**671,970**	**45,500**	**1,110,670**

IFRS 2 applies to evaluation of free shares. Consequently, the Group recorded a charge of €M 5.0 in 2007.

The following table shows assumptions made for the charge computation:

		Plan 2007		
		Part A	Part B	Part A and B Re-Granted
Share Price at the Grant Date		50.19	50.19	54.21
Dividend Yield		3.2%	2.9%	2.0%
Turnover Rate		6.0%	19.0%	5.0%
Volatility		30.0%	30.0%	32.0%
Annual Risk Free Interest Rate	6 months	4.0%	4.0%	4.9%
	1 year	4.1%	4.1%	4.9%
	3 years	3.9%	3.9%	4.1%
	5 years	4.0%	4.0%	4.2%
	10 years	4.0%	4.0%	4.4%
Fair Value of Free Shares		45.57	44.57	50.65
Maturity Dates		**Mar 13, 12**	**Mar 13, 11**	**Mar 13, 11/12**

Free shares allocated to employees will be existing shares. Average market price amounted to € 56.59 in 2007.

(j) Capital Management

The Group does not face any particular constraint in terms of capital management. Shareholders'equity (€M 2,178.4) are more than three times higher than debt (€M 697.2). Net cash position of the Group amounts to €M 1,704.3 and confirmed but not used credit lines amount to €M 1,119.9. These resources are sufficient to allow growth of Group's activity. In addition Technip SA has sufficient distributable earnings at its disposal.

Note 21 – Financial Debts

(a) Financial Debts, Breakdown by Nature

Financial Debts can be analyzed as follows:

In millions of Euro	As of December 31, 2007	2006	2005
Convertible Bonds OCEANE	-	-	650.1
Bond Loan (1)	650.0	650.0	650.0
Bank Borrowings and Credit Lines (2)	3.3	21.8	0.2
Refundable Advances (Non-Current)	-	4.9	5.0
Others	-	-	-
Total Non-Current Financial Debts	**653.3**	**676.7**	**1.305.3**
Commercial Paper	-	150.0	150.0
Bank Overdrafts	25.2	15.9	39.2
Accrued Interest Payable	18.7	19.0	24.2
Refundable Advances (Current)	-	1.0	1.0
Capital Lease	-	-	-
Total Current Financial Debts	**43.9**	**185.9**	**214.4**
Total Financial Debts	**697.2**	**862.6**	**1.519.7**

(1) On May 26, 2004, Technip issued a bond loan for an initial amount of €M 650. The redemption date is set on May 26, 2011. The coupon payable on May 26 of each year amounts to 4.625% per year of the bond nominal value.

(2) These bank credits represent principally drawings on subsidised loans granted to one of the Brazilian subsidiaries in pre- financing exports and re-financing investments.

(b) Comparison of Carrying Amount and Fair Value of Non-Current Financial Debts

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

In millions of Euro	As of December 31, 2007 Carrying amount	Fair value
Convertible Bonds OCEANE	-	-
Bond Loan (related Accrued Interests Included)	668.3	660.8
Bank Borrowings and Credit Lines	3.3	3.3
Refundable Advances (Non-Current)	-	-
Others	-	-
Total Non-Current Financial Debts	**671.6**	**664.1**

(c) Analysis by Type of Interest Rate

Analysis by type of interest rate is as follows:

In millions of Euro	As of December 31, 2007 2007	2006	2005
Fixed Rates	668.3	674.1	1.330.5
Floating Rates	28.9	188.5	189.2
Total Financial Debts	**697.2**	**862.6**	**1.519.7**

As of December 31, 2005, the fixed-rate debt mainly included two bond loans. Convertible bonds have been redeemed for cash in advance in March 2006. As of December 31, 2007 and 2006, the fixed-rate debt mainly comprises bond loans.

Over the year 2007, the average rate of the fixed-rate debt stands at 4.62% against 5.02% per year in 2006. Over the same period, the average rate of the overall Group debt (fixed and floating rate) stands at 4.84% compared to 4.92% per year in 2006. The average rate of debt is calculated by dividing the amount of financial costs for the fiscal year (excluding bank fees not expressly related to the debt) by the average outstanding debt for the fiscal year.

(d) Analysis by Currency

Analysis by currency is as follows:

In millions of Euro	As of December 31, 2007 2007	2006	2005
Euro	668.5	824.4	1.481.0
U.S. Dollar	0.3	0.2	0.2
Pound Sterling	-	-	-
Brazilian Real	25.6	29.2	34.7
Others	2.8	8.8	3.8
Total Financial Debts per Currency	**697.2**	**862.6**	**1.519.7**

(e) Schedule of Financial Debts

Schedule of financial debts is as follows:

In millions of Euro	2006	2007	2008	2009	2010	2011	2012	2013 and beyond	Total
Fixed Rates	25.2	650.6	0.6	0.4	0.3	650.4	3.0	-	1.330.5
Floating Rates	189.2	-	-	-	-	-	-	-	189.2
Total Financial Debts as of December 31, 2005	**214.4**	**650.6**	**0.6**	**0.4**	**0.3**	**650.4**	**3.0**	**-**	**1.519.7**
Fixed Rates		19.2	0.6	0.4	0.3	650.4	3.2	-	674.1
Floating Rates		166.7	20.0	0.8	0.8	0.2	-	-	188.5
Total Financial Debts as of December 31, 2006		**185.9**	**20.6**	**1.2**	**1.1**	**650.6**	**3.2**	**-**	**862.6**
Fixed Rates			18.3	-	-	650.0	-	-	668.3
Floating Rates			25.6	1.2	1.2	0.7	0.2	-	28.9
Total Financial Debts as of December 31, 2007			**43.9**	**1.2**	**1.2**	**650.7**	**0.2**	**-**	**697.2**

As of December 2007, 2006 and 2005, no interest rate swap has been subscribed.

(f) Secured Financial Debts

Secured financial debts are follows:

In millions of Euro	As of December 31, 2007			2006			2005		
	Guarantee	Without Guarantee	Total	Guarantee	Without Guarantee	Total	Guarantee	Without Guarantee	Total
Commercial Paper	-	-	-	-	150.0	150.0	-	150.0	150.0
Bank Overdrafts, Current Facilities and Others	-	24.2	24.2	-	28.2	28.2	-	40.2	40.2
Short-Term Part of Long-Term Debts	1.2	18.5	19.7	0.6	7.1	7.7	-	24.2	24.2
Total Current Financial Debts	**1.2**	**42.7**	**43.9**	**0.6**	**185.3**	**185.9**	**-**	**214.4**	**214.4**
Non-Current Financial Debts	**3.3**	**650.0**	**653.3**	**2.5**	**674.2**	**676.7**	**-**	**1,305.3**	**1,305.3**
Total Financial Debts	**4.5**	**692.7**	**697.2**	**3.1**	**859.5**	**862.6**	**-**	**1,519.7**	**1,519.7**

(g) Convertible Bonds

At the end of January 2002, Technip issued a bond loan with option for conversion into new shares and/or exchange for existing shares (OCEANE offer) for an initial amount of €M 793.5. The redemption date was set on January 1, 2007 for bonds not converted into shares or not cancelled before this date.

The OCEANE offer, which received the final approval of the COB on January 22, 2002, has the following characteristics:

- Issued at a price of € 170 (number of bonds issued: 4,667,647);
- A coupon payable on January 1st of each year amounts to 1% per year of the bonds' nominal value;
- A redemption date was set on January 1, 2007 for bonds not converted into shares at such date;
- A bond redemption price as of January 1, 2007 of €190.07 in the event of non-conversion or non-exchange;
- An actuarial rate of yield for the bondholder of 3.25% per year in the event of non-conversion or non-exchange.

Following the 4-for-1 share split on May 13, 2005, the same grant rate has been applied to convertible bond which is 1 bond for 4 Technip's ordinary shares.

Proceeds from the bond loan were used to repay part of the credit facility entered into by Technip to finance the purchase of Coflexip shares.

Technip repurchased 948,536 convertible bonds in 2002, 2003 and 2004, and 117,700 convertible bonds over the year 2005 for an amount of €M 20.0 in 2005, representing a total nominal amount repurchased of €M 181.3 since the bond issue.

In accordance with the bond loan-issuing contract, the 1,066,236 convertible bonds thus redeemed have been cancelled, reducing the outstanding nominal amount to €M 612.2 as of December 31, 2005 (to the exclusion of the redemption premium).

As of January 31, 2006, 21,600 bonds representing 86,400 shares were presented for conversion on Bondholder's request.

On the Board of Directors'decision on February 22, 2006, the Group announced its decision to call its convertible bonds for early redemption on March 23, 2006 based on a price of € 187.06 per bond. The accruals of interest have ceased as from this date. Bondholders had the ability to exercise their option to receive 4 Technip shares for each convertible bond until March 14, 2006.

On March 9 and 23, 2006, Technip has redeemed 289,362 and 3,288,420 bonds. These 3,577,782 bonds have been converted into 14,311,128 shares, of which 11,592,066 newly issued shares. The remaining 2,029 bonds have been redeemed based on a price of 187.06 euros (including the accrued interest), representing a cash outflow of €M 0.4.

On March 20, 2006, Technip has acquired additional 1,300,000 shares through the exercise of call options, in order to purchase the same number of Technip shares at the price of € 47.52 euros per share, representing a cash outflow of €M 61.8.

Note 22 – Pensions and other Post-Employment Benefit Plans

In accordance with laws and usual practices in each country, Technip contributes to retirement or post retirement benefit schemes.

The Group has assessed its obligations in employee benefit pension plans and other long-term benefits such as jubilees, post retirement medical and special termination benefits according to IAS 19. The plan assets are recorded at fair value.

(a) Description of the Current Benefit Pension Plans within the Group

GERMANY

Following plans are proposed in Germany:

- Two pension plans offer a pension payable from people who have reached the age of 65 years old
  - A differed benefit plan
  - An early retirement plan (OAPT)
- A jubilee plan provides a lump sum payment from one to three month of salary when employees have reached 25, 40 and 45 year of services.

BRAZIL

A jubilee plan provides a lump sum payment from half a month of salary after 10, 15, 20 and 30 years of services. The plan provides also to pay a short journey to Paris after 20 and 30 years of service.

UNITED ARAB EMIRATES

A cost retirement benefit provides a capital payment according to the years of stay in the company: 21 days of salary by year of service until 5 years and one month of salary beyond.

FRANCE

Following plans are proposed in France:

- A pension plan which offers a capital payment based on the years of service and salary at retirement date.
- A post medical retirement benefit (closed to new comers).
- A jubilee plan which provides a lump sum payment after 20, 30, 35 and 40 years of services (minimum of years spent in Technip required).
- An additional defined contribution pension plan has been set up from January 1st, 2005 dedicated to a precise and same level class of top managers. A 6% contribution on gross salary for these people is paid by the Company. This contribution respects the limits required by the Law.
- A complementary pension plan has been set up from May 1, 2007 for Members of the Group's Executive Committee. It consists of a guaranteed retirement wage of 1.8% of the annual gross compensation per year of presence.

The provisions of French law for Social Security financing (« Loi de Financement de la Sécurité Sociale ») in 2008 have been taken into account for the calculation: it has no impact on accrued amount for 2007 but increases debt for the future.

ITALY

A cost retirement benefit that provides a capital payment according to the wage and to the years of stay in the company is granted to employees. Following the change of law in Italy, this defined benefit plan has been changed into a defined contribution plan. Consequently, no future right is generated following IAS 19. The amount which remains in the books is relative to the rights generated before the change of plan.

NORWAY

A pension plan offers a guarantee income from 67 years old on (70% of final gross salary maximum, social security included).

NETHERLANDS

The company has a defined contribution pension plan.

UNITED KINGDOM

A pension plan offers a capital payment.

(b) Net Benefit Expense Recognized in the Income Statement

In millions of Euro	2007	2006	2005
Current Service Cost	9.1	12.2	8.6
Financial Cost of Benefit Obligation	8.3	7.7	7.7
Expected Return on Plan Assets	(4.6)	(3.8)	(3.8)
Net Actuarial (Gain) / Loss Recognized	0.1	(0.5)	1.5
Past Service Cost	(0.2)	(0.2)	(0.2)
Special Events (Curtailment)	(3.2)	(3.8)	(2.2)
Net Benefit Expense as Recorded in the Income Statement	**9.5**	**11.6**	**11.6**

This schedule shows the defined benefit pension plan expense; defined contribution plan expenses amount to €M 22.1 in 2007, €M 14.7 in 2006 and €M 6.4 in 2005.

(c) Benefit Asset / Liability Recognized in the Balance Sheet

The liability as recorded in the balance sheet can be analyzed as follows:

	As of December 31,		
In millions of Euro	**2007**	**2006**	**2005**
Provisions	(104.5)	(115.8)	(114.2)
Accrued Expenses	0.6	-	-
Asset / (Liability) as Recorded in the Balance Sheet	**(103.9)**	**(115.8)**	**(114.2)**
Defined Benefit Obligation	(192.8)	(191.2)	(194.6)
Fair Value of Plan Assets	87.6	81.8	77.4
Net Defined Benefit Obligation	(105.2)	(109.4)	(117.2)
Unrecognized Actuarial (Gains) / Losses	(8.3)	(4.0)	5.5
Unrecognized Past Service Costs	9.6	(2.4)	(2.5)
Asset / (Liability) as Recorded in the Balance Sheet	**(103.9)**	**(115.8)**	**(114.2)**

The Defined Benefit Obligation includes funded plan assets for €M 105.1 and unfunded plan assets for €M 87.7.

Unrecognized actuarial gains and losses are as follows:

In millions of Euro	2007
Unrecognized Actuarial (Gains) / Losses as of January 1,	**(4.1)**
Amortized during the Year	0.1
Amounts Generated during the Year due to Experience	5.3
Amounts Generated during the Year due to Changes in Assumptions	(9.4)
Unrecognized Actuarial (Gains) / Losses as of December 31,	**(8.2)**

Changes in benefit asset / (liability) of pensions plans and other post-employment benefits are presented hereafter:

In millions of Euro	2007	2006	2005
Net Benefit Asset / (Liability) as of January 1,	**(115.8)**	**(114.2)**	**(111.9)**
Exchange Differences on Foreign Plans	0.4	(0.1)	(0.2)
Expenses Charged in the Income Statement	(9.5)	(11.6)	(11.6)
Contributions Paid	18.5	10.1	9.3
Disposals of Subsidiaries / Changes in Scope of Consolidation	-	-	0.2
Others	2.5	-	-
Net Benefit Asset / (Liability) as of December 31,	**(103.9)**	**(115.8)**	**(114.2)**

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

In millions of Euro	2007	2006	2005
Defined Benefit Obligation as of January 1,	**191.2**	**194.6**	**177.3**
Current Service Cost	9.1	12.2	8.6
Contributions by Employee	0.2	0.3	0.3
Financial Cost on Benefit Obligation	8.3	7.7	7.7
Benefits Paid	(11.4)	(7.7)	(9.0)
Actuarial Gains / (Losses)	(9.4)	(12.3)	11.3
Curtailment	8.5	(3.8)	(2.7)
Exchange Difference	(1.5)	0.2	1.1
Others	(2.2)	-	-
Defined Benefit Obligation as of December 31,	**192.8**	**191.2**	**194.6**

Changes in fair value of plan assets are as follows:

In millions of Euro	2007	2006	2005
Fair Value of Plan Assets as of January 1,	**81.8**	**77.4**	**68.8**
Expected Return	4.6	3.8	3.8
Contributions by Employer	7.9	4.4	3.1
Contributions by Employee	0.2	0.3	0.3
Benefits Paid	(2.8)	(2.0)	(2.8)
Actuarial Gains / (Losses)	(5.2)	(2.3)	3.6
Acquisitions and Disposals of Subsidiaries / Changes in Scope of Consolidation	0.2	-	-
Exchange Differences on Foreign Plans	(1.4)	0.2	0.6
Others	2.4	-	-
Fair Value of Plan Assets as of December 31,	**87.6**	**81.8**	**77.4**

Hereafter are detailed the main categories of pension plans by country in percentage of their total fair value:

In %	Bonds	Shares	Real Estate	Cash	Total
Norway	63%	17%	16%	4%	100%
Netherlands	73%	27%	0%	0%	100%
United Kingdom	9%	81%	4%	6%	100%

France and Germany have invested in general funds, so this breakdown cannot be disclosed. Similarly, the net expected return on assets amounts circa 4.50%.

The expected return on assets is the weighted average of the expected returns. Expected return on assets, by type of assets, is the followings:

In %	Bonds	Shares	Real Estate	Cash
Norway	5.25%	7.71%	7.71%	5.25%
Netherlands	5.25%	7.66%	7.66%	5.25%
United Kingdom	5.80%	7.30%	7.30%	5.80%

2008 forecasted contributions related to Defined Benefit Plans amount to €M 6.6.

(d) Actuarial Assumptions

The main assumptions made to define the benefit amounts related to pension plans are detailed in the following table:

	As of December 31,					
	2007		2006		2005	
	Euroland	Others	Euroland	Others	Euroland	Others
Discount Rate	5.25%	5.25 to 10%	4.5%	4.5 to 10%	4.0%	4.5 to 10%
Expected Return on Plan Assets	4.5 to 5.9%	6.1 to 7.1%	4.5 to 5.1%	5.4 to 6.8%	4.0% to 4.45%	5.0% to 7.0%
Future Salary Increase (above Inflation Rate)	1.0 to 1.50%	1.0 to 1.25%	1.0 to 1.50%	1.0 to 1.25%	1.0 to 1.5%	1.0 to 1.25%
Healthcare Cost Increase	3.0%	N/A	3.0%	N/A	3.0%	N/A
Inflation Rate	2.0%	2.0 to 4.0%	2.0%	2.0 to 4.0%	2.0%	2.7% to 5.0%

The effect of one percentage point increase and one percentage point decrease in the assumed health care cost trend rates is not material as it will lead to book an amount of €M 0.1 in plus or minus.

Note 23 – Provisions

The principles used for the assessment of accrued liabilities, as well as their specific natures, are described in Note 1-C-(r) Provisions.

(a) Changes in Provisions

Changes in provisions over the year 2007 can be analyzed as follows:

In millions of Euro	As of January 1, 2007	Increase	Used Provision Reversals	Unused Provision Reversals	Foreign Exchange Adjustments	Others (1)	As of December 31, 2007
Employee Benefits (2)	109.0	13.0	(15.7)	(5.8)	(0.3)	(4.2)	96.0
Tax	-	-	(0.3)	(0.5)	0.0	1.0	0.3
Litigation	3.0	-	-	-	-	-	3.0
Reinsurance (3)	9.7	0.8	-	(1.6)	(0.1)	(0.2)	8.6
Other Provisions (Non-Current)	2.4	1.3	(0.9)	(0.2)	(0.1)	(0.7)	1.8
Total Non-Current Provisions	**124.1**	**15.1**	**(16.9)**	**(8.1)**	**(0.4)**	**(4.1)**	**109.7**
Employee Benefits (2)	6.8	0.2	(0.2)	-	-	1.7	8.5
Contingencies related to Contracts	34.1	14.2	(10.5)	(3.6)	(0.5)	(2.9)	30.8
Restructuring	1.1	1.7	(1.0)	(0.1)	(0.0)	2.2	3.9
Tax	6.9	2.4	(0.2)	-	0.4	(2.1)	7.4
Litigation	4.1	6.7	(0.6)	(0.5)	0.1	(2.6)	7.3
Reinsurance (3)	3.9	10.3	(1.0)	-	(0.2)	-	13.0
Other Provisions (Current)	16.9	45.8	(3.2)	(5.9)	(1.5)	(0.1)	52.1
Total Current Provisions	**73.8**	**81.3**	**(16.6)**	**(10.0)**	**(1.7)**	**(3.8)**	**123.0**
Total Provisions	**197.9**	**96.4**	**(33.5)**	**(18.1)**	**(2.1)**	**(7.9)**	**232.7**

(1) Mainly including reclassifications of current / non-current items from January 1, 2007 to December 31, 2007.

(2) See Note 22 – Pensions and other Post-Employment Benefit Plans.

(3) "Reinsurance" provisions have been recorded at the level of the Group's insurance captive (Engineering RE AG) as per IFRS 4.

(b) Schedule of Provisions

The following table reflets the maturity of provisions as of December 31, 2007:

In millions of Euro	As of December, 31 2007	Maturity 2008	2009	2010	2011	2012	2013	2014 and beyond
Employee Benefits	96.1	-	6.3	6.8	6.8	7.0	7.7	61.5
Tax	0.3	-	0.3	-	-	-	-	-
Litigation	3.0	-	-	3.0	-	-	-	-
Reinsurance	8.6	-	-	-	-	-	-	8.6
Other Provisions (Non-Current)	1.8	-	1.0	-	-	-	-	0.7
Total Non-Current Provisions	**109.7**	**-**	**7.6**	**9.8**	**6.8**	**7.0**	**7.7**	**70.8**
Employee Benefits	8.5	8.5	-	-	-	-	-	-
Contingencies related to Contracts	30.8	18.0	2.1	0.5	0.1	10.1	-	-
Restructuring	3.8	0.5	3.0	0.3	-	-	-	-
Tax	7.4	-	0.3	-	-	7.1	-	-
Litigation	7.3	5.6	-	-	-	1.7	-	-
Reinsurance	13.1	13.1	-	-	-	-	-	-
Other Provisions (Current)	52.1	50.0	1.3	0.6	0.2	-	-	-
Total Current Provisions	**123.0**	**95.7**	**6.7**	**1.4**	**0.3**	**18.9**	**-**	**-**
Total Provisions	**232.7**	**95.7**	**14.3**	**11.2**	**7.1**	**25.9**	**7.7**	**70.8**

As mentioned in the Group accounting principles, the criteria of asset / liability classification as "Current" in the balance sheet rely either on the term of contracts' operating cycle, or on the maturity of the liability less than one year. Therefore, current provisions on contingencies related to contracts may have maturities greater than one year because of the contracts' operating cycle.

Note 24 – Trade Payables

Trade payables are non-interest bearing. Their maturities are linked to the operating cycle of contracts. Trade payables are as follows:

	As of December 31,		
In millions of Euro	2007	2006	2005
Total Trade Payables	**1,866.3**	**1,658.3**	**978.1**

The increase in trade payables is due to the increase of the activity and the percentage of completion of contracts.

Note 25 – Other Current and Non-Current Liabilities

Other current and non-current liabilities are as follows:

	As of December 31,		
In millions of Euro	2007	2006	2005
Payroll Costs	155.2	137.4	129.1
Social Security Charges	38.2	36.0	29.5
Other Tax Payables	35.5	22.7	26.9
Deferred Income	21.9	14.9	70.8
Ongoing Project Accruals (1)	174.5	121.1	227.1
Rent to Be Paid (2)	27.5	19.6	22.9
Dividends to Be Paid	-	-	2.2
Current Accounts on Ongoing Contracts	111.4	55.1	59.8
Subsidies	-	6.2	6.4
Advanced Received	218.9	-	-
Others	82.1	69.0	123.8
Total Other Current Payables	**865.2**	**482.0**	**698.5**
Payable on Fixed Assets	33.2	18.9	8.6
Others	12.3	-	-
Total Other Non-Current Payables	**45.5**	**18.9**	**8.6**
Total Other Payables	**910.7**	**500.9**	**707.1**

(1) See Note 1-C-(b) Construction Contracts: when the contract is completed, accrued liabilities may be recorded to cover pending expenses until the signature of the completion certificate by the client.

(2) Technip has entered into a 12-year lease for its new head office at La Défense (Paris, France) effective March 1, 2003. Under the terms of the lease, Technip was entitled to take advantage of the first year of occupancy at no charge. In accordance with IAS 17, an annual rental expense for the entire 12-year lease duration has been determined on the basis of a total lease value. This has led the Group to record a rental charge corresponding to the first year of occupancy versus a debt in its opening balance sheet as of January 1, 2004.

Maturities are less than one year, except for items related with ongoing contracts that are part of the contracts' operating cycle.

Note 26 – Financial Instruments

Information disclosed on financial instruments was completed in 2007 in order to comply with IFRS 7 to be applied for annual period as from January 1, 2007.

(a) Financial Assets and Liabilities per Category

Financial assets and liabilities are analysed as follows:

In millions of Euro	Value		As of December 31, 2007 Analysis by Category of Financial Instruments				
	Carrying Amount	Fair Value	At Fair Value Through P&L	Loans and Receivables	Available for-Sale Assets	Liabilities at Amortized Cost	Derivative Instruments
Investments in Non-Consolidated Companies	3.5	3.5	3.5	-	-	-	-
Other Non-Current Financial Assets	17.5	17.5	17.5	-	-	-	-
Available-for-Sale Financial Assets	17.0	17.0	-	-	17.0	-	-
Derivatives	5.2	5.2	-	-	-	-	5.2
Trade Receivables	783.4	783.4	-	783.4	-	-	-
Current Income Tax Receivables	68.4	68.4	-	68.4	-	-	-
Other Current Receivables	458.4	458.4	-	458.4	-	-	-
Cash and Cash Equivalents	2,401.5	2,401.5	2,401.5	-	-	-	-
Total Assets	**3,754.9**	**3,754.9**	**2,422.5**	**1,310.2**	**17.0**	**-**	**5.2**
Other Non-Current Financial Debts	653.3	646.0	(7.3)	-	-	653.3	-
Other Non-Current Liabilities	45.5	45.5	-	-	-	45.5	-
Current Financial Debts	43.9	43.9	-	-	-	43.9	-
Trade Payables	1,866.3	1,866.3	-	1,866.3	-	-	-
Derivatives	5.1	5.1	-	-	-	-	5.1
Current Income Tax Payables	201.7	201.7	-	201.7	-	-	-
Other Current Liabilities	865.2	865.2	-	865.2	-	-	-
Total Liabilities	**3,681.0**	**3,673.7**	**(7.3)**	**2,933.2**	**-**	**742.7**	**5.1**

In millions of Euro	Value		As of December 31, 2006 Analysis by Category of Financial Instruments				
	Carrying Amount	Fair Value	At Fair Value Through P&L	Loans and Receivables	Available for-Sale Assets	Liabilities at Amortized Cost	Derivative Instruments
Investments in Non-Consolidated Companies	4.1	4.1	4.1	-	-	-	-
Other Non-Current Financial Assets	12.7	12.7	12.7	-	-	-	-
Available-for-Sale Financial Assets	44.5	44.5	-	-	44.5	-	-
Derivatives	29.5	29.5	-	-	-	-	29.5
Trade Receivables	583.7	583.7	-	583.7	-	-	-
Current Income Tax Receivables	93.7	93.7	-	93.7	-	-	-
Other Current Receivables	262.4	262.4	-	262.4	-	-	-
Cash and Cash Equivalents	2,402.8	2,402.8	2,402.8	-	-	-	-
Total Assets	**3,433.4**	**3,433.4**	**2,419.6**	**939.8**	**44.5**	**-**	**29.5**
Other Non-Current Financial Debts	676.7	682.0	5.3	-	-	676.7	-
Other Non-Current Liabilities	18.9	18.9	-	-	-	18.9	-
Current Financial Debts	185.9	185.9	-	-	-	185.9	-
Trade Payables	1,658.3	1,658.3	-	1,658.3	-	-	-
Derivatives	5.3	5.3	-	-	-	-	5.3
Current Income Tax Payables	122.0	122.0	-	122.0	-	-	-
Other Current Liabilities	482.0	482.0	-	482.0	-	-	-
Total Liabilities	**3,149.1**	**3,154.4**	**5,3**	**2,262.3**	**-**	**881.5**	**5.3**

In millions of Euro	Value		As of December 31, 2005 Analysis by Category of Financial Instruments				
	Carrying Amount	Fair Value	At Fair Value Through P&L	Loans and Receivables	Available for-Sale Assets	Liabilities at Amortized Cost	Derivative Instruments
Investments in Non-Consolidated Companies	3.5	3.5	3.5	-	-	-	-
Other Non-Current Financial Assets	8.1	8.1	8.1	-	-	-	-
Available-for-Sale Financial Assets	-	-	-	-	-	-	-
Derivatives	3.5	3.5	-	-	-	-	3.5
Trade Receivables	440.0	440.0	-	440.0	-	-	-
Current Income Tax Receivables	51.8	51.8	-	51.8	-	-	-
Other Current Receivables	283.6	283.6	-	283.6	-	-	-
Cash and Cash Equivalents	2,187.8	2,187.8	2,187.8	-	-	-	-
Total Assets	**2,978.3**	**2,978.3**	**2,199.4**	**775.4**	**-**	**-**	**3.5**
Convertible Bonds	650.1	670.5	20.4	-	-	650.1	-
Other Non-Current Financial Debts	655.2	689.1	33.9	-	-	655.2	-
Other Non-Current Liabilities	8.6	8.6	-	-	-	8.6	-
Current Financial Debts	214.4	214.4	-	-	-	214.4	-
Trade Payables	978.1	978.1	-	978.1	-	-	-
Derivatives	77.1	77.1	-	-	-	-	77.1
Current Income Tax Payables	34.9	34.9	-	34.9	-	-	-
Other Current Liabilities	698.5	698.5	-	698.5	-	-	-
Total Liabilities	**3,316.9**	**3,371.2**	**54.3**	**1,711.5**	**-**	**1,528.3**	**77.1**

(b) Gains and Losses per Category of Financial Instruments

Gains and losses per category of financial instruments are analysed as follows:

In millions of Euro	2007					
		From Subsequent Valuation				
	Interest	At Fair Value	Currency Translation	Impairment /Reversal of Impairment	Derecognition	Net Gains /(Losses)
Categories of Financial Instruments						
At Fair Value Through P&L	12.2	(0.2)	-	-	-	12.0
Loans and Receivables	-	(26.6)	-	-	-	(26.6)
Available-for-Sale Assets	-	-	-	-	2.9	2.9
Liabilities at Amortized Cost	(42.3)	-	-	-	-	(42.3)
Derivative Instruments	-	2.9	-	(2.4)	-	0.5
Total Net Gains / (Losses)	**(30.1)**	**(23.9)**	**-**	**(2.4)**	**2.9**	**(53.5)**

In millions of Euro	2006					
		From Subsequent Valuation				
	Interest	At Fair Value	Currency Translation	Impairment /Reversal of Impairment	Derecognition	Net Gains /(Losses)
Categories of Financial Instruments						
At Fair Value Through P&L	8.9	0.6	-	-	-	9.5
Loans and Receivables	-	(9.4)	-	-	-	(9.4)
Available-for-Sale Assets	-	-	-	-	-	-
Liabilities at Amortized Cost	(41.7)	(8.3)	-	-	-	(50.0)
Derivative Instruments	-	0.9	-	(1.2)	-	(0.3)
Total Net Gains / (Losses)	**(32.8)**	**(16.2)**	**-**	**(1.2)**	**-**	**(50.2)**

In millions of Euro	2005					
		From Subsequent Valuation				
	Interest	At Fair Value	Currency Translation	Impairment /Reversal of Impairment	Derecognition	Net Gains /(Losses)
Categories of Financial Instruments						
At Fair Value Through P&L	14.3	-	-	-	-	14.3
Loans and Receivables	-	(6.6)	-	-	-	(6.6)
Available-for-Sale Assets	-	-	-	-	-	-
Liabilities at Amortized Cost	(65.3)	(16.6)	-	-	-	(81.9)
Derivative Instruments	-	1.9	-	(1.2)	-	0.7
Total Net Gains / (Losses)	**(51.0)**	**(21.3)**	**-**	**(1.2)**	**-**	**(73.5)**

The reduction in net losses on financial instruments between 2005 and 2006 is due to repayment of convertible bonds (OCEANE).

(c) Derivative Financial Instruments

Analysis per category of financial instruments is as follows:

In millions of Euro	As of December 31, 2007	
	Asset	Liability
Forward Foreign Exchange Contracts - Fair Value Hedge	0.8	-
Forward Foreign Exchange Contracts - Cash Flow Hedge	4.4	5.1
Total	**5.2**	**5.1**

Analysis of gains and losses on financial instruments with shareholders' equity impacts in fair value reserve is as follows:

In millions of Euro	2007
As of January 1,	**16.4**
Fair Value Gains/(Expenses) on Financial Instruments - Cash Flow Hedges	1.6
As of December 31,	**18.0**

Analysis of gains and losses on financial instruments with profit and loss statement impacts is as follows:

In millions of Euro	2007
Effective Gains/(Expenses) on Fair Value Hedges	0.9
Ineffectiveness Gains/(Expenses) on Fair Value Hedges	(0.1)
Ineffectiveness Gains/(Expenses) on Cash Flow Hedges	(2.3)
Total	**(1.5)**

Note 27 – Payroll Staff

Technip has a workforce of about 23,000 people, in more than 50 countries, including an average of 5,000 external staff integrated in operating teams. The payroll increases in 2007 compared to 2006; the Group strengthens its team to face the growth of the activity.

Note 28 – Related Party Disclosures

(a) Transactions with Related Parties

Entities that have a significant influence on the Group and their percentages of ownership are as follows:

	As of December 31,		
	2007	2006	2005
Oppenheimer Funds Inc	5.4%	5.5%	5.9%
ING Group NV	5.2%	-	-
Causeway	5.1%	-	-
Capital Research	4.7%	4.8%	-
Artisan	4.0%	3.4%	-
Tradewinds NWQ	3.6%	6.5%	-
Institut Français du Pétrole	2.9%	2.9%	3.2%

Technip signed an agreement of research cooperation on offshore deepwaters with IFP (Institut Français du Pétrole). Related royalties are calculated under normal competition conditions and amounted to €M 3.6 in 2007, €M 3.2 in 2006 and €M 3.0 in 2005.

(b) Assets and Liabilities towards Associates in Joint-Ventures

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

	As of December 31,		
In millions of Euro	**2007**	**2006**	**2005**
Assets	47.0	45.0	28.1
Liabilities	32.3	36.4	39.2
Net Assets/(Net Liabilities)	**14.7**	**8.6**	**(11.1)**

(c) Salary and Benefits of the Chief Executive Officer

The Compensation of Technip Chairman and CEO is decided by the Company's Board of Directors based on a proposal from the Nominating and Compensation Committee.

THIERRY PILENKO'S COMPENSATION

The total gross compensation of Mr Thierry Pilenko, appointed as Chairman and CEO in April 27, 2007, paid by Technip amounted to 509,563 euros in 2007. The amount of the fixed compensation amounted to 404,945 euros. He received a 100,000 euros bonus and a fringe benefit of 4,618 euros for use of a company car.

The variable portion of the salary is based on the previous year fixed salary. It is calculated for 50% of it on the Group performance based on the following criteria: income from operations, backlog, and earnings per share. The remaining 50% is based on the individual performance linked to general Group's objectives achievement. The 2007 variable portion which will be paid to Mr Pilenko in 2008 amounts to 631,100 euros.

Mr Pilenko does not receive any Director's fees as member of the Board of Directors in Technip and in any Group company affiliate.

There is no specific pension scheme for the Chairman. Like other directors of Technip, he benefits from a complementary defined contribution benefit pension plan. It is calculated as follows: 8% of the annual gross compensation capped to 8 times the upper limit of salary deductions for social security contributions. The 2007 compensation amounted to 13,903 euros. He also has a complementary defined contribution benefit pension plan as a member of Technip Executive Committee which is calculated as follows: for each year of presence, but limited to 15 years, a retirement resource guarantee equal to 1.8% of "Tranche 4" of the annual gross paid compensation, i.e. the one above 8 times the upper yearly limit of salary deductions for French social security regime.

That compensation will be based on the average gross compensation, including variable part, capped to a 100% target bonus, received by the beneficiary during the five year prior to his effective departure date from the company. The compensation will only be due if he is more than 60 years old at the effective departure date, or in case he is put on 2d or 3rd level of disability, or in case he is more than 55 years old at the effective departure date provided departure is not linked with any serious or gross misconduct and provided he has no professional activity between departure date and payment of compensation from general social security regime.

A non-compete clause was concluded when Mr Pilenko was appointed, without any territorial limit, for three years after his departure. This obligation is compensated by a fee equal to 70% of his last three years of gross compensation.

In 2007 Mr Pilenko received 255,655 stock options. In 2007 he did not receive any performance share. Mr Pilenko did not exercise any stock option. He did not benefit from any equity warrant of Technip or any of its affiliates.

DANIEL VALOT'S COMPENSATION

The gross amount of fixed compensation paid in 2007 to Mr Daniel Valot, the Chairman of Technip until April 27th, 2007, amounted to 225,252 euros. The gross amount of variable compensation paid in 2007 but linked with 2006 results amounted to 619,200 euros. The gross amount of variable compensation paid in 2007 but linked with 2007 results amounted to 223,738 euros. Mr Valot had a company car which represented a fringe benefit of 1,560 euros.

According to the third resolution based on the special report of the Statutory Auditors on certain related party transactions voted by General Shareholders' Meeting on April 27th, 2007, Mr Valot was allocated a termination payment of 1,128,250 euros in 2007.

According to non-compete clause concluded when he was appointed, Mr Valot received compensation equal to 60% of his last three years of gross compensation, 2,030,850 euros.

Mr Valot had like other directors of Technip a complementary defined contribution benefit pension plan. He received 5,021 euros in 2007.

(d) Salary and Benefits of the Main Group Managers

The compensation paid in 2007 to the main Group managers (members of the Group's Executive Committee and the CEOs of the main engineering centers - a total of 15 people) by French and foreign Group entities amounted to €4,935,743. The variable part represents 28% of the total amount.

The 2007 complementary defined contribution pension plan expenses amount to €1,545,040 including €1,363,201 related to members of the Group's Executive Committee.

Charge related to stock options granted to these 15 people amounted to €M 1.0 in 2007.

Note 29 – Compensation of the Board of Directors' Members

The amount of Directors' fees paid by Technip to the members of the Board of Directors during 2007 was of €373,100. The gross amount of compensation and benefits of all kinds paid by Technip to the members of the Board of Directors during 2007 was of €1,579,313.

Note 30 – Joint-Ventures

The following amounts represent Technip's accumulated shares of the assets, liabilities, income and expenses relative to all joint ventures of the Group. These amounts are included in Technip's balance sheet and income statement:

	As of December 31,		
In millions of Euro	**2007**	**2006**	**2005**
Non-Current Assets	3.1	6.4	2.1
Current Assets	1,590.0	1,798.7	1,080.2
Total Assets	**1,593,1**	**1,805,1**	**1,082,3**
Non-Current Liabilities	6.2	3.3	3.2
Current Liabilities	1,543.9	1,679.7	1,058.3
Total Liabilities	**1,550.1**	**1,683.0**	**1,061.5**
Net Assets	**43.0**	**122.1**	**20.8**

In millions of Euro	2007	2006	2005
Income	2,227.4	1,671.2	666.2
Expenses	2,247.1	1,556.4	640.1
Net Income after Tax	**(19.7)**	**114.8**	**26.1**

The list of entities structured in joint ventures is the one of affiliates consolidated under the proportionate method excepting the following companies: Technip South Africa, ProTek Germany, Technip India, Tipiel, Deep Oil Technology Inc and Spars International Inc.

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

Note 31 – Off-Balance Sheet Commitments and Contingencies

The off-balance sheet commitments are presented as follows:

In millions of Euro	As of December 31, 2007			
	Amounts of Commitments per Period			
	Less than 1 year	1 to 5 years	More than 5 years	Total
Operating Leases	79.8	278.6	198.3	556.7
Foreign Exchange Rate Financial Instruments	1,126.3	677.4	-	1,803.7
Total Contractual Commitments	**1,206.1**	**956.0**	**198.3**	**2,360.4**

In millions of Euro	As of December 31, 2007			
	Amounts of Commitments per Period			
	Less than 1 year	1 to 5 years	More than 5 years	Total
Parent Company Guarantees	3,624.8	21,026.3	946.9	25,598.0
Other Commitments Given	709.6	2,238.1	79.4	3,027.1
Total Commitments Given	**4,334.4**	**23,264.4**	**1,026.3**	**28,625.1**

In millions of Euro	As of December 31, 2007			
	Amounts of Commitments per Period			
	Less than 1 year	1 to 5 years	More than 5 years	Total
Commitments Received	471.7	438.7	23.4	933.8
Total Commitments Received	**471.7**	**438.7**	**23.4**	**933.8**

(a) Capital Leases and Operating Leases

The Group rents various equipment, vessels and buildings, mainly under lease contracts that will end during the next ten years. It is likely that the Group will have to renew or to replace them.

At the end of December 2007, the rental expense amounted to €M 93.3 (including rental expense on vessels for €M 39.9) against €M 80.4 in 2006 (including rental expense on vessels for €M 32.2), after taking into account restatements related to the application of IAS 17.

As of December 31, 2007, the Group's commitments related to operating leases break down as follows:

In millions of Euro	As of December 31, 2007
2008	79.8
2009	77.7
2010	71.8
2011	71.0
2012	58.1
2013 and beyond	198.3
Total Current Net Value of Operating Leases	**556.7**

In 2003, Technip entered into a new lease contract related to a new office building located in Paris-La Défense, which is the Group's new headquarters. This lease relates to the period from March 1, 2003 to February 27, 2015. For 2007 the lease amounts to €M 27.4 after taking into account the changes in the construction index and the restatements connected to the application of IAS 17. The lease payment remains stable per period of 36 months except for changes in the construction index.

In 2007, subsidiaries in the United Kingdom signed a new lease contract for the vessel Skandi Achiever (MGBP 66.0 over 8 years starting July 1, 2007) and subsidiaries in the United States signed a new lease for the renting of offices (MUSD 131 over 15 years).

(b) Bank and Commercial Guarantees

Commitments given and received are summarized hereafter:

In millions of Euro	As of December 31, 2007	2006	2005
Parent Company Guarantees	25,598.0	25,766.7	23,234.9
Other Commitments Given	3,027.1	2,904.4	2,817.0
Total Commitments Given	**28,625.1**	**28,671.1**	**26,051.9**
Total Commitments Received	**933.8**	**945.8**	**675.1**

Parent company guarantees given by Technip SA or its affiliates to clients cover the due and proper performance of the specified construction contracts for which the average expiration period until the release of the commitment guarantees is about 5 years. Regarding joint ventures, the amounts disclosed in the parent company guarantees, which stand at €M 25,598, also include the contract part allocated to the Group's partners in joint venture and are not reduced according to the projects' percentage of completion. They are not reduced from the amount of parent company received from Technip's partners within these joint ventures, whereas Technip issues parent company guarantees in their favor.

The parent company guarantees issued by Technip for contracts out of joint venture's framework amounts to €M 8,621 as of December 31, 2007.

The following table illustrates the breakdown of these €M 16,977 of parent company guarantees issued by Technip within joint ventures' contracts, according to the Group's percentage of ownership in these joint ventures, as of December 31, 2007.

In millions of Euro	As of December 31, 2007 Allocation as per % of Technip's Ownership in Joint Ventures			
	Less or equal to 25%	Greater than 25% and less or equal to 40%	Greater than 40%	Total
Parent Company Guarantees Given within Joint Ventures	2,444.0	11,191.0	3,342.0	16,977.0

Other commitments given mainly relate to guarantees or counter-guarantees given by banks and insurance companies to various customers in connection with ongoing contracts, in order to secure due and proper performance of the contracts or following the payment of retention guarantees and advance billings.

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

The present note does not forget to mention any significant off-balance sheet commitment.

Note 32 – Litigations and Contingent Liabilities

(a) Litigations

The Company is subject to various legal proceedings and claims arising in the normal course of its business. In management opinion, the probable outcomes of these actions will not materially affect nor have materially affected in a recent past the consolidated financial position, results of operations or, the net assets of the Company and its subsidiaries.

Provisions related to any litigation are recorded, when necessary, under the "Contingencies related to Contracts" line item, disclosed in Note 23 - Provisions, or in the costs of ongoing contracts.

The main current litigations consist in the following:

ITP Litigation

On 21 December 2001, a French company, Interpipe SA (ITP) called Coflexip, Coflexip Stena Offshore Ltd and Coflexip Stena Offshore International (currently Technip France and Technip UK Ltd) before the Tribunal de Commerce for damages due to an alleged violation of various confidentiality agreements. On 16 May 2006 the Tribunal de Commerce granted, in part, ITP's demand. On 28 June 2006, Technip lodged our appeal. The proceedings are still pending before the Paris Court of Appeal.

ITP had also filed a technology patent infringement claim before the Scottish and American courts, concerning pipe-in-pipe technology. After the European Patent Office (EPO) invalidated said company's patent in February 2004, Edinburgh's Court of Appeal quashed the lower court's decision which had ruled an infringement of said patent, deeming that the EPO's decision should be valid in Great Britain. The Scottish case is closed. The case before the Alabama court in the US was brought to an end by an out-of-court settlement reached in October 2007, with no money changing hands. In April 2007 Technip challenged in court ITP's French patent on pipe-in-pipe technology. The case is still open.

Based on the evidence at hand, Technip considers that ITP's claims have no basis, and that it has a very low probability of having exposure because of this litigation.

Pending Investigation

Technip is a 25% shareholder of TSKJ, a joint venture company which is carrying out the construction of a natural gas liquefaction complex in Nigeria for Nigeria LNG Limited (NLNG).The companies Kellog Brown & Root (a subsidiary of the American group, Halliburton Company), Snamprogetti Netherlands BV (a subsidiary of the Italian Group, ENI), JGC Corporation (Japan) and Technip each hold 25% of TSKJ's capital.

In its annual report for the 2005 financial year, Halliburton Company indicated that it was subject to an investigation from the United States Securities and Exchange Commission (the "SEC") and the United States Department of Justice in relation to payments made in connection with the construction by TSKJ of the natural gas liquefaction complex located at Bonny Island in Rivers State, Nigeria for NLNG. Halliburton Company also reported that this formal investigation was relating to payments made by TSKJ under several agency agreements and that the SEC had issued a subpoena to the former Chairman of Kellog Brown & Root, to certain current and former Kellog Brown & Root employees and to at least one subcontractor.

During summer 2004, Technip was asked by the SEC to voluntarily provide information related to the implementation of this GNL complex. Technip is fully cooperating with the SEC and the DoJ and has engaged a US independent law firm to conduct an internal investigation of Technip's possible involvement in this matter.

Under the recommendation of the above mentioned law firm, the renewal of the internal investigation led to a request of information from the American authorities, through the diplomatic channel, and to a judicial consecutive requisition received at the end of 2007.

(b) Contingent Liabilities

Chevron

On 15th August 2005, Technip Offshore Inc. signed a contract with Chevron North America Exploration and Production Company, a division of Chevron USA Inc ("Chevron") (the "Tahiti Spar Contract"). The Tahiti Spar contract encompasses the supply of the hull and the components of the mooring system of the Spar platform.

During the final execution phase of the contract, discrepancies in metallurgical properties were evidenced on certain shackles which were to be integrated into the mooring system of the platform. In agreement with Chevron, new shackles were ordered with a new supplier with a view to replacement (as soon as possible) of the entirety of the mooring shackles which were part of the original contractual scope of supply. A certain number of these replacement shackles were delivered during the third quarter of 2007 and the remainder during January 2008. In such circumstances the replacement costs for the shackles are habitually covered by the insurance policies of either the customer, or the manufacturer (or any other party involved) or Technip.

Following the aforementioned events, Technip and Chevron entered into discussions to resolve certain contractual differences as foreseen by the terms of the contract. An arbitration in accordance with the terms of the contract cannot be excluded at this stage.

Individual Training Right

The law of May 4, 2004 provides French company employees with the right to receive individual training of at least 20 hours per year that can be accumulated over 6 years. At the end of the sixth year, the rights will be capped to 120 hours even if the hours have not been spent by the employee. According to the notice 2004-F of October 13, 2004 from the Emergency Committee of the National Counsel of Accounting (Conseil National de la Comptabilité) on the DIF (Droit individuel à la formation: Individual Training Right) accounting, expenses are a charge of the year and do not require the recognition of a liability. They constitute the remuneration of a past service and not a future one. The Group has maintained the French way of accounting under IFRS while the debt is uncertain. The employee could ask to use this right but it is not an obligation; he could never ask for it.

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

In 2007, 10 resigning employees have asked for this right against 3 employees in 2006 and none in 2005. No employee has a conflict with the Group on the subject.

Accumulated individual staff training unused rights amounted to 150,000 hours as of December 31, 2007.

In addition, the lifelong professional training agreement of the main French subsidiary offers training opportunities in 5 different topics: technical skills, office application IT, management and communication, quality and HSE and languages; these trainings are open to everybody. Technip spends around 3.5% of its payroll on training costs (that is around 2% more than the 1.6% required by the law). Each year, 80% of the employees attend at least one training session.

Note 33 – Market Related Exposure

(a) Liquidity Risk

A - Technip Group financing is carried out within the scope of a Group policy implemented by the Chief Financial and Control Department.

B - Cash management is centralized at the head office and coordinated through the financial centers located in the Group's main operating subsidiaries.

The SNC Technip Eurocash (general partnership) is acting as a cash pooling entity for the Group's main entities in respect of the various legislation and regulations in force locally. Thus, the SNC Technip Eurocash entered into cash pooling agreements with the Group's subsidiaries in order to pool the surplus cash, to meet their needs by pooling the Group's financial resources except when economic and financial conditions lead to giving priority to a local debt. Technip Eurocash's management committee is made up of representatives of the Group entities that are members of the SNC. This committee meets several times per year.

C - In May 2004, Technip took advantage of favorable market conditions to issue a bond loan for an amount of €M 650.0 (see Note 21 – Financial Debts). It extended the average maturity of its debt.

D - As of December 31, 2007, the Group has various non-used financing sources that allow it to finance its needs:

1/ An authorized €M 850.0 credit facility, which was signed in 2004 and amended in 2005, 2006 and 2007 by Technip (single redemption date: June 20, 2012). This credit line is not secured with regard to immovable property granted on the Group's assets. This credit line comes with the usual commitments from Technip and the affiliates entitled to borrow, excluding all financial ratios.

The amendment signed in June 2005 mainly related to the credit maturity extension to June 2010 and to the decrease in financial conditions. The amendment signed in June 2006 extends the credit maturity to June 2011 and the one signed in June 2007 brought maturity to June 2012.

2/ Two credit facilities granted to Technip, for an amount of €M 125.0 each, usable in Euro or in U.S. Dollar. These expiry dates are respectively May 26, 2012 and June 27, 2012. They have the same commitments as the credit above described.

3/ Various unused credit facilities amounting to €M 19.9.

The credit agreements with respect to these various financing arrangements do not include an early payment clause in case of deterioration of the borrower's rating. These credit agreements include a variable interest rate clause in case they are used.

As of December 31, 2007, the amount of credit facilities confirmed and available is €M 1,119.9 million of which €M 1,100.3 are available beyond December 31, 2008. Given market conditions, the Group has no commercial papers. The Group has authorization from « Banque de France » for a maximum amount of €M 600.0.

E - Payment due dates related to debts:

Payment due dates related to debts include provisional interests, even if they are not accrued on the closing date. Tables published in 2005 and 2006, which included only accrued interests were revised in order to take into account the whole amount of provisional payment. Variable rates used for calculation of provisional interests are the rates in force as of December 31, 2007.

In millions of Euro	As of December 31, 2007				
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Bond Loan	-	-	650.0	-	650.0
Bank Borrowings and Credit Lines	0.1	4.3	2.6	-	6.9
Interest Payables	30.1	30.1	60.1	-	120.3
Other	-	-	-	-	-
Total Non-Current Liabilities	**30.2**	**34.4**	**712.7**	**-**	**777.2**
Commercial Paper	-	-	-	-	-
Bank Overdrafts	25.2	-	-	-	25.2
Interest Payables	3.1	-	-	-	3.1
Other	-	-	-	-	-
Derivatives	3.2	0.9	1.0	-	5.1
Total Current Liabilities	**31.5**	**0.9**	**1.0**	**-**	**33.4**

In millions of Euro	As of December 31, 2006				
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Bond Loan	-	-	650.0	-	650.0
Bank Borrowings and Credit Lines	-	21.8	-	-	21.8
Interest Payables	30.1	32.4	90.6	-	153.1
Other	-	0.6	1.1	3.2	4.9
Total Non-Current Liabilities	**30.1**	**54.8**	**741.7**	**3.2**	**829.8**
Commercial Paper	150.0	-	-	-	150.0
Bank Overdrafts	15.9	-	-	-	15.9
Interest Payables	1.0	-	-	-	1.0
Other	1.0	-	-	-	1.0
Derivatives	4.7	0.5	0.1	-	5.3
Total Current Liabilities	**172.6**	**0.5**	**0.1**	**-**	**173.2**

In millions of Euro	As of December 31, 2005				
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Convertible Bond	-	650.1	-	-	650.1
Bond Loan	-	-	-	650.0	650.0
Bank Borrowings and Credit Lines	-	-	-	0.2	0.2
Interest Payables	36.6	36.6	90.2	30.0	193.4
Other	-	-	-	5.0	5.0
Total Non-Current Liabilities	**36.6**	**686.7**	**90.2**	**685.2**	**1,498.7**
Commercial Paper	150.0	-	-	-	150.0
Bank Overdrafts	39.2	-	-	-	39.2
Interest Payables	3.1	-	-	-	3.1
Other	1.0	-	-	-	1.0
Derivatives	53.8	23.3	-	-	77.1
Total Current Liabilities	**247.1**	**23.3**	**-**	**-**	**270.4**

(b) Foreign Currency Risk

As indicated in Note 1-C-(c) Foreign Currency Transactions and Financial Instruments, Technip uses financial instruments to manage its exposure to currency risks incurred in the normal course of its business. The Group does not use financial instruments for trading or speculative purposes. The exchange hedging contracts are divided up between several counter parties who are selected after due analysis.

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

In millions of Euro				As of December 31,	
	2007			2006	2005
	Maturity		Nominal value	Nominal value	Nominal value
	2009 and beyond	2008			
"Buy Foreign Currency, Sell National Currency "	46.1	152.1	198.2	233.3	139.4
"Sell Foreign Currency, Buy National Currency "	466.4	743.2	1,209.6	1,145.3	1,553.0
Buy / Sell Foreign Currencies	164.9	231.0	395.9	392.6	661.4
Total Hedging Instruments	**677.4**	**1,126.3**	**1,803.7**	**1,771.2**	**2,353.8**

Exchange risk is mainly related to US dollar. Any change of US dollar spot price by plus or minus 10% at closure date would generate a change of plus or minus €M 1.0 before tax.

(c) Interest Rate Risk

ANALYSIS OF THE SENSITIVITY OF THE SITUATION TO THE CHANGE IN INTEREST RATES:

Given that Technip's debt at variable rate amounts to only €M 28.9 (total net debt amounts to €M 697.2), the Group is only slightly exposed to rate risk.

Cash is invested at short term in order to ensure its liquidity. Financial products vary following fluctuations of currency interest rates.

Net short-term cash position of the Group (cash and cash equivalents less short-term financial debts) amounts to €M 2,357.6.

A 1% (100 bp) increase in interest rates would generate a lower fair value by €M 19.4 before tax of the debt at fixed rate as of 31 December 2007; a 1% (100 bp) decrease in interest rate would generate a higher fair value by €M 20.2 before tax.

A 1% (100 bp) increase in interest rates would generate an additional profit of €M 23.7 before tax to the net cash position; a 1% (100 bp) decrease in interest rate would generate a loss of the same amount.

METHOD OF MONITORING THE INTEREST RATE RISK:

Technip regularly analyzes its exposure to interest rate risk. This activity is the responsibility of the Treasury Department, who directly reports to Finance and Control Chief Executive Officer.

The Group does not use financial instruments for speculative purposes.

As of December 31, 2007, Technip has not entered into any interest rate swaps. The outstanding fixed-rate debt – whose residual maturity is greater than one year – amounts to €M 650.0, made only of the bond borrowing.

(d) Credit Risk

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

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

In millions of Euro	As of December 31, 2007				
	Not impaired on the Reporting Date and Past Due in the Following Periods				Total trade receivables
	Less than 3 Months	3 to 12 Months	Over 1 year	Total	
Trade receivables	136.6	54.3	37.5	228.4	783.4

In millions of Euro	As of December 31, 2006				
	Not impaired on the Reporting Date and Past Due in the Following Periods				Total trade receivables
	Less than 3 Months	3 to 12 Months	Over 1 year	Total	
Trade receivables	164.8	51.1	39.1	255.0	583.7

In millions of Euro	As of December 31, 2005				
	Not impaired on the Reporting Date and Past Due in the Following Periods				Total trade receivables
	Less than 3 Months	3 to 12 Months	Over 1 year	Total	
Trade receivables	150.5	55.7	41.5	247.7	440.0

Over the year 2007 and up to date, the Group has not been affected by any significant payment default by its customers.

As far as cash and cash equivalents are concerned, credit risk is limited because main counterpart does only stand for 9.6% of total net cash position as of December 31, 2007. As far as derivative financial instruments are concerned, credit risk is also limited because main counterpart does only stand for 15.8% of total Group's financial instruments.

Note 34 – Subsequent Events

There is no significant post-closing event.

IV STATUTORY ACCOUNTS

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7 – SUBSIDIARIES AND INVESTMENTS

1. BALANCE SHEET

ASSETS In millions of Euro	Notes	2007	As of December 31, 2006	2005
Intangible Assets		1.2	1.7	2.4
Intangible Assets under Construction		17.8	10.7	7.7
Total Intangible Assets		**19.0**	**12.4**	**10.1**
Land		-	-	0.6
Buildings		-	-	1.5
Machinery and Equipment		-	-	-
Other Tangible Assets		5.0	6.6	8.6
Advances Paid to Suppliers		-	-	0.1
Total Tangible Assets		**5.0**	**6.6**	**10.8**
Investments		3,227.0	3,225.4	3,119.8
Loans Related to Investments		61.0	68.8	111.1
Other Financial Assets		144.3	58.1	52.5
Total Financial Assets		**3,432.3**	**3,352.3**	**3,283.4**
Total Fixed Assets (I)	6.1	**3,456.3**	**3,371.3**	**3,304.3**
Advances Received		-	-	-
Trade Receivables	6.2	52.1	50.8	47.8
Other Current Receivables	6.2	68.2	51.9	98.2
Receivables from Group Companies	6.2	14.1	16.1	48.9
Marketable Securities		-	-	4.6
Cash at Bank and in Hands		1.2	11.6	16.3
Total Current Assets, Cash and Cash Equivalents (II)		**135.6**	**130.4**	**215.8**
Accrued Assets (III)	6.3	**7.3**	**5.0**	**8.3**
Redemption Premiums on Bonds (IV)	6.3	**0.9**	**1.2**	**16.2**
Unrealized Exchange Losses (V)		**6.8**	**13.1**	**11.4**
Total Assets (I to V)		**3,606.9**	**3,521.0**	**3,556.0**

1. BALANCE SHEET (continued)

EQUITY AND LIABILITIES In millions of Euro	Notes	2007	As of December 31, 2006	2005
Issued Capital		81.9	80.9	75.4
Share Capital Premiums		1,747.3	1,711.7	1,386.4
Reserves:				
- Legal Reserves		9.8	9.8	9.8
- Regulated Reserves		40.8	40.8	40.8
- Other Reserves		141.9	284.8	284.8
Retained Earnings		10.7	46.1	29.7
Net Income		91.5	148.8	105.7
Interim Dividends		-	(52.4)	-
Net Equity	6.4	**2,123.9**	**2,270.5**	**1,932.6**
Regulated Provisions	6.5	0.7	1.3	2.2
Total Shareholders' Equity (I)		**2,124.6**	**2,271.8**	**1,934.8**
Provisions for Risks		7.3	13.6	12.4
Provisions for Charges		0.6	0.7	5.4
Total Provisions for Risks and Charges (II)	6.5	**7.9**	**14.3**	**17.8**
Bonds		650.0	650.0	1,334.5
Bank Borrowings and Credit Lines		18.3	18.3	24.5
Other Financial Debts and Liabilities		-	-	0.1
Financial Debts towards Companies within the Group		725.9	493.2	202.3
Advances Received from Clients		-	-	-
Accounts Payables and Related Accounts		32.5	28.9	18.6
Tax and Social Liabilities		42.4	40.1	17.6
Payable on Assets		2.1	3.0	2.8
Other Liabilities		3.2	1.4	3.0
Total Liabilities (III)		**1,474.4**	**1,234.9**	**1,603.4**
Unrealized Exchange Gains (IV)		**-**	**-**	**-**
Total Equity and Liabilities (I to IV)		**3,606.9**	**3,521.0**	**3,556.0**

2. INCOME STATEMENT

In millions of Euro	Notes	2007	12 Months 2006	2005
Sales of Goods / Rendering of Services		113.3	105.4	103.7
Revenues	6.9	113.3	105.4	103.7
Capitalized Expenses		7.1	3.0	6.5
Reversals of Operating Provisions	6.5.c	1.8	0.5	-
Other Operating Income		0.1	0.3	0.6
Total Operating Income		**122.3**	**109.2**	**110.8**
General and Administrative Costs		128.4	123.8	102.8
Taxes		2.2	2.3	2.3
Wages and Salaries, Social Security Costs		8.4	6.8	6.7
Allowances for Provisions and Amortization				
- on Fixed Assets	6.1	2.3	3.0	3.9
- on Other Current Assets	6.5.c	0.1	1.3	-
- for Risks and Charges		-	-	-
Other Operating Expenses		0.5	0.4	0.2
Total Operating Expenses		**141.9**	**137.6**	**115.9**
Income from Operating Activities (I)		**(19.6)**	**(28.4)**	**(5.1)**
Dividends and Interim Dividends		178.8	106.4	123.7
Other Financial Income related to Fixed Assets and Marketable Securities		3.1	4.3	2.9
Financial Interests		-	5.8	10.7
Reversal of Provisions	6.5.c	9.6	5.0	37.4
Exchange Gains Realized		5.6	8.6	2.6
Net Gain on Disposal of Marketable Securities		-	-	-
Total Financial Income		**197.1**	**130.1**	**177.3**
Allowance for Provisions and Amortization	6.5.c	3.6	25.9	36.2
Interest Charges		103.5	46.8	46.3
Exchange Loss Realized		10.9	8.8	4.8
Net Loss on Disposal of Marketable Securities		-	-	-
Total Financial Expenses		**118.0**	**81.5**	**87.3**
Financial Result (II)	6.10	**79.1**	**48.6**	**90.0**
Income before Tax (I-II)		**59.5**	**20.2**	**84.9**

2. INCOME STATEMENT (continued)

In millions of Euro	Notes	2007	12 Months 2006	2005
Extraordinary Income from Operating Activities		-	2.4	-
Extraordinary Income from Investing Activities		4.7	167.7	2.0
Reversals of Extraordinary Provisions	6.5.c	3.6	1.0	0.2
Total Extraordinary Income		**8.3**	**171.1**	**2.2**
Extraordinary Expenses from Operating Activities		0.1	1.1	1.3
Extraordinary Expenses from Investing Activities		7.6	75.4	5.7
Allowance for Extraordinary Provisions	6.5.c		-	1.5
Total Extraordinary Income		**7.7**	**76.5**	**8.5**
Extraordinary Result (III)	**6.11**	**0.6**	**94.6**	**(6.3)**
Profit Sharing (IV)		**-**	**-**	**-**
Income Tax (V)	**6.12**	**(31.4)**	**(34.0)**	**(27.2)**
Income		327.7	410.4	290.3
Expenses		236.2	261.6	184.6
Net Income (I to V)		**91.5**	**148.8**	**105.7**

3. CASH FLOW STATEMENT

In millions of Euro	2007	2006	2005
Net Income	91.5	148.8	105.7
Amortization and Depreciation of Fixed Assets and Prepaid Expenses (1)	2.9	5.7	36.4
Increase (Decrease) in Provisions	(11.8)	13.2	(32.2)
Net Gains (Losses) of Disposal of Assets and Investments (2)	2.9	(96.6)	3.7
Cash Flow from Operations	**85.5**	**71.2**	**113.6**
Changes in Working Capital	**(7.5)**	**98.5**	**(37.9)**
Net Cash Generated from Operating Activities	**78.0**	**169.7**	**75.7**
(Purchases) Disposals of Intangible Assets	(7.2)	(3.6)	(0.6)
(Purchases) Disposals of Tangible Assets	(0.1)	7.6	(6.7)
(Purchases) Disposals of Financial Assets (3)	(1.4)	(21.8)	0.8
Net Cash Used in Investing Activities	**(8.7)**	**(17.8)**	**(6.5)**
(Increase) Decrease in Long-Term loans	8.9	40.1	(75.8)
Changes in Treasury Shares (4)	(86.2)	(371.9)	(16.9)
Increase (Decrease) in Current Account Cash Pooling	235.6	288.5	36.0
Increase (Decrease) in Short-Term Debts (Credit Facilities)	0.3	(6.3)	(0.6)
Increase (Decrease) in Long-Term Debts (Bond Loan)	-	-	(20.0)
Capital Increase and Issuance Premium (5)	36.5	30.1	63.8
Capital Decrease and Issuance Premium	-	-	-
Dividends paid (6)	(274.7)	(141.7)	(32.1)
Exit Tax on Allocation of Retained Earnings on Long-Term Profits	-	-	(5.0)
Net Cash Generated from Financing Activities	**(79.6)**	**(161.2)**	**(50.6)**
Net Increase (Decrease) in Cash and Cash Equivalents	**(10.3)**	**(9.3)**	**18.6**
Cash and Cash Equivalents as of January 1,	11.5	20.8	2.2
Cah and Cash Equivalents as of December 31,	**1.2**	**11.5**	**20.8**
Cash and Cash Equivalents	1.2	11.5	20.9
Bank Overdrafts	-	-	(0.1)
Total	**1.2**	**11.5**	**20.8**

(1) In 2005, including the amortization of expenses on Coflexip acquisition costs regarding the second instalment for €M 16.0 and issuing fees and the redemption premium related to OCEANE convertible bonds for €M 15.3.

(2) In 2006, gains and losses on the restructuring of Brazilian and American subsidiaries.

(3) In 2006, mostly increase of investments in a Brazilian subsidiary.

(4) In 2006, use of 8,130,987 shares (€M 370.2) including 2,805,462 shares (€M 115.0) given to OCEANE owners, following the OCEANE early redemption and 5,569,409 cancelled shares (€M 249.5). In 2007, use of 1,729,994 shares (€M 86.2).

(5) Stock options exercised. In 2007, capital increase dedicated to employees (€M 20.0).

(6) Dividends paid: in 2007, 2006 dividend and extraordinary dividend for €M 274.7; in 2006, 2005 dividend for €M 89.3 and interim dividend for 2006: €M 52.4; In 2005, remaining dividend 2004 for €M 32.

4. NOTES ON ACCOUNTING PRINCIPLES

Accounting principles used by Technip in preparing the financial statements are in compliance with French General Accounting Standards issued in 1999 and with the generally accepted accounting principles in France.

FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies related to financial revenues or expenses are recorded in accordance with current accounting policies.

At year-end, receivables and liabilities are translated at the exchange rates prevailing at closing date and any differences are recorded as unrealized exchange gains or losses.

If a potential loss is identified when converting receivables and payables at the closing exchange rate, a provision for exchange risk is booked for the same amount.

ACCOUNTING POLICIES FOR PROVISIONS ON AFFILIATES

Provisions on investments and related receivables are recognized whenever the gross carrying value of the investment is higher than the share held in the shareholders' equity, which has been adjusted in order to take into account certain commitments entered into by the parent company and the prospects for development of the subsidiary.

For the main subsidiaries, these prospects are assessed on the basis of future forecast cash flows, based on the most likely scenarios adopted by the management.

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

In the financial result, waiver of debts granted to subsidiaries, to the extent covered by provisions, are offset by the reversal of the relevant provision.

TREASURY SHARES

Treasury shares held by the Company are classified under other investments. Purchase of shares are recorded at the original costs and gain/(loss) on sales of treasury shares are booked according to the FIFO method (first in, first out) since 2006, the weighted-average cost basis being the method used before.

At year-end, if the market value of Technip share (computed on the basis of the average closing prices for the last month of the year) is less than the gross carrying amount of treasury shares at the acquisition date, a provision for depreciation is recognized for the difference detected.

INTANGIBLE ASSETS AND PROPERTY, PLANTS AND EQUIPMENT

Intangible assets include software, which are amortized over a period of 3 to 5 years, and software development costs, when they fulfill the criteria of eligibility as provided by the French Accounting Standards.

Fixed assets are carried at their original costs, their production cost, or at their fair value in case of business combinations.

Tangible assets mainly relate to Adria Tower equipment and furniture. The straight-line amortization lifetimes represent the useful lives estimated to be likely by the Company:

- Office fixtures and furniture — 8 to 10 years
- IT equipment — 3 years (gradual)

TRADE RECEIVABLES

Trade receivables are valued at their nominal value. A provision for doubtful accounts is recorded when receivables are highly expected to be uncollectible.

5. MAIN EVENTS OF THE YEAR

Technip activities consist in holding interests in affiliates, receiving dividends, centralizing and reinvoicing both management fees and other organizational costs, such as insurance and financing costs on guarantees.

- In April 2007, Technip made a right issue dedicated to employees by issuing 516,207 new shares, which resulted in an increase issued capital (€M 0.4) and increased shared capital premiums (€M 19.6).
- In May 2007, Technip paid a dividend (€M 274.7) which was made of 0.55 euro per share of ordinary dividend in addition to the interim dividend paid in December 2006, and an additional 2.1 euros per share as extraordinary dividend, in total 2.65 euros per share.
- In 2007, Technip bought 1,729,994 of its shares. Treasury shares as of December 31, 2007, the number of treasury shares amounts to 3,066,658 for a book value of €M 144.3 (€M 58.1 as of December 31, 2006).
- In January 2007, Technip sold its shares in the affiliate Nargan. No impact on 2007 accounts.
- In December 2007, Technip recapitalised Technip Far East, its affiliate in Malaysia, for €M 5.9. The percentage of company ownership remains unchanged (100%).
- In December 2007, Technip granted a €M 39.1 loan to Technip-NPV Singapore PTE, to enable its development financing.
- In December 2007, Technip granted a subsidy (€M 37.6) to Technip Saudi Arabia with a conditional clause i.e. Technip Saudi Arabia will have to repay the subsidy if its economic situation improves.

6. NOTES TO THE FINANCIAL STATEMENTS

6.1. Fixed Assets

A) CHANGE OF THE YEAR

In millions of Euro	Intangible Assets	Tangible Assets	Financial Assets	Fixed Assets
Gross value				
As of January 1, 2005	**4.7**	**20.1**	**3,313.8**	**3,338.6**
Acquisitions (1)	8.3	7.1	131.4	146.8
Disposals (2)	-	(8.2)	(35.0)	(43.2)
As of December 31, 2005	**13.0**	**19.0**	**3,410.2**	**3,442.2**
Acquisitions (3)	3.5	-	573.3	576.8
Disposals (4)	-	(5.9)	(498.9)	(504.8)
As of December 31, 2006	**16.5**	**13.1**	**3,484.6**	**3,514.2**
Acquisitions (5)	7.2	0.1	134.1	141.4
Disposals (6)	-	(0.4)	(58.3)	(58.7)
As of December 31, 2007	**23.7**	**12.8**	**3,560.4**	**3,596.9**
Amortization and Depreciation				
As of January 1, 2005	**(1.8)**	**(6.1)**	**(156.8)**	**(164.7)**
Allowance	(1.1)	(2.2)	-	(3.3)
Reversal (2)	-	0.1	30.0	30.1
As of December 31, 2005	**(2.9)**	**(8.2)**	**(126.8)**	**(137.9)**
Allowance	(1.2)	(1.8)	(5.9)	(8.9)
Reversal	-	3.5	0.4	3.9
As of December 31, 2006	**(4.1)**	**(6.5)**	**(132.3)**	**(142.9)**
Allowance	(0.6)	(1.6)	(1.0)	(3.2)
Reversal		0.3	5.2	5.5
As of December 31, 2007	**(4.7)**	**(7.8)**	**(128.1)**	**(140.6)**
Net book value as of December 31, 2007	**19.0**	**5.0**	**3,432.3**	**3,456.3**

(1) Increase in intangible assets due to Harmony project and increase in financial assets due to loans granted to subsidiaries (€M 83.5) and treasury shares (€M 41.6).

(2) Sell of a subsidiary (€M 5.5), repayment of loans by an affiliate (€M 6.0), and decrease of treasury shares (€M 21.5).

(3) Increase in financial assets due to a merger of two subsidiaries (€M 160.0), capital increase of two subsidiaries (€M 21.5), loans granted to subsidiaries (€M 21.2) and increase of the number of treasury shares (€M 370.2).

(4) Decrease in tangible assets due to disposals of an office building located in Lyon. Decrease in financial assets due to disposals of investments (€M 72.9), repayments of loans by affiliates (€M 56.0), and decrease of the number of treasury shares (€M 364.5).

(5) Increase in intangible assets due to Harmony project, increase in financial assets due to equity increase of subsidiaries (€M 6.0), to increase of loan granted to subsidiaries (€M 41.9) and to increase of the number of treasury shares (€M 86.2).

(6) Decrease in financial assets due to disposals (€M 7.5), and repayments of loans by affiliates (€M 50.8).

B) FINANCIAL ASSETS

The detail of investments is given in part 7.

Loans related to investments (€M 62.1 gross value, €M 61.0 net value) mainly consist in loans granted to subsidiaries both directly and indirectly held.

Other financial assets consist in treasury shares. As of December 31, 2007, the number of treasury shares amounts to 3,066,658 for a net book value of €M 144.3.

6.2. Current Assets

Current assets can be analyzed as follows:

In millions of Euro	Gross value 2007	Provisions 2007	As of December 31, Net value 2007	Net value 2006	Net value 2005
Trade Receivables	**53.9**	**(1.8)**	**52,1**	**50.8**	**47.8**
Other Receivables, Income Tax and VAT	43.2	-	43.2	48.2	14.6
Other Current Receivables	25.0	-	25.0	3.7	83.6
Total Other Current Receivables	**68.2**	**-**	**68.2**	**51.9**	**98.2**
Current Accounts with subsidiaries	**28.5**	**(14.4)**	**14.1**	**16.1**	**48.9**

6.3. Accrued Assets and Redemption Premium

ACCRUED ASSETS (€M 5.8 AS OF DECEMBER 31, 2007):

They mostly include insurance and computers services costs.

DEFERRED CHARGES (€M 1.5 AS OF DECEMBER 31, 2007):

They include:

- Issuing fees (for a gross amount of €M 2.2) related to a €M 650 corporate bond loan issued in May 2004, to be amortized over 7 years. The amortization of the year amounts to €M 0.3 in 2007 and the net value is €M 1.1 as of December 31, 2007.
- Issuing fees (for a gross amount of €M 1.6) related to a €M 850 credit facility to be amortized over 5 years. The amortization of the year amounts to €M 0.3 in 2007 and the net value is €M 0.4 as of December 31, 2007.

As of December 31, 2005, this item included a €M 1.9 deferred charges related to OCEANE (convertible bond) issuance fees. In 2006, following the redemption of OCEANE, Technip has recognized the full remaining part of its expenses as charges of the period.

REDEMPTION PREMIUM (€M 0.9 AS OF DECEMBER 31, 2007):

They relate to a €M 650 bond loan and are amortized on a straight line basis over 7 years.

6.4. Shareholders' Equity

A) CHANGE IN SHAREHOLDERS' EQUITY

Change in shareholders' equity is as follows:

In millions of Euro	2007	2006	2005
As of January 1,	**2,270.5**	**1,932.6**	**1,801.1**
Capital and Premium Increase Related to Stock Options Exercised	16.6	30.1	63.8
Capital and Premium Increase Related to Equity Increase to Employees	20.0	-	-
Capital and Premium Decrease Related to the Cancellation of Shares	-	(249.5)	(0.8)
Change in Capital and Premium Related to OCEANE Conversion	-	550.2	-
Tax on Capital Gain Long-Term Reserves	-	-	(5.2)
Net Income	91.5	148.8	105.7
Interim Dividends	-	(52.4)	-
Dividends	(274.7)	(89.3)	(32.0)
As of December 31,	**2,123.9**	**2,270.5**	**1,932.6**

B) CHANGES IN COMMON STOCK

Common stock changes are as follows:

	2007	2006	2005
Number of Shares as of January 1,	**106,117,174**	**98,874,172**	**24,110,654**
Increase			29,722
Number of Shares before Shares Split 4-for-1			24,140,376
Number of Shares after Shares Split 4-for-1			96,561,504
Increase	1,236,600	12,812,411	2,346,776
Cancellation	-	(5,569,409)	(34,108)
Number of Shares as of December 31,	**107,353,774**	**106,117,174**	**98,874,172**
Share Nominal Value in Euro	0.7625	0.7625	0.7625
Common Stock as of December 31, in millions of Euro	**81.9**	**80.9**	**75.4**

The number of shares that carry double voting rights amounts to 5,197,392 as of December 31, 2007.

C) STOCK OPTIONS AND PERFORMANCE SHARES PLANS

1/ Technip Stock Options Plans

Technip stock options plans can be described as follows:

Year of the Plan	2000	2002	2003	2005 Part 1	2005 Part 2	2005 Part 3	2005 Re-Granting
Date of the Shareholders' Meeting	April 28, 2000	August 24, 2001 June 20, 2002	June 20, 2002	April 29, 2005	April 29, 2005	April 29, 2005	April 29, 2005
Date of the Board of Directors that has Implemented the Plan	December 14, 2000	December 9, 2002	May 21, 2003	Decembre 14, 2005	July 26, 2006	March 12, 2007	December 12, 2007
Validity	8 years	6 years	6 years	6 years	6 years	6 years	6 years
Remaining Number of Options to be Exercised	226,535	447,546	2,455	923,667	964,965	987,192	85,000

2/ Coflexip Stock Options Plans

Coflexip stock options plans can be described as follows:

Plan	9,3	10	11
Date of the Shareholders' Meeting	May 21, 1996	June 2, 1999	May 30, 2000
Date of the Board of Directors that has Implemented the Plan	May 18, 1998	December 14, 1999	March 20, 2001
Validity	10 years	10 years	10 years
Remaining Number of Options to be Exercised	46,070	39,235	186,143

3/ Performance Shares

Performance shares plans have been implemented in 2007. They can be described as follows:

2007 Plan	Part 1	Part 2	Re-Granting
Date of the Shareholders' Meeting	April 28, 2006	April 28, 2006	April 28, 2006
Date of the Board of Directors that has Implemented the Plan	March 12, 2007	March 12, 2007	December 12, 2007
Validity	5 years	4 years	4 or 5 years
Remaining Number of Shares to be Exercised	394,200	671,970	44,500

D) DISTRIBUTABLE RETAINED EARNINGS

The distributable retained earnings of Technip amount to €M 244.2 after estimated due tax as of December 31, 2007.

6.5. Provisions

A) NATURE OF PROVISIONS FOR RISKS AND CHARGES

Provisions for risks mostly include the provisions for exchange losses for €M 6.8 as of December 31, 2007.

Provisions for charges mostly include the provisions for pensions for €M 0.6 as of December 31, 2007.

B) CHANGE IN PROVISIONS

Change in provisions is as follows:

In millions of Euro	As of december 31, 2005	2006	Allowance	Used Provisions Reversals	Unused Provisions Reversals	2007
Regulated Provisions (1)	2.2	1.2	-	0.5	-	0.7
Provisions for Risks	12.4	13.7	-	6.4	-	7.3
Provisions for Charges (2)	5.5	0.7	-	0.1	-	0.6
Total Provisions in Liabilities	**20.1**	**15.6**	**-**	**7.0**	**-**	**8.6**
Provisions on Investments	126.8	130.1	-	3.1	-	127.0
Provisions on Loans	-	2.2	1.0	2.1	-	1.1
Provisions on Current Assets	-	1.0	1.8	1.0	-	1.8
Provisions on Other Current Assets	-	0.3	-	0.3	-	-
Provisions on Current Accounts	4.6	15.5	-	1.1	-	14.4
Total Provisions on Assets	**131.4**	**149.1**	**2.8**	**7.6**	**-**	**144.3**
Total Provisions	**151.5**	**164.7**	**2.8**	**14.6**	**-**	**152.9**

(1) Regulated provisions relate to fiscal amortization on Harmony equipment (integrated software). The amortization recorded corresponds to a straight-line amortization over 5 years whereas an amortization over one year (100%) is accepted by Tax Authorities.

(2) The provision for retirement is based on an actuarial computation; the actuarial assumptions used are the French mortality table, staff turnover, salary increase discount and inflation rates.

C) BREAKDOWN OF PROVISION CHANGES

Allowance and reversal of provisions can be analyzed as follows:

In millions of Euro	2007	2006	2005
Operating Allowance	0.1	1.3	3.9
Financial Allowance	2.7	23.2	36.2
Extraordinary Allowance	-	-	1.5
Total Allowance	**2.8**	**24.5**	**41.6**
Operating Reversal	1.4	0.5	-
Financial Reversal	9.6	5.0	37.3
Extraordinary Reversal	3.6	1.0	0.2
Total Reversal	14.6	6.5	37.5
Charges Transferred	0.4	-	-
Total Reversal of Provisions and Charges Transferred	**15.0**	**6.5**	**37.5**
Reversal of Tax Provisions	**-**	**4.8**	**-**

6.6. Accrued Charges and Accrued Incomes Included in Assets and Liabilities

Accrued incomes included in assets amount to €M 43.0 as of December 31, 2007, €M 18.1 as of December 31, 2006 and €M 51.7 as of December 31, 2005.

Accrued charges included in liabilities amount to €M 44.3 as of December 31, 2007, €M 38.7 as of December 31, 2006 and €M 14.4 as of December 2005.

6.7. Maturity of Assets and Liabilities

The maturity of assets and liabilities (net of provisions) can be analyzed as follows:

In millions of Euro	Total	As of December 31, 2007 Less than 1 Year	More than 1 Year
Financial Assets	205.3	147.4	57.9
Trade Receivables	52.1	52.1	-
Receivables from Group Companies	14.1	14.1	-
Other Current Receivables	68.2	68.2	-
Accrued Assets	7.3	6.4	0.9
Total Assets	**347.0**	**288.2**	**58.8**

In millions of Euro	Total	As of December 31, 2007 Less than 1 Year	More than 1 Year
Bond (1)	650.0	-	650.0
Bank Borrowings / Credit Lines	18.3	18.3	-
Other Financial Debts and Liabilities	-	-	-
Financial Debts and Liabilities within the Group (2)	725.9	-	725.9
Accounts Payables	32.5	32.5	-
Tax and Social Liabilities	42.4	42.4	-
Payables on Assets	2.1	2.1	-
Other Liabilities	3.2	3.2	-
Deferred Income	-	-	-
Total Liabilities	**1,474.4**	**98.5**	**1,375.9**

(1) On May 26, 2004, Technip issued a corporate bond loan for an amount of €M 650.0. The redemption date is set on May 26, 2011. Main characteristics of this bond (listed on the Luxembourg Stock Exchange on May 26, 2004), are the following:

- Issuance price of € 997.07 per bond (650,000 issued bonds)
- The coupon payable on May 26 of each year amounts to 4.625% per year of the bond nominal value
- Redemption date: May 26, 2011
- Groos yield rate of yield at the issuance date for the bondholder: 4.675% per annum

(2) Including current account with the Group cash pooling entity: €M 725.9

6.8. Trade Bills Included in Assets and Liabilities

Technip does not have any outstanding trade bill as of December 31, 2007, 2006 and 2005.

6.9. Revenues

Revenues amount to €M 113.3 in 2007, €M 105.4 in 2006 and €M 103.8 in 2005. In 2007, they have been realized for €M 69.6 in France.

Revenues mostly consist in reinvoicing management fees and other Group organizational costs.

6.10. Financial Result

Financial result can be analyzed as follows:

In millions of Euro	2007	2006	2005
Dividend Income	178.9	106.4	123.7
Allowance/Reversal of Provisions on Investments	-	(3.3)	30.3
Allowance/Reversal of Provisions on Loans	1.1	(2.2)	-
Allowance/Reversal of Provisions on Trade Receivables	(1.7)	-	-
Allowance/Reversal of Provisions on Current Accounts	1.2	(10.9)	(2.3)
Amortization of Acquisition Costs	-	-	(16.2)
Amortization of Issuance Costs Related to OCEANE	-	(1.9)	(2.0)
Amortization of Redemption/Issuance Premium Related to OCEANE	(0.3)	(0.3)	(13.6)
Allowance/Reversal of Provision on Exchange Losses	6.3	(1.7)	6.0
Interest Income from Loans	3.0	4.3	1.9
Interest Expense on OCEANE	-	-	(6.1)
Interest Expense on Bond	(30.1)	(30.1)	(29.8)
Subsidies and Write-Downs on Financial Assets	(41.0)	-	-
Income from the Convertible Bond Redemption	-	4.3	-
Interest on Cash Pooling Current Account	(29.4)	(13.6)	(4.8)
Other Interest Income/Expense	(8.9)	(2.4)	2.9
Financial Result	**79.1**	**48.6**	**90.0**

Change in financial result between 2006 and 2007 is mostly due to:

- Increase in received dividend (€M 72.5),
- Decrease in change in provisions on current accounts (€M 1.2 in 2007 against €M -10.9 in 2006) due to allowance of a provision on the current account of discontinued affiliate (€M 11.2) in 2006,
- Increase in provisions on receivables related to subsidiaries made of financial support granted to Technip Saudi Arabia (€M 37.6) and loan and receivables from a discontinued affiliate written down as a financial loss (€M 2.5),
- Increase in interests on the Group cash pooling entity current account (€M 15.8).

6.11. Extraordinary Result

Extraordinary result can be analyzed as follows:

In millions of Euro	2007	2006	2005
Allowance for Provisions	-	-	(1.5)
Reversal of Provisions	3.6	1.0	0.2
Tax Costs	-	(1.0)	(1.2)
Gains and Losses on Sales of Tangible Assets	-	5.4	-
Gains and Losses on Sales of Investments	(2.9)	86.9	(3.7)
Others	(0.1)	2.3	(0.1)
Extraordinary Result	**0.6**	**94.6**	**(6.3)**

In 2006, gains on sales of investments are mainly generated by the merger of two American subsidiaries (gain of €M 106.9) less the loss realized on the sale of investments in Brazilian subsidiaries (€M 19.9).

6.12. Income Tax

Technip is the leading company of a consolidated tax group. Due to the non-taxation of dividends (Parent Company and Subsidiaries' regime), Technip income tax is negative. This tax deficit is set off against the income/loss tax of the other companies within the consolidated tax group.

The impact on 2007 income statement is a €M 31.4 tax credit that can be detailed as follows:

- Tax credit generated by Technip: €M 32.0
- Tax debit generated by the tax group: (€M 0.6)

Temporary Differences: as of December 31, 2007, the temporary differences are not material (€M 0.1) and consist in ORGANIC (Social French tax) and retirement benefit provision.

6.13. Related Parties Disclosure

The following amounts represent Technip's accumulated shares in the assets, liabilities, financial income and expense with respect to related parties (companies in which Technip hold directly or indirectly more than half of the share capital).

	As of December 31,		
In millions of Euro	**2007**	**2006**	**2005**
Financial Assets	3,412.1	3,415.3	3,346.3
Current Assets, Receivables from Group Companies	88.1	52.2	91.6
Total Assets	**3,500.2**	**3,467.5**	**3,437.9**
Financial Debts (Group and Affiliates)	725.9	490.4	201.9
Current Liabilities	22.6	13.9	18.0
Total Liabilities	**748.5**	**504.3**	**219.9**
Financial Charge	32.8	13.6	4.9
Financial Income	172.8	110.6	130.1

6.14. Off-Balance Sheet Commitments

Off-balance sheet commitments can be analyzed as follows:

In millions of Euro	As of December 31, 2007	2006	2005
Parent Company Guarantees (1)	24,595.7	25,011.4	22,249.1
Commitments Given (2)	829.9	952.0	1,588.5
Commitments Received	None	None	None
Mutual Commitments	See note 6.15	See note 6.15	See note 6.15
Trade Bills Discounted before Maturity	None	None	None

(1) Parent company guarantees given by Technip to clients cover the proper performance of the specified contracts for which the average period until the release of the commitment guarantees is around 5 years. Regarding joint ventures, the amounts disclosed in the parent company guarantees, also include the contract part allocated to the Group's partners in joint venture and are not reduced according to the projects' percentage of completion.

(2) These commitments are given on behalf of Group companies and mainly relate to:
- guarantees given towards third parties,
- guarantees or counter-guarantees given to banks,
- guarantees to various customers or partners in connection with ongoing contracts, in relation to contracts.

ADRIA TOWER:

At the end of 2002, Technip entered into a 12 year lease contract related to an office building for its headquaters, the Adria Tower. This lease is for the period from March 1, 2003 to February 28, 2015. Technip benefited from a free rent until December 31, 2003.

In millions of Euro	Operating Leases
2008	29.8
2009	31.5
2010	31.7
2011	31.7
2012 and beyond	101.9
Total (1)	**226.6**

(1) Preliminary amount, as the rent amount varies according to the INSEE Construction cost index.

Technip did not enter into any significant leasing contract in 2007, 2006 and 2005.

6.15. Financial Instruments

Technip has no financial instruments as of December 31, 2007 or as of December 31, 2006. As of December 31, 2005 Technip had call options related to treasury shares (€M 4.6).

6.16. Liabilities Covered by Securities

Technip has no material liabilities covered by securities.

6.17. Average Number of Employees

The average number of employees amounts to 6 people in 2007 as in 2006, and 9 people in 2005.

6.18. Compensation of the Board of Directors' Members

The amount of director's fees paid by Technip to the members of the Board of Directors during 2007 was 373,100 euros.
No loan has been granted to the Members of the Board during the year.
The Compensation of Technip Chairman and CEO is decided by the Company's Board of Directors based on a proposal from the Nominating and Compensation Committee.

THIERRY PILENKO'S COMPENSATION

The total gross compensation of Mr Thierry Pilenko, appointed as Chairman and CEO in April 27, 2007, paid by Technip amounted to 509,563 euros in 2007. The amount of the fixed compensation amounted to 404,945 euros. He received a 100,000 euros bonus and a fringe benefit of 4,618 euros for use of a company car.

The variable portion of the salary is based on the previous year fixed salary. It is calculated for 50% of it on the Group performance based on the following criteria: income from operations, backlog, and earnings per share. The remaining 50% is based on the individual performance linked to general Group's objectives achievement. The 2007 variable portion which will be paid to Mr Pilenko in 2008 amounts to 631,100 euros.

Mr Pilenko does not receive any Director's fees as member of the Board of Directors in Technip and in any Group company affiliate.

There is no specific pension scheme for the Chairman. Like other directors of Technip, he benefits from a complementary defined contribution benefit pension plan. It is calculated as follows: 8% of the annual gross compensation capped to 8 times the upper limit of salary deductions for social security contributions. The 2007 compensation amounted to 13,903 euros. He also has a complementary defined contribution benefit pension plan as a member of Technip Executive Committee which is calculated as follows: for each year of presence, but limited to 15 years, a retirement resource guarantee equal to 1.8% of "Tranche 4" of the annual gross paid compensation, i.e. the one above 8 times the upper yearly limit of salary deductions for French social security regime.

That compensation will be based on the average gross compensation, including variable part, capped to a 100% target bonus, received by the beneficiary during the five year prior to his effective departure date from the company. The compensation will only be due if he is more than 60 years old at the effective departure date, or in case he is put on 2nd or 3rd level of disability, or in case he is more than 55 years old at the effective departure date provided departure is not linked with any serious or gross misconduct and provided he has no professional activity between departure date and payment of compensation from general social security regime.

A non-compete clause was concluded when Mr Pilenko was appointed, without any territorial limit, for three years after his departure. This obligation is compensated by a fee equal to 70% of his last three years of gross compensation.

In 2007 Mr Pilenko received 255,655 stock options. In 2007 he did not receive any performance share. Mr Pilenko did not exercise any stock option. He did not benefit from any equity warrant of Technip or any of its affiliates.

DANIEL VALOT'S COMPENSATION

The gross amount of fixed compensation paid in 2007 to Mr Daniel Valot, the Chairman of Technip until April 27th, 2007, amounted to 225,252 euros. The gross amount of variable compensation paid in 2007 but linked with 2006 results amounted to 619,200 euros. The gross amount of variable compensation paid in 2007 but linked with 2007 results amounted to 223,738 euros.

Mr Valot had a company car which represented a fringe benefit of 1,560 euros.

According to the third resolution based on the special report of the Statutory Auditors on certain related party transactions voted by General Shareholders' Meeting on April 27th, 2007, Mr Valot was allocated a termination payment of 1,128,250 euros in 2007.

According to non-compete clause concluded when he was appointed, Mr Valot received compensation equal to 60% of his last three years of gross compensation, 2,030,850 euros.

Mr Valot had like other directors of Technip a complementary defined contribution benefit pension plan. He received 5,021 euros in 2007.

7. Subsidiaries and Investments

In millions of Euro	Country	Percentage of Ownership (%)	Issued Capital	Reserves and Retained Earnings Before Allocation	Share Book Value		Outsanding Loans and Advances	Bonds Posted and Guarantees Given	Revenues 2007	Net Income 2007	Dividends Received
					Gross	Net					
A - Detailed informations concerning investments for which gross-value exceeds 1% of Technip's issued capital											
Subsidiaries more than 50% of issued capital held by Technip											
Technip France	France	77.61%	22.5	23.9	42.2	42.2	-	8,151.4	2,925.2	31.2	70.1
Technip Offshore International	France	100.00%	6.3	811.0	2,867.0	2,867.0	20.7	-	-	195.1	50.0
Technipnet	France	100.00%	2.0	(1.7)	2.0	2.0	-	2.2	19.8	1.6	-
SCI CB3 Défense	France	100.00%	0.4	0.1	86.1	-	-	-	-	-	-
Citex	France	99.97%	0.3	1.0	1.2	1.2	-	-	25.7	1.6	-
Seal Engineering	France	99.76%	0.1	0.3	1.1	1.1	-	-	3.9	0.9	0.7
Technip International AG	Switzerland	99.90%	3.0	1.4	3.1	3.1	-	-	-	(5.8)	-
Engineering Re	Switzerland	99.50%	1.3	2.1	1.7	1.7	-	2.7	-	-	-
Technip Italy	Italy	100.00%	25.8	44.4	22.1	22.1	-	4,014.6	1,300.5	16.0	14.5
TPL - Tecnologie Progetti Lavori	Italy	100.00%	9.0	1.7	7.8	7.8	-	-	-	0.7	-
Technip Iberia	Spain	99.99%	0.6	0.8	0.8	0.8	-	-	19.7	1.9	1.5
Technip Capital	Belgium	100.00%	19.3	(0.7)	19.3	18.4	-	-	-	0.7	-
Technip Far East	Malaysia	100.00%	6.2	(4.1)	5.9	5.9	-	-	27.3	0.1	-
Technip Holding Benelux BV	Netherlands	100.00%	9.1	(0.3)	26.7	26.7	-	5.6	-	24.5	-
Technip Germany	Germany	100.00%	12.8	4.5	100.2	62.4	-	154.2	154.7	2.2	-
Investments between 10% and 50% of issued capital held by Technip											
TPG (M)	Malaysia	30.00%	0.2	4.6	1.2	1.2	0.8	708.7	113.0	7.4	-
Technip USA Holding	USA	30.75%	-	0.5	160.0	160.0	-	17.0	-	-	-
B - Other Subsidiaries and Investments											
Other Subsidiaries											
French Subsidiaries		NA	NA	NA	1.6	1.2	1.0	55.7	NA	NA	9.0
Foreign Subsidiaries		NA	NA	NA	2.3	1.3	2.3	0.0	NA	NA	1.2
Other Investments											
French Investments		NA	NA	NA	0.0	0.0	0.0	0.0	NA	NA	0.0
Foreign Investments		NA	NA	NA	1.4	0.7	0.4	0.0	NA	NA	8.9
Total		**NA**	**NA**	**NA**	**3,353.9**	**3,227.0**	**25.3**	**13,112.1**	**NA**	**NA**	**155.9**

V AUDITORS' REPORTS

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended December 31, 2007
Technip – Tour Technip – 6-8 Allée de l'Arche – 92973 Paris La Défense

To the Shareholders

Following our appointment as Statutory Auditors by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Technip for the year ended December 31, 2007.

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.

I - Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2007, and of the results of its operations for the year then ended in accordance with IFRS as adopted by the EU.

II - Justification of our assessments

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

- As indicated in notes 1.C.a and 1.C.b to the consolidated financial statements, Technip uses significant accounting estimates to determine the margin at completion for each contract, in particular on the basis of the most recent available data. Within the scope of our assessment of the significant estimates used to prepare the financial statements, we reviewed the processes set up by the Company in this respect, assessed the date and assumptions used as a basis for these estimates, and compared the accounting estimates of the previous periods with the corresponding actual figures.
- As indicated in notes 1.C.a and 1.C.d to the consolidated financial statements, Technip carries out impairment tests for goodwill by using the discounted future cash flow method, as determined on the basis of strategic plans drawn up by the Company and presented to the Board of Directors. Within the scope of our assessment of the significant estimates used to prepare the financial statements, we reviewed the assumptions adopted, the calculations made by the Company and the consistency of the methods used, and we ensured that note 10 provides adequate information in this regard.
- The recoverability of deferred income tax assets recognized as of December 31, 2007, and more specifically those resulting from carry forward of unused tax losses, have been evaluated by Technip on the basis of the forecasted data from the Group strategic plans for each fiscal perimeter. We have reviewed the recoverability tests on those tax assets made by Technip and described within note 1.C.s.
- We have ensured that the established procedures enable inventory, evaluation, and accountability of any litigation in satisfactory conditions. We have specifically ensured that the litigations identified by Technip while applying these procedures were accurately described within the appendix notes to the financial statements and particularly within note 32.

We carried out an assessment of the reasonableness of these estimates. As described in note 1.C, we point out that, since forecasts are inherently uncertain, actual figures may sometimes vary significantly.

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

III - Specific verifications

In accordance with professional standards applicable in France, we have also verified the information given in the management report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly sur Seine, March 19, 2008
The Statutory Auditors

PricewaterhouseCoopers Audit	ERNST & YOUNG et Autres
Louis-Pierre Schneider	Gilles Puissochet

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. The statutory auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the financial statements. This information includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended December 31, 2007

Technip – Tour Technip – 6-8 Allée de l'Arche – 92973 Paris La Défense

To the Shareholders

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2007, on:

- the audit of the accompanying financial statements of Technip;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I - Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the Company's financial position and its assets and liabilities, as of December 31, 2007, and of the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

II - Justification of our assessments

In accordance with the requirements of article L.823-9 of the Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:
As indicated in the note to the financial statements entitled "Provisions on affiliates", investments in subsidiaries were valued taking into account the share of adjusted equity they represent as well as the future profitability outlook. Within the scope of our assessment of the significant estimates used to draw up the financial statements, we reviewed the assumptions used for the forecasting future financial flows on which these estimates were based and the corresponding figures, for the most significant subsidiaries. As forecasts are inherently uncertain, actual figures may sometimes vary significantly. We carried out an assessment of the reasonableness of these estimates.
The assessments were made in the context of our audit of the financial statements, taken as a whole, and therefore contributed to the formation of the unqualified opinion expressed in the first part of this report.

III - Specific verifications and information

We have also performed the specific verifications required by law in accordance with professional standards applicable in France.
We have no matters to report regarding:

- the fair presentation and the conformity with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements;
- the fair presentation of the information provided in the management report of the Board of Directors in respect of remuneration granted to certain company officers and any other commitments made in their favour in connection with, or subsequent to, their appointment, termination or change in function.

In accordance with French law, we have ensured that the required information concerning the names of the principal shareholders have been properly disclosed in the Board of Directors' report.

Neuilly sur Seine, March 19, 2008
The Statutory Auditors

PricewaterhouseCoopers Audit
Louis-Pierre Schneider

ERNST & YOUNG et Autres
Gilles Puissochet

VI OTHER GENERAL INFORMATION

1. Persons responsible for the Reference Document and for auditing the financial statements

a. Statement by the person responsible for the Reference Document

Person responsible for the Reference Document:
Thierry Pilenko, Chairman and Chief Executive Officer of Technip.

STATEMENT BY THE PERSON RESPONSIBLE FOR THIS DOCUMENT

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

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

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

Thierry Pilenko
Chairman and Chief Executive Officer

b. Person responsible for auditing the financial statements

Statutory Auditors

Cabinet Ernst & Young et Autres, represented by Gilles Puissochet
Member of the Compagnie Régionale de Versailles
41, rue Ybry - 92576 Neuilly-sur-Seine Cedex
Date of first appointment: 1986
Expiry date of current appointment: at the close of the Shareholders' Meeting convened to approve the financial statements for the 2009 financial year.

Cabinet PricewaterhouseCoopers Audit, represented by Louis-Pierre Schneider
Member of the Compagnie Régionale de Versailles
63, rue de Villiers – 92208 Neuilly-sur-Seine
Date of first appointment: 2004
Expiry date of current appointment: at the close of the Shareholders' Meeting convened to approve the financial statements for the 2009 financial year.

Alternate Auditors

Cabinet AUDITEX*
Member of the Compagnie Régionale de Versailles
Tour Ernst & Young – Faubourg de l'Arche
92037 La Défense Cedex
Date of first appointment: 2007
Expiry date of current appointment: at the close of the Shareholders' Meeting convened to approve the financial statements for the 2009 financial year.

*As Mr. Christian Chochon, alternate Statutory Auditor, indicated his intention to resign, the Combined Shareholders' Meeting appointed AUDITEX, Tour Ernst & Young – Faubourg de l'Arche – 92037 La Défense Cedex, as alternate Statutory Auditor, replacing Mr. Christian Chochon until the end of his term, which will expire at the end of the Shareholders' Meeting convened to approve the financial statements for the financial year ended December 31, 2009.

Yves Nicolas
Member of the Compagnie Régionale de Versailles
63, rue de Villiers – 92208 Neuilly-sur-Seine
Date of first appointment: 2004
Expiry date of current appointment: at the close of the Shareholders' Meeting convened to approve the financial statements for the 2009 financial year.

FEES OF STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORK PAID BY THE GROUP [1]

In thousands of Euros	Ernst & Young				PricewaterhouseCoopers			
	Total		%		Total		%	
	2007	2006	2007	2006	2007	2006	2007	2006
Audit								
- Auditing, certification of financial statements, examination of Company and consolidated financial statements								
Company	614	1,718	11	16	614	628	30	17
Subsidiaries	3,342	4,337	64	40	1,023	1,555	52	43
- Other assignments								
Company	0	0	0	0	0	0	0	0
Subsidiaries	50	59	1	1	12	38	1	1
Sub-total	**4,006**	**6,114**	**76**	**57**	**1,649**	**2,221**	**83**	**61**
Other Services								
- Legal and tax								
Company	5	310	0	3	0	20	0	1
Subsidiaries	820	634	16	6	105	106	5	3
- Sarbanes-Oxley								
Company	568	3,850	10	34	251	1,150	12	32
Subsidiaries	0	6	0	0	0	124	0	3
Sub-total	**1,227**	**4,800**	**24**	**43**	**356**	**1,400**	**17**	**39**
TOTAL	**5,233**	**10,914**	**100**	**100**	**2,005**	**3,621**	**100**	**100**

(1) This table includes fees borne by proportionately integrated companies.

On December 16, 2003, following a proposal by the Audit Committee, the Company's Board of Directors adopted a procedure determining the conditions under which tasks not provided for by the articles of association could be assigned to the Group's Statutory Auditors, in accordance with the applicable rules relating to the independence of statutory auditors in France.

In light of these provisions, the Board of Directors, following a proposal by the Audit Committee, gave its general prior authorization for certain types of defined tasks that are nonetheless subject to annual limits, above which the prior authorization of the Audit Committee is required.

For the 2007 financial year, these limits were revised by the Audit Committee of November 15, 2006 as follows:

- Audit related: €0.3 million;
- Tax services: €2 million;
- Other services: €0.5 million.

Limits for the 2008 financial year were determined by the Board of Directors on December 12, 2007 and are as follows:

- Audit related: €0.3 million;
- Tax services: €2 million;
- Other services: €0.5 million.

Any work carried out beyond the scope of the services described above, or within the scope but exceeding the authorized limits, must be specifically authorized by the Audit Committee.

The procedure approved by the Audit Committee also contains a definition of legal verification and related services, tax services and other services unrelated to the legal verification assignment. It also defines services that are prohibited, which, in France, include any task that is unrelated to services provided by statutory auditors.

2. Documents available to the public

During the period of validity of this Reference Document, a copy of the articles of association, the Statutory Auditors' reports and the financial statements for the last three financial years, as well as all reports, correspondence and other documents, the historical financial information for the Company and its subsidiaries relating to the last three financial years, assessments and declarations drawn up by an expert at the request of the issuer, part of which is included or discussed in this Reference Document, and all other documents provided for under law may be consulted in accordance with the applicable legal and regulatory conditions at the Company's registered office, 6-8 allée de l'Arche, Faubourg de l'Arche, ZAC Danton, 92400 Courbevoie.

3. Other legal information

a. General information relating to the Company

1. Company name, registered office

The Company's name is "Technip".

The registered office is located at: 6-8 allée de l'Arche Faubourg de l'Arche – ZAC Danton – 92400 Courbevoie.
Registered office telephone number: + 33(0) 1 47 78 21 21.

2. Legal form and applicable law

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

3. Date of incorporation and term

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

4. Company purpose (article 3 of the Articles of Association)

Technip's purpose worldwide is:

- all engineering studies and services, and construction of complex industrial plants, in particular for hydrocarbons, as well as all fields of industry, notably chemicals and life sciences;
- the conception, manufacturing, purchase, sale, construction, assembly and installation of materials, products, equipment and systems intended for said installations, in particular fixed or floating platforms and pipelines for the development of oil fields at sea;
- the provision of all services related to these products, equipment and installations;
- the development and implementation of all processes and products for the practical use in industry of the results of research carried out by the Company or by any other individual or entity;
- the registration, acquisition, obtaining, direct or indirect use, sale or purchase of all brands, processes, patents, and licenses for the use of patents;
- the direct or indirect participation by the Company in all operations of the aforementioned type, either by way of the creation of companies, contributions to existing companies or mergers with such companies, transfer to companies of all or part of the Company's assets or rights in real and personal property, subscriptions, purchases and sales of securities and corporate interests, partnerships, advances, loans or otherwise;
- the investment, by any means and in any form, in companies or industrial, commercial, financial and real property enterprises, whether French or foreign, regardless of legal form or organization and, where necessary, the disposition of these investments;
- more generally, all transactions of a commercial, financial, industrial or civil nature or in real or personal property, related directly or indirectly to any of the purposes listed above and to any similar or related purposes, both on the Company's own behalf or on behalf of third parties, and more generally all transactions facilitating or related to the realization of these purposes.

5. Commercial register – APE code

Commercial register of Nanterre: B 589 803 261
APE code: 7010 Z

6. Financial year

From January 1 to December 31 of each year.

b. Other information relating to the share capital and shareholding structure

1. Extract from articles of association relating to the share capital and shareholding structure

Distribution of profits (article 27 of the Articles of Association)

The Ordinary Shareholders' Meeting may deduct any amounts it deems appropriate from distributable profits, as defined by law, and allocate such amounts to any optional reserves or carry them forward.

The balance, if any, shall be divided between all the shareholders in proportion to the number of shares that they own.

In addition, the Shareholders' Meeting may decide to distribute amounts deducted from reserves at its disposal, by expressly indicating the particular reserves from which the deductions are made. However, dividends must be deducted first from the distributable profits for the financial year.

Conditions for amending the share capital and rights attached to shares

Any change to the share capital or to rights attached to the shares comprising the share capital is subject to applicable law, as the Company's Articles of Association do not provide for any specific provisions.

Double voting rights (article 12 of the Articles of Association)

Since November 24, 1995, double voting rights, taking into account the fraction of the share capital that they represent, have been attributed to all fully paid-up shares which can be proved to have been registered in the name of the same shareholder for at least two years.

In the event of an increase of share capital by capitalization of reserves, profits or premiums, double voting rights shall also be granted as from the time of their issue to registered shares granted free of charge to a shareholder in respect of existing shares entitling such shareholder to the benefit of the said right.

Registered shares benefiting from double voting rights that are converted into bearer form for any reason whatsoever shall lose such double voting rights.

Identifiable bearer shares (article 13, paragraph 1, of the Articles of Association)

In accordance with applicable laws and regulations, the Company may at any time request any entity or intermediary for information enabling it to identify the holders of shares carrying immediate or future voting rights at Shareholders' Meetings, as well as the number of shares held by each of them and, where applicable, any restrictions that may affect such shares.

Exceeding limits (article 13, paragraph 2 *et seq.*, of the Articles of Association)

Any entity or individual, acting alone or in a group *(de concert)*, in addition to the thresholds referred to in Article L.233-7 of the French Commercial Code, that acquires or disposes of, directly or indirectly, 1% or more of the Company's share capital or voting rights, or a multiple of said percentage less than or equal to 33%, shall notify the Company within five trading days of having crossed any one of these thresholds, by registered letter with return receipt requested, of the aggregate number of shares, voting rights or securities giving rights to the Company's share capital, which it holds, directly or indirectly, alone or in a group *(de concert)*.

Any failure to comply with the notification of the crossing of a statutory threshold shall result in the forfeiture of voting rights in relation to the shares exceeding the fraction that was required to have been declared pursuant to the provisions detailed above, for all Shareholders' Meetings that may be held during a period of two years following the curing of a failure to notify, at the request of one or more shareholders, together holding at least 1% of the Company's share capital or voting rights, such request being recorded in the minutes of the Shareholders' Meetings.

2. Share capital

SECURITIES GRANTING ACCESS TO THE COMPANY'S SHARE CAPITAL

Share subscription and share purchase option plans

On November 15, 2006, Technip's Board of Directors readjusted the parity of options giving right to four shares to options giving right to one share, by multiplying the number of options by four and simultaneously dividing the exercise price of one option by four as well as the number of shares to which each option gives right. The management of the options was thus simplified because as of November 15, 2006, each outstanding option granted a right to one share.

The Board of Directors' meeting of May 14, 2007 decided to adjust the rights of the beneficiaries of options to take into account the distribution of an exceptional dividend through deductions from "Other reserves", approved by the Combined Shareholders' Meeting of April 27, 2007.

	1999/2001 Plan (2nd tranche 2000) Subscription options	2002 Plan (tranches A and B) Subscription options	2002 Plan (balance of tranche B) Subscription options	2005 Plan (1st tranche) Subscription options	2005 Plan (2nd tranche) Subscription options	2005 Plan (3rd tranche) Subscription options	Additional grant to tranches 1, 2 and 3 of the 2005 Plan Subscription options
Date of Shareholders' Meeting	April 28, 2000	August 24, 2001 and June 20, 2002	June 20, 2002	April 29, 2005	April 29, 2005	April 29, 2005	April 29, 2005
Date of Board of Directors' meeting	December 14, 2000	December 9, 2002	May 21, 2003	December 14, 2005	July 26, 2006	March 12, 2007	December 12, 2007
Number of options granted	1,972,112(1)	2,788,000	20,960	965,213	965,213	965,214	85,000
Number of shares to which each option grants a right	1	1	1	1	1	1	1
Number of shares that may be subscribed/purchased* after adjustment	1,980,063(1)	2,803,987	21,316	986,552	987,080	987,192	85,000
Of which the number of shares subscribed/purchased by directors and senior management	483,200(1)	116,000	0	602,000	15,000	351,786	23,000
Number of directors and senior management members concerned	17	20	0	12	2	9	3
Option exercise start date (2)	December 15, 2003	December 10, 2005	May 22, 2006	December 15, 2009	July 26, 2010	March 12, 2011	December 12, 2011
Expiry date(3)(4)	December 14, 2008	December 9, 2008	May 21, 2009	December 14, 2011	July 25, 2012	March 12, 2013	December 12, 2013
Subscription/purchase price per option	€35.0179	€17.5896	€18.0859	€47.1143	€41.5404	€49.3536	€55.88
Number of shares subscribed/purchased at December 31, 2007	1,377,528	2,062,335	16,665	0	0	0	0
Options cancelled at December 31, 2007	376,000	294,106	2,206	62,885	48,193	15,345	0
Shares remaining available for subscription/purchase at December 31, 2007	226,535	447,546	2,455	923,667	964,965	987,192	85,000
Number of beneficiaries per tranche	1,100(5)	1,250(6)	7	59	323	252	24

(1) Initially, the options granted as part of the 1999-2001 Plan, tranche 2000, related to a maximum of 632,604 shares. The Plan Regulations for this tranche provide that a maximum of 139,576 share purchase options would be granted first. As of February 28, 2007, all of these 139,576 share purchase options have been exercised. The remaining 493,028 options are considered as share subscription options.

(2) The options for each tranche have different exercise start dates. In each case, the date indicated is that of the first start date of the options issued as part of the tranche concerned.

(3) The options for each tranche have variable expiry dates. In each case, the date indicated is that of the final expiry date of the options issued as part of the tranche concerned.

(4) All the plans are subject to certain restrictions limiting the exercise of options in the event the employee or the manager ceases to work for the Company. Option beneficiaries cannot exercise their options at the time of their grant. Options can only be exercised by their beneficiaries on expiry of a period of three years from the option grant date during a period of two, three or five years.

(5) This number includes beneficiaries of share subscription and share purchase options under the 2000 tranche of the 1999-2001 Plan.

(6) This number corresponds to all of the beneficiaries of Tranche A and Tranche B of the 2002 Plan of December 9, 2002.

* With respect to options granted under tranches 1, 2 and 3 and the additional grant to the tranches of the 2005 Plan, the exercise of options is subject to the achievement by Technip of a satisfactory performance for its shareholders. This performance will be measured by the change in the Company's fully diluted net profits per share compared with the average of that of a representative sample of the Group's competitors. Thus, the number of options that may be exercised is subject to the level of achievement of the aforementioned performance recorded at the option exercise start date.

On December 12, 2007, the Board of Directors carried out an additional grant of share subscription options to tranches 1, 2 and 3 with an exercise price of €55.88 per share, relating to 1% of the share capital, as well as an additional grant of free shares relating to 1% of the share capital.

Takeover of Coflexip's obligations

Further to the merger of Coflexip into the Company, the Company's Combined Shareholders' Meeting of July 1, 2003 authorized the takeover of Coflexip's commitments resulting from share subscription and share purchase options granted by Coflexip to its employees and directors and officers, as well as those of affiliated companies.
Shares obtained from the exercise of the share purchase options or issued upon exercise of the share subscription options, taking place following the merger, will be Technip shares instead of Coflexip shares.

Given the merger exchange ratio (i.e., nine Technip shares for every eight Coflexip shares), the new bases for exercising the share purchase and share subscription options granted by Coflexip have been calculated, for each of the options granted and not yet exercised at the date of the merger, in order to reflect the exchange ratio.

The Board of Directors' meeting of May 14, 2007 decided to adjust the rights of the beneficiaries of options to take into account the distribution of an exceptional dividend through deductions from "Other reserves", approved by the Combined Shareholders' Meeting of April 27, 2007.

Taking into account the elements above, the following table presents information relating to the share subscription and share purchase options previously granted by Coflexip, which were outstanding on December 31, 2007.

Share subscription option plans	CSO 9.2 Plan Subscription options	CSO 9.3 Plan Subscription options	CSO 10 Plan Subscription options	CSO 11 Plan Subscription options
Date of the Shareholders' Meeting [1]	May 21, 1996	May 21, 1996	June 2, 1999	May 30, 2000
Date of the Board of Directors' meeting [2]	March 24, 1997	May 18, 1998	December 14, 1999	March 20, 2001
Number of options granted	800,000	493,600	508,544	720,000
Number of shares to which each option grants a right	1	1	1	1
Number of shares subscribed/purchased after adjustment	800,558	495,483	510,967	725,243
Option exercise start date	June 7, 1999	June 7, 2000	December 15, 2001	March 21, 2003
Expiry date	June 6, 2007	June 6, 2008	December 14, 2009	March 20, 2011
Subscription/purchase price per option after adjustment	€10.2898	€26.8819	€16.6484	€33.5242
Number of shares subscribed/purchased at December 31, 2007	658,810	325,013	386,996	319,349
Options cancelled at December 31, 2007	141,748	124,400	84,736	219,751
Shares remaining available for subscription/purchase at December 31, 2007	0	46,070	39,235	186,143
Number of beneficiaries per tranche	89	50	100	144

(1) Date of Coflexip's Shareholders' Meeting that authorized the grant of Coflexip's share purchase and share subscription option plans.
(2) Date of Coflexip's Board of Directors' meeting granting the option plans.

Free share grants

The following table sets forth information relating to the free share grants outstanding at December 31, 2007.

Free share grant	2007 Plan Tranche A	2007 Plan Tranche B	2007 Plan Reallocation Tranche A	2007 Plan Reallocation Tranche B
Date of the Shareholders' Meeting	April 28, 2006	April 28, 2006	April 28, 2006	April 28, 2006
Date of the Board of Directors' meeting	March 12, 2007	March 12, 2007	December 12, 2007	December 12, 2007
Number of shares granted	398,800	711,870	25,300	19,200
Number of shares that may be acquired	398,800	711,870	25,300	19,200
Share acquisition date	March 13, 2010	March 13, 2011	December 12, 2010	December 12, 2011
Expiry date of the conservation period (conversion of shares)	March 13, 2012	March 13, 2011	December 12, 2012	December 12, 2011
Number of shares acquired at December 31, 2007	0	0	0	0
Grants cancelled at December 31, 2007	4,600	39,900	0	0
Shares remaining available for acquisition at December 31, 2007	394,200	671,970	25,300	19,200
Number of beneficiaries per tranche	514	1,199	34	29
Number of directors and senior management concerned	0	0	0	0

Pledged shares

At February 29, 2008, to the Company's knowledge, none of the Company's principal registered shareholders had pledged Technip shares.

3. Shareholders' agreements

None.

4. Other corporate governance information

a. Extracts from the articles of association relating to corporate governance

Shareholders' Meetings (article 23 of the Articles of Association)

1 – Powers

Whether ordinary, extraordinary or combined, Shareholders' Meetings deliberate under the quorum and majority conditions required pursuant to applicable regulations and exercise the powers respectively assigned to them by law.

2 – Convening and Holding of Shareholders' Meetings – Deliberations

Shareholders' Meetings shall be convened in accordance with applicable laws and regulations. Shareholders' Meetings shall meet at the registered office or at any other place specified in the notice.

Shareholders' Meetings shall be chaired by the Chairman of the Board of Directors or, in his absence, by a Director so appointed by the Board of Directors, or failing this, the Shareholders' Meeting shall appoint a Chairman.

The vote tellers' functions are performed by two shareholders who are present and who agree to perform these duties, and who have by themselves or as proxies the largest number of votes.

The presiding committee appoints a secretary, who can be chosen from outside of the Meeting's members.

3 – Participation

Every shareholder has the right, after proof of identity, to participate in Shareholders' Meetings, either personally, via an absentee vote, or by proxy given to another shareholder or to his or her spouse, or by sending a proxy to the Company that does indicate a representative, provided the shares are registered in the books in the shareholder's name or in the name of the agent registered on the shareholder's behalf pursuant to Article L.228-1 of the French Commercial Code as of midnight of the third business day preceding the Shareholders' Meeting in accordance with applicable regulations.

Shareholders that are legal entities are represented at Shareholders' Meetings by their legal representatives or by any person appointed for this purpose by the latter.

Shareholders may, in accordance with applicable laws and regulations, send their proxy and voting forms for any Shareholders' Meeting either on paper or by electronic means.

Any shareholder may also, provided the Board has so decided at the time notification of the meeting is given, take part in the Shareholders' Meeting by videoconference or by telephone, in accordance with applicable regulations. Any shareholder participating through one of the aforementioned means will be deemed to be present for purposes of calculating quorum and majority.

b. Other information relating to members of management and supervisory bodies

Directors whose office was not renewed by the Combined Shareholders' Meeting of April 27, 2007 are listed below:

Daniel VALOT

Date of first appointment: April 30, 1996.
Date of last appointment: April 11, 2003.
Expiry of term of office: Ordinary Shareholders' Meeting of April 27, 2007

Positions held outside the Group:
Director of the Compagnie Générale de Géophysique,
Director of the Institut Français du Pétrole ("IFP"),
Director of SCOR,
Director of SCOR Vie.

Positions held within the Group: Permanent representative of Technip on the Board of Directors of Technip France,
Chairman of Technip Italy.

Positions ended over the past five financial years:
Permanent representative of Technip on the Board of Directors of Technip France,
Chairman of Technip Italy,
Director of Coflexip,
Director of Technip Far East (Malaysia),
Director of Petrofina,
Chairman of the Supervisory Board of Technip Germany,
Chairman of Technip Americas (United States).

Roger CAIRNS

Independent Director*
Date of first appointment: December 13, 2001 (Supervisory Board).
Date of last appointment: April 11, 2003.
Expiry of term of office: Ordinary Shareholders' Meeting of April 27, 2007.

Positions held outside the Group:
Managing Director of Enhanced Recovery Systems Ltd. (United Kingdom),
Chairman and Chief Executive Officer of Cedar International plc (United Kingdom),
Director of Sylvan Energy (United Kingdom).
Positions held within the Group:
None.
Positions ended over the past five financial years:
None.

Miguel CAPARROS

Independent Director*
Date of first appointment: March 16, 1995.
Date of last appointment: April 11, 2003.
Expiry of term of office: Ordinary Shareholders' Meeting of April 27, 2007.
Positions held outside the Group:
Director of C4W.

Positions held within the Group:
None.

Positions ended over the past five financial years:
None.

Pierre VAILLAUD

Independent Director*
Date of first appointment: June 18, 1992.
Date of last appointment: April 11, 2003.
Expiry of term of office: Ordinary Shareholders' Meeting of April 27, 2007.

Positions held outside the Group:
Director of Total,
Member of the Supervisory Board of Oddo.

Positions held within the Group:
None.

Positions ended over the past five financial years:
Director of Egis,
Member of the Supervisory Board of Cegelec (Belgium).

* In its meeting on February 1, 2007, the Nominations and Remunerations Committee examined the independence of the Company's directors in light of the definition and criteria established by the AFEP-MEDEF report. The Committee presented its conclusions to the Board of Directors, which adopted them during its meeting on February 20, 2007.

The above information provided by the Company on the directors' terms of office is as of April 27, 2007.

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

To the Company's knowledge, there is no family relationship between the Company's directors and corporate officers.

To the Company's knowledge, no judgment for fraud has been rendered over the past five years against a member of the Board of Directors or the Chairman and Chief Executive Officer; none of the members of the Board of Directors or the Chairman and Chief Executive Officer has been, over the past five years, the subject of a bankruptcy, sequestration or liquidation procedure as a member of an administrative, management or supervisory body or as a chief executive officer; and no incrimination and/or official public sanction has been made against any of the members of the Board of Directors of the Company or the Chairman and Chief Executive Officer by any regulatory authority (including appointed professional organizations) over the past five years.

Absence of service agreements

None of the members of the Board of Directors or the Chairman and Chief Executive Officer has a service agreement in place with the Company or one of its subsidiaries, which provides for benefits to be granted under such an agreement.

Absence of current or potential conflicts of interests

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

c. Related party transactions

Refer to Note 6.13 of the financial statements for the year ended December 31, 2007 and Note 28 of the consolidated financial statements for the year ended December 31, 2007 included in this Reference Document and the Statutory Auditors' special report provided below hereafter.

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

ERNST & YOUNG et Autres
41, rue Ybry
92200 Neuilly-sur-Seine Cedex

This is a free translation in English of the Statutory Auditors' Special Reports on certain related party transactions issued in French language. It is solely provided for English speaking readers. This report includes information specifically required by French Law. This report on certain related party transactions should be read in conjunction with and construed in accordance with French Law and professional auditing standards applicable in France.

SPECIAL REPORT OF THE STATUTORY AUDITORS ON CERTAIN RELATED PARTY TRANSACTIONS

For the year ended December 31, 2007

To the Shareholders,
TECHNIP
Tour Technip
6-8, allée de l'Arche
92973 Paris La Défense
France

In our capacity as Statutory Auditors of Technip, we hereby present our report on certain related party transactions.

Related party transactions authorized during the year

In accordance with Article R.225-40 of the French Commercial Code (Code de Commerce), we have been advised of the following agreements which were authorized by the Board of Directors.

Our responsibility does not include identifying any undisclosed agreements. We are required to report to shareholders, based on the information provided, the main terms and conditions of the agreements that have been disclosed to us, without commenting on their relevance or substance. Under the provisions of Article R.225-31 of the French Commercial Code, it is the responsibility of shareholders to determine whether the agreements are appropriate and should be approved.

We carried out our work in accordance with the professional standards applicable in France. These standards require that we perform procedures to verify that the information given to us agrees with the underlying documents.

In its meetings of April 27, 2007 and of February 20, 2008, the Board of Directors, based on proposals from the Nominating and Compensation Committee, Mr. Thierry Pilenko not voting, decided to fix the financial conditions to be implemented in case of termination of Mr. Thierry Pilenko's contract as follows:

- Non-compete clause

A non-compete clause was concluded between Technip and Mr. Thierry Pilenko when he was appointed. This obligation is compensated by a fee equal to 70% of his last three years of gross compensation.

- Termination payment

Provided his departure is not linked to any serious misconduct, an indemnity corresponding to one year of compensation will be paid to Mr. Thierry Pilenko in case of revocation, non-renewal of his CEO mandate or following the acceptance by the Board of a takeover bid that would lead him to resign once the bid made.

Characteristics relative to this indemnity are as follows:
Amount of the termination payment: The termination payment can not exceed the compensation due for one year during the three first years of presence and eighteen months thereafter. The compensation due for one year includes both gross base compensation and variable compensation, capped to a 100% target bonus, received by the beneficiary during the year of his effective departure date from the company.

Performance conditions: The Board of Directors has retained the following three performance criteria relevant to Technip's business: Technip's share price, EBITDA, frequency rate of HSE incidents.

The expected performance for each criterion is as follows:
• Technip's share price performance in comparison with comparable firms,
• increase in profitability as measured by EBITDA,
• the Total Recordable Cases Frequency rate lower than the same rate over a sample of competitors.
Termination payment will be conditioned to the completion of at least two of three criteria. The performance will be calculated as follows: the average performance achieved during the three years prior to the Chief Executive Officer effective departure date from the company and prorata temporis for the mandate running. In case of a departure of the Chief Executive Officer in 2008, the performance would be calculated by comparing performance achieved in 2007 to the one achieved in 2008.

- Complementary pension plan

Like other directors of Technip, Mr. Thierry Pilenko will benefit from a complementary defined contribution benefit pension plan which is calculated as follows: 8% of the annual gross compensation capped to 8 times the upper limit of salary deductions for social security contributions. He will also have a complementary defined contribution benefit pension plan as a member of Technip Executive Committee which is calculated as follows: for each year of presence, but limited to 15 years, a retirement resource guarantee equal to 1.8% of "Tranche 4" of the annual gross paid compensation, i.e. the one above 8 times the upper yearly limit of salary deductions for French social security regime.
That compensation will be based on the average gross compensation, including variable portion, capped to a 100% target bonus, received by the beneficiary during the five years prior to his effective departure date from the company. The compensation will only be due if he is more than 60 years old at the effective departure date, or in case he is put on 2nd or 3rd level of disability, or in case he is more than 55 years old at the effective departure date provided departure is not linked with any serious misconduct and provided he has not resumed professional activity between departure date and payment of compensation from general social security regime.

Continuing agreements which were entered into in prior years

In application of the French Commercial Code, we were advised that the following agreements which were entered into in prior years remained in force during the year:

- Pension plan

In its meeting of November 16, 2005, the Board of Directors approved the commitment entered into by Technip with Mr. Daniel Valot, its Chairman and Chief Executive Officer, as part of the implementation of a supplementary defined contribution pension plan.
The contributions payable by Technip in relation to this plan are equal to 6% of the total compensation of the year, within the limit of eight caps as defined by the French Social Security Administration. In 2007, the contribution paid by Technip in relation to Mr. Daniel Valot's supplementary pension plan amounted €5,021.

- Termination payment

In its meeting of September 27, 2006, the Board of Directors approved an agreement relative to Mr. Daniel Valot's retirement financial conditions. Due to his departure on April 27, 2007, Mr. Daniel Valot received a termination payment of €1,128,250 in 2007.

- Consulting contract

In its meeting of September 27, 2006, the Board of Directors decided to sign with Mr. Daniel Valot a consulting contract for a two year period in order to ensure availability during the transition phase towards the Chief Executive Officer and the Board of Directors. This contract is based on a daily rate of €4,000 (excluding taxes) for 80 days of service per year. In 2007, Mr. Daniel Valot was paid €191,360 in relation to this consulting contract.

Neuilly-sur-Seine, March 19, 2008

The Statutory Auditors

PricewaterhouseCoopers Audit
Louis Pierre Schneider

ERNST & YOUNG et Autres
Gilles Puissochet

5. Other information on the Group's business and structure

a. Organization chart

Technip S.A. is the Group's parent company.
The Group's business is structured as per the internal structure plan presented in the Institutional Document.

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

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

The subsidiaries handle and execute the contracts. Its principal subsidiaries are Technip France (France), Technip Italy (Italy), Technip Brazil (Brazil), Technip UK Limited (United Kingdom), Technip Geoproduction (M) Sdn Bhd (Malaysia) and Technip USA, Inc. (United States).

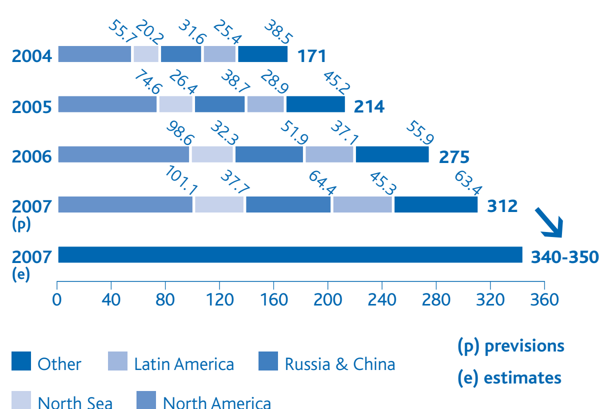
b. Market environment

Over the past five years, crude oil prices have regularly exceeded new thresholds and recorded a series of all-time highs. At the end of 2007, prices approached the threshold of U.S.$100 a barrel. According to the French Oil Institute (Institut Français du Pétrole, or "IFP"), (technical report "Oil supply and demand" Panorama 2008, February 2008) oil prices should remain high in the future and should exceed and stay above the threshold of U.S.$100 over the next few years. With the insufficiency of offer as demand increases, crude oil prices will steadily increase. The same applies to natural gas. With strong demand for natural gas and a growing correlation between gas and oil prices, gas prices tend to be on the rise. High prices tend to promote increased investment by oil companies both upstream (exploration-production) and downstream (refining, petrochemical), which in turn reinforces the business growth of oil and gas companies, of which Technip is a leader.

Compared to the early 21st century, the exploration-production context has changed radically. Over the past few years, the need for increased production capacities and high crude oil prices has led to a strong demand for exploration-production equipment and services. Since 2004, a period during which investments by oil companies began to increase again, the business of oil and gas companies has been constant and accompanied not only by structural changes, but also by the reinforcement of customer portfolios by national companies. These national companies are gradually reclaiming the development of their resources and are not averse to crude oils that are more difficult to exploit, such as those in deep-sea fields. Simultaneously, increased local demand is requiring oil and gas companies to heighten the pace of their international expansion.

According to IFP, exploration-production investments increased by 13% in 2007, reaching U.S.$312 billion. Also according to IFP, the most likely scenario for 2008 is a growth rate of between 10% and 15%, especially if the current main trends prevail: high commodity, service and equipment rental prices, market tensions and difficulties experienced by international companies in accessing fields.

Evolution of exploration-production investments (source: IFP)



This favorable environment still involves certain segment-related specificities which are presented in the following paragraphs. Technip's position in each of these segments is also presented.

Technip revenues per segment In € millions	2007	2006	2005
SURF	2,478.2	2,209.2	1,797.6
Offshore Facilities	738.8	1,195.5	1,013.4
Onshore-Downstream	4,436.7	3,317.8	2,318.2
Industries	232.8	204.0	246.9
Total	**7,886.5**	**6,926.5**	**5,376.1**

The breakdown of Technip's revenues per region confirms the Group's international presence.

Given the significance of its reserves and its desire to expand its refining, petrochemical and natural gas (liquefaction and treatment of natural gas) industries, the Middle East is now a major investment zone. Technip recorded 41% of its revenues for 2007 (i.e., more than €3.2 billion) in this region, mainly due to its experience and its presence in the region as well as to a number of major natural gas and petrochemical projects.

The "Americas" region represented 18% of the Group's revenues for 2007 and involves projects that include asphaltic sands in Canada, as well as offshore projects in Brazil and strong business in the Gulf of Mexico and the United States.

With revenues of €1.2 billion in 2007 for Technip, the Europe, Russia and Central Asia regions reaffirm their importance and represent projects in the North Sea, as well as refining, petrochemical and bio fuels projects.

Asia and Africa, which represented revenues of 13% and 12%, respectively, in 2007 for Technip, are also two of the Group's development cornerstones. The Group is present in all segments in these two regions.

Technip revenues per region In € millions	2007	2006	2005
Europe, Russia, Central Asia	1,218.8	1,399.2	1,382.9
Africa	954,8	1,254.4	1,258.4
Middle East	3,246.6	2,070.7	1,108.1
Asia-Pacific	1,032.2	806.7	583.4
Americas	1,434.1	1,395.5	1,043.3
Total	**7,886.5**	**6,926.5**	**5,376.1**

1. SURF and Offshore Facilities segments

In its most recent technical report in exploration and production activities and markets (Panorama 2008, February 2008), IFP demonstrates that the rate at which production is launched for new, deep-sea, offshore fields will rapidly increase over the 2007-2012 period as compared to the 2001-2006 period and production launches below 1,000 meters will increase threefold, between two periods. In the same technical report, IFP adds that the engineering, equipment and offshore construction markets will boom during the next few years. Technip believes that the "Golden Triangle" of the deep sea (Gulf of Mexico, West Africa and Brazil) will continue to attract a major share of investments. Nonetheless, due to the high price of oil, the North Sea should remain a major oil region for the SURF sector according to the same technical report. Finally, due to a number of developments off the Indian coast and in deep seas off the Malaysian and Indonesian coasts, Asia should gradually become an important center of activity.

The SURF market shows strong potential and Technip estimates an annual growth rate of approximately 10% between 2006 and 2010. With SURF revenues of €2.5 billion and SURF orders totaling €3.5 billion for the year ended December 31, 2007, Technip is clearly a leader in this segment.

The Offshore Facilities segment is more fragmented than the SURF segment. From small, fixed, shallow sea platforms to massive developments by FPSO in West Africa, the range of projects is extremely vast and each project requires its own set of skills and capacities. As is the case for the SURF segment, the Offshore Facilities segment is experiencing strong growth. For example, a recent study carried out by Infield Systems foresees the allocation of 15 floating platforms per year over the 2008-2015 period, i.e., 50% more than over the 2003-2007 period (Global perspectives floating market report, 2007). Geographically, the distribution of such projects would, according to the same Infield Systems' study, be as follows: 36% in West Africa, 27% in Asia, 24% in Brazil and 13% in the Gulf of Mexico.

With its numerous technical solutions, Technip is one of the principal operators in the Offshore Facilities sector, alongside companies such as J. Ray McDermott, Saipem, Hyundai Heavy Industry, Daewoo, Samsung, Kiewit, SBM and Aker Kvaerner. In particular, the Group has a leading position in dry wellhead floating platforms.

2. The Onshore-Downstream and Industries segments

In the refining sector, strong worldwide economic growth in 2007, combined with a demand for crude oil that remained strong, particularly in developing countries, and refining margins that remained high, favored investments and the launch of new projects in 2007. This is also applicable to the petrochemical sector (ethylene production in particular). For example, a recent IFP study on the downstream sector showed that investments made by the refining industry in 2007 reached U.S.$21.5 billion, which represents a 20% increase as compared to 2006 (Technical report: Refining, Panorama 2008, February 2008).

Geographically, the downstream industry is focused on two main regions: Asia and the Middle East. In Asia, projects are mainly driven by a very strong increase in local demand. In the Middle East, the availability of resources and the willingness of national companies to vertically integrate themselves are the main forces sustaining the business. For example, according to the International Energy Agency, 73% of additional refining

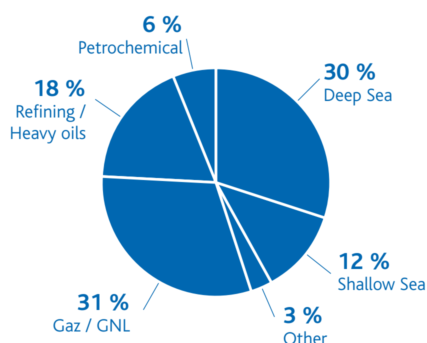
capacity over the 2006-2010 period will be located in the Middle East/Asia zone (World Energy Outlook 2006). With regard to ethylene, this proportion represents 93% according to a study by UBS (2007 Global ethylene analysis, April 2007).

The downstream oil and gas industry is fairly fragmented with both small and large operators. With its numerous references and with the support of experienced teams and its vast international presence, Technip is able to position itself with regard to major technological projects (e.g., FEEDs in the Middle East) and large-scale projects (e.g., the Vietnam refinery). With refining and petrochemical orders representing, respectively, €1,690 million and €560 million in 2007, Technip is a major operator in the downstream sector whose main competitors include Bechtel, Fluor, Foster Wheeler, Jacobs, Worley Parsons, KBR, GS, Samsung, Shaw, Saipem and Udhe.

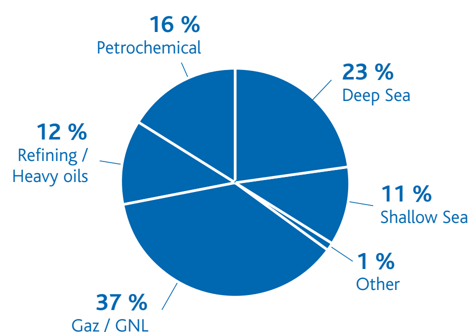
For the natural gas sector, worldwide increase in demand over the past few years slowed slightly in 2007 (1.4% to 1.8% in 2007 compared to 2.5% in 2006) but in a very contrasted environment with gas line exchange levels remaining stable and a continued increase in liquefied natural gas ("LNG") exchanges (source: Short-term and medium-term trends in the gas industry, IFP, Panorama 2008, February 2008). Cedigaz estimates that the worldwide liquefaction capacity will increase by almost 50% by 2012 to reach 383 Gm3/year (288 Mt/year) (Bulletin of Cedigaz Members, January 2008). While a major portion of investments in capacity currently under construction is located in the Middle East, and more specifically in Qatar, the Company believes that Asia, Africa and Russia should make up most of the additional liquefaction capacities over the next decade based on the number of projects announced in these different regions.

The natural gas liquefaction sector comprises a fairly limited number of operators given the complexity and size of the projects. Technip masters not only the technology, but also the human resources needed to undertake such projects. The Group competes with companies such as Bechtel, KBR, Fluor and Foster Wheeler (Americas), Chiyoda and JGC (Japan), Linde and Saipem (Europe). At the end of 2007, Technip was involved in five (58 million tons) of the nine construction projects worldwide, which altogether represent an additional capacity of 83 million tons of LNG per year.

Technip orders at the end of 2007



Technip orders at the end of 2006



c. Procurement

The projects managed by Technip, as well as its own business, require the use of many raw materials, parts and equipment. Technip has stable working relationships with its main suppliers and, so far, has not had difficulties finding high quality raw materials to meet the needs of its manufacturing processes. Technip continuously strives to stabilize its procurement sources for strategic equipment and raw materials.

For the execution of onshore and offshore projects, Technip procures its equipment and components from a large number of international suppliers, which are recognized as leaders in their respective sectors. General Electric, Siemens, Tenaris, Rolls Royce and Dresser are regularly included among the Group's main suppliers.

With regard to the main raw materials used to manufacture flexible pipes and umbilicals, the Group turns to first-class suppliers such as Arkema, Solvay, ArcelorMittal, Sandvik, Outokumpu, Bekaert, Armco, Ugine and Acesita (ArcelorMittal group).

Since late 2003, the price of raw materials has increased, which has had a negative impact on some steel wire and stainless steel purchasing contracts. Another consequence of the unstable raw materials market is that steel component and equipment purchasing offers have been valid for shorter timeframes and delivery timeframes have become longer. Still, Technip has not experienced any shortages or delivery delays for strategic materials or equipment.

d. Cycles and seasonality

Overall, Technip's business is not subject to seasonal factors, as its operations are diversified geographically as well as between Offshore and Onshore-Downstream businesses. Considered individually however, certain contracts may be considered seasonal. This is mainly the case for construction operations, in particular in the North Sea, due to weather conditions.

e. Property, plant and equipment

Technip's main facilities, with the exception of its vessels, include offices, operational centers, assembly plants and factories. At December 31, 2007, Technip owned offices, including sites in Rome and New Delhi, as well as various factories such as the Le Trait plant in Normandy. Since 2003, Technip has leased a multi-story, single-site building with a 2,800 person capacity in Courbevoie. Technip mostly leases its office space. It owns or leases construction sites and production sites for the Deep Sea Division's operations and for the production of flexible pipes and other subsea products. Technip believes that its installations are suited to its needs. In the December 31, 2007 consolidated financial statements, Technip's land, constructions, machines and equipment were recorded at a net amount of €287.5 million, including €74.1 million of land and constructions.

At December 31, 2007, the Group had access to the following main properties, either owned or leased:

Place	Purpose	Legal Status
(Europe)		
Courbevoie (Paris La Défense), France	Head Office/Offices	Lease
Paris, France	Offices	Lease
Le Trait, France	Plant (flexible hoses) and Offices	Owned
Lyon, France	Offices	Lease
Rouen, France	Offices	Lease
Nîmes, France	Offices	Lease
Toulouse, France	Offices	Lease
Rome, Italy	Offices	Lease / Owned
Zoetermeer, Netherlands	Offices	Lease
Düsseldorf, Germany	Offices	Lease
Newcastle, United Kingdom	Plant (umbilicals) and Offices	Lease / Owned
Aberdeen (Scotland), United Kingdom	Offices and Warehouses	Lease / Owned
London, United Kingdom	Offices	Lease
Edinburgh (Scotland), United Kingdom	Warehouses	Lease / Owned
Evanton (Scotland), United Kingdom	Plant (Spoolbase) and land	Lease / Owned
Pori, Finland	Plant (naval construction site) and land	Owned
Pripoli, Finland	Offices	Lease
Antwerp, Belgium	Offices	Lease
Barcelona, Spain	Offices	Lease
Madrid, Spain	Offices	Lease
Tarragone, Spain	Offices	Lease
Oslo & Stavanger, Norway	Offices	Lease
Orkanger, Norway	Plant (Spoolbase) and land	Lease / Owned
Athens, Greece	Offices	Lease
Warsaw, Poland	Offices	Lease
(Eastern Europe)		
Saint Petersburg, Russia	Offices	Lease
Moscow, Russia	Offices	Lease
Aktau, Kazakhstan	Offices	Lease

Place	Purpose	Legal Status
(Asia)		
New Delhi, India	Offices	Lease / Owned
Chennai, India	Offices	Lease
Mumbai, India	Offices	Lease
Kuala Lumpur, Malaysia	Offices	Lease
Yokohama, Japan	Offices	Lease
Shanghai & Tianjin, China	Offices	Lease
Beijing, China	Offices	Lease
Taichung, Taiwan	Offices	Lease
Jakarta, Indonesia	Offices	Lease
Balikpapan, Indonesia	Offices	Lease
Bangkok, Thailand	Offices	Lease
Singapore, Singapore	Offices	Lease
Hanoï, Vietnam	Offices	Lease
Ho Chi Minh City, Vietnam	Offices	Lease
Seoul, South Korea	Offices	Lease
(Oceania)		
Perth, Australia	Offices	Lease
(North America)		
Channelview (Texas), United States	Land and Plant (umbilicals)	Owned
Claremont (California), United States	Offices	Lease
Mobile (Alabama), United States	Plant (Spoolbase) and land	Lease / Owned
Houston (Texas), United States	Offices	Lease
Saint John's, Canada	Offices	Lease
Calgary, Canada	Offices	Lease
Monterrey, Mexico	Offices	Lease
(South America)		
Vitoria, Brazil	Plant (flexible hoses) and land	Lease / Owned
Rio de Janeiro, Brazil	Offices	Lease / Owned
Macaé, Brazil	Plant (spoolbase) and Offices	Owned
Caracas, Venezuela	Offices	Co-Owned
Bogota, Colombia	Offices	Owned
(Africa)		
Lagos, Nigeria	Offices	Lease
Port Harcourt, Nigeria	Land, Plant and Offices	Lease / Owned
Lobito, Angola	Land and Plant (umbilicals)	Lease / Owned
Dande, Angola	Plant (spoolbase) and land	Lease / Owned
Luanda, Angola	Offices	Lease
Johannesburg, South Africa	Offices	Lease
(Middle East)		
Dubai, UAE	Offices	Lease
Abu Dhabi, UAE	Offices	Lease
Doha, Qatar	Offices	Lease
Al Khobar, Saudi Arabia	Offices	Lease
Sana'a, Yemen	Offices	Lease

None of the leased properties belongs to one of the group's executives.

FLEET OF VESSELS

At December 31, 2007, the Group held a stake in or operated the following vessels:

Name	Length (in meters)	Maximum raising capacity for subsea construction operations (in tons)	Diving System
Skandi Achiever	106	150T Crane	Yes
Sunrise 2000	132	1 x 75T @ 15 m; 1 x 30T @ 15 m	No
Deep Blue	192	1 x 300T @ 18 m	No
CSO Apache	123	-	No
Wellservicer (1)	111	1 x 130T @ 26m	Yes
Constructor	127	1 x 300T @ 16 m	No
Orelia	119	1 x 100T @ 15 m; 1 x 100T @ 12 m	Yes
Alliance	78	1 x 70T @ 15 m	Yes
Venturer	129	1 x 70T @ 10 m; 1 x 155T @ 7m	Yes
CSO Deep Pioneer	156	1 x 150T @ 8 m	No
Normand Pioneer (1)	95	1 x 140T Crane + 150T (A-Frame)	No
Geoholm (1)	85	90T	No
Seamec 1	76	30T; 15T	Yes
Seamec 2	93	50T; 30T	Yes
Seamec 3	93	50T	Yes
Seamec Princess	123	100T Crane	Yes

(1) These vessels are subject to long-term charters. The other vessels in the fleet (except the Geoholm) are owned by Group companies.

Change in fleet over 2007

In 2007, Technip continued the strategic program started in 2006, which includes:

• A new Class III marine service vessel being constructed by Aker and to be delivered in 2008. This vessel, named Skandi Arctic, is intended to be used for the Norwegian market and will be used by Technip to service the 2005 master contract signed with Statoil. This vessel will be jointly held with DOF, a leading Norwegian naval constructor, and will be fitted with the latest environmentally-friendly technology. The vessel, measuring 126 meters in length, will be fitted with a dynamic positioning system, 24-man dive technology, as well as a 250-ton crane and Remotely Operated Vehicles ("ROV"s) that will allow it to function in deep seas.

• At the end of 2007, Technip took delivery of Skandi Achiever, which is currently stationed in India. The vessel was chartered from DOF for a period of eight years. The diving system was constructed and installed by Technip. The vessel will return to the North Sea over the course of 2008 for the construction and maintenance of underwater equipment. The vessel measures 106 meters in length, is a dynamically positioned Class II vessel, and is equipped with an 18-man dive technology.

• Technip selected STX for the construction of its new pipelay vessel, the delivery of which is expected in 2010. STX is a South Korean builder that produces close to 40 vessels per year. It will be built in China and is a dynamically positioned Class III vessel 200 meters in length, with a transport capacity of 5,000 tons of steel pipes. This high-speed vessel will be able to function worldwide and will be able to install pipes with a diameter of up to 18 inches in shallow or deep seas.

The following investments were launched in 2007:

• In partnership with DOF, Technip selected Aker for the construction of a new pipelay vessel. This vessel will be used for the Brazilian market and will include a vertical laying system for flexible pipes in waters of up to 2,500 meters in depth, as well as a horizontal laying system for umbilicals. It measures 125 meters in length and is a dynamically positioned Class II vessel expected to be delivered at the end of 2009.

• A vertical laying system is being examined for use in the U.S. umbilicals market. This laying system will be designed to install umbilicals in waters of up to 2,500 meters in depth.

• In 2007, it was decided to extend the use of the DSV Orelia. This vessel operates in a niche market in the North Sea and is one of the rare vessels able to work on multiple offshore installations in the North Sea. The Orelia will be operational in the middle of 2008. New living quarters will be added and all of the cranes, as well as the diving system, will be completely renovated. The Orelia will also be equipped with a new bow and stern, which will increase its speed capacity.

f. Major contracts

1. Revolving credit agreement

The €850 million revolving credit agreement is described in the Management Report of the Board of Directors. See 4.c, "Risk factors and insurance".

2. Bond issue

The €650 million bond issue is described in the Management Report of the Board of Directors. See 4.c, "Risk factors and insurance".

g. Technology

1. Patents and licenses

For its engineering operations, Technip has a large number of patents, registered trademarks and other intellectual property rights, including industrial and intellectual property rights acquired from third parties. Technip currently owns approximately 366 patent families (i.e., approximately 2,500 patents in effect in over 30 countries), mainly in offshore and subsea development (subsea pipes, umbilicals, flexible systems, platforms and equipment), cryogenics, refining, cement, hydrometallurgy and ethylene and hydrogen production. Technip holds a limited number of joint patents with IFP and other industrial partners.

Petrochemical operations usually depend on the implementation of licenses belonging to third parties (such as UOP, Avi Products and BASF). Their implementation depends on the nature of the project and the fees are passed on to customers.

2. Research and Development

Research and Development are essential to Technip's success in the engineering and construction sectors. Its Research and Development operations focus on developing the Extendable Draft Platform ("EDP"), the SPAR in the Arctic region and the Floating Liquefied Natural Gas ("FLNG"), improving the quality of its products and services and developing new flexible pipes and "reeled" technologies, in particular in the deep sea field (more than 500 meters below sea level). Technip has a three-phase strategy for acquiring new technologies related to its operations: internal acquisition through research and development, external growth through the acquisition of specialized companies or mixed organic and external growth through research partnerships.

Technip's Research and Development expenditures for the 2007, 2006 and 2005 financial years amounted to €42.0 million, €34.9 million and €29.4 million, respectively. Most of its research and engineering operations are focused on specific projects, which are not taken into account in these figures.

Technip's Research and Development operations aim to anticipate its customers' future needs and to improve its competitiveness. Technip is working on development and engineering programs in a certain number of advanced technical fields related to deep sea oil and gas production (including new drilling platforms and floating production units, low temperature, deep sea liquid natural gas and crude oil transport systems). The Group's main Research and Development sites are located in Paris and in Le Trait, France and in Aberdeen, Scotland, and in Houston, Texas (United States). These teams include approximately 250 staff. Technip also works with external Research and Development teams to form strategic technological partnerships intended to facilitate commercial development in these sectors.

3. Technological partnerships

Technip participates in technological partnerships in the Onshore-Downstream sector, in particular, with BP Chemicals for PTAs, with Ineos in polyethylenes and polypropylenes, with Dow Chemicals in ethylene ovens and with Air Products in hydrogen production units. In the Offshore sector, Technip and IFP are working on joint research operations, in particular in the deep sea offshore area related to oil and gas production.

4. Acquisitions

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

h. History of the Group

1958	Creation of Technip on April 21, 1958.
1958 - 1962	First significant commissions on the French market: Donges and Feyzin refineries, natural gas desulfuration plant in Lacq.
1963 - 1965	Export success with the construction of refineries in Chittagong, Abidjan and Tamatave, plus the world's first natural gas liquefaction plant in Arzew, Algeria.
1966 - 1969	Technip's business expanded to include petrochemicals, chemicals and fertilizers. Lyon establishment opened. Contracts signed for the natural gas liquefaction plant in Skikda, Algeria and for the first unit of the natural gas desulfuration complex in Orenbourg, USSR.
1970 - 1974	Technip leads the composition of an international engineering group, including Technipetrol in Rome and Tecplant in Barcelona. This group has a workforce of 2,000 staff. Technip wins two major petrochemical contracts: China's massive Liao Yang complex and the no. 2 steam cracker in Feyzin, France. Creation of Coflexip in 1971, a company specialized in the design and manufacture of flexible pipes used to exploit subsea hydrocarbon fields.
1975 - 1978	Technip-Geoproduction, specialized in hydrocarbon field equipment, is created. The Technip-COCEI merger fuels sector diversification. Technip signs 2.5 billion French franc contracts for the Soviet aromatic complexes in Oufa and Omsk and a contract for improving 2,000 oil wells in Western Siberia using gas lift technology. First projects in Brazil and the Middle East, building steam crackers in Triunfo, Brazil and Umm Saïd, Qatar. Technip moves its head office from Rueil-Malmaison to La Défense.
1979 - 1984	Technip signs contracts for the gas processing plant in Zubair, Iraq and the refinery in Umm Saïd, Qatar. TPG Malaysia is created in Kuala Lumpur. The contract for the refinery in Al Jubail, Saudi Arabia (12 million tons per year) is signed, and the first phase of construction on the gas complex in Astrakhan, USSR is launched. The Group gains a foothold in the cement industry through the acquisition of CLE. Creation of Technip Abu Dhabi.
1985 - 1988	Financial restructuring of Technip. Two major gas processing contracts: Astrakhan 2 in the USSR, followed by North Field in Qatar. Technip-Geoproduction achieves a technological first: the raising of the Ekofisk platforms in the North Sea. In cooperation with SGN, Technip participates in the expansion of the nuclear fuel reprocessing plant in The Hague. The Group's workforce includes more than 3,000 staff. Coflexip sets up a flexible tube plant in Brazil (1986).
1989 - 1990	Technip Seri Construction is founded. Technip acquires a stake in Portuguese engineering company Lusotecna. Business resumes in Iran (petrochemical complex in Bandar Imam). The Group's workforce increases to 4,000 employees. Coflexip founds an umbilical manufacturing plant, Duco Ltd (1990).
1991 - 1993	Turnkey business becomes a major part of Technip's work, in particular with gas processing installations such as Accro 1 in Venezuela and Bab Habshan (OGD 1) in Abu Dhabi. Technip acquires Spie-Batignolles' industrial engineering operations (Speichim and EGI) and takes control of Saint Petersburg-based company Lentep, which it renames Technip CIS. The Group's workforce passes the 5,000-staff mark. Coflexip acquires Perry Tritech Inc., a company that manufactures radio-guided subsea robots (1992). Coflexip is listed on the NASDAQ in 1993.

1994 - 1996	Technip is floated on the Paris stock exchange. Turnkey construction of the Leuna refinery in Germany and the Bonny natural gas plant in Nigeria launched. Breakthroughs in oil upstream: the world's largest floating production unit in the N'Kossa, Congo field and the first TPG 500 platform in the Harding field in the North Sea. Technip Tianchen is founded in China. Consolidated revenues exceed 10 billion French francs in 1996. Coflexip acquires the Stena Offshore Group (1994), a subsea works business in the crude oil related industry specialized in the installation of "reeled" pipes and the construction of a steel umbilicals manufacture unit, Duco Inc., in Houston (1996).
1997 - 1998	Contract signed for the Midor refinery in Egypt and for two extra-heavy crude processing installation projects on Venezuela's Orinoco River. Technip establishes a presence in Central Asia (refineries in Boukhara, Uzbekistan and Turkmenbashi, Turkmenistan). ADNOC commissions Technip/Bechtel to double the capacity of its gas processing installations in Habshan, Abu Dhabi. Technip acquires a majority stake in Houston's oil upstream specialist CBS Engineering and sets up Krebs-Speichim, a chemical engineering company on par with SGN. The Technip Group counts a workforce of 6,400 employees.
1999	Technip buys KTI/MDEU. Technip Germany, Technip USA, and Technip Benelux are set up. The Group counts a workforce of 10,000 employees and becomes the European leader in its profession.
2000	Technip becomes the main shareholder of Coflexip. Malaysia and Thailand sign a turnkey contract for developing the Cakerawala offshore gas field. Two contracts are obtained for developing the Haradh gas field in Saudi Arabia. Coflexip acquires Slingsby Engineering Systems Ltd, a company that manufactures subsea robotics systems.
2001	Krebs-Speichim merges with Technip, which creates a new arm, Technip LCI, which includes Life Science, Chemical and Industry products. Technip acquires Brazilian engineering company, UTC. Coflexip acquires Aker Maritime's Deep Sea Division. Takeover bid on Coflexip: the companies are regrouped under the Technip-Coflexip group, Europe's leading and the world's fifth-leading operator in the engineering, technology, and oil and gas services sectors. Technip is floated on the New York Stock Exchange ("NYSE").
2002	Contract for the design and construction of natural gas liquefaction lines 4 and 5 at the Bonny complex. Turnkey contract for remodeling and expanding the Ruwais refinery. Contract for building the world's first "Cell SPAR" platform for the Red Hawk field.
2003	Contract for the turnkey construction of a Gas-To-Liquid ("GTL") complex in Qatar, the first-ever industrial-scale GTL project. Technip wins four major contracts: one falling under Total's development of the Dalia field in Angola, for the construction of the largest Floating Production, Storage and Offloading ("FPSO") vessel, a second contract for its subsea pipe system. The third contract involves a gas compression platform for the East Area field and the fourth deals with the Amenam 2 platform in Nigeria. Contract for developing the Simian Sienna and Sapphire natural gas fields in shallow Mediterranean waters off the coast of Egypt. Major engineering, supply and installation project for a TPG 500 drilling and production platform for the Shah Deniz gas field in the Azeri area of the Caspian Sea.

2004	Deep Blue, the main vessel in Technip's fleet, breaks global records in terms of depth and realizes first-ever technological advances in pipe laying in the fields of Na Kika in the Gulf of Mexico. U.S.$4 billion contract with Qatar Liquefied Gas Company Limited (II) ("Quatargas II") for the completion of the two largest trains of liquefied natural gas ("LNG") in the world.
2005	Technip achieves revenues of nearly €5.4 billion and boasts a workforce of nearly 21,000 employees, representing 60 nationalities working in more than 50 countries. Upon completion of a process to integrate businesses acquired in past years, Technip reorganizes its structure. Technip becomes a leader in two key markets: liquefied natural gas and ethylene. In the LNG sector, the Group signed several major joint venture contracts, including the "Yemen LNG" turnkey contract for Yemen's first natural gas liquefaction plant, the U.S.$3 billion contract for the construction of two of the world's largest LNG lines in Qatar ("Qatargas III" and "Qatargas IV"), and the contract for two liquefaction lines for the "Rasgas 3" project in Qatar. In the ethylene sector, Technip wins a contract for an ethylene unit in Ras Laffan, Qatar, a contract for a major ethylene and propylene unit in the Yansab complex in Saudi Arabia and a contract for building an ethylene unit in Kuwait. Technip consolidates its leadership in deep offshore, in particular, by signing two contracts for the SPAR platform and pipes on the Kikeh field (Malaysia), a contract for the "Tahiti" SPAR platform (Gulf of Mexico), and by signing a contract consortium for building the Akpo field's FPSO (Nigeria).
2006	Technip completes the major turnkey project, Oryx GTL, in Qatar, the world's largest plant for the transformation of natural gas to liquid fuels. Delivery of Dalia, the largest Floating Production, Storage and Transfer ("FPSO") plant to date intended for the development of an oil field off the coast of Angola. For this project, Technip also manufactured innovative subsea equipment for the exploitation of deep sea deposits. ExxonMobil Middle East Gas Marketing Limited awards Technip the project to complete a gas treatment facility with a capacity of 35.40 million cubic meters per day of natural gas (Al Khaleej Gas Phase 2 or "AKG-2"). Technip is awarded a contract for the engineering, supply of equipment and construction of the hull and anchor system of the SPAR platform, part of the Perdido project (Gulf of Mexico). Moored at 2,385 meters below sea level, this SPAR will set a new depth record and will be the first to use DVA, a direct vertical access system that will reduce drilling costs, simplify work and facilitate access to subsea equipment. In New Zealand, Technip is awarded a contract for all development (from sea-based infrastructures to land-based treatment facilities) of the Kupe gas field, located 30 kilometers of the west coast of the North Island.

i. Third-party information, expert opinions and ownership statements

To the Company's knowledge, the sources referred to in this Reference Document were accurately reproduced and no fact has been omitted, which would render the reproduced information, in any significant way, inaccurate or false.

6. Contacts and calendar for financial information releases

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b. Calendar for financial information releases

1. Press releases

The calendar below of the publication dates of Technip's financial information is provided on an informational basis and may be subject to change.

2007 annual financial results: February 21, 2008
2008 Q1 financial results: May 15, 2008
2008 Q2 and H1 financial results: July 31, 2008
Q3 2008 financial results: November 13, 2008

2. Publishing of financial information

Q1 financial information: May 15, 2008
H1 financial report: August 2008
Q3 financial information: November 15, 2008

VII RECONCILIATION TABLE

To facilitate the reading of this document, the following reconciliation table makes it possible to identify, in this Reference Document:

- the information required under European regulation no. 809/2004, enacted pursuant to the European directive entitled "Prospectus" 2003/71/CE (information that is not relevant to Technip bears the mention "N/A");

- the information included in the Annual Report that must be published by listed companies in accordance with the provisions of the French Monetary and Financial Code, resulting from the European directive entitled "Transparency" 2004/109/CE;

(1) The sections of the 2007 Annual Report are presented in its contents.

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• Statement of responsible persons		VI-1-a
2. STATUTORY AUDITORS OF THE FINANCIAL STATEMENTS	p. 11 and 12	VI-1-b
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4. RISK FACTORS		I-4-c and d; III-5 - Note 33
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This Reference Document was filed with the French financial market authority (*Autorité des marchés financiers, or "AMF"*) on March 25, 2008 in compliance with Article 212-13 of its General Regulations. This Reference Document comprises two documents: the Annual and Sustainable Development Report and the 2007 Annual Report. It may be used for the purpose of a financial transaction provided it is accompanied by a transaction notice approved by the AMF.

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