

Annual and Sustainable Development Report 2006





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MESSAGE FROM THE CHAIRMAN

In 2006 the Group began to reap the benefits of the substantial backlog growth achieved over the last two years, with net income rising to more than twice the 2005 figure. Profitability should continue to progress along with the state of advancement of the major projects we have been awarded.

At the same time, our net cash position has also more than doubled over the past year. In accordance with the commitment made in April 2006, over the last twelve months, through share buybacks and the payment of an exceptional dividend, we have returned to our shareholders roughly €600 million made available by the conversion of the convertible bonds. As for the ordinary dividend, we have proposed to bring it to €1.05 per share, a 27% increase over two years.

Never before in its history has Technip experienced a market as buoyant as that seen over the last two years. In all likelihood, this situation should continue until the end of the decade, if not beyond. It is in this context that Technip has taken steps to significantly strengthen its operating capabilities through an acceleration of its recruiting and training programs, expansion of the production capacities of its manufacturing plants, and the addition of several world-class vessels to its fleet of subsea pipe lay and construction vessels.

As I hand over the reins to Thierry Pilenko, I look back over what Technip has accomplished during the last eight years. Since 1998 the Group has more than tripled its backlog, revenues and workforce. Back then, Technip was a European leader in oil and gas engineering and construction; today it is a world leader in this field and is recognized and appreciated as such both by the international oil majors and producing countries' national oil companies. With a new organization and a new focus, the Group's Industries Division is once again turning a profit and is set to embark on a new phase of growth. Finally, and of particular importance to me, Technip has put the promotion of its values – honesty, transparency, reliability, security of people and assets, commitment to sustainable development – at the core of its objectives.



Daniel Valot,
Chairman and Chief
Executive Officer



During these eight years of rapid growth and profound change, Technip's teams have proven the extraordinary quality of their combined talents. They have perfected technologies and achieved major world firsts in such diverse areas as ultra-deep field development, the design and construction of the world's largest LNG units, the development of mega-sized steam crackers and the processing of extra-heavy crude. The 22,000 people who make Technip work are skilled, hardworking, and full of foresight. To them, I would like to express my gratitude and admiration.

Esteemed Shareholders, thank you for the trust you have shown me. Rest assured that the Technip Group will continue to devote itself to the constant improvement of its performance in order to create maximum shareholder value over the long term.

Daniel Valot
Chairman and Chief Executive Officer



PROFILE

A world leader in engineering, technology and project management for oil and gas, petrochemical and other industries.

SURF (Subsea, Umbilicals, Risers & Flowlines)

Within the domain of subsea hydrocarbon field development, Technip's subsea construction activities cover the design, manufacture and installation of rigid and flexible subsea pipelines and umbilicals.

Offshore Facilities

This business segment comprises the engineering, development and construction of platforms for oil and gas production at sea, both in shallow water (fixed platforms) and deepwater (floating platforms).

Onshore Downstream

Within this business segment, Technip covers the entire range of onshore facilities for the oil and gas chain (refining, hydrogen, sulfur, gas treatment and liquefaction, onshore pipelines) as well as petrochemicals (ethylene, aromatics, olefins, polymers).

Industries

The Group is also present in non-oil activities: the engineering and construction of manufacturing units in the sectors of fertilizers, chemistry, pyrotechnics, life science, metals, biofuels, buildings and infrastructures.





VISION AND VALUES

“ Be the most respected engineering and construction contractor in the world and become by 2010 the best performing one, by providing to our clients optimal solutions through dedication, expertise and technological innovation.”

Our vision

We want to be known for:

- delivering quality, safety and reliability in meeting our clients' needs,
- valuing honesty and transparency in our people,
- achieving the highest standards of corporate governance,
- encouraging and promoting human rights,
- fostering environmental protection and sustainable development.

We want to deliver:

- value to projects through cost and planning optimization and effective risk management,
- high returns to our shareholders for the long run,
- development opportunities to all members of our teams,
- technological innovation and cutting-edge technologies,
- value to all of our stakeholders.

Our Values

Technip's professional activities are governed by a set of Values, which have been approved by its Board of Directors.

These revolve around 5 main areas:

- integrity, professional excellence, protection of health, safety, and the environment, as well as social responsibility are the core values at Technip,
- our goal is to achieve the highest level of satisfaction for all our partners and, in particular, for our clients, our shareholders and our employees,
- Technip is committed to supporting and promoting the principles of the United Nations Global Compact regarding human rights, labour, environment and ethics within its sphere of influence,
- built on the know-how and expertise of our teams, we aim to conduct our business in line with the principles of sustainable development,
- our core values are set out in our Charters regarding business ethics, social accountability, environmental protection, and health and safety.

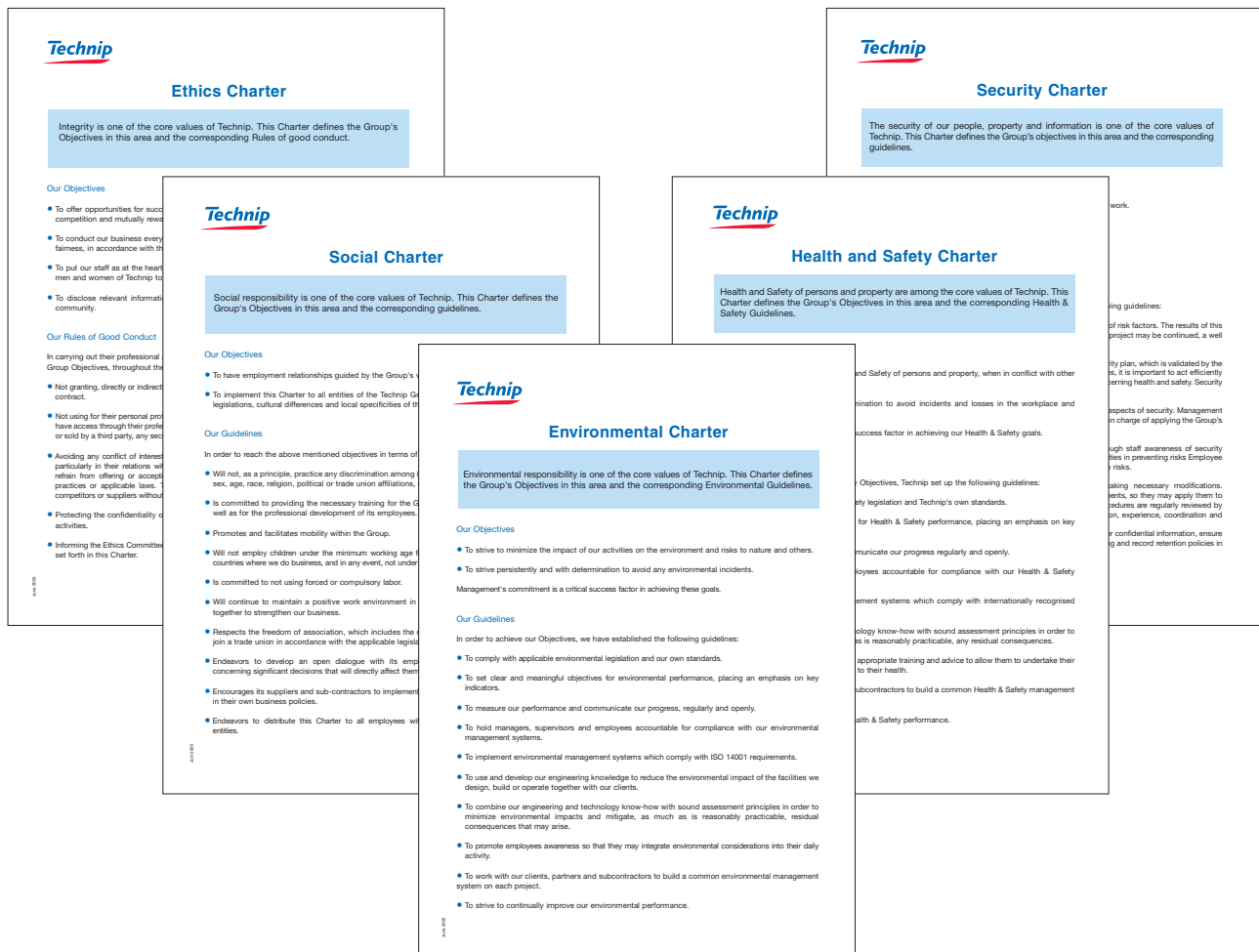


TECHNIP'S CHARTERS

Technip has drawn up 5 specific Charters, the latest in date is devoted to Security:

- An Ethics Charter
- A Social Charter
- An Environmental Charter
- A Health and Safety Charter
- A Security Charter

They explain the Group's Values, define objectives corresponding to their field of application and provide guidelines for achieving them. These Charters, approved by the Board of Directors, have been presented to all employees responsible for their every day implementation. They are also posted on the Group's Internet site: www.technip.com



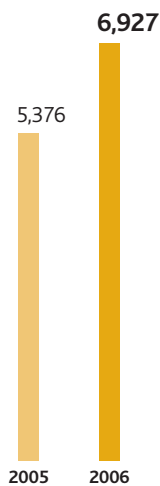


KEY FIGURES

“ In 2006, Technip generated net income which was more than twice that in 2005 (+114.5%) thanks to the strong increase in its operational performance and to a reduction in financial charges. After a massive increase in order intake in 2005, the Group backlog was stabilized, as expected, at a high level (€10.3 billion at year-end). ”

Revenues

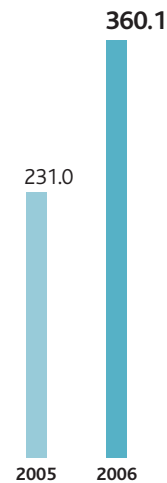
(€ in millions)



In 2006, revenues were up 28.8 % compared to 2005. The Onshore Downstream segment showed the strongest growth (+43.1%) thanks to the high order intake recorded in 2005 in this activity.

Operating Income

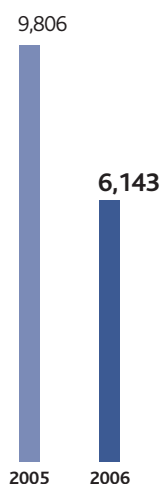
(€ in millions)



Operating income showed a significant increase of almost 56% over 2005. Operating margin was 5.2% of revenues compared to 4.3% in 2005. Strongest growth was seen in the SURF segment, where operating income was up 79.7% from 2005 and the operating margin came to 9.7% versus 6.6% in 2005.

Order Intake

(€ in millions)



In 2006 Technip's order intake came to €6,143.1 million. New contracts were for the most part in the SURF segment, gas treatment and liquefaction units and biofuels production plants.

Backlog

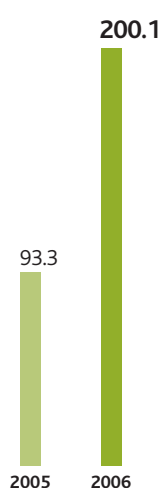
(€ in millions)



At year-end 2006, the backlog had stabilized at a high level. The Onshore Downstream segment accounted for approximately 65% of the backlog, essentially contracts for gas treatment and liquefaction plants.

Net Income (Group share)

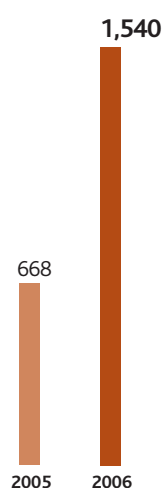
(€ in millions)



Net income more than doubled compared to 2005 thanks to a stronger operational performance and a 30.7% reduction in financial charges. This reduction was, for the most part, the result of the conversion of the OCEANE bonds in March 2006.

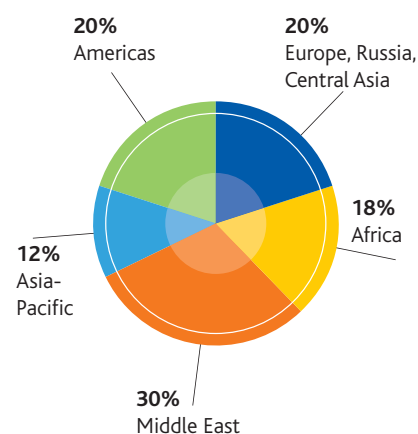
Net Cash Position

(€ in millions)



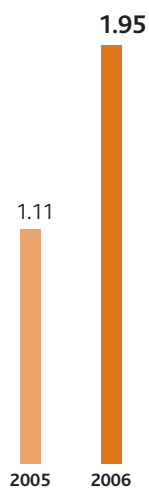
During 2006 the net cash position grew 130.5%. This increase was mainly the result of the convertible bond call (€598.1 million), the operating cash flow (€352.6 million) and the change in working capital requirements (€594.2 million).

2006 Revenues Breakdown by geographic zone



Earnings Per Share

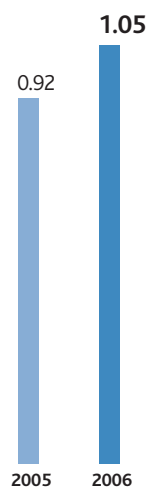
(in €)



Calculated on a fully diluted basis, earnings per share came to €1.95 up 75.7% over the previous year (€1.11).

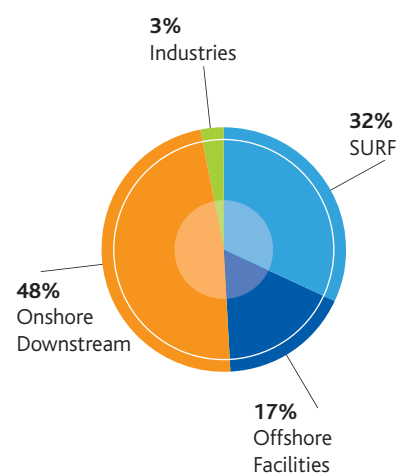
Ordinary Dividend Per Share

For fiscal year (€)



Confident in the Group's outlook and given its sound financial position, the Board of Directors decided to propose a 14% increase in the ordinary dividend, bringing it to €1.05 including the €0.50 down payment paid on December 21, 2006.

2006 Revenues Breakdown by Business Segment





CORPORATE GOVERNANCE

Pursuant to its internal charter and in conformity with recommended corporate governance practices, an in-depth self evaluation of the Board of Directors is implemented every three years.

Technip's activities are governed by the Group's Values which are the fundamental principles set out in the Group's five Charters, (Ethics, Social, Environmental, Security and Health & Safety). All of these texts, translated into the Group's main languages, are now available throughout the entire Group.

REMINDER OF 2006 OBJECTIVES:

- Translate the Ethics, Environmental, Social and Health & Safety Charters into the main languages spoken within the Group.
- Regarding the American Sarbanes Oxley Act:
 - finalize all relevant documentation,
 - assess internal control mechanisms,
 - identify areas for improvement.
- Set up a self-assessment process concerning the functioning of the Board of Directors and its committees.

The Board of Directors as of February 21, 2007

Daniel Valot (Chairman and Chief Executive Officer)

Olivier Appert

Roger Cairns*

Miguel Caparros*

Jacques Deyirmendjian

Jean-Pierre Lamoure*

Daniel Lebègue*

Roger Milgrim*

Rolf-Erik Rolfesen*

Pierre Vaillaud*

Bruno Weymuller*

*Independent director according to the criteria set out in the Afep-Medef report of October 2003.

The Board of Directors, which determines the Company's overall strategic directions and monitors their implementation, met eleven times in 2006. In making decisions, the Board of Directors takes into consideration the recommendations made by its three specialized committees.

Pursuant to the provisions of its internal charter, the Board of Directors performed an in-depth evaluation of its operating practices in 2006. Carried out in the first quarter of 2006, each member of the Board gave his opinion on the functioning of the Board and its Committees. Board members received a synthesis of these remarks, which served as the basis of a deliberation on the future evolution of the Board's composition.



Board of Directors – Specialized Committees

Audit Committee

The Committee comprises four members: Daniel Lebègue (Chairman), Miguel Caparros, Roger Milgrim and Pierre Vaillaud, all of whom are “independent directors.” The Committee met six times during 2006. The mission of this committee is to enable the Board to ensure the quality of internal controls as well as the integrity of the disclosures to shareholders and financial markets. The full detail of the work of the Audit Committee is contained in section §3.5.1 of the Annual Report.

Nominations and Compensation Committee

The Committee is made up of Bruno Weymuller (Chairman), Jean-Pierre Lamoure and Rolf-Erik Rolfsen, all of whom are “independent directors.” The purpose of this committee is to make recommendations to the Board on the appointment of directors and to examine the policy regarding compensation of Executive Committee members and top management within the Group. The Committee met six times during 2006. The full detail of the work of the Nominations and Compensation Committee is contained in section §3.5.2 of the Annual Report.

Strategic Committee

The members of the Committee are: Jacques Deyirmendjian (Chairman), Olivier Appert, Roger Cairns and Pierre Vaillaud. The main role of this committee is to examine Technip’s overall strategy (strategic orientations, plans and budgets, investments, acquisitions and disposal of assets) as proposed by the Company’s Chairman and CEO. The Committee met four times during 2006. The full detail of the work of Strategic Committee is contained in section §3.5.3 of the Annual Report.

Titular Statutory Auditors

- Ernst & Young et Autres
- PriceWaterhouseCoopers Audit

Alternate Statutory Auditors

- Mr. Christian Chochon
- Mr. Yves Nicolas

Auditors are appointed for a period of six years. The current term is due to expire at the end of the Shareholders Meeting called to approve the financial statements for the fiscal year ending December 31, 2009.



Internal Control – Sarbanes Oxley Act

In 2007, like all other foreign public issuers listed on the New York Stock Exchange, along with its 2006 annual report (20F form in the United States), Technip will file a report on its internal control mechanisms in accordance with section 404 of the Sarbanes Oxley Act concerning "management assessment of internal controls".

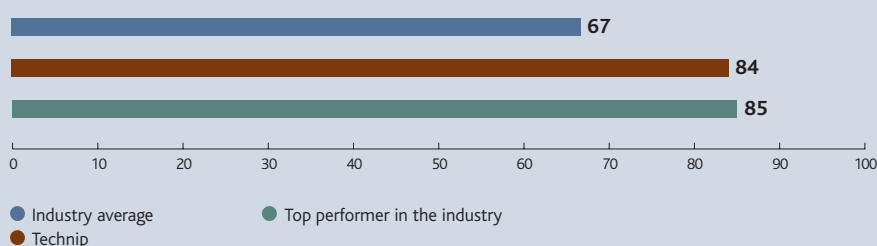
This means that Technip will have had to reach a triple objective:

- > identify and document all risks and mitigating controls tools currently used,
- > carry out tests to evaluate the effectiveness of these controls tools, and identify areas for improvement,
- > consolidate all relevant information with a view to preparing a response to the Sarbanes Oxley requirements, to be presented to the Board of Directors' Audit Committee.

To achieve these objectives, the principal initiatives implemented in 2005 by the dedicated Sarbanes Oxley project team, continued in 2006 and covered the areas of control environment, the business process as well as information systems. A Sarbanes Oxley Steering Committee and Qualification committee were set up and important milestones were reached:

- > identification and formalization of the key operational processes and transactions flows having an impact on the Group's financial statements,
- > definition of the scope through the selection of the Group entities which represent main decision making centers and/or are representative of Group core businesses, activities and resources,
- > set up of a standardized documentation structure suitable for risk narrative reports, matrices of risks and segregation of duties,
- > realization of a first wave of tests leading to identify corrective action to be taken concerning documentation and controls,

Corporate Governance Performance (Source DJSI 2006-2007)





- > implementation of corrective action,
- > launch of a second wave of tests which will continue until the end of March 2007 for the audit of 2006 accounts according to IFRS standards and until the beginning of May for the yearly account according to American accounting standards.

During the first months of 2007 the focus will be on the completion of the second wave of tests and the steering of the qualification process, which will permit, in coordination with all the entities within the project scope, an assessment of the effectiveness of internal controls and an identification of subsequent areas of improvement.

Today, Technip is mobilized to complete the implementation of the Sarbanes Oxley assessment and will file a report on its internal control system, as required under the law, in 2007.





ORGANIZATION

“ An organization built around the execution of our client’s projects. ”

To conduct its business activities, the Group draws on the resources of the Divisions detailed below:

The **Oil and Gas Division** handles the negotiation and management of contracts related to oil and gas facilities both onshore and offshore.

The **Industries Division** handles the negotiation and management of contracts in the Industries segment (chemicals, fertilizers, metals and mining, etc.).

The Oil and Gas Division and the Industries Division manage Group Business Units, which include geographical units (Regional Business Units), sectorial units (Sectorial Business Units) and product line units (Product Business Units). These units have been created to offer the best technical and commercial responses to the needs of our clients.

The **Operations Division** is responsible for the management of the project execution resources (operations and engineering centers and marine assets, yards, factories, etc.).

The **Group’s functional divisions** – Finance and Control, Human Resources and Communications, Legal, Corporate Secretary – support the operational divisions and centers.

The Group Executive and Management Committees

The Chairman and CEO is responsible for the general management of the Group and is assisted by the Executive Committee (EXCOM) and the Management Committee (MANCOM).

The Executive Committee includes:

Daniel Valot, Chairman and Chief Executive Officer

Thierry Pilenko, Deputy General Manager

Daniel Burlin, President, Operations

Anne Decressac, President, Human Resources and Communications

Olivier Dubois, President, Chief Financial Officer

Bernard di Tullio, President, Oil and Gas

The Executive Committee prepares decisions for submission to Technip’s Board of Directors, concerning, in particular, the approval of the accounts, the definition of

the objectives and budgets, the strategic orientations and the acquisitions or sales of assets and companies. It monitors major contracts and investment decisions. It is also consulted on plans and recommendations for internal auditing, IT and telecommunications, human resources and asset management issues.

The Management Committee

In addition to the EXCOM members, the MANCOM includes:

Samson Alev, Chairman, Paris Operations and Engineering Center

Knut Boe, Senior Executive Vice President, Operations

Nicola Greco, Managing Director, Rome Operations and Engineering Center

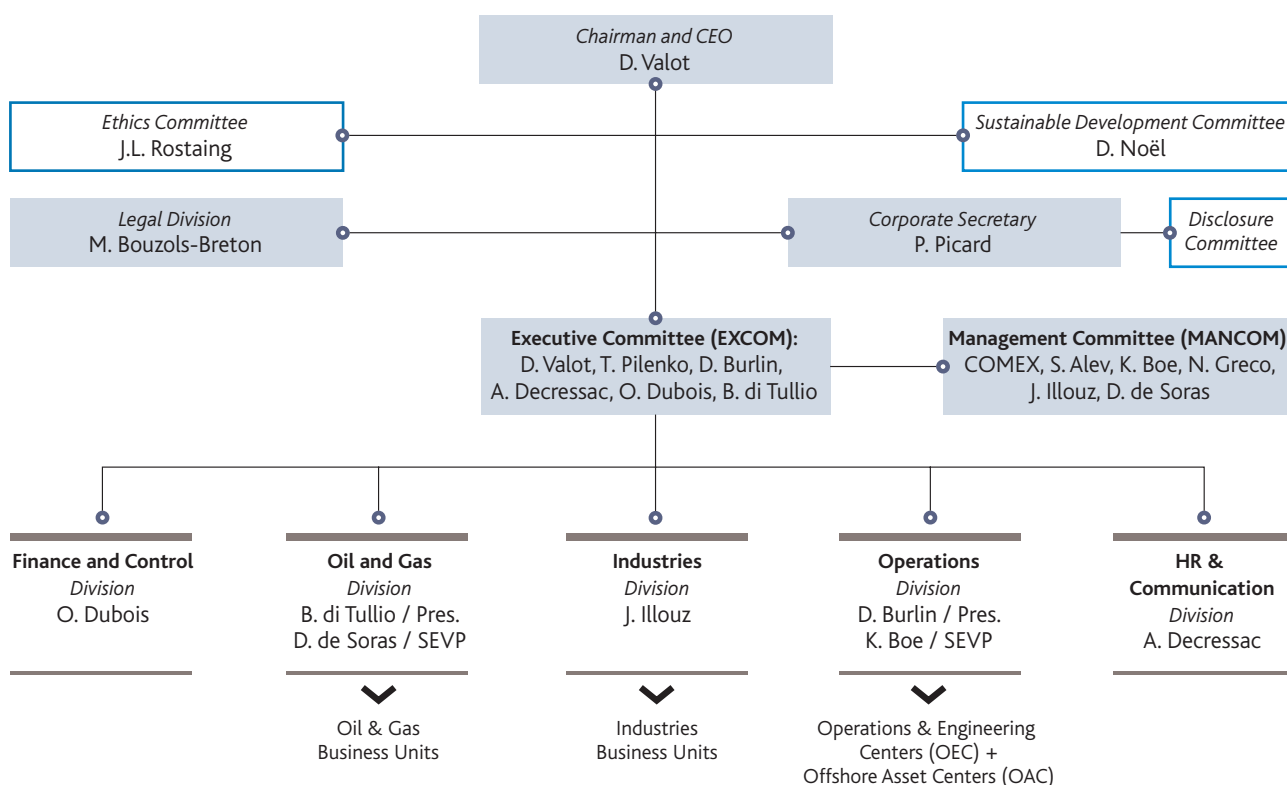
Jérôme Illouz, Executive Vice President, Industries

Dominique de Soras, Senior Executive Vice President, Oil and Gas

The Management Committee monitors business development, progress on projects, and financial performance. It monitors the coherence of operations throughout the Group's different entities. It also analyzes the Group's performances in terms of HSE, quality and client satisfaction, and makes recommendations on key issues such as strategic orientations, technological options, human resources policy, and decisions on partnerships.

THREE OTHER SPECIALIZED COMMITTEES REPORT DIRECTLY TO GENERAL MANAGEMENT:

- **The Ethics Committee** ensures the application of the Group's Ethics Charter,
- **The Sustainable Development Committee** encourages and tracks the Group's progress in its Sustainable Development Strategy,
- **The Disclosure Committee** assists the Chairman and the Chief Financial Officer in their responsibility to ensure that the legislation relating to accounting disclosure methods of listed companies is respected.



Organization chart at February 21, 2007



STOCK EXCHANGE LISTING

Eurolist by Euronext™ The new indexes

Technip was selected in 2004 as member of CAC NEXT20 index, made of the twenty most representative stocks after the CAC40, measured by free-float market capitalization and liquidity. As of December 31, 2006, Technip ranked fifth within the CAC NEXT20 in terms of weighting (6.46%).

Stock Price Evolution

Paris (Eurolist by Euronext™ - Section A)
(from 01/02/2006 to 12/31/2006)

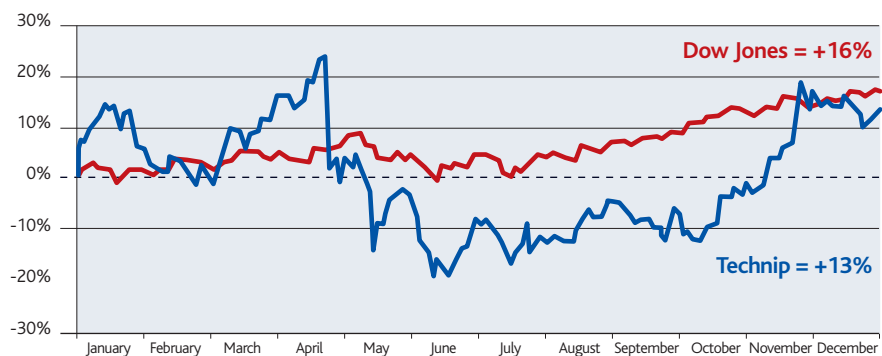


The Technip share price varied widely during 2006. After reaching a record high of €62.1, the share price fell back along with the CAC 40 (although more markedly). The share later rebounded and finished the year on a slight increase.

DJSI

(Dow Jones Sustainability Indexes) Sustainable Development concerns are integrated into the Technip group's approach to executing its projects and defining its own Values. Thanks to its achievements in Sustainable Development, Technip has been reselected in 2007 as a member of both European and World Dow Jones Sustainability Indexes.

New York (NYSE)
(from 01/02/2006 to 12/31/2006)



After a relatively stable first half, the Dow Jones index showed regular growth and closed the year on a 16% increase. The Technip ADS share, listed on the New York Stock Exchange, followed the same course as the Technip share listed in Paris and closed the year on a 13% increase.





Stock Market Data and Share Price Performance

TEC EURONEXT	2006	2005 ⁽¹⁾
Highest Price (€)	62.10	51.90
Lowest Price (€)	38.30	30.45
Year Closing Price (€)	52.00	50.80
Yearly Average Price (€)	48.58	39.72
Annual Variation	2%	49%
Average Number of Shares Traded per Day	960,994	636,663
Outstanding Shares (in millions) at 12/31	106.1	97.3
Market Capitalization in millions of euros at 12/31	5,518	4,943
Fully Diluted EPS (€) ⁽²⁾	1.95	1.11
Ordinary Dividend per Share (€)	1.05*	0.92
Pay Out Ratio	53.8%	82.9%
Net Yield ⁽³⁾	2.16%	2.32%
Exceptional Dividend per Share (€)	2.10*	-
TKP US	2006	2005
Highest Price (\$)	76.42	61.93
Lowest Price (\$)	48.91	39.60
Year Closing Price (\$)	68.61	60.78
Annual Variation	13%	34%

⁽¹⁾ Value after the 4-for-1 share split on May 13, 2005.

⁽²⁾ Assuming that the convertible bonds were fully converted into new shares, that all of the stock options were exercised, and excluding treasury stock.

⁽³⁾ Based on average share price for the year.

* Subject to the vote by shareholders at the Combined Annual Shareholders Meeting.

Registered Shares

Any shareholder can convert to registered shares. To do so contact:

BNP Paribas Securities Services

GCT Emmetteurs Actionnariat Technip

Immeuble Tolbiac 75450 Paris Cedex 09 – Tel: +33 (0) 826 109 119

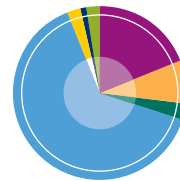
Convertible bond call

On February 23, 2006, Technip decided to call in the convertible bonds (OCEANE) issued in January 2002. At 31 January 2006, 3,579,811 bonds remained in circulation. On 23 March 2006, 99.94% of OCEANE bond holders opted to convert/exchange their bonds into Technip shares. Each bond was converted/exchanged into four Technip shares and the bonds not converted/exchanged were reimbursed in cash for €187.06 per bond (accrued interest included).

Following this operation:

- the Group's net cash position increased by approximately €600 million,
- the estimated number of Technip shares outstanding came to 111.0 million at March 31st, 2006 (compared to 98.9 million at December 31st, 2005). At the same date, the number of outstanding shares on a fully diluted basis came to 114.1 million (compared to 115.3 million at December 31st, 2005).

Shareholding Structure at December 31st, 2006



French institutions	19%
Individual shareholders	8%
Institut Français du Pétrole	3%
Foreign institutions	64%
Employees	2.5%
Treasury Shares	1%
Others	2.5%

2007 FINANCIAL CALENDAR

(Provisional calendar subject to change)

- April 18: Annual Shareholders Meeting(1st notice)
- April 27: Annual Shareholders Meeting(2nd notice)
- May 15: 2007 First Quarter Results
- July 26: 2007 First Half Results
- November 15: 2007 Third Quarter Results

SHAREHOLDER AND INVESTOR CONTACTS

The Technip Investor Relations team is available to answer inquiries from individual shareholders, institutional investors and financial analysts in French or in English.

TECHNIP INVESTOR RELATIONS

Tour Technip

92973 Paris La Défense cedex

France

Tel: + 33 (0)1 47 78 66 75

Fax: + 33 (0)1 47 78 67 58

e-mail: investor-relations@technip.com

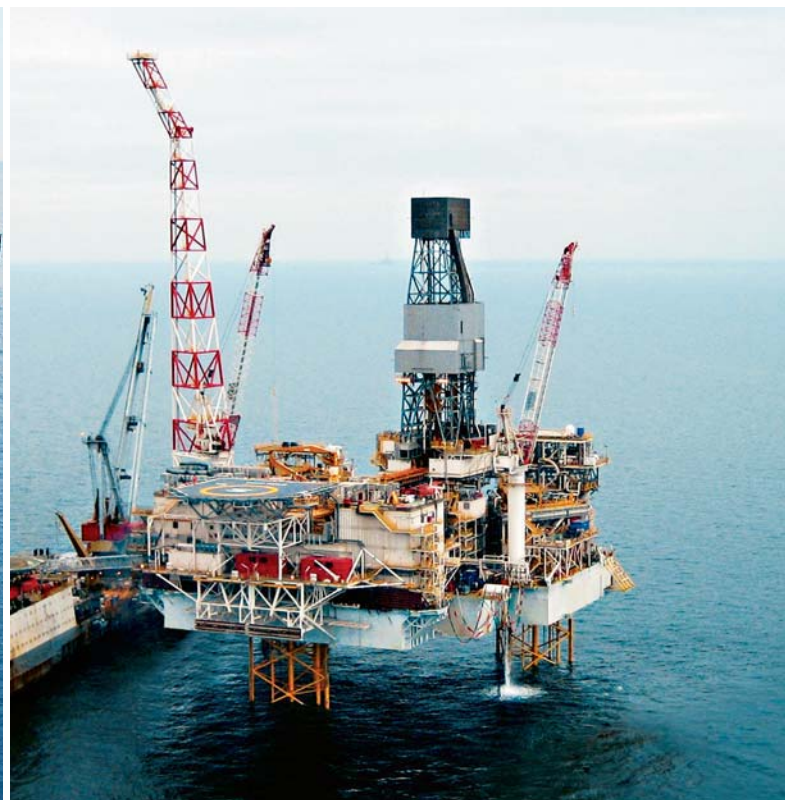


ACTIVITIES



SURF

(SUBSEA, UMBILICALS, RISERS & FLOWLINES)



OFFSHORE FACILITIES

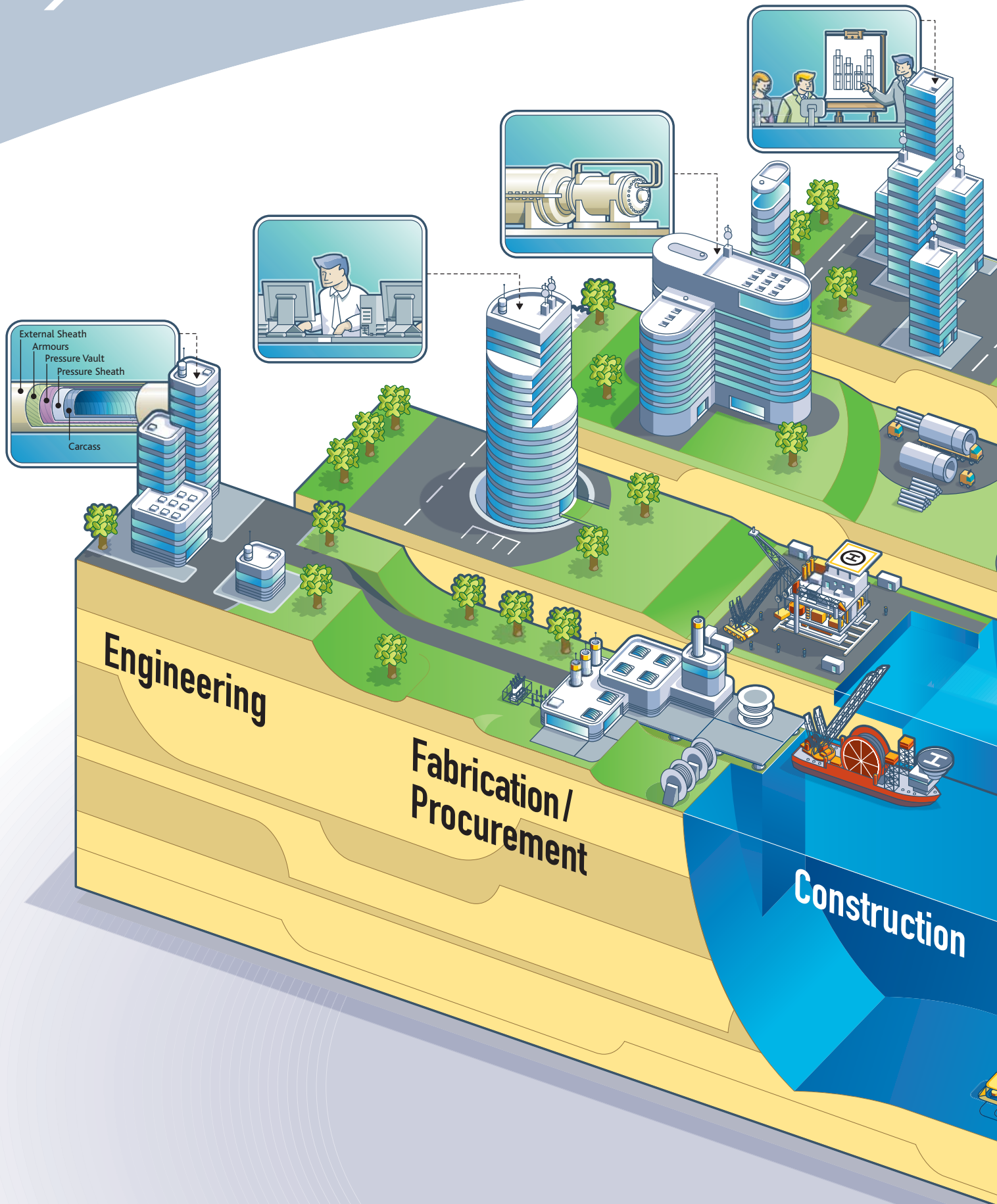


ONSHORE DOWNSTREAM



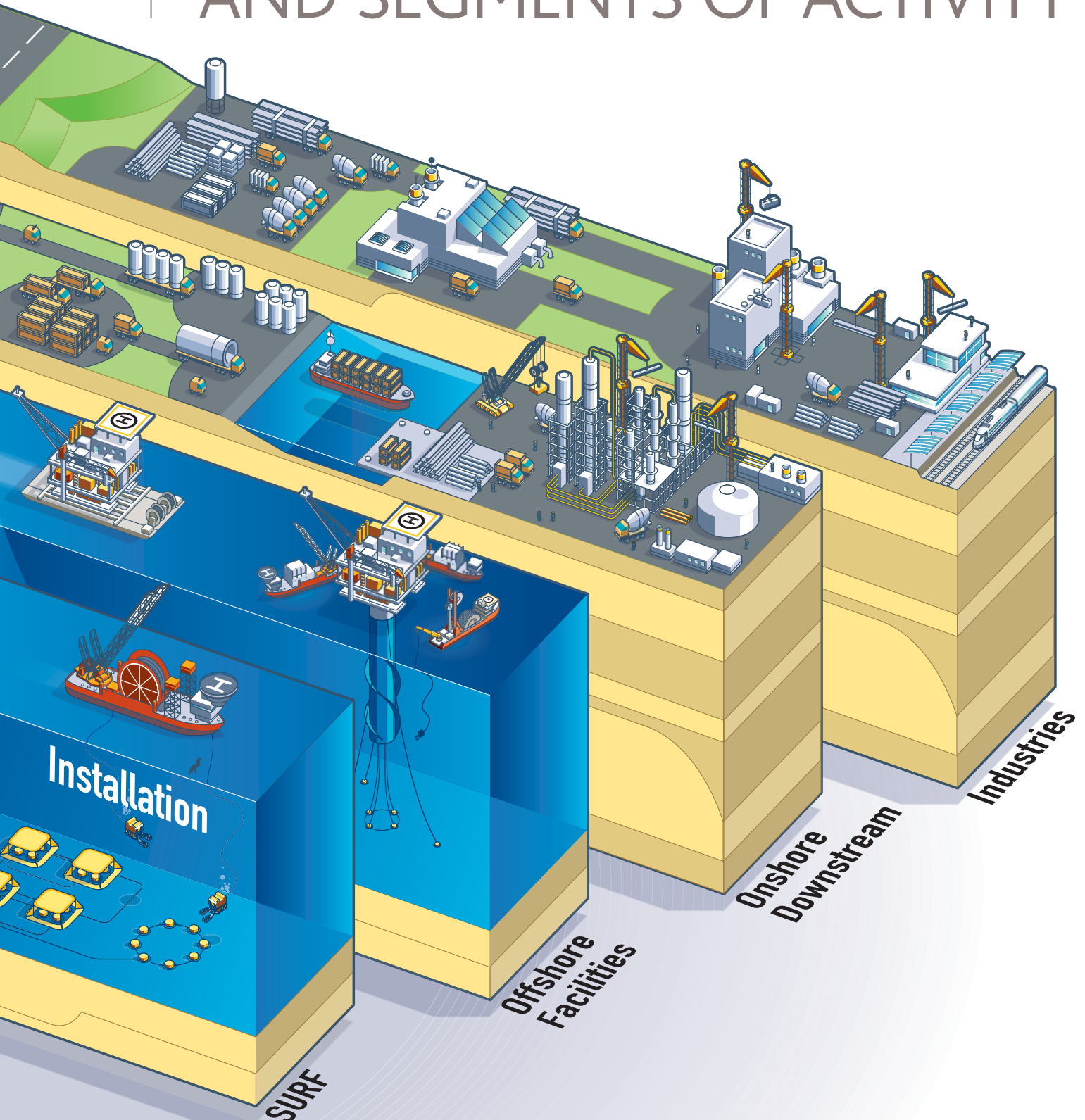
INDUSTRIES







TECHNIP'S PROFESSIONS AND SEGMENTS OF ACTIVITY





SURF



2006 Revenues

€2,209
million

Operating Income

€213.5
million



The SURF (Subsea Umbilicals, Risers & Flowlines) activity comprises the engineering and fabrication of flexible pipes and umbilicals, the assembly of rigid pipelines and the subsea installation of all of these structures and associated equipment. With revenues up 23% compared to 2005 at €2.2 billion, this business segment accounted for 32% of consolidated Group revenues in 2006. Given the high level of investment expected in subsea field development in the future, the SURF market continues to offer bright prospects for Technip.

A year highlighted by achievements in Africa

From a project standpoint, the highlight of 2006 was the commissioning of Total's Dalia field offshore Angola. After an offshore phase, which lasted most of the year, Technip, successfully completed the tie back of 71 subsea wells to the Dalia FPSO in 1,400 m water depth. This work included the installation of :

- 27 km of flexible pipelines, including 8 IPB (Integrated Production Bundle) risers representing a world technological first,
- 70 km of umbilicals, most of which manufactured in our Lobito, Angola production facility,
- more than 70 km of reeled rigid pipelines, assembled at our spoolbase in Dande, Angola for the tie back of 71 subsea wellheads to the Dalia FPSO.

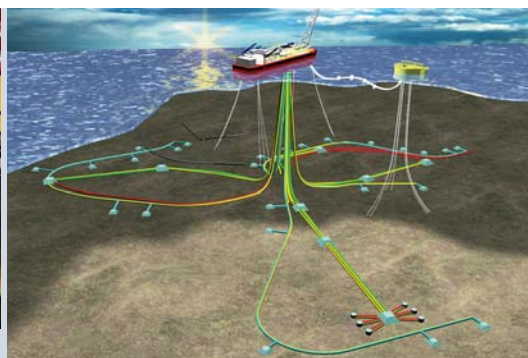
Following the Dalia project, the Deep Blue also successfully completed offshore work on the Greater Plutonio field for BP, again in Angola. During this campaign, approximately 67 km of reeled rigid pipe were laid, 56 km of which with an internal anti-corrosion thermoplastic liner. 19 km of flexible pipes were also installed.

The ongoing Agbami project in Nigeria is progressing according to schedule. At the end of 2006, engineering was more than 60% complete. The flexible pipelines and umbilicals are under fabrication and will be installed during the offshore works phase starting in the second half of 2007.

In the North Sea, Technip completed a turnkey project for Norsk Hydro, tying back the Fram East field to the Troll C platform. This project called upon the entire range of Group products and services and confirmed Technip's expertise in flexible pipe and reeled rigid pipe technologies.

In Brazil, the Group completed the country's largest turnkey project ever with the installation of over 745 km of flexible pipelines and umbilicals for the Roncador, Marlim Sul and Albacora Leste fields over the 2002-2006 period. With first oil achieved in April 2006, this project will allow Brazil to become self-sufficient in terms of its crude oil needs.

“ Some subsea developments, in particular in the Gulf of Mexico, also require High Pressure/High Temperature products currently being developed in our research and development centers. ”



PRINCIPAL CONTRACTS WON IN 2006:

- A contract with Shell for the Perdido field in the Gulf of Mexico comprising the supply of 53.4 km of umbilicals to be installed at a water depth of more than 2,400 m.
- A contract with Mariner Energy Inc. for the development of the Bass Lite field, at a water depth of more than 2,000 m in the Gulf of Mexico.
- A contract with Sonangol for the supply and installation of flexible pipelines on the Gimboa field in Angola.
- A contract with BHP Billiton for the supply and installation of 48 km of flexible pipelines and the installation of 16 km of umbilicals for the development of the Stybarrow field in Australia at a water depth of 900 m.
- Two contracts in the UK North Sea for the development of the Brenda and Affleck fields with Oilexco and Maersk respectively, for a total of €95 million.
- A contract with Petrobras for the supply of 142 km of flexible pipes to be tied back to 17 subsea wellheads on the P54 field in Brazil at a water depth of 1,740 m.

A positive market context

These excellent results are part of an overall positive market context in which the volume of business awarded is growing significantly in all regions of the globe, with the exception of Africa, where some major contracts will not be awarded until 2007. Our backlog remains high at close to €2.7 billion and stands out for the quality of its contracts, the result of a strategy favoring careful risk management.

These commercial successes confirm the technological and geographic pertinence of Technip's strategic positioning on the subsea field development market, and in particular in the ultra-deep water segment.

Adapting to keep pace with growth

In this context of sustained market growth and excellent visibility on future developments, Technip is expanding its industrial and marine assets. Thus, in 2006 we launched a project to increase the capacity of our main flexible pipe production plant in Le Trait, France by 20%. Our production plant in Vitória, Brazil will also have its capacity increased by 50% by the end of the first half 2007.

In 2006 Technip continued to expand and adapt its fleet. After announcing the construction of a new state-of-the-art diving vessel for operations in the Norwegian North Sea in 2005, in 2006 we confirmed that four additional vessels will be added to the fleet. These include the Geoholm (light construction vessel), the Skandi Achiever (diving support vessel for North Sea operations), the Seamec Princess (for the Indian market) and a new pipelay vessel, expanding our fleet from 13 to 18 specialized vessels by the year 2010.

Technip's industrial products and assets are being put to work on ever increasingly complex projects. After reaching water depths of 2,000 m in Brazil and the Gulf of Mexico, operators now foresee developments at depths beyond 2,500 m. As for technologies, new research programs have been launched to expand of our riser systems offer for water depths down to 3,000 meters. These research programs concern not only the products (flexible and rigid pipes and umbilicals) but also the marine assets necessary to install such systems. This trend towards ultra-deep water developments is being seen in all parts of the world. The Kikeh development in Malaysia and the Stybarrow development in Australia, both at depths close to 1,000 m, are proof of our successful positioning on this high-growth market thanks to our flexible pipe technology. 2007 will see the installation of the PDET export system comprised of an 18 inch rigid FSHR (Free Standing Hybrid Riser) at a water depth of 1,800 meters. Finally, in coming months, major offshore deep-





water contracts should be awarded in West Africa, both in Nigeria and Angola at water depths reaching 2,000 m.

Technip a key player on the SURF market

Technip has achieved this position over the years thanks to its first-class range of subsea pipe technologies, unique among the active players on the market. This technological edge is the result of continuous innovation. Two thirds of the Group's annual R&D budget is dedicated to the SURF segment. This determined R&D policy has resulted in a portfolio of 187 families of patents whose importance has been proven time and time again. Technip also has the most complete operational experience in terms of flexible and reeled rigid pipes allowing us to meet the ever-increasing technological challenges faced by oil and gas operators for subsea pipelines and installation work.

Our specialized, constantly evolving, fleet is also a major asset for the Group. The Deep Blue, Technip's flagship, has one of the most advanced capabilities on the market today. She is able to lay both rigid and flexible pipes as well as umbilicals at great water depths. The Deep Blue also has a crane capacity of 400 tons, giving her the capability of carrying out subsea construction jobs in areas that are distant from her spoolbase in the USA.

However, it is through an active presence in all of the regions of the world where SURF business is growing that Technip shows the true quality of assets. With two flexible pipe manufacturing plants (France and Brazil), three umbilical production units (UK, Angola and the USA), five reeled rigid pipe spoolbases (UK, Norway, USA, Brazil and the most recent in Angola) and a fleet that is strategically deployed in the world's major offshore markets, Technip has placed its industrial and operational assets close to its main markets. Our network of operations and engineering centers effectively completes this network. From our centers in Paris, Aberdeen, Oslo, Houston, Rio de Janeiro and Perth we provide our clients with the skills and experience necessary for the successful execution of their projects.

TWO FRAMEWORK CONTRACTS SIGNED IN 2006:

- A two-year contract with Statoil for reeled rigid pipe installation services in the North Sea.
- A contract with Petrobras for charter of the Sunrise 2000 for an additional four years. The vessel will carry out flexible pipe and umbilicals installation works in Brazil.





OFFSHORE FACILITIES



2006 Revenues

€1,195
million

Operating income

€83.8
million



The Offshore Facilities segment comprises the engineering and construction of offshore oil and gas production platforms, both in shallow water (fixed platforms) and deep water (floating and semi-submersible platforms). This segment's revenues were close to €1.2 billion in 2006, approximately 17.3% of total Group revenues.

2006 was an intense year for Technip in terms of offshore operations with more than 90,000 tons of topsides (surface level facility for offshore hydrocarbon drilling and/or production) installed.

In addition, four platforms were commissioned during the year for the Shah Deniz (Caspian Sea), Dalia (Angola), Amenam (Nigeria) and Kikeh (Malaysia) fields.

A strengthened position in shallow water depths

In 2006, the Group consolidated its position on the fixed platform market for shallow waters with the execution of two major contracts.

In April 2006, Technip installed the Shah Deniz platform operated by BP, the largest production platform in the Caspian Sea. This is the Group's third TPG 500 type platform, a Technip proprietary technology which presents several advantages: rapid installation of the platform, which can then be easily decommissioned and re-installed at another site. First gas for the Shah Deniz platform was achieved in November 2006.

After a 41-day journey from the Pasir Gudang yard in Malaysia to the Ameman gas field off the coast of Nigeria, the Amenam 2 platform was installed in October 2006 on behalf of Total. Amenam 2 is a Unideck® type platform, a proprietary Technip technology which consists of installing all of the topside units in a single operation onto the structure which is already in place, allowing for a more rapid installation phase.

Technip, increasing its presence in deep offshore

In 2006, Technip took its projects to record water depths and once again pushed back the limits of technology.



Spar platforms are the most commonly used platforms in the Gulf of Mexico and can be installed at water depths beyond 2,000 meters. In November 2006, Technip installed the Kikeh Spar for Murphy Oil in Malaysia. This second generation or "Truss" Spar was the first to be installed outside the Gulf of Mexico and the first to have had its topsides installed using the catamaran floatover method.

In 2006, Technip also won a contract from Shell for the Spar for the Perdido project. To be anchored at a water depth of 2,385 meters in the Gulf of Mexico, this Spar will establish a new water depth record. The Perdido Spar will be the fourteenth Spar platform built by Technip and should be commissioned in the beginning of the next decade.

2006 was also a successful year for Technip in the semi-submersible market. This type of platform offers increased stability during operations and large deck surfaces that are well adapted for drilling and production equipment.

The P52 platform, one of the largest semi-submersible production platforms ever built, was assembled in June 2006 for Petrobras. It will be towed to the Campos Basin (Brazil) where it will be anchored at a water depth of 1,800 meters. It will be commissioned in the third quarter of 2007 and have a production capacity of 180,000 barrels per day.

In 2006 Technip worked on the two largest FPSOs in the world: Dalia and Akpo. An FPSO is a Floating Production Storage and Offloading unit for crude oil.

The Group, leader in the TSS joint venture, successfully delivered the Dalia FPSO, which was commissioned at the end of December 2006, offshore Angola. 300 meters long and 59 meters wide, with a storage capacity of 2 million barrels, the Dalia FPSO will produce 240,000 barrels of oil per day.

In association with HHI, and also on behalf of Total, Technip is working on the FPSO for the Akpo field off the coast of Nigeria. Akpo will be the world's largest FPSO with topsides weighing 37,000 tons. It will be commissioned during the last quarter of 2008.





Bright growth prospects

The Offshore Facilities segment offers bright growth prospects for 2007, in particular in deepwater developments.

To keep up with the growth in this segment, Technip is devoting important effort to research and development, in particular on floater hydrodynamic modelling and new platform concepts such as the Extendable Draft Platform (EDP), which will provide an efficient execution plan.

THE CONFIRMED LEADER IN FLOATOVER TECHNOLOGY

In 2006 Technip successfully carried out three topside installation operations: The Shah Deniz TPG 500, the Amenam Unideck® platform and the Kikeh spar using the floatover method. This method for installing production and/or drilling decks onto a fixed or floating structure does not require lifting operations and allows a large part of assembly

operations to be completed onshore at the yard. This significantly reduces the length and cost of offshore operations. In the particularly spectacular case of a catamaran floatover, as used for the Kikeh Spar, the topsides are positioned over the emerging Spar hull by means of two lateral barges and the load transfer from

one structure to another is performed by ballasting and de-ballasting. These achievements have confirmed Technip's leadership in floatover technology and the advantages of this technique, which can be used on future projects in all regions where cost considerations restrict the use of heavy lift operations offshore.





ONSHORE DOWNSTREAM



2006 Revenues

€3,318
million

Operating Income

€73.8
million



This business segment covers onshore installations for oil and gas production, transformation and transport (refining, hydrogen, sulphur, gas treatment and liquefaction, onshore pipelines) as well as petrochemicals (ethylene, aromatics, olefins, polymers).

Technip holds prominent positions in each of these areas:

- leader in the design and construction of LNG and gas treatment plants with more than 40 years experience in this domain.
- one of the leading groups worldwide in refining and petrochemical units.
- world leader in the design and construction of hydrogen and syngas units.

The treatment of Natural Gas

The many LNG (liquefied natural gas) contracts signed by Technip between December 2004 and January 2006 entered their active execution phases.

The major contract of the year was for the Qatargas III and IV mega trains, awarded to the Technip joint venture in January. This is the latest of three contracts signed with Qatar Petroleum and its various partners. In July, Technip and its partner were awarded by RasGas company a contract for the design and construction of the Al Khaleej Gas Phase 2 (AKG-2) gas treatment plant in Qatar, one of the world's largest gas treatment facilities.

Several major projects were completed in 2006. Trains 4 and 5 of the NLNG project in Nigeria were delivered to the client in September, while construction of train 6 is continuing. In the second quarter, Technip and its partners began the FEED studies for the "SevenPlus" project comprising trains 7 and 8. The "SevenPlus" project covers the construction of two new trains, each with a capacity of 8.5 million tons of LNG per year, which will be a new capacity record. Further, the GTL (Gas-to-Liquids) plant built by Technip for Oryx in Qatar was inaugurated in June 2006. This is the first industrial GTL production plant in the world.

Interest in natural gas as a clean energy source thus continues to rise and the LNG market presents very positive growth prospects.

Refining

Technip holds a prominent position in this sector, which is currently seeing a strong revival in investments.

PROPRIETARY TECHNOLOGIES

Technip has been present in the LNG market from its beginning and offers a range of proprietary technologies. These technologies include, notably, the Cryomax® processes which permit the fractionation of ethane and/or propane from natural gas before liquefaction, as well as post liquefaction nitrogen removal processes from LNG and the MLP process, which increases the existing capacity of a liquefaction train without having to perform work inside the train itself.





World refining activity in 2006 remained marked by tensions between available refining capacity and the growing demand for lighter products from increasingly heavier crudes. Improvement in refining margins over the last three years has brought this sector back to profitability. In this context, planned investment in new units or the expansion of existing refineries is increasing.

For Technip, 2006 was made distinctive by two major events:

- the commissioning of the new distillate hydrocracking unit at Total's Gonfreville refinery in France's Normandy region. Without increasing the refinery's oil consumption, this unit re-treats distillation residues, allowing the production of an additional 1.3 million tons per year of clean diesel, 200,000 tons of sulphur-free kerosene, 0.5 million tons of high quality base for lubricants and special fluids in addition to 400,000 tons of naphtha for use in petrochemicals.
- Saudi Aramco and Total's decision to build a 400,000 barrel per day refinery in Jubail, Saudi Arabia. Once built, this refinery will be one of the largest in the Middle East with a production mainly intended for export. The engineering and global project management for this major facility was awarded to Technip and will be executed by Technip's engineering and operations center in Rome and by Technip Saudi Arabia.

Many design and construction contracts have been won for the expansion of existing units including the Plock refinery contract in Poland, the project management contract for the extension of the Barrancabermeja refinery in Colombia and the capacity expansion contract for the SINCOR upgrader in Venezuela. Finally, Technip is currently conducting the engineering for Vietnam's first refinery currently under construction at Dung Quat.

Hydrogen and the treatment of ultra-heavy crude

The demand for hydrogen increased sharply in 2006, driven by an increase in conversion, improvement in product quality and also, for a large part, by the production of synthetic crude from extra heavy oil extracted from the Canadian oil sands.

Technip retained its leadership position with a 45% market share through the signature of contracts for six hydrogen units, including two large capacity units in Canada, and by completing or commissioning six other hydrogen units, for the most part in North America.





Petrochemicals

With its proprietary technologies, the Group is one of the world leaders in ethylene plants. Currently, Technip is building the two largest ethylene plants in the world in Qatar and in Saudi Arabia.

Among the contracts won in 2006 is the construction of cracking furnaces for an ethylene plant located in Map Ta Phut, Thailand. These new cracking furnaces will be built based on Technip's proprietary GK6 technology, which will allow the Map Ta Phut facility to produce 1.7 million tons of olefins per year.

While investment in new units in this market segment has sometimes been delayed due to increased raw material and equipment costs, the outlook in the coming years remains quite positive.

In other areas of the petrochemical sector, Technip has executed numerous turnkey contracts for totally integrated petrochemical complexes.

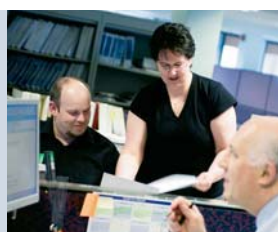
Contracts received in 2006 include a services contract from BP Zuhai Chemical for the development of a new 900,000 ton per year PTA (Purified Terephthalic Acid) plant in China, as well as a contract for a PTA plant in Geel, Belgium.

In 2006 Technip also strengthened its leadership position in polyolefins in partnership with licensors Ineos (for low density linear polyethylene, high density polyethylene and polypropylene) and Sabtec (for low density polyethylene). The Group signed a contract with Sinopec for a 300,000 ton per year high density polyethylene plant in China.

Finally, Technip is currently completing a polypropylene plant in South Africa, which should be commissioned during 2007.

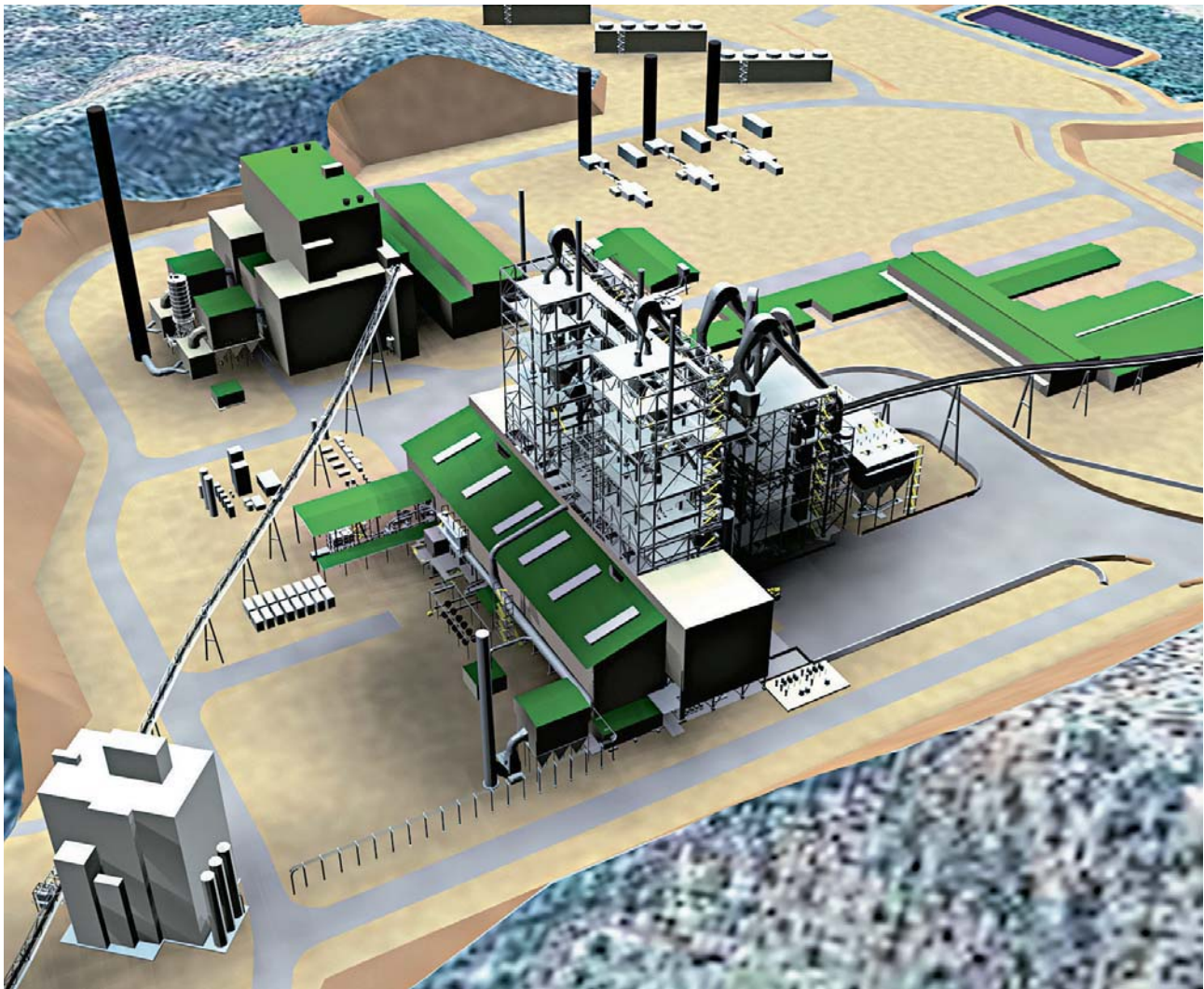
GK6 TECHNOLOGY:

This proprietary Technip technology allows the furnace to operate on a range of feedstocks from naphta to heavy oils, with a very high selectivity and a long on-stream time. The GK6 technology is used in all the Technip steamcracking units operating on liquid feedstocks, as well as in the modernization of existing furnaces.





INDUSTRIES



2006 Revenues

€204
million

Operating Income

€11.3
million



In the Industries segment, Technip provides engineering and construction services for a wide range of industries including chemicals, life sciences, metal and mining, biofuels, buildings and infrastructures. In general, projects in this segment are smaller than oil and gas projects and thus have shorter average execution cycles.

Chemicals in service of the environment

In 2006, the Group strengthened its leading position on the high-growth alternative fuels market with three new contracts for biodiesel from vegetable oil production units in France, at Montoir-de-Bretagne near Saint-Nazaire, Bordeaux and Rouen.

In September, Technip delivered another French biodiesel unit at Venette, near Compiègne. At the end of 2007 close to 75% of all operating biodiesel units in France will have been built by Technip.

Backed by its recognized know-how in ethanol, Technip also won a contract for a bioethanol production unit located on the Ryssen distilleries site in Dunkirk's port zone, in addition to various other contracts for the design of the same type of unit elsewhere in Europe.

With more than thirty years experience, Technip is a major player in Chlorine, Vinyl Chloride Monomer (VCM) and Poly Vinyl Chloride (PVC). 2006 marked a new stage for the Group with the award of several contracts:

- two contracts for Solvay in Brazil, one for a Chlorine unit, the other for a PVC unit,
- a Process Design Package (PDP) contract for a new PVC complex comprising a complete chain of Chlorine, VCM and PVC units and associated facilities for the joint venture formed by Solvay and Sibur, a subsidiary of Gazprom, in Russia,
- a PDP contract for a PVC unit and associated facilities for Petrokemya, a subsidiary of Sabic in Saudi Arabia.

The signature of these contracts underscores the new wave of investments in this high-growth business segment.

“ Following the strategic repositioning undertaken in the last few years, the Industries business segment confirmed the marked improvement of its operating margin. ”



Architect: Jacques Ferrier



Life Sciences

In 2006 Technip signed several significant contracts in life sciences, most notably in pharmaceutical fine chemistry, biotechnologies and vaccines.

The Group signed a framework agreement with Sanofi Pasteur and is currently carrying out several major projects in the domain of vaccines on their behalf in France. In the same business segment, Technip also signed a contract with the Chengdu Institute of Biological Products for a production plant for Japanese encephalitis vaccine. This new unit will have an initial production capacity of 100 million doses per year and will be located in China's Sichuan region. This project, which represents an investment of several million dollars, is financed in part by PATH, a non-profit international organization supported by the Bill & Melinda Gates Foundation.

Other contracts awarded to Technip during 2006 include a biotechnologies contract with Merial, a contract for a research laboratory with Servier and various projects for Sanofi-Aventis and Eli Lilly in France.

For LEO Pharma, Technip designed and developed the engineering studies for an new sterile injectable product unit which should go into production in 2007. The Group was also awarded several capacity expansion projects in fine chemicals and finished dosage forms by Guerbet for its sites in Lanester in Brittany and Aulnay-sous-Bois in the Paris region.

2006 was marked by sustained activity and the international deployment of the Group's expertise in pharmaceutical plants with contracts in China, India, Hungary, Belgium and Spain. In this context, the outlook for 2007 is very promising.

Metals and mining and new energy sources

The award of several preliminary and feasibility studies for mining and metals projects such as the 60,000 ton capacity Koniambo nickel extraction plant in New Caledonia, and the new 2.8 million ton per year Sangaredi alumina refinery in Guinea, is confirmation of Technip's reputation and experience in this domain.

Regarding new energy sources, at the end of 2006 Technip won a contract in France from Silicium de Provence for the preliminary studies for a polycrystalline silicon production plant dedicated to photovoltaic applications for the fabrication of solar panels.





Industrial projects as varied as they are prestigious

In partnership with major architecture firms, Technip also provides construction and infrastructure engineering as well as project management services for projects defined by their strong architectural impact.

Technip's presence in the hospitals, industrial buildings and aeronautic sectors was strengthened in 2006 with the award to Technip, in association with architects Zublena and Cabannes and the Cardete-Huet architectural firm, of a contract for the extension of the Purpan Hospital in Toulouse which will add 550 beds and 27 operating theaters. In January, La Poste (French postal service) chose Technip for a lump-sum services contract covering project management for the technical integration of its first two automated sorting facilities to be located in the Val de Loire and Lorraine regions (France). The contract also includes an option for five additional automated sorting facilities.

Other 2006 highlights include:

- the handover of the Airbus Delivery Center in Toulouse: a veritable air terminal, it includes VIP areas, offices, training facilities, satellite workshops, security filters and 13 airplane docks,
- the award of the contract for the TGV (France's high speed train) maintenance center in Lyon, designed to initially accommodate 30 trains,
- the renovation of the SNECMA site in Evry.



Architects: SCAU (Aymeric Zublena - Bernard Cabannes) and Cardete-Huet



TECHNIP WORLDWIDE





THE TECHNIP FLEET

Deep Blue	
Deep Pioneer	
Sunrise 2000	
Venturer	
Constructor	
Seamec Princess	
Apache	
Orelia	
Wellservicer	
Normand Pioneer*	
Seamec 2	
Seamec 3	
Geoholm **	
Alliance	
Seamec 1	
Skandi Achiever (under construction)	
DSV (under construction)	
New Deepwater Pipelay Vessel (in design phase)	

* Owned by Solstad (long term charter)

** Owned by Geo (service contract)



2006 IN REVIEW

EUROPE / RUSSIA / CENTRAL ASIA

JANUARY

Technip won a turnkey project from Diester Industrie for the engineering and construction of a new Axens process biodiesel production unit at Venette, near Compiègne.



JANUARY

Technip was awarded a lump-sum services contract worth approximately €3.5 million from the French postal service. The contract is for the project management of the technical integration of the first two automated mail sorting platforms (PIC) to be located in the Loire Valley and Lorraine regions in France, and includes an option on the next five PIC platforms. The contract award followed a study conducted by Technip in February 2004 which defined the organization and equipment locations for these new platforms.

JANUARY

Technip signed a turnkey contract for the construction of a demonstration unit at the petrochemicals complex at Feluy (Belgium) with Total Petrochemicals. This unit uses a combination of the Methanol-to-Olefins (MTO) process developed by UOP/HYDRO and the Olefin Cracking process (OCP) developed by Total Petrochemicals/UOP.

APRIL

Technip won a turnkey contract from Diester Industrie for a new Axens process biodiesel production unit in Montoir-de-Bretagne (near Saint-Nazaire).

APRIL

Technip successfully completed the installation of the first TPG 500 platform in the Caspian Sea for BP's Shah Deniz field.



MAY

Technip signed a contract with DOF Subsea ASA for the provision of survey/utility/light construction services. These services will mainly be provided by the new-build vessel, MV Geoholm. The contract will take effect in June 2006 for a period of three years.



JUNE

The Group reached several new milestones in its strategy to renew and develop its fleet with the signature of several agreements with the Norwegian ship owner, DOF, confirming its commitments in respect to two new-build subsea construction vessels.



JULY



Technip in consortium with Subsea 7 received a letter of intent from Statoil for a 2-year Frame agreement for reeled pipe installation services in Norway. The consortium is based on a 50/50 split of revenue and contribution of internal resources and assets between the two parties. The actual contract value will be based upon Statoil's project requirements, which can be estimated at approximately €200 million (NOK 1.6 billion). This includes project management, engineering, fabrication and installation of all Statoil's reeled pipe applications for 2007 and 2008.

NOVEMBER

Technip was awarded a turnkey contract for the construction of a new bioethanol production unit by Ryssen, a subsidiary of the sugar producer Saint Louis Sucre. This new production unit will use Technip's proprietary technology and will be built in the port of Dunkirk.

AUGUST

Technip was awarded contracts for two key developments located in the UK North Sea, for a combined value of €95 million. The contract awards comprise the Oilexco Brenda and Maersk Affleck projects.

DECEMBER

Technip was awarded two turnkey contracts by Diester Industrie for two new biodiesel process production units in France, based on the Axens process. The first contract is for the construction of a new production unit in the Bassens port zone near Bordeaux. The second contract will double the existing biodiesel production capacity of the Grand-Couronne plant, located near the city of Rouen.

NOVEMBER



Technip was awarded a contract worth approximately €67 million by PKN ORLEN for the construction of a new diesel oil hydrodesulphurization unit in its refinery in Plock, in central Poland.

DECEMBER

Technip was awarded a services contract by BP for the extension of the production capacity of a purified terephthalic acid or PTA, plant located in Geel, Belgium. The contract, which covers the engineering, procurement and construction management (EPCM) of the development, will be executed by an integrated Technip/BP team.



AMERICAS

APRIL

Technip won a contract from BG Trinidad & Tobago for the installation of subsea flowlines, risers and umbilicals for the North Coast Marine Area (NCMA) project off the coast of Trinidad.



JUNE

Technip successfully completed the floatover topsides installation topsides of the P-52 platform to be located on the Roncador field in the Campos Basin.



NOVEMBER

Technip was awarded a contract by Shell to provide the engineering, procurement and construction (EPC) of a Spar hull and mooring system for the Perdido Regional Host Project. Moored in about 8,000 feet of water, the record breaking Spar will be the deepest spar production facility in the world and the first with DVA (direct vertical access), which will reduce drilling costs, simplify workovers and facilitate access to subsea equipment. First production from Perdido is expected around the turn of the decade, with the facility capable of handling 130,000 boe/d.

DECEMBER

Technip, through its wholly-owned subsidiary Duco Inc. based in Houston (Texas), was awarded a contract by Shell Offshore Inc. for the umbilicals required for the development of the Great White, Tobago and Silvertip fields.

DECEMBER

Technip was awarded a contract by Mariner Energy, Inc. for the fabrication and installation of a subsea flowline and risers for the Bass Lite development in the Gulf of Mexico.



DECEMBER

Technip was awarded by Ecopetrol, the Colombian State oil company, a project management consulting (PMC) contract worth approximately \$50 million for the expansion of its refinery in Barrancabermeja, Colombia. The contract, on a unit rate and reimbursable ("cost plus fee") basis, covers front-end design, detailed engineering and procurement services for the process units, as well as supervision of contractors' activities for engineering, procurement and construction (EPC).





ASIA PACIFIC

JANUARY

Technip, in a joint venture with Hatch, was awarded the contract for the Koniambo nickel plant in the north of New Caledonia near Koné by Falconbridge Limited. Koniambo is one of the world's largest and purest nickel and laterite deposits. The plant will have an annual production capacity of 60,000 tons of nickel in the form of a ferrous alloy.



MAY

Technip won a services contract from BP Zhuhai Chemical Company Limited, a joint venture of BP and the Fu Hua Group, for a major new PTA (Purified Terephthalic Acid) plant at their site in the Guangdong province of China. This contract, which includes project management and development, will be executed by a team comprised of members from Technip and the client.

JULY

Technip was awarded a contract by the Chengdu Institute of Biological Products (CDIBP) for the design, construction and qualification of a new production unit for Japanese encephalitis vaccines. This unit will be located in the Sichuan province of China, and will have an initial production capacity of 100 million doses per year.

SEPTEMBER

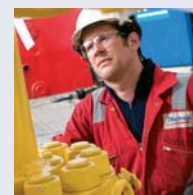
Technip was awarded a cost plus fee contract worth approximately \$200 million by Origin Energy Resources (Kupe) Limited for the overall development of the Kupe Gas field. The development is located in the Taranaki Basin, 30 km off the west coast of the North Island of New Zealand. Origin is acting as operator of the Kupe Gas Development on behalf of the joint venture formed with Genesis Energy, New Zealand Oil and Gas Limited and Mitsui E & P New Zealand Limited.

NOVEMBER

Technip successfully completed the first offshore installation of topsides using the catamaran floatover method for the Kikeh Spar platform. This platform, built for Murphy Sabah Oil and its partner Petronas Carigali is the first Spar platform installed outside the Gulf of Mexico, and the Kikeh development is the deepest in South East Asia.

NOVEMBER

The Technip and Subsea 7 joint venture was awarded a subsea EPIC installation contract by BHP Billiton Petroleum Pty Ltd for the Stybarrow development project. Located in approximately 800 m of water off the North West shelf of Australia, Stybarrow will be the deepest subsea production system in Australia to date.



NOVEMBER

Technip was awarded a contract by Woodside Energy Ltd for the supply and installation of subsea facilities in connection with the development of the Vincent field. This field is located approximately 60 km north of Exmouth, off the Western Australian coast, in water depths ranging from 350 to 420 m.

DECEMBER

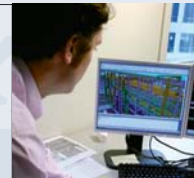
Technip was awarded a contract by Map Ta Phut Olefins Co. Ltd. for the construction of the furnace section of a steamcracker located in Map Ta Phut, Thailand. The lumpsum turnkey contract, worth approximately \$150 million, covers basic and detailed engineering, procurement and supply of materials, construction, pre-commissioning, and training of the owner's personnel.



MIDDLE EAST / AFRICA

JUNE

Qatar Petroleum and Sasol inaugurated Oryx GTL the first industrial size Gas-to-Liquids production plant in the world and built by Technip.



JULY

Technip signed an EPC (Engineering, Procurement and Construction) contract for the Al Khaleej Gas Phase 2 project (AKG-2) with RasGas company limited acting on behalf of ExxonMobil Middle East Gas Marketing Limited.

This contract, which consists of a gas processing train with a capacity to support gas sales of 1,250 million standard cubic feet per day (MSCFD) of natural gas, will be executed by the Technip/Chiyoda joint venture (CTJV). The value of the contract exceeds \$1.6 billion (approximately €1.2 billion).

DECEMBER

At year-end, more than 44,000 people were involved in the construction of the world's largest LNG trains in Qatar (Ras Laffan site) and the first liquefaction train in Yemen (Bal Haf site).

AUGUST



Technip was awarded a program management services (PMS) contract by Saudi Aramco and its partner Total, for the development of a large grass-roots refinery in Jubail on the east coast of the Kingdom of Saudi Arabia. Once built, the complex will be one of the largest refineries in the Middle East, processing approximately 400,000 barrels per day of Arabian crude oil.

DECEMBER



Technip was awarded by Sonangol P&P a contract worth approximately \$70 million for the Gimboa field development. The Gimboa field is located 85 km off the Angolan coast, in block 4, at a water depth of 680 m. Norsk Hydro, ACR (Angola Consulting Resources) and SOMOIL (Sociedade Petroleira Angolana) are also partners in the project.

OCTOBER

Technip successfully completed the installation of the topsides of the Amenam 2 platform off the coast of Nigeria using Unideck® floatover technology.

DECEMBER

Total's Dalia field was commissioned. For this development, one of the largest offshore oil fields in the world, Technip not only designed and installed the subsea pipeline system at a water depth of over 1,400 meters, but as leader in the TSS consortium, designed and built the FPSO and topsides which will produce up to 240,000 barrels of oil per day.



OTHER HIGHLIGHTS

FEBRUARY

On February 23, 2006, Technip announced its decision to proceed with the early redemption of its convertible bonds issued in January 2002. At January 31, 2006 3,579,811 bonds remained in circulation.

FEBRUARY

In the framework of its non-core asset disposal strategy, Technip completed two divestment transactions. On December 22, 2005 Technip sold its 84% stake in Technip Portugal to the entity's management. On December 20, 2005 Technip sold its Gulf Marine Fabricators yard located in Corpus Christi, Texas to Gulf Island Fabrication. This transaction took effect in February 2006.

MARCH

Carriers of the convertible bonds massively opted to convert/exchange their bonds for Technip Shares. 99.4% of the bonds were converted.

MAY

Following the signature of a Memorandum of Understanding on September 13, 2005, Technip and Subsea 7 announced that on May 12, 2006 they had signed the final agreement for the formation of a jointly operated company for subsea activities in the Asia Pacific region (excluding India and the Middle East).



SEPTEMBER

Technip was reselected as a component of both the Dow Jones Sustainability Index (DJSI) World and Stoxx Indices for 2006/2007. This was the fifth consecutive selection for Technip. Within the DJSI oil equipment and services industry sector, Technip confirmed its leading position, having achieved the best performances in terms of sustainable development.

SEPTEMBER

Technip's Board of Directors met on September 27, 2006 to plan its future composition as the terms of all its members expire at the close of the next Annual General Meeting in April 2007.

Mr. Daniel Valot, the Chairman and CEO of Technip, at the helm of the Group since 1999, informed the Board that he would not seek a new term. He will thus step down from his functions as Chairman and CEO and retire at the close of the next Annual General Meeting in April 2007. The Board of Directors instructed the Nomination and Remuneration Committee to prepare the selection process for Mr. Valot's successor as Chairman and CEO.

OCTOBER

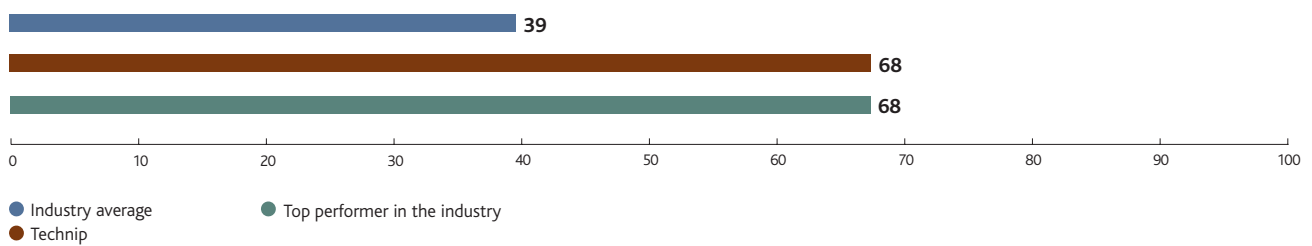
Technip initiated a new share buyback program at the beginning of May 2006 to enhance shareholder value by returning to its shareholders approximately €600 million in cash which became available following the conversion into equity of the Group's convertible bond on March 23, 2006. At the end of October, Technip had bought back 6,760,000 shares for a total amount of approximately €300 million. Thus, after five months, the Group had reached the halfway point towards its objective.



SUSTAINABLE DEVELOPMENT



Technip's Overall Performance (source DJSI 2006-2007)





In 2006 Technip made new milestones in the implementation of its Sustainable Development policy. At the Group level, an HSE Department and a Quality Department were established to coordinate the initiatives in place at the entity level and to improve overall performance. In order to constantly ameliorate our response to the challenges linked to the specific nature of our activity, the Group continued to develop the skills of its personnel to meet the demands of its growing business and to better contribute to controlling the environmental impact of its projects through the design and implementation of optimized solutions.



MESSAGE FROM THE SUSTAINABLE DEVELOPMENT COMMITTEE

The rapid increase in world energy demand is generating massive investment in the oil and gas sector as well as in industry in general.

Technip's markets are thus growing significantly, not only in volume, but in terms of the size of projects to be executed. Today, the largest contracts are worth several billions of dollars, and some, soon to be awarded, will reach ten billion dollars. In this demanding context, Technip is adapting its human resources as well as its production and installation capacities and its strengthening the skills of its personnel to keep up with a market dynamic which should continue in the coming years. The company's mission and objective, however, is not limited to industrial engineering projects. Technip also aims to be an actor in the building of a better world. That is why, starting in 2001, we launched our Sustainable Development policy. Since then, we set new objectives for the Group each year to make this approach part of a continuous cycle of performance enhancement.

As in previous reports, the 2006 edition is the collection of information relative to how Technip's activities contribute to Sustainable Development. In 2006, the majority of our objectives were met. The indicators put in place in 2005 were clarified and our reporting methods ameliorated, giving us a better picture of our performance. This year's report provides, for the first time, two year's data, allowing a comparison our performance with that of last year.

Our approach also made it possible to identify challenges specific to our activity. We will concentrate our efforts on these areas in the coming years.

Our common ambition: keep sustainable development at the heart of our activity.

Daniel Noël,
Chairman of the Sustainable Development Committee

OUR STAKEHOLDERS

The women and men of Technip

Technip is essentially a company that sells expertise and know-how. Its multi-cultural workforce is therefore its number one asset.

Clients

Being a part of their growth is our fundamental purpose.

Suppliers

They are key partners in our activities.

Shareholders

The creation of shareholder value and the development of individual shareholding are priorities for Technip.

The environment

Technip is making important contributions

to environmental protection with its innovative solutions in the area of green house gas emissions and the respect of the environment.

Local communities

Technip actively participates in the economic development of the regions in which it operates.



CHALLENGES AND APPROACH

CHALLENGES

The challenges we face are closely linked to the specific nature of our business. Technip is an engineering and construction company that provides full services to clients carrying out capital investment projects. The Group is involved in projects in many parts of the world, building industrial facilities that are usually complex and often quite large. A large part of Technip's business involves the development of fossil fuels (oil and gas) an area of vital concern for humanity, especially given the acceleration in world energy demand which is causing increased investment in hydrocarbon production and treatment projects. The major decisions regarding the projects on which Technip works (i.e. decisions on the size of the investment, project location and the resources required to carry out the project) are made by the Group's clients.

However, as the company in charge of executing the client's project, Technip strives to assume its responsibilities to all stakeholders.

Social and civic challenges

The complexity and size of the projects carried out by Technip demands a wide variety of skills and know-how, which guarantee the proper functioning, long life, and safety of the industrial facilities we build. Recruiting and training our employees to the level of skill required represents our most important social and civic challenge in order to:

- Keep pace with the growth of our business,
- Strengthen Technip's corporate culture,
- Make the most of human potential and adapt to change,
- Make our employees partners in the Group's economic performance,
- Lead a determined policy in favor of gender equality,
- Pursue a policy of active social dialogue,
- Ensure the protection of employees, assets and information,
- Respect and promote human rights wherever Technip is present,
- Contribute to local economic development wherever Technip has offices or is working on behalf of its clients.

Environmental challenges

Starting at the design phase, Technip assists its clients in anticipating and limiting the environmental impact of their projects by:

- Designing industrial facilities that protect the environment, in particular in regard to climate change,
- Limiting the environmental impact of our project sites,
- Designing industrial facilities that ensure the safety of operating personnel and local communities.

REMINDER OF 2006 OBJECTIVES

GLOBAL COMPACT

Make the Group's initiatives known via the Global Compact website.

REPORTING

Improve collection methods for the data required to establish performance indicators in the three areas of sustainable development (environmental, social & civic, economic).





DRAFTING THE REPORT

The Sustainable Development Committee decided to base Group reporting on the GRI G3 standards laid down in 2006, which define a framework for corporate Sustainable Development reports. These standards, which are widely accepted internationally, enable companies to assess their performance in the three areas of Sustainable Development using numerous precisely defined indicators as to allow meaningful comparisons, in particular on the international level. Furthermore, these standards are in line with French legislation, including article 116 of the New Economic Regulation Act (15 May 2001) requiring French companies listed on a regulated stock exchange to provide, in their annual reports, details of the social and environmental management initiatives accompanying their business activities.

Operational and economic challenges

Technip is extremely selective in the calls for bids it responds to, giving priority to projects combining attractive margin potential and the least execution risk possible. The objectives of our policy can be summarized as follows:

- Pursue profitable business growth,
- Work with suppliers to ensure availability of material and equipment,
- Build up our Industries segment,
- Create long-term value for our shareholders.

APPROACH

Sustainable Development, a responsibility we accept and assume

Technip's Sustainable Development policy is coordinated by its Sustainable Development Committee, established in 2004. The Committee is composed of 10 members from various Group divisions. It met eight times during the year. The Committee presents recommendations and proposals to the Executive Committee regarding the improvement, implementation and the effectiveness of its approach in addition to drafting the Sustainable Development report.

Deploying the policy

The Group has a network of 98 correspondents throughout its various entities. Each correspondent assists its entity's manager in implementing the policy and mobilizing the workforce to reach the set objectives.

Quality, environmental protection, and the health and safety of personnel are the object of specific management systems. An HSE Department and a Quality Department were created at the Group level to coordinate and improve the management systems in place within various entities. Periodic audits are performed to assess implementation and evaluate their effectiveness. An annual seminar brings together all of the Sustainable Development correspondents from the Group's main entities. The 2006 seminar was held in Paris and with reporting procedures as its main topic.



• Number of sites
(offices, fabrication units, construction
project sites and vessels)

The Global Compact invites companies to adopt, support and apply, within their sphere of influence, a group of fundamental values in the areas of Human Rights, labor, the environment and anti-corruption. The ten principles are as follows:

Principle No1: Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence; and Principle No2: make sure that they are not complicit in human rights abuses.

- Principle No3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle No4: the elimination of all forms of forced and compulsory labor;
- Principle No5: the effective abolition of child labor;
- Principle No6: the elimination of discrimination in respect of employment and occupation.

Principle No7: Businesses should support

- a precautionary approach to environmental challenges;
- Principle No8: undertake initiatives to promote greater environmental responsibility;
- Principle No9: encourage the development and diffusion of environmentally friendly technologies.

Principle No10: Businesses should work against all forms of corruption, including extortion and bribery.



SUSTAINABLE DEVELOPMENT PROGRESS REPORT

COMMITMENTS

CORPORATE GOVERNANCE

2006 OBJECTIVES

- Have Technip's four charters (Ethics, Environment, Social, Health & Safety) translated into the main languages used within the Group.
- Draft an "HSE Business Practice Manual" to help all Group subsidiaries to apply the principles set out in the Environment and Health & Safety Charters.
- Regarding the American Sarbanes Oxley Act:
 - finalize all relevant documentation,
 - assess internal control mechanisms,
 - identify areas for improvement.
- Set up a self-assessment process concerning the functioning of the Board of Directors and its Committees.

GLOBAL COMPACT

- Survey Technip's 5 main suppliers/sub-contractors on how they take into account the ten Global Compact principles.
- Continue the "Communication for Progress" initiatives recommended by the Global Compact (make Technip's 2005 Sustainable Development Report available on the UN website).

INDICATORS AND REPORTING / METHODOLOGY

- Adapt the software tool selected for collecting and processing social data to Technip parameters.
- Carry out first round of tests on the software tool.



MAIN ACHIEVEMENTS IN 2006

- The Ethics, Environmental, Social, and Health & Safety Charters were published in seven languages (English, German, French, Spanish, Finnish, Italian and Portuguese).
- An "HSE Business Practice" handbook was drafted and will be circulated within the Group in 2007.

■ Regarding the US Sarbanes Oxley Act :

- first phase of assessments on documentation and control mechanisms,
- implementation of corrective action,
- second phase of assessments on the 2006 annual accounts.

- In conformity with AFEP/MEDEF recommendations on corporate governance of listed companies (October 2003), the Boards of Directors, three years after its nomination, performed an in-depth assessment of its operating practices. Each Director was thus able to give his opinion on the mode of operation of the Board and its Committees. A synthesis was drafted by the Nominations and Compensation Committee.

- A questionnaire was sent to fifteen main suppliers in order to find out how they take into account the ten Global Compact principles.

- The Sustainable Development Report was posted on the United Nations Global Compact website on June 23, 2006 as part of the "Communication for Progress" initiative. On this occasion, the Global Compact Board congratulated Technip for the quality of its report.

- The new software tool was put in place and adapted to Technip's specifications for collecting and processing social data at the Group scope.

- The software tool became operational in July 2006.

WAYS FORWARD

- Ensure that the guidelines defined in the Group's Charters are applied.

- Perform maintenance of test, risk matrix and task separation narratives.
- Update the scope of control in function of changes in the Group's activity.
- Rationalization of the internal control evaluation process.

- Continue research and implementation of corporate governance best practices taking into account the reference recommendations (in particular, AFEP/MEDEF, IFA).

- Survey additional suppliers.

- Recurrent initiatives within the framework of the recommendations of the Global Compact Board.

- Adapt the reporting tool to allow a more complete analysis of social data and provide a better response to our stakeholders.

- Implement additional indicators.



COMMITMENTS

INDICATORS AND REPORTING / METHODOLOGY

2006 OBJECTIVES

- Implementation of additional GRI indicators.
- Organize a joint seminar for all of the Sustainable Development correspondents from the Group's main entities.

ECONOMIC PERFORMANCE

- Bring revenues to €6,800 million (+25%).
- Show an operating margin of at least 5%.
- Return part of surplus cash to shareholders.

ENVIRONMENTAL PROTECTION

- ISO 14001 certification for three more Group entities.
- No major environmental incidents.
- Bring the proportion of Group entities reporting on the various environmental indicators to 95%.
- Improve the waste recycling rate at our project sites.
- Increase the reporting scope for our project sites to 60% of total activity.

HEALTH & SAFETY

- Regarding Technip employees and personnel of partners and sub-contractors:
 - Total Recordable Injury Rate (TRIR) no more than 0.27 and no fatal accidents.
 - OHSAS 18001 or equivalent certification for three additional Group entities.
- No-smoking policy extended to all Group entities.

SECURITY

- Launch, within Technip France, of a training program on the protection of Group assets and technological know-how.



MAIN ACHIEVEMENTS IN 2006

- The 2006 Sustainable Development Report was drafted taking into account the new GRI G3 indicators.
- The annual seminar was held in Paris during the month of July .

- 2006 revenues came to €6,926.5 million.
- Operating margin grew to 5.2% from 4.3% in 2005.

- The €600 million in cash made available from the conversion of the convertible bonds were returned to shareholders within the 12 months following the Annual General Meeting in April 2006.

- Four additional entities received ISO 14001 certification.
- No major environmental incident.
- 93% of Group entities reported on environmental indicators for 2006.
- The rate of waste recycling on our project sites increased from 56% to 72%.
- The project site reporting scope covered 62% of our total activity.

- Total recordable injury rate = 0.34 and two fatal accidents.
- Two new entities received OHSAS 18001 certification or the equivalent: Flexibras and Technip Iberia.
- Application of a Performance Standard specific to the fight against smoking throughout the entire Group.

- Implementation within Technip France of a training program on protecting Group assets and expertise.

WAYS FORWARD

- Make the Sustainable Development seminar an annual event.

- Moderate revenue growth, excluding the impact of any eventual acquisitions.
- Continue operating margin growth.

- Maintain a financial policy that creates shareholder value.

- Continue the ISO 14001 certification of additional Group entities.
- Set objectives for environmental performance.
- Bring the percentage of entities reporting on environmental indicators to 100% within two years.

- Continued improvement of our performance based on a 10% decrease per year in our recordable accident rate.
- Pursue the OHSAS 18001 or equivalent certification process for additional Group entities.
- Ensure the implementation of the no-smoking policy throughout the entire Group.

- Continue training personnel on the subject of the protection of Group assets and expertise.



COMMITMENTS

2006 OBJECTIVES

SECURITY

- Definition and publication within the Group of guidelines for selecting air-lines for professional travel by Technip employees.

SKILLS DEVELOPMENT

- Publication of a second progress report on the implementation of the 135 initiatives proposed by the 2005 Technip Think Tanks.
- Carry out a study on the professional disciplines involved in construction.
- Appoint at least 12 new members to Technip's Experts network.
- Launch a new 360° assessment operation.

CORPORATE CITIZENSHIP

- Add to the Jacques Franquelin Prize an additional award for a contribution to Sustainable Development.
- Expand the Group's initiatives in favor of local communities.
- Launch new social solidarity programs.

DIALOGUE AND CONSULTATION

- Involve the European Works Council in the choice of methods for the implementation of the no-smoking policy and to help employees in European subsidiaries to stop smoking.
- Consult Group employees on ways to promote gender equality and discuss the implementation of appropriate measures with employee organizations.

CLIENTS, PARTNERS AND SUB-CONTRACTORS

- Implement the Group's new client-satisfaction assessment process on projects.
- Request information from Technip's five main suppliers on how they take the Group's values into account.



MAIN ACHIEVEMENTS IN 2006

- A procedure for selecting airlines was established and put into application throughout the Group.
 - A network of Marine Safety experts, certified according to International Ship & Port Security (ISPS) standards was created.
 - A Security incident analysis procedure was put in place.
 - Documentation on security was made available to employees.
-
- A progress report on the initiatives undertaken was updated throughout the year.
 - The assessment of the various disciplines involved in construction was launched in November 2006.
 - 36 new members were named to the Technip's Experts network.
 - More than 200 Group employees were evaluated using the 360° method.
-
- Four prizes were awarded for contributions to Sustainable Development in 2006.
 - Signature, in France, of a charter committing companies to equal opportunity.
-
- Dialogue with the EWC on the finalization of the Group's no-smoking policy.
-
- European Works Council intranet site is under construction.
 - Meetings were organized within Technip's main entities to discuss improving gender equality within the Group.
 - Negotiation and signature of 39 collective bargaining agreements with Group employees representatives.
-
- The new client satisfaction assessment process for projects is currently being implemented.
 - A questionnaire was sent to the Group's 15 main suppliers asking them how they take Group Values into account.

WAYS FORWARD

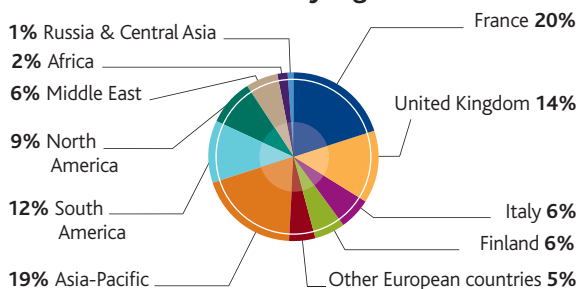
- Extend the Travel Security data base to all Group entities.
 - Make Security Managers more aware of our Sustainable Development approach.
-
- Build up employee shareholding.
 - Continue the assessment of key professions within the Group.
 - Give the experts an increasing role regarding knowledge management.
 - Enhance the Group's technological image.
-
- Pursue initiatives in favor of local communities.
 - Pursue solidarity initiatives.
-
- Finalize the EWC intranet site.
 - Maintain the quality of social dialogue through the negotiation of collective bargaining agreements with employee representatives both at the local and European levels.
 - Implement the gender equality action plan.
-
- Extend the implementation of this new procedure to all of the Group's projects.
 - Survey additional suppliers.



HUMAN RESOURCES AND SOCIAL RESPONSIBILITY



Breakdown of workforce by region



22,085
people
a **5.7%**
increase over 1 year



To keep pace with the growth of the Group and to meet the challenges of the oil and gas engineering business, Technip puts much emphasis on employee career development. The Group also has an active equal opportunity policy and strives to promote social dialogue.

Keeping pace with the growth of our activity

Recruiting and integrating

In 2006, the total Group workforce grew from 20,898 people to 22,085, a 5.7% increase. Strongest growth was seen in Europe (978 new hires), in Asia-Pacific (423) and in South America (377).

Two thirds of these recruitments were in the form of permanent contracts. The Group remains a sought-after employer (47,000 non-solicited applications received in 2006 and 46,000 in 2005).

Technip's workforce has doubled in five years and grew 15% in the last two years alone. Specific employee integration processes are in place in most Group entities, with 78% of new recruits benefiting from them in one form or another:

- integration seminars presenting the Group, its lines of business and its Values. These seminars are in place in the Group's main offices (Brazil, USA, France Italy, Malaysia, UK),
- information meetings are organized in the smaller entities,
- a sponsorship program, under which young graduates are assigned a sponsor to advise them during the first years of their professional lives, is in place in several Group entities (in France and the United Arab Emirates). The program is currently being extended to the entire Group.

3,876 recruitments
(permanent contracts)

47,000 non-solicited
job applications

Anticipating needs

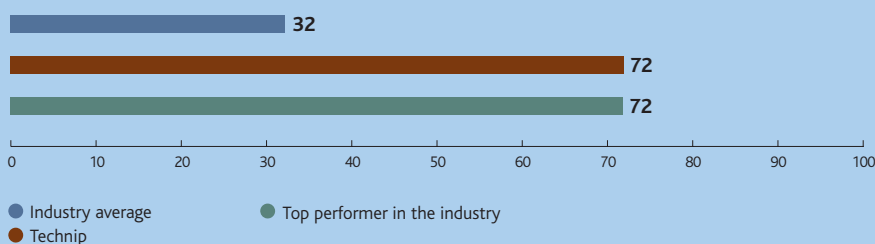
In the face of growing demand and a tight resource market, the Group must be able to anticipate its needs and optimize the transmission of expertise and know-how:

- the Group has a succession plan which is updated each year. The plan anticipates replacements and defines desirable moves and training for the potential position-holders. In 2006, 406 potential replacements were identified for 237 positions.
- in an initiative launched in 2005, working parties are examining each of the Group's key professional disciplines in order to anticipate and keep pace with growth through the development of the individual skills of its employees (new and experienced). After examining the role of the project managers, a new study is underway concerning construction personnel.

REMINDER OF 2006 OBJECTIVES

- Carry out an assessment of the professional disciplines involved in construction.

Social Performance (source DJSI 2006-2007)





77 nationalities
are represented
in the Group

Expatriates
are working in **47**
different countries

Strengthening Technip's corporate culture and sharing best practices

Promoting mobility and a multi-cultural environment

Mobility within the Group, between its entities and businesses, is an inherent part of Technip's activities. It also plays an essential role in the sharing of best practices, the development of a common corporate culture and the professional fulfilment of Group employees. In 2006, close to 1,000 employees were expatriated to 47 different countries. Because the international mobility of our employees has consequences on the social and professional lives of their spouses, Technip is committed to initiatives which facilitate mobility. In this vein, Technip and 20 other international groups signed a reciprocity agreement allowing the spouses of expatriates working for these companies to receive unpaid leave during the period of expatriation and a job guarantee upon their return.

Today, 77 different nationalities are represented within the Group, reflecting its increasingly multi-cultural nature. In this context, Technip is committed to promoting exchanges, developing an international corporate culture and raising employee awareness of the Group's multi-cultural aspects. In addition to mobility, training is another strategic tool towards this objective. A seminar on working in multi-cultural teams has been in place for several years in certain Group entities. Other training programs organized by the Group include a section on working in a multi-cultural environment. An inter-cultural seminar was also offered to members of the Group's European Works Council at their request prior to the group's meeting in Newcastle in June 2006.

THE PRINCIPLES OF TECHNIP'S MOBILITY POLICY

- Group employees are informed of available positions and internal candidates are given preference.
- For the employee, internal mobility is part of a well-constructed career path that is coherent in terms of the company's needs.
- Expatriation conditions take into account

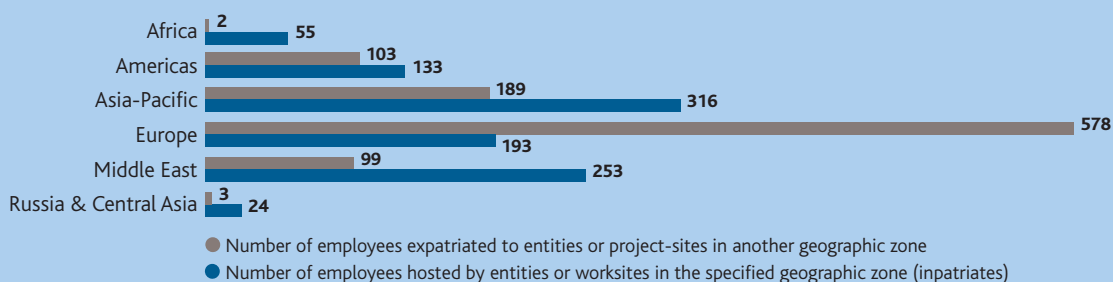
the specifics of each country and the expatriate's family status.

- To facilitate integration in their host entities, expatriates are provided with linguistic and cultural training.
- Whenever possible for long-term assignments, expatriates are encouraged to take their families with them.

Assignments which entail a separation from family are the object of special attention.

- The security of expatriate employees and their family members is a priority for the Group. Assignments are managed in accordance with safety regulations and standards in force.

Number of expatriates / inpatriates in 2006





Sharing best practices

The GEC (Global Engineering & Construction Council) is made up of members from the Group's major engineering and construction centers and central functions. It facilitates the exchange of information through permanent dialogue between the centers, harmonizes working methods and promotes technical cooperation through the creation and maintenance of networks within each discipline.

Sharing know-how

The Experts play an important role in the strengthening of our expertise and our technological image. They permit the entire Group to benefit from their knowledge and experience through tutoring or dedicated seminars. Experts act as a "reference" in the bidding process, during project execution or as technological support for our clients. They take part in colloquiums, congresses (OTC 2006, Eurocorr 2006) and conferences.

An annual meeting is held to promote dialogue among the experts and to discuss technological developments which could have an impact on the Group's activities.

The Experts network counts a growing number of engineers (400 at the end of 2006) representing the five continents and most of the Group's areas of activity.

Building a sense of membership and encouraging creativity

- The Jacques Franquelin Award.

The objective of this award is to encourage and reward those who contribute to the development of the Group through their actions and/or creativity in the realm of technological innovation. Every year since 2000 entries are submitted by teams that are often multi-cultural and multi-site, reflecting the diversity of the Group today.

In 2006, 129 entries were received from 15 countries and from all four of Technip's business segments. 21 project teams received awards, four of which for initiatives in the area of Sustainable Development:

- design of a modelling and evaluation software application for the Sustainable Development Performance of projects,
- development of a calculation method for fatigue and product life of equipment exposed to very high temperatures,
- new on-site intervention procedures for subsea divers,
- the optimization of performance choice for very low nitrogen oxide burners by means of fluid dynamics computer programs.

REMINDER OF 2006 OBJECTIVES

- Appoint at least 12 new members to Technip's Experts Network.

- Add a "contribution to Sustainable Development" category to the Jacques Franquelin Awards.





REMINDER OF 2006 OBJECTIVES

- Publication of a second progress report on the implementation of the 135 resolutions from the 2005 Technip Think Tanks.

■ 2005 Technip Think Tanks.

Following the concrete proposals resulting from the 2005 "Technip Think Tanks", an action plan was circulated within the Group. Of the 135 actions outlined in 2005 by the Think Tanks, 126 have been achieved. Initiatives requiring longer-term action, such as building a sense belonging and membership within the Group, are still in progress.

Developing human potential and adapting to change

Skills Development

The training courses organized by the Group cover, for the most part, skills development in three main areas:

- Technology: the "Technip Education" program covers the SURF and Offshore Facilities segments where Technip develops its own technology. Approximately 160 Group engineers participate in these seminars each year.
- Management and Leadership: the objective of the "Technip Leading Edge Program" is to develop leadership qualities in high-potential managers within a multi-cultural environment and to improve their knowledge of the Group.
- Working in multi-cultural teams: a training program on this subject is currently being put in place. Its goal is to increase participants' awareness of the multi-cultural aspects of the Group, to improve the effectiveness of work conducted by international teams and to build and strengthen Technip's international corporate culture. This unit is to be incorporated in existing management seminars.

Training courses covering specific topics are organized locally by individual Group entities. They are directed to local needs such as IT training, contract risk management, or critical project review.

The growing size and number of projects has led the Group to reinforce its training effort in the areas of project management and the sharing of best practices. The seminar held in Paris in 2006 will be progressively offered and adapted to the main Group entities. The skills development master report shows a strong increase in the number of training hours in 2006. This increase is a result of the many employee integration seminars set up throughout the Group, an augmentation in the number of technical and management training courses and the implementation of monitoring tools that allow a more complete analysis of skills development data.

424,959
training hours

75% of payroll
employees received
training

75% received
annual performance
reviews





Proposing areas for improvement

The 360° evaluation program launched five years ago involved more than 200 employees in 2006. This process is a development tool for managers involving the participation of not only their hierarchical superior and themselves, but also their colleagues and subordinates. In addition to an individual report for each manager evaluated, group reports are also presented that allow the employee to see how they performed compared to others evaluated and to discover common strong points and areas for improvement. Personalized tools are proposed to evaluated employees to help them achieve their individual progress objectives: individual coaching and telephone follow-up, methodology for improvement, workshops, recommended reading, internet and computer tools.

REMINDER OF 2006 OBJECTIVES

- launch of a new round of 360° evaluations.

Associating the workforce with Group performance

Highlighting individual and collective employee results

The Group's compensation and benefits policy is to associate its teams closely with the economic performance of the company and the value they contribute to create.

At the Group level, variable compensation is attributed to general management and is based on individual and collective criteria (results achieved by the unit managed). The individual attribution criteria include the promotion of Technip's Values, contribution to risk evaluation and management, as well as the development of cooperation and mobility among Group entities.

In 2007, two employee shareholding initiatives

Periodically, Technip offers its employees in an increasing number of countries the opportunity to become shareholders in the Group under advantageous conditions. In 2007 this policy will take the form of two separate initiatives: a capital increase reserved for employees initiated in December 2006 and the attribution of free shares.

For the first time, the capital increase will be made available to 14,500 Group payroll employees in 16 countries.

Technip will also implement a free share attribution program, whose the conditions are to be defined by the Board of Directors.





In 2006
women made up
24% of the Group
payroll employees
and
13%
of management

A determined equal-opportunity policy

An action plan to promote professional equality between women and men

Since 2005 the percentage of women among payroll employees has remained stable at 24%, with women holding 13% of the Group's management positions. Within the framework of the principles outlined in Technip's Social Charter, an action plan to promote professional equality between women and men has been established, based on ideas received from within the Group on International Woman's Day and in relation with employee representatives within the European Works Council.

The plan is to be implemented during 2007 and covers themes such as: recruiting policy, skills development, career management and compensation, and the balance between an employee's personal and professional life.

A commitment to equal opportunity

The Group made a commitment to equal opportunity in education by signing "the commitment to equal opportunity" charter with the French Ministry of Education.

The Group's objective is to get involved, in cooperation with the French national education system, in concrete initiatives in order to respond to the difficulties encountered by underprivileged youth in the areas of education, professional orientation and entering the job market. The top priorities include providing complementary support for pupils and students (tutoring, sponsorship, scholarships, help with school work) and programs to help youths learn about companies and professions. These programs facilitate student orientation and eventually, their entrance onto the job market (introducing students to different professions, receiving pupils, students and teachers within the company, hiring graduates from underprivileged areas).





Pursuing an active social dialogue

Technip steadfastly pursues the practice of an active social dialogue. In priority, this dialogue takes place at the local level, which is best-suited to take into consideration in-the-field realities and national specifics. Social dialogue also exists at the European level thanks to exchanges within the European Works Council (EWC) which was set up in 2005 and meets twice a year.

At the European level

The EWC is made up of 14 employee representatives from the 9 European countries where Technip is present. It met in June and December 2006. During these meetings the topics included in the agendas drawn up by the secretary and the president were covered in a manner which left the floor open to discussion after a short introduction. These included:

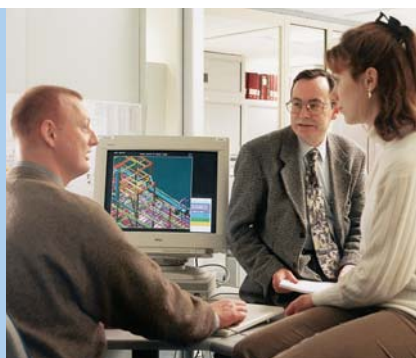
- Group activity and outlook,
 - financial results,
 - information systems, including the planned EWC intranet site,
 - quality,
 - health and safety, including the finalization of the Group's no-smoking policy
 - sustainable development
 - the action plan for gender equality in the workplace
 - Group policy in the domains of skills development, compensation, and international mobility.
- The members of the EWC also attended an intercultural training seminar on improving communications by taking into account cultural differences.

At the local level

In 2006, throughout the entire Group, 39 new local collective bargaining agreements were signed with employee representatives. These agreements covered topics such as the organization of work (14) compensation (13), skills development (4), health and social benefits, professional equality, personnel representative elections. In complement to local legislation and the Charters which support Technip's Values, certain Group companies have acted more implicitly in favor of their employees and have contractually included measures to ensure that the values outlined in the Charters are respected (France, Finland, the Netherlands, the United Kingdom). In addition, Italy has been committed since 2005 to the SA8000 certification process. This certification focuses on social responsibility and the respect of human rights and concerns all levels of employees, suppliers and sub-contractors.

REMINDER OF 2006 OBJECTIVES

- Involve the European Works Council in the implementation of the no-smoking policy and in helping employees of the Group's European entities to stop smoking.
- Consult Group employees on ways to promote gender equality and discuss the implementation of appropriate measures with employee organizations.



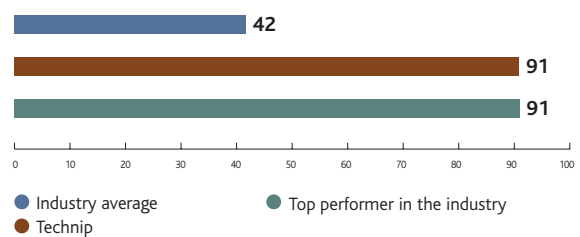


HEALTH AND SAFETY



“ Create and sustain an incident-free working environment. ”

Workplace Health and Safety Performance
(source DJSI 2006-2007)





Important milestones in Technip's Health, Safety and Environment Strategy marked 2006. While Technip's safety performance is among the best in its industry, this level of performance must be made uniform throughout the entire Group. The ever-increasing size and complexity of construction projects requires the implementation of more effective HSE management systems. For this reason, Technip created an HSE Department at the Group level responsible for redefining the HSE policy and developing and implementing a new four-year HSE Strategy throughout the Group.

Performance level maintained

While the number of manhours worked by the Group and its sub-contractors reached a record 254 million, 15% more than in 2005, the Group's total recordable injury rate (TRIR) remained unchanged in 2006, although the Group suffered two fatal accidents.

Implementation of a new Group HSE policy

A policy built around three focus areas:

- Promoting a climate and focus within the organization that demands positive and proactive responses from its employees;
- Establishing meaningful leading and lagging performance measures;
- Maintaining an effective HSE management system (HSEMS).

Both our strategy and HSEMS support this policy:

Our strategy has four objectives:

- 1/** Establishing a common recognizable Technip approach to HSE management;
- 2/** Engaging all Technip employees, sub-contractors, suppliers, and clients in achieving our goal;
- 3/** Delivering a consistently high level of HSE performance;
- 4/** Enhancing Technip's reputation.

Our HSE management system has seven elements defined originally by the OGP under which performance standards are deployed:

- 1/** Leadership and commitment;
- 2/** Policy and strategic objectives;
- 3/** Organization, resources & communication;
- 4/** Risk evaluation & management;
- 5/** Planning;
- 6/** Implementation & monitoring;
- 7/** Audit and review.

In 2006,

254 million
manhours

TRIR* of **0.34**

* Total Recordable Injury rate:
number of accidents recorded
x 200,000 hours / number of manhours

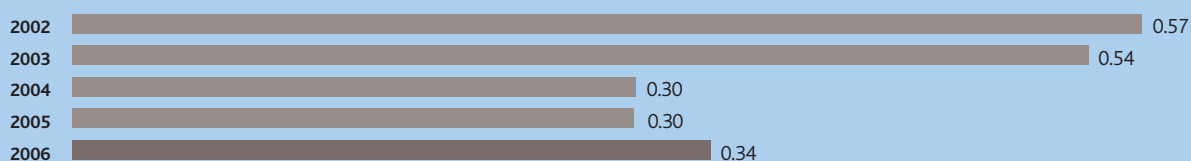
18 entities certified
OHSAS 18001 or equivalent

REMINDER OF 2006 OBJECTIVES

HEALTH AND SAFETY

- For all Technip employees and personnel of partners and sub-contractors
 - Zero fatal accidents.
 - Total Recordable Injury Rate (TRIR) no more than 0.27.
 - OHSAS 18001 or equivalent certification for three additional entities.
 - No-smoking policy extended to the entire Group.

Total Recordable Injury Rate / 200,000 hrs





SAFETY PERFORMANCE ON ONGOING PROJECTS

- Khursaniyah Gas Plant project in Saudi Arabia: 31,000,000 hours without accident requiring work stoppage.
- Unleaded gasoline: Low Sulphur Gasoil project in the UAE: 16,800,000 hours without accident requiring work stoppage.
- DHT Riyadh project in Saudi Arabia: 9,500,000 hours without accident requiring work stoppage.

Safety: management through anticipation

Traditional indicators measure performance over a completed period of time. When it comes to safety, potentially dangerous situations must be detected and anticipated before incidents occur, therefore allowing us to improve safety conditions. For example, any operation on our onshore or offshore project sites where risks have been identified must be the subject of a detailed safety study before it is started (Job Safety Analysis). The new HSE information management tool set up by the Group HSE Department will allow for a better exchange of best practices between the Group entities and the development of a stronger HSE culture within the Group.

In this same spirit, Technip has been and is committed to implementing a systematic analysis of accident causes. In some cases it has called upon the services of an independent investigator to guarantee objectivity.

Health: towards more effective prevention

In 2006, a consulting physician joined the Group at the corporate level. Her job consists in defining the Groups' medical and disease prevention approach. A monitoring system has been put in place in order to identify current or potential epidemics and prevent the contagion of our employees during their work-related travel. Avian flu management procedures have also been devised.

An assessment of medical assistance and evacuation procedures was carried out. The results have led to proposals, which are allowing us to improve current procedures. Ten health performance standards were identified and will be developed throughout the entire Group during 2007. These performance standards serve as a reference to which each entity can compare their own approach to Health Management.

Further, one of the major health objectives for 2006 was the implementation of the Group's no-smoking policy. A performance standard was developed and issued for the implementation of initiatives to reduce the use of tobacco in the workplace in order to arrive at a complete cessation of smoking in all Group entities.

Training: programs accessible to all

In 2006 Technip designed an HSE training kit to be used in all Group entities and project sites. The kit is made up of forty presentations and videos whose content is easily adaptable to the different environments in which the Group is present. The content is easy to translate and designed to get its message across effectively. The Group's commitment and performance in the area of HSE training has remained comparable to the previous year.





SECURITY

Protecting our employees, assets and information

Objectives inspired by the Group's Security Charter

The Group strives to protect its employees, assets and information against malicious acts and to reduce the impact of any such acts. The principles enacted by Group management and Technip's work teams are based on the Security Charter as well as the ethical values by which the Group abides. The Security Department has a network of correspondents within the project entities. Their mission is to ensure that Group safety and security standards are enforced, to report any incidents and to implement the necessary corrective measures. They also monitor the local security situation and share their knowledge and experiences with other members of the Group "Security" team.

Security Department's 3 branches

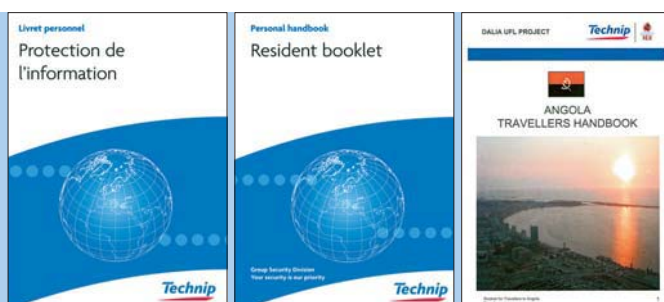
- Security of People: this branch provides Technip's projects with adapted human resources, technical means and communication tools. The international security situation is constantly monitored so that adapted security measures can be implemented at the local level.
- Worksite and Access Security: optimizes its actions through close collaboration with the project teams. Starting at the bid stage, an assessment is conducted to determine the means necessary to the implementation of Group security procedures. Then, during the execution of the project, these measures are evaluated and adjusted according to information provided by, and in liaison with, the local correspondents.
- IT and Data Security: was created in September 2006 and has a dual role, acting as a consultant and giving hands-on support to projects in terms of information systems security, and in particular IT security. The Group provides training in information protection measures and on a more general level, a Safety and Security awareness program has been in place since September 2006 for all employees. Since November 2006, project clients with offices at Technip's headquarters also benefit from this program.

Next steps in our Security policy

This approach to Security is progressively being extended to include travel safety for all of the Group's entities, in particular the choice of hotels and means of transport in respect of specific criteria. Seminars are being developed to complete the training of Security Managers before they take up their functions on the work sites. These seminars will cover Group specifics, project organization and the methods utilized by the Group Security Department.

OBJECTIVES OF THE GROUP SECURITY DEPARTMENT/

- Protect to the best of our ability our staff in the performance of their work.
- Protect our assets and our strategic information.
- Protect our facilities, both on land and at sea.
- Maintain the integrity of our image and reputation.
- Propose appropriate measures to protect our projects in progress.

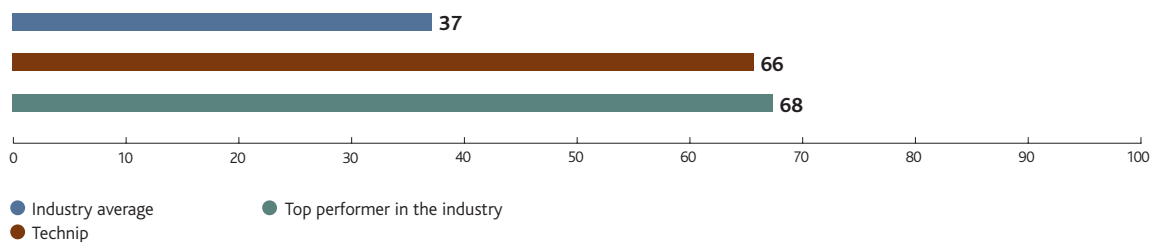




ENVIRONMENTAL PROTECTION



Environmental Management Performance (source DJSI 2006-2007)





One of the top priorities of Technip's Sustainable Development policy is to control the impact its projects have on the environment during all stages of the project life cycle. Underpinned by its expertise in design and construction and its management systems, Technip is able to develop solutions that combine both economic and environmental performance. In 2006 the Group continued its data collection program. The reporting system is now based on formal procedures and will be computerized starting in 2007.

Environmental protection is at the core of every project

One of Technip's most important challenges is ensuring environmental safety and quality for the personnel working on site and the local communities surrounding the installations it designs. In its Environmental Charter, Technip declares its commitment to reducing the environmental impact of its installations. All of the group's engineering capacities and management systems are mobilized towards the achievement of this goal.

The Group has more than one hundred engineers working in the areas of report and evaluation of environmental, health or industrial risk. In 2006 Technip organized its second seminar dedicated to these topics. During the year, for all of the Group's projects more than 1,200 review days were dedicated to risk analysis sessions. Further, Technip's approach to environmental protection is based on certified management methods and on the continuous improvement of all of its processes, products and services. An expected level of performance has been defined for all Group entities and for all branches of activity.

In 2006 four additional Group entities received ISO 14001 certification, representing 80% of the workforce at 31 December 2006.

Global warming, an issue of major importance

Climate change is widely considered to be a complex and potentially catastrophic phenomenon. Industries in the 129 countries, which signed the Kyoto protocol, are already required to limit their greenhouse gas emissions. According to the European WETO (World Energy Technology & Climate Policy Outlook) study, emissions could be reduced if the use of nuclear and renewable energy sources were increased. A second line of action consists of reducing the energy intensity of our activities and to develop methods of capturing and storing CO₂, as well as producing clean fuels and the motors necessary to their use.

In 2006 4 new sites received

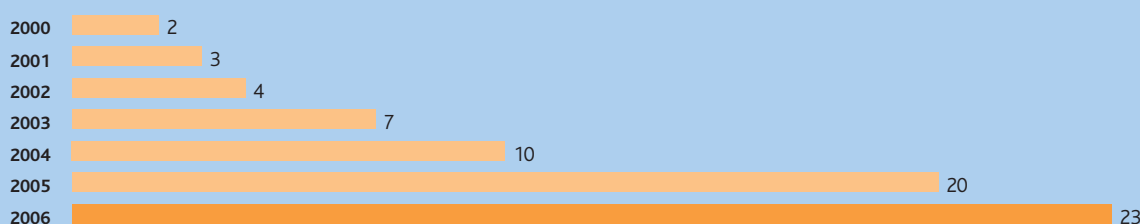
ISO 14001 certification

In Spain, England,
the United Arab Emirates
and Brazil

REMINDER OF 2006 OBJECTIVES

- ISO 14001 certification of three additional entities.
- No major environmental incidents.
- 95% of Group entities reporting on the various environmental indicators.
- Improve waste recycling at our work sites.
- Increase by 60% the reporting scope of our worksites.

Number of sites certified (adjusted to 2006 scope)



At January 1 of each year



TECHNIP AND ENERGY EFFICIENCY

In today's world, energy efficiency is particularly important given the high cost of oil and the desire to minimize CO₂ emissions. Since the first oil crisis in 1973, Technip has been on the leading edge in this area, both for its projects using Technip proprietary technologies and those using third-party technology.

- In LNG Technip developed and patented a technique allowing a 3% increase in LNG production thanks to a turbo expander, and is studying a method of reducing energy consumption on the gas liquefaction chain by 30%.

- In refining, the progressive crude distillation technology belonging to Technip and Total allows for an important reduction in energy consumption.

- In ethylene, Technip has its own steam cracking technology and has been able to reduce CO₂ emissions per metric ton of ethylene produced by 30% compared to the 1980's.

- In hydrogen, where Technip is the world leader, the Group is continuously improving its process and has reduced net energy consumption per metric ton of hydrogen by more than 7% over the last 10 years.

Technip solutions from the design phase

Technip proposes effective solutions for its projects starting from the design phase:

- improving energy efficiency using processes developed by the Group, in particular for gas treatment and liquefaction units, refineries and ethylene production plants,
- producing "clean" fuels: hydrodesulfuration units to lower the sulfur content of fuels or GTL units which allow the production of sulfur and aromatics-free liquid fuels from natural gas,
- the construction of biofuel production plants.

Technip's expertise in ecological design

It's during the design phase that the most effective choices can be made to reduce the environmental impact of the future use of a projected installation.

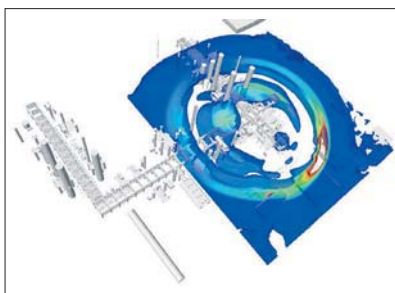
The Group's experience and know-how allow it to offer its clients different ecological options. Among these is the development of technologies reducing vinyl chloride emissions for a PVC plant and NOx emissions of ethylene cracker furnaces or capturing CO₂ for storage. In this domain, Technip is a participant in the European CACHET (Carbon Dioxide Capture via Hydrogen Energy Technology) research program, which aims to develop technologies that reduce the cost of CO₂ capture in a 400 MW electric plant fuelled by natural gas.

More environmentally-friendly LNG terminals

The "Floating Flexible" Joint Industrial Project (JIP) steered by Technip involves all of the major oil companies. This partnership aims to develop the "link transfer" which allows an offshore LNG structure to be connected to land infrastructures and is made up of a flexible cryogenic floater and associated components (storage carousel, rotating cryogenic joint) as well as a long length of cryogenic Pipe in Pipe.

At operation sites

Technip is attentive to the operations carried out on its project sites, its ships, and in its production plants and endeavors to make a real contribution to the preservation of natural resources (materials and energy), and in doing so to the fight against global warming. The Group also strives to reduce as much as possible the environmental footprint of its projects and work sites and to make them fit in with their surrounding environment.



On December 9th and 10th 2006, the HSE Design Department organized a seminar on risk evaluation in Paris, with support from the College of Experts. 40 Group specialists and experts from a dozen different countries met to share their know-how in terms of risk evaluation and reduction and how they are integrated in project design.



Training sessions for both Group employees and sub-contractors.

Training is a major part of the implementation of our environmental management system. Technip trains its personnel and its sub-contractors to adopt environmentally friendly behavior via guidebooks, brochures, environment kits and dedicated seminars. These programs are in place at all of our work sites, offices, plants, and ships.

TECHNIP AND BIOFUELS

Biofuels, when blended with traditional fuels, present a number of advantages:

- a reduction in pollution thanks to improved fuel combustion,
- a reduction in the emission of "green house" gases (CO_2) since biofuels are produced from renewable plant materials,
- less energy dependence for oil-importing countries,
- a new source of business for the agricultural sector.

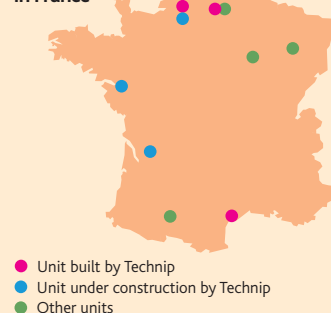
Legislation on biofuels varies from country to country, but all are moving towards increased use for the above-mentioned reasons. Typically, legislation includes fiscal advantages and a minimum mandatory incorporation rate in gasoline and diesel fuels.

The two principal biofuels are bioethanol and biodiesel.

• Bioethanol, also known as ethanol fuel, is ethanol produced by fermentation - most commonly from sugars (sugar cane, beets molasses) or starches (corn, wheat etc.). Ethanol is blended with gasoline ether directly or in the form of ETBE (Ethyl Tertio Butyl Ether). Technip has its own proprietary technology for ethanol production by fermentation and its first ethanol fuel plant went into production in Louisiana in 1987. In 2006 Technip signed a turnkey contract for the construction of a bioethanol unit near the French city of Dunkirk, and in January 2007 another turnkey contract for a bioethanol unit in Belgium.

• Biodiesel is produced through the transesterification of vegetable oils (colza, sunflower, palm...) with methanol. In 1996,

Biodiesel production units in France



Technip signed the contract for its first biodiesel unit (Rouen, France). In 2006, contracts were signed for 3 biodiesel plants in France (Montoir, Bordeaux and Rouen). Currently, Technip's references in biodiesel total 6 units, making Technip a leading player in this field, and putting the Group in a excellent position on this promising market, both in Europe and in the rest of the world.





In Yemen, environmental studies have highlighted the vast variety of species of coral and fish near the site of the gas liquefaction plant currently being built by the Group. The installation of infrastructures and construction work on-site were carefully studied in order to limit their impact on local marine life and sea currents.

Water from the plants cooling units will be discharged far from the coast to prevent any significant impact on water temperature.



The impact of temporary effluents from the work site (water treatment unit, sea water desalination units) was modeled and the discharge points positioned in a way that minimizes the impact on the biotope. Marine work is the subject of particular attention. Water turbidity and the condition of the coral reefs are being monitored during all operations. Several kilometers of sediment curtains have also been put in place in order to protect the coral.

Three environmental indicators

Environmental reporting is carried out annually and is based on a manual of formalized procedures. More than 100 employees in more than 29 countries participate in the collection of data.

In accordance with the commitments made in 2005, 93% of the Group's entities and more than 60% of our project-sites report on the various indicators.

This reliable data allowed us for the first time to measure changes for each site.

Water consumption for the year came to 2.08 million m³ for the above-mentioned scope. In spite of the 13% increase in consumption directly related to the Group's activity, consumption on the work sites remained stable, proof of the good water management methods used on our construction sites.

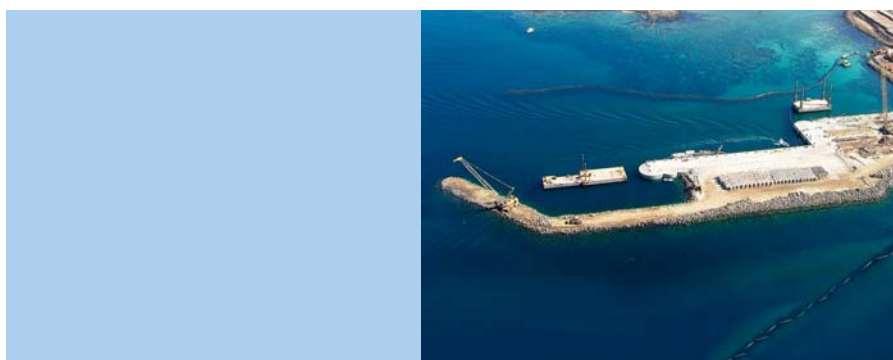
Most work sites are equipped with domestic wastewater treatment units and this treated water is used in construction activities (preparation of concrete, dust management...).

Total waste produced during the year was 63,238 metric tons, including less than 10% hazardous waste. This waste, produced at offices, work sites, workshops and aboard ships is segregated and treated according to the principles adopted by the Group and the regulations in force in the concerned countries.

Waste is always recycled when treatment channels are in place. In 2006, 72% of paper, packaging, metal, cables and construction waste were recycled as well as 89% of all office waste in Europe.

ENERGY CONSUMPTION

	Unit	Offices	Fabrication units	Construction Project sites	Fleet	Total 2006
Consumption of gas	MWh	5,982	11,362	0	0	17,344
Consumption of electricity	MWh	32,689	24,101	12,778	0	69,568
Fuel-oil	MWh	0	1,799	369,574	607,552	978,925
Ratio per manhour worked	kWh/h	1.30	6.17	2.93	64.41	6.06





WATER CONSUMPTION

	Unit	Offices	Fabrication units	Construction project sites	Fleet	Total 2006
Water Consumption	m ³	215,852	193,887	1,350,677	315,537	2,075,953
Ratio per manhour worked	liter/h	7.23	32.09	10.35	33.45	11.81

QUANTITY OF WASTE

	Unit	Offices	Fabrication units	Construction project sites	Fleet	Total 2006
Non-hazardous Industrial Waste	tons	1,433	7,163	49,103	217	57,917
Hazardous Waste	tons	6	450	4,695	170	5,321
Ratio per manhour worked	kg/h	0.05	1.26	0.41	0.04	0.36

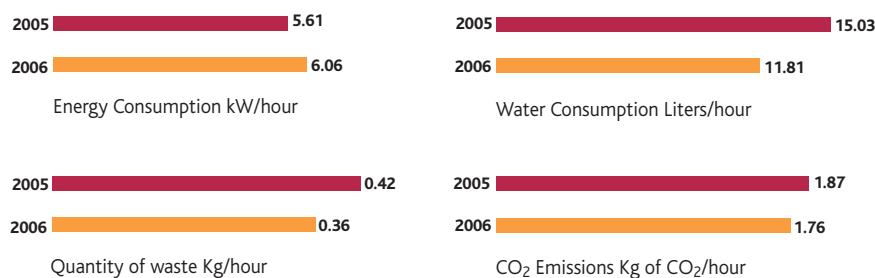
GREENHOUSE GAS EMISSIONS (GHG)

	Unit	Offices	Fabrication units	Construction project sites	Fleet	Total 2006
Direct emissions	t eq CO ₂	1,227	2,837	103,776	170,601	278,441
Indirect emissions	t eq CO ₂	14,710	10,845	5,750	0	31,306
Total	t eq CO ₂	15,937	13,681	109,526	170,600	309,745
Ratio per manhour worked	kg/h	0.53	2.26	0.84	18.09	1.76

At one of the Qatar work sites, 100% of the personnel attend an environmental awareness session as part of their security orientation when arriving on-site. This represented 7,824 people in 2006.



Environmental indicators 2005-2006 per manhour worked



In Qatar, 3 water treatment plants, each with the capacity to treat the waste water of 20,000 inhabitants, are progressively being put into operation to treat the domestic waste water produced on the LNG mega-construction project sites. Endemic plant species will be planted close to the facilities and the treated water will be used to irrigate a part of the desert.





CIVIC RESPONSIBILITY



Financing of local initiatives

60%
of Group companies
participate

The Technip-supported

University Pham Van Dong in Vietnam
will have an enrollment of

2,500
students in 2011



Technip's civic commitment is witnessed both through initiatives taken by its various entities, which are part of a long-term community action strategy, and initiatives taken at our project worksites during the duration of a given project. The latter often involve aid for obtaining first necessity equipment for local infrastructures and for the health and safety of local populations.

While the Group provides punctual financial aid and gifts in kind, most of its work is carried out in the form of partnerships with local population and associations.

Health initiatives

Group companies support local associations, sponsor events and provide equipment and supplies to hospitals. In Nigeria and Angola, for example, community support programs were implemented at the local hospitals. In Australia, events were organized to raise money to fight cancer (Biggest Morning Tea and Daffodil Day). In the United Kingdom, the Aberdeen annual Walkathon heightened community awareness of heart disease and other chronic illnesses.

In the United States, many events were held including a bicycle marathon to benefit multiple sclerosis research. In France, the Group supported the national Annual Telethon and Trekking Day, among other events.

Fighting exclusion

Technip renewed its support of the "Second Chance Foundation" which operates under the aegis of the Fondation de France. This foundation provides different types of aid to people experiencing problems in their professional and every day lives. In the United Kingdom, donations were made in favor of disabled persons through the Badaguish Disabled Centre and to Cystic Fibrosis Research. Also in the UK, Technip continued its partnership with Cornerstone, a charitable association which assists people with learning disabilities. Each year Technip invites members of this association to events such as barbecues, fire works etc. in order to create contact with Technip employees. In Thailand, a fund has been established to benefit the disabled. In Italy, the "Antica Sartoria" project provided senior citizens with computer equipment. Many initiatives were also taken to improve the handicapped accessibility of our offices.

REMINDER OF 2006 OBJECTIVES

- Expand Group initiatives in favor of local communities.
- Develop new solidarity initiatives.





Initiatives in favor of children and education

In the UK, Technip has worked for several years now with the Westhill Academy secondary school in a program that aims to introduce students to the world of work. Many varied activities were supported in 2006 such as job search assistance, the organization of a "green day" for 3 year olds, and a French meal for children learning French. At Christmas, Technip sponsored a puppet show at Aberdeen's children's hospital. In France, Technip donated computer equipment to schools and employees were involved in sporting activities.

Employee initiatives

In Abu Dhabi, employees from many different origins came together to raise money for such causes as emergency surgical teams, hospice services for the dying and aid to tsunami and earthquake victims. Technip's management made a significant contribution to the funds collected.

In the UK, management encourages employees to volunteer at the Cornerstone association. All types of aid are welcomed: gardening, decoration of host houses in the Aberdeen area. Many employees are also involved in charity work, in particular children's charities. In Brazil, in continuation of an HSE awareness initiative, Technip employees were encouraged to become more socially responsible and to donate time or money to charity. Employees collected 8.3 tons of food, almost double the amount collected the previous year and distributed it to 6 children's associations and an association dedicated to senior citizens.

A symbolic program for a major project site – Dung Quat

In 2005, Technip and its consortium partners signed a major contract with Vietnam Oil & Gas (Petrovietnam) for the engineering, supply of equipment and construction of Vietnam's first crude oil refinery. This project is ongoing and is situated in Dung Quat, south of Da Nang, in the center of the country. A vast local development program is underway at the project site. The program involves all of the various operators working on the project site as well as local authorities from the Quang Ngai region as well as the neighboring towns and districts of Binh Tri, Binh Son and Binh Thuan. The program covers the three areas of Sustainable Development: economic development, social development and environmental protection. Major initiatives include a university equipped with a laboratory devoted to practical training for the oil and gas professions, and a school to train welders. Another series of initiatives aims to provide local farmers with new crops and techniques for marketing their produce. Diverse social initiatives, in particular in favor of children, round out this program. At the end of 2006, local personnel made up between 30 and 40% of Technip's and its sub-contractors' on-site workforce.





Professional skills development

Technip was a major actor in the establishment of a welding school on September 25, 2006. The Group contributed \$100,000 to finance equipment including welding stations and synchronization equipment, salaries for the teaching staff, supplies, consumables and electricity costs for the student dormitory. At the end of their training, students earn a nationally-recognized diploma allowing them to begin working under the best conditions. The first two-month session for 16 students began in September and a second session began in December. All of the welders trained will be able to find a job working on the construction of the Dung Quat refinery. Technip is also providing financial and technical support to another important training initiative, the Pham Van Dong University (named after President Ho Chi Minh's Prime Minister). This University, the first ever in the Quang Ngai province, represents enormous growth potential for the entire region. Its campus covers 35 hectares and it will offer courses of study which respond to national and regional economic needs. The University features a laboratory dedicated to the study of hydrocarbons which will serve to train qualified engineers. The facilities should be completed in 2008 and courses are scheduled to begin in 2009. The University is expected to enroll 2,500 students by 2011.

Development of open agriculture

Conceived and set up by representatives of the Binh Son district and the towns of Bin Tri, Binh Thuan and other neighboring communities, the "Orchards" rural development program aims to assist farmers in diversifying their crops and improving their revenues. This global program covers the entire process, from the digging of irrigation wells and the supply of seeds and tools, to sales training. The farming techniques taught follow the principles of organic farming and its corresponding label. Meetings are organized with interested parties in order to start commercial relationships between farmers and distributors. Vietnamese authorities support this program whose first manifestations took place in December.

SOCIAL INITIATIVES

The Technip's local teams in Vietnam have become involved in the life of the local orphanage. A fund raising effort served to finance uniforms and books and also to organize dinners and to improve the overall quality of the orphanage food. Technip employees have volunteered to give English lessons. Others are looking into ways to ensure the long-term financing of the orphanage, after the refinery project is completed. A donation of \$10,000 has also permitted the attribution of an emergency subsidy to the most needy and to build several houses for the homeless in the region, which was severely hit by a series of typhoons and major floods in 2006.





RESPONSIBILITY TOWARDS PARTNERS



Net income

€200.1
million
(+ 114.5%)

Ordinary dividend

up
14%
to €1.05 per share



In 2006 Technip was extremely selective in the calls for bids it chose to answer. With a backlog in excess of €11 billion at the beginning of the year, the Group decided to stabilize its order book during 2006. Thus, order intake was limited to €6.1 billion, a decrease compared to the record level reached in 2005. As a result, the backlog came to €10.3 billion at December 31, 2006, down approximately 8% from the year before.

Technip, conscious of its economic responsibilities

Technip's main engineering and operations centers were exceptionally busy in 2006. The high order intake in 2005, particularly in the Onshore Downstream segment, brought the number of engineering hours performed in 2006 to a record 22 million. The Offshore segments also saw intense activity: the utilization rate of the Group's fleet rose to 88%, the highest level in Group history, and our two flexible pipe manufacturing plants ran at full capacity with extra shifts necessary during the week and on weekends.

This outstanding effort was possible thanks to the active participation of our personnel and the support of our suppliers and sub-contractors which made it possible for the Group to execute its contracts according to schedule. To stay abreast of this increased activity, Technip continued its policy of strengthening its human resources and hired 1,187 new employees in 2006, bringing the total headcount to more than 22,000 people at 1 January, 2007.

Given this heightened activity and the favorable market outlook, the Group also ramped up the implementation of its capital expenditure program.

The expansion of the Group's two flexible pipe manufacturing plants in Vitória (Brazil) and Le Trait (France) are proceeding as planned. The added capacity will be effective at the end of the first half 2007. At that time, as previously announced, production capacities at the Vitoria and Le Trait plants will be increased by 50% and 20% respectively.

The Group is also examining the possibility of building a third production plant in South East Asia to meet demand on that region's growing market.

As for the expansion of Technip's fleet, the Group is now planning to add five more vessels to the existing fleet of thirteen ships by 2010.

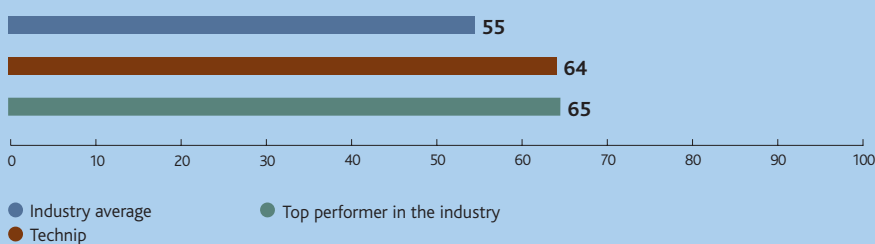
- two diving support vessels for North Sea Operations, one to be chartered, the other to be owned jointly with a Norwegian shipping company.
- another new ship to be fully-owned by Technip's Indian subsidiary SEAMEC
- and a light construction and survey vessel is to be acquired under a 3-year charter agreement.
- The most important marine investment will be a new, large capacity pipe lay and construction

REMINDER OF 2006 OBJECTIVES

ECONOMIC PERFORMANCE

- Bring revenues to €6,800 million (+25%).
- Show an operating margin of at least 5%.

Economic Performance (source DJSI 2006-2007)





vessel, seven years after the delivery of the Deep Blue, the flagship of the Technip fleet. The investment decision was made by the Board of Directors at the end of 2006 and the order will be put through to a ship yard in the coming months.

These large-scale recruiting and ambitious investment projects are proof of Technip's confidence in its future and its ability to keep pace with its clients' changing demand both in terms of project size and complexity.

By giving itself the means to ensure its growth, Technip is assuming its role as a major economic player, conscious of its responsibilities towards all of its partners.

REMINDER OF 2006 OBJECTIVES

- Return part of surplus cash to shareholders.

Towards our shareholders

Technip's financial position at the end of 2006 is particularly sound. Group shareholders' equity came to more than €2.4 billion as a result of the redemption of the convertible bonds in March 2006 and the high net income for the year. The group's net cash position increased by more than €800 million to reach the high level of €1.5 billion. In this context, and confident in the Group's future outlook, the Board of Directors decided to propose a 14% increase in the annual ordinary dividend to the Annual General Shareholder's Meeting, bringing it to €1.05 per share. This represents a pay-out ratio of over 50% of EPS on a fully diluted basis (€1.95).

In addition, in application of the decision announced at the time of the convertible bond call, the Group intends to complete its program of distributing the approximately €600 million in cash made available from the early conversion of these bonds to shareholders. Approximately €370 million were distributed through share buybacks made between the months of May 2006 and February 2007. For the balance of approximately €225 million, the Board of Directors will propose to the Annual General Shareholder's Meeting that it be distributed in the form of an exceptional dividend of €2.10 per share, to be paid at the same time as the ordinary annual dividend.

The Group has also decided to reinforce its financial communication and investor relations policies with an increased number of meetings with institutional investors in their home countries. Thus in 2006, Technip's investor relations team, joined by members of General Management, made regular trips in France, to the USA, Great Britain, Ireland, Japan, Germany, Switzerland, Scandinavia and the Benelux countries.

For the first time, Technip was a participant at the 2006 Actionaria trade fair. Actionaria is a trade fair for individual investors held each year in Paris. The feedback received from visitors was very encouraging and will prove very useful for future events.





Towards our clients

The execution of the major contracts signed since the end of 2004, which made up the bulk of the Group's backlog at January 1st, 2006, is the absolute priority of the Group, of its management and its personnel.

It's through the quality of its services and realizations that Technip plans to continue to create value for its clients.

Today, 35 Group entities, representing 99% of the total workforce are equipped with quality management systems, which are implemented both within the respective organizations and the engineering services they provide.

Technip's quality management systems are certified by an accredited organism in accordance with the ISO 9001 standard. The Group is determined, however, to surpass the requirements of this standard and several Group entities have already implemented certain ISO 9004 directives. To coordinate and harmonize this effort, Technip created a Quality Department at the Group level to define and implement the Group's Quality policies.

The effectiveness of a quality management system is measured essentially by client satisfaction. Assessing client satisfaction has long been one of the Group's management tools. In 2005 a new evaluation process was introduced permitting the appraisal of Group performance in nine areas: HSE, project execution, client relations, documentation, scheduling, costs, resources, contract management and performance of installations, and this at the different stages of a given project. The evaluation is performed using a standardized questionnaire. An overall score can thus be attributed to each project and at each of its stages by the business unit in charge. Scores can also be grouped according to geographic zone, business unit, product or compared to objectives. Beyond being a simple measure of satisfaction, this evaluation process also serves as a tool for determining and appraising client expectations and corrective actions to be taken.

The first results of this new evaluation process, implemented in 2006, should allow for an assessment at year-end 2007.

Towards our suppliers

Given the current market conditions, Technip has maintained relationships with its main suppliers that are based on professionalism and a shared sense of responsibility. Aware of the capacity constraints facing certain of its suppliers, Technip has sought to work in partnership with them

REMINDER OF 2006 OBJECTIVES

- implement a new client satisfaction assessment process.





REMINDER OF 2006 OBJECTIVES

- Survey Technip's 5 main suppliers on how they take the Group's values into account.

as far upstream in the project process as possible, in order to guarantee, as well as possible, both equipment costs and their availability when needed. Hence, the Group has signed several framework agreements with its suppliers of itemized equipment and has set up a "pre-order" system with suppliers of equipment with long manufacturing lead times in order to reserve such equipment even before Technip has been awarded the contract from its client. Technip also strives to support its construction services sub-contractors in their marketing efforts and in training their workers in view to improved safety and productivity.

Technip must also maintain its Sustainable Development commitments within its supplier relationships, in particular sharing its Values in this domain.

In 2005, the Group undertook several initiatives, among them increasing supplier awareness of the Technip Group Charters.

2006 marked an important step forward with the addition of an article, inspired by the Group Charters and their guidelines, to Technip's standard purchasing agreement.

To evaluate the implementation of the principles outlined in the Charters, a questionnaire was sent to fifteen of the Group's main suppliers at the end of the year. The questionnaire re-stated the objectives of the Technip Charters as well as the corresponding rules of good conduct and sought to find out how each of these elements was taken into account by each supplier surveyed. The responses received in 2007 will be analyzed in order to determine areas and means of improvement.



2007 OBJECTIVES

The indicators put in place in 2005 were fine-tuned in 2006. Our reporting scope was enlarged to more fully represent the Group's activities. Thus, the Sustainable Development approach launched in 2001 is becoming stronger each year and a real tool in driving our performance.

We strive to make the information provided concerning our performance as complete and understandable as possible and our approach to be one of constant improvement. In that vein, we have set the following objectives for 2007:

Corporate Governance

- Distribute the "HSE Business Practice Manual" to all Group entities.
- In light of the conclusions of the self-assessment performed in 2006, make any eventual adjustments to composition of the Board of Directors when it is renewed in 2007.
- Concerning the American Sarbanes Oxley Act:
 - complete the second phase of tests on the 2006 annual accounts,
 - finalize the assessment of internal control mechanisms,
 - publish an affidavit concerning the quality of our internal control mechanisms.

Global Compact

- Evaluate the responses received from the suppliers surveyed concerning how they take into account the 10 Global Compact principles.
- Continue the "Communication for Progress" initiatives as recommended by the Global Compact (make Technip's 2006 report available online on the United Nations website).
- Obtain "Notable COPS" status, conferred by the Global Compact to the best Communications on Progress received.

Reporting

- Selection of an environmental reporting software.
- Publish the Annual and Sustainable Development report on the GRI website.
- Organize an annual meeting of the Sustainable Development correspondents from the Group's main entities.

Economic Performance

- Resume controlled backlog growth.
- Pursue Group growth, both organic and through targeted acquisitions.
- Improve operational performance to increase the return of capital employed.



Environmental Protection

- Obtain ISO 14001 certification for two additional entities.
- No major environmental incidents.
- Bring to 97% the proportion of Group entities reporting on the various environmental indicators.
- Increase the scope and quality of reporting.

Health and Safety

- For all Technip employees and those of its partners and subcontractors:
- A Total Recordable Injury Rate (TRIR) equal to or less than 0.27.
- OHSAS 18001 certification or the equivalent of two additional entities.
- Issue 10 health-specific performance standards.

Security

- Issue the Security Charter.
- Expand the Travel Security data base to the Abu Dhabi and Aberdeen entities.
- Make a formal selection of hotels and means of transport which respect specific Safety and Security criteria.
- Establish a procedure for the monitoring the security of Technip personnel during business-related travel, in particular during stop-overs.

Human Resource Development

- Extend the seminar on working in multi-cultural teams to additional Group entities.
- Deploy skills development programs for project managers.
- Monitor the individual action plans defined as a result of the 360° evaluation.
- Implement the action plan concerning gender equality.
- Organize a Technip "Best Article" award with the Group's Expert Network.

Corporate Citizenship

- Expand Group initiatives in favour of local communities.
- Launch new social solidarity programs.

Dialogue and Consultation

- Finalize the European Works Council (EWC) intranet site.
- Improve the means of communication of the EWC by providing intercultural training for its members.
- Maintain the quality of social dialogue within the company and pursue contractual policy.

Clients, Partners and Subcontractors

- Extend use of client-satisfaction assessment processes within the Group.
- Evaluate the responses received from the suppliers surveyed concerning how they take into account Group Values.



REPORTING METHOD AND SCOPE

For the first time, data comparable over two years:

In an effort to improve reporting and performance visibility, for the first time, the 2006 report provides data for two successive years, making it possible to compare our performance to that of the previous year.

A slight change in the scope of consolidation:

Given the disposal of assets in Portugal and the United States, the scope of consolidated companies has changed compared to the 2005 report.

A new reporting method:

In accordance with commitments made, the Sustainable Development Report and the reporting software conform to the Global Reporting Initiative's new guidelines for 2006 (G3).

SOCIAL REPORTING

New reporting software was implemented in 2006. Prior data was re-treated and congruity controls were integrated to improve data reliability.

A definition is given for each line of data in order to obtain homogenous and complete responses. The human resource correspondents in each of the Group's entities have secured access to the software and enter data directly.

Data is then automatically consolidated by the software.

ENVIRONMENTAL REPORTING

Environmental reporting is based on declarations received from the correspondents. For the 2006 report, more than 70 Group entities in 29 countries participated. The reporting scope covers the activities of 93% of the Group's engineering centers, 94% of its manufacturing plants, all of its fleet and 35 major projects representing 62% of construction activities.

The performance ratios are arrived at using figures corresponding to the defined scope and the number of manhours worked, thus placing their significance in a Group-wide perspective while at the same time permitting year-on-year comparisons.



THE WOMEN AND MEN OF TECHNIP

(world scope unless otherwise indicated)

Breakdown of Employees by Geographic Zone

	2006	2005
Europe	11,213	10,235
Americas	4,569	4,069
Asia-Pacific	4,239	3,816
Middle East	1,417	1,274
Russia & Central Asia *	211	1,217
Africa	436	287
Total	22,085	20,898

* Shah Deniz end of contract.

Employee Arrivals and Departures

	2006	2005
Arrivals	5,958	5,172
Permanent Contracts	3,876	3,422
Fixed-term Contracts	2,082	1,750
Departures	4,323	3,405
Economic Lay-offs	40	60
Renewal rate of permanent positions ⁽¹⁾	1.41	1.64

(1) Start/termination of permanent positions

Breakdown of Employees by Category

	2006	2005
Payroll Employees	17,178	15,373
Permanent contracts	14,896	13,721
Fixed-term contracts	2,282	1,652
Outside Employees	4,907	5,525
Total	22,085	20,898

Gender Breakdown of Payroll Employees by Classification

	2006	2005
Executive Committee	5	5
Women	20%	2%
Men	80%	80%
Managers	2,859	2,930
Women	13%	13%
Men	87%	87%
Others	14,314	12,438
Women	26%	27%
Men	74%	73%
Total	17,178	15,373
Women	24%	24%
Men	76%	76%

Organization of Working Hours

	2006	2005
Full-time Work	16,758	15,073
Part-time Work	420	300
Employees Working in Teams	1,515	1,691

Absenteeism

	2006	2005
Rate of Absenteeism (scope: 75% of world employees)	1.79%	-
Rate of Absenteeism (France only)	2.15%	3.49%
Absence Due to Illness	2.08%	2.48%
Workplace/transport Accidents	0.06%	0.09%
Other Reasons	0.01%	0.92%
Days Lost Due to Strikes (World)	70	467



Breakdown of Expatriates by Geographic Origin

	2006	2005
Europe	578	647
Asia-Pacific	189	236
Americas	103	67
Middle East	99	48
Russia & Central Asia	3	4
Africa	2	2
Total	974	1,004

Training

	2006	2005
Hours of Training Provided	424,959	283,158
Number of Employees Trained	12,097	10,757
Women	2,805	2,674
Men	9,292	8,083

Training hours dedicated to

Health Training	12,197	13,498
Safety/Security	38,965	37,750
Ethics and Technip Values	1,396	-

Number of employees trained

Health	2,080	3,470
Safety/Security	4,946	5,027
Ethics and Technip Values	966	-

Amount Spent on training

(in thousands of euros, European scope)	9,954	7,266
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Annual performance Reviews

	2006	2005
Percent of Employees Assessed	75%	72%

Profit sharing (in € thousands)

	2006	2005
Amount Allocated to Incentive Profit Sharing (France, Spain, Italy)	4,074	6,100
Amount Allocated to Mandatory Profit Sharing (France only)	15,887	10,532

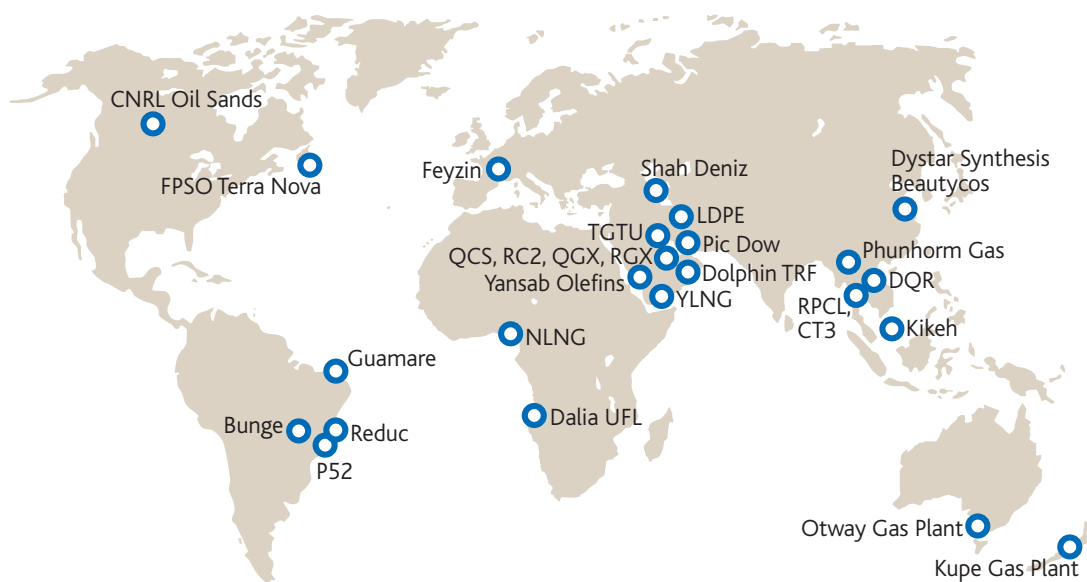


ENVIRONMENTAL INDICATORS

			2006 Breakdown			
	2005	2006	Offices	Fabrication units	Construction project Sites	Fleet
Consumption : paper, energy, water						
Paper	tons	tons				
Paper	1,328	1,402	100%			
Energy	MWh	MWh	%	%	%	%
Direct energy consumption						
Gas	24,683	17,344	11%	89%	0%	0%
Fuel-oil	598,082	978,925	0 %	0 %	36 %	64 %
Indirect energy consumption						
Electricity	59,621	69,568	4%	3%	93%	0%
Water	m³	m³	%	%	%	%
Total water consumption	1,829,048	2,075,953	10%	10%	65%	15%
Waste water						
Liquid effluents	tons	tons	%	%	%	%
Waste water ⁽¹⁾	-	724,865		51%	49%	
(1) Effluents treated and discharged directly in the natural environment						
Waste						
Waste	tons	tons	%	%	%	%
Total waste weight, by type						
Non-hazardous waste:						
Paper	2,212	2,245	42%	5%	53%	0%
Domestic waste	16,586	9,435	4%	13%	81%	2%
Metal	2,435	8,992	1%	30%	69%	0%
Wood	1,200	11,580	0%	5%	95%	0%
Other	26,129	25,665	0%	10%	90%	0%
Total	48,562	57,917				
Hazardous waste:						
Oil & grease	-	1,813	0%	12%	79%	9%
Batteries	-	61	8%	7%	85%	0%
Medical waste	-	1	21%	19%	60%	0%
Other	-	3,446	0%	7%	93%	0%
Total	2,248	5,321				
Non-hazardous waste treated ⁽²⁾			85%	88%	72%	20%
(2) external treatment: recycling or use as fuel						
Emissions						
CO2	tons	tons	%	%	%	%
Direct emission	209,609	278,441	1%	1%	37%	61%
Indirect emission	17,795	31,306	47%	35%	18%	0%
Total	227,404	309,745	5%	4%	36%	55%
Annual expenditures for environmental protection						
Expenditures	€	€	Offices	Fabrication units	Construction project Sites	Fleet
Total operating expenditures	-	1,703,166	24%	22%	52%	2%
Reporting & management system						
Management System	Total	Total	Offices	Fabrication units	Construction project Sites	Fleet
Entities involved in environmental reporting	-	93%	93%	94%	⁽³⁾	100%
Entities with ISO 14001 certification	-	75%	73%	84%	⁽³⁾	100%
(3) Reporting and Management system administered from offices						
Total hours worked	220,000,000 h	254,000,000 h	11%	3%	82%	4%



Project sites included in the 2006 reporting scope



Offices, plants and ships included in the 2006 reporting scope





SUMMARY OF FINANCIAL INFORMATION

Consolidated Statement of Income

Euros in millions

	2006	2005
Revenues	6,926.5	5,376.1
Gross Margin	724.4	558.1
Research and Development Expenses	(34.9)	(29.4)
SG & A and Other Costs	(329.4)	(297.7)
Operating Income	360.1	231.0
Financial Income (Expenses)	(61.5)	(88.8)
Income of Equity Affiliates	(2.6)	1.3
Profit before tax	296.0	143.5
Income Tax	(94.1)	(43.5)
Discontinued Operations	-	(5.0)
Minority Interests	(1.8)	(1.7)
Net Income (Group share)	200.1	93.3

Consolidated Balance Sheet at December 31

Euros in millions

	2006	2005
Fixed Assets	3,200.4	3,244.5
Deferred Taxes and Other Non-current Assets	155.8	90.0
Non-current Assets	3,356.2	3,334.5
Construction Contracts	591.1	585.0
Inventories, Customer and Other Receivables	1,651.8	1,146.8
Cash and Cash Equivalents	2,402.8	2,187.8
Current Assets	4,645.7	3,919.6
Assets held for sale	61.5	42.9
TOTAL ASSETS *	8,063.4	7,297.0
Shareholders' Equity (Parent Company)	2,401.3	1,953.7
Minority Interests	15.5	13.9
Shareholders' Equity	2,416.8	1,967.6
Convertible Bonds	-	650.1
Other Non-Current Debt	695.6	655.2
Non-Current Provisions	124.1	106.3
Deferred Taxes and Other Non-Current Liabilities	142.4	100.4
Non-Current Liabilities	962.1	1,512.0
Current Debt	185.9	214.4
Current Provisions	73.8	133.4
Construction Contracts	2,138.4	1,672.4
Accounts Payable and Other Advances Received	2,267.6	1,797.2
Current Liabilities	4,665.7	3,817.4
Liabilities Directly Related to Assets held for Sale	18.8	-
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES *	8,063.4	7,297.0



Statement of Consolidated Cash Flows

Euros in millions

	2006	2005
Net Income (Group share)	200.1	93.3
Depreciation of Property, Plant and Equipment	159.8	143.3
Provision for Convertible Bond Redemption	-	13.3
Charge related to Split Accounting of Convertible Bonds	10.0	16.6
Stock Option Charge	2.5	5.4
Non-Current Provisions (including Employee Benefits)	17.8	0.7
Reduction of Goodwill related to Realized Income Tax Loss Carry Forwards	9.0	-
Deferred Tax	(26.0)	12.5
Capital (Gain) Loss on Asset Sales	(25.3)	(10.4)
Minority Interests and Other	4.7	1.1
Cash from Operations	352.6	275.8
Change in Working Capital	594.2	618.1
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	946.8	893.9
Capital Expenditures	(157.2)	(171.4)
Proceeds from Asset Sales and Other	40.4	22.0
Changes in Scope of Consolidation	(3.1)	4.8
NET CASH PROVIDED BY (USED IN) INVESTMENT ACTIVITIES	(119.9)	(144.6)
Increase (Decrease) in Debt	(6.4)	(90.1)
Capital Increase	30.3	63.8
Dividendss	(141.7)	(32.0)
Share Buybacks	(367.9)	(20.1)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(485.7)	(78.4)
FOREIGN EXCHANGE TRANSLATION ADJUSTMENTS	(126.2)	82.9
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	215.0	753.8
Cash and Cash Equivalents at January 1	2,187.8	1,434.0
Cash and Cash Equivalents at December 31	2,402.8	2,187.8

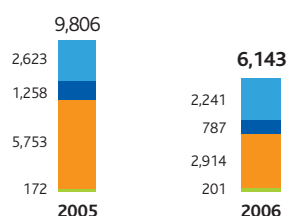
* Following restatement supervised by the auditors between the date of the 2006 results press release and the drafting of the present document, the "Construction Contracts" lines under both assets and

liabilities have been modified, increasing the balance sheet total to 364.7 million euros. This has no impact on profit or equity.



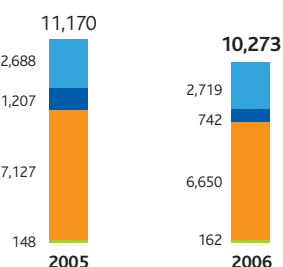
Order intake

(euros in millions)



Backlog at Year-End

(euros in millions)



- SURF
- Offshore Facilities
- Onshore Downstream
- Industries

Backlog scheduling at December 31, 2006

(euros in millions)

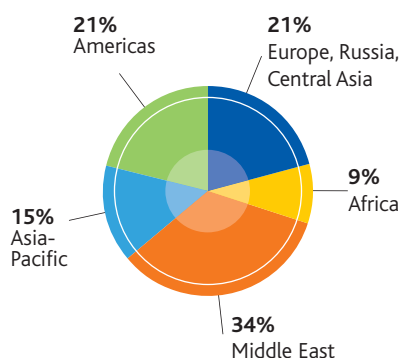
	SURF	Offshore Facilities	Onshore Downstream	Industries	Group
2007	1,824	570	3,214	141	5,749
2008	784	172	2,432	14	3,402
2009 and beyond	111	-	1,004	7	1,122
Total	2,719	742	6,650	162	10,273

Breakdown by Region

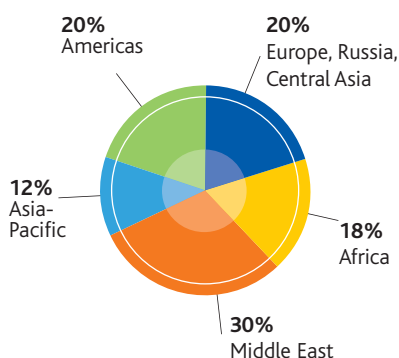
(euros in millions)

	Europe, Russia/Central Asia	Africa	Middle East	Asia-Pacific	Americas	Group
Order Intake 2006	1,319	557	2,061	919	1,287	6,143
2006 Revenues	1,399	1,254	2,071	807	1,396	6,927
Backlog at December 31, 2006	933	1,338	4,940	1,193	1,869	10,273

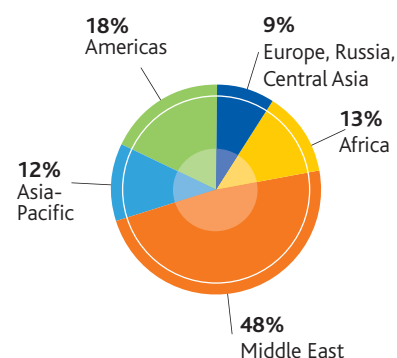
Order Intake



Revenues



Backlog





GLOBAL COMPACT AND GRI TABLE OF CORRESPONDENCES

Technip – Member of the Global Compact

A certain number of the initiatives outlined in this report directly reflect the Group's observance of the principles of the Global Compact. The corresponding page references are as follows:

Principles		Pages
1 and 2	Human Rights	5-61-82-84
3, 4, 5 and 6	Labor Standards	5-60-61-84
7,8 and 9	Environment	69-70-71-72-73
10	Anti-corruption	5-82



Global Reporting Initiative (GRI)

This report was drafted in accordance with the new GRI (G3) guidelines and its content has been assessed based on this system of reference.

The themes addressed: the definition of Group Values and vision, presentation of the company and its activities, identification of stakeholder expectations, challenges, objectives, reporting and corporate governance principles, the Group's action plan and its implementation as well as reporting indicators, are conform to GRI application level "B".

The themes listed in this report have been selected for their pertinence to the company's business segments and organization.

Certain indicators involve precise data while others are more qualitative. Further information is available in the Group's 2006 Annual Report. Topics not applicable to the Group's activity are marked "NA".





Global Reporting Initiative

Strategy and Analysis	pages
1.1	1-2-3-4-46

Organizational Profile	pages
2.1	cover
2.2	inside front cover – 18 to 35
2.3	12-13
2.4	36-37
2.5	36-37-49
2.6	(A)
2.7	6-7-16-35 (A)
2.8	6-7-86-87 (A)
2.9	85
2.10	51

Report Parameters	
3.1	cover
3.2	85
3.3	cover
3.4	15
3.5	46-49
3.6	85
3.7	85-88
3.8	85 (A)
3.10	NA
3.11	NA
3.12	47 to 55

Governance Commitments and Engagement	
4.1	8-9-12-13 (A)
4.2	12
4.3	8-9-12-13 (A)
4.4	6 to 8, 63
4.14	46
4.15	47-48

Environmental Performance	
EN2	NA
EN3	88
EN4	88
EN5	70-71
EN6	70-71
EN7	70
EN8	88
EN12	70-72
EN13	72
EN14	69-71
EN16	73-88

Environmental Performance	
EN18	70
EN19	NA
EN21	88
EN22	52-53-88
EN24	NA
EN26	69
EN28	52-53
EN30	88

Labor Practices and Decent Work Performance	pages
LA1	56
LA2	86
LA7	65-86
LA8	87
LA9	63
LA10	87
LA11	58-59
LA12	60-61-87
LA13	86

Human Rights Performance	
HR3	87

Society Performance	
SO1	74-77

Economic Performance	
EC1	6-7, 74 à 77, 90 à 92 (A)
EC2	Analysis available on the Carbon Disclosure Project website: http://www.cdproject.net/
EC3	(A)
EC4	(A)
EC8	76-77
EC9	80-82

Product Responsibility Performance	
PR1	69-70
PR2	94
PR3	NA
PR4	No incident reported
PR5	81
PR6	NA
PR7	No incident reported
PR8	No convictions reported
PR9	No fines reported

note: NA = not applicable
(A): Annual Report



GLOSSARY

Backlog

Part of ongoing projects yet to be realized.

Biodiesel

Diesel produced from biomass (rape, sunflower, beets etc.).

Carbon Dioxide (CO₂)

Colorless gas naturally produced in the atmosphere. Human activities, notably the combustion of fossil fuels, can increase the level of carbon dioxide. This phenomenon is believed to have an influence on the climate. Carbon dioxide is the main greenhouse gas because of the large quantities released into the atmosphere.

Debottlenecking

Modifications made to an installation which increase the production capacity.

Development (of a gas or oil field)

All operations associated with oil and gas field production.

DJSI (Dow Jones Sustainability Index)

Launched in 1999, this index was the first to track the financial performances of the leading sustainability-driven companies worldwide.

Environmental Impact Assessment

Study which assesses and measures impacts for each major type of pollution (air, water, noise, waste) for all industrial installations prior to start-up.

Environmental Management System

Management system allowing an organization to establish an environmental policy and to achieve objectives relating to the impact of its activities on the environment in respect to regulations in force.

EPCI (Engineering, Procurement, Installation, Commissioning)

An EPCI or "turnkey" contract integrates responsibility from the conception to the final acceptance of one or more elements of a production system. It can be awarded for all, or part, of a field development.

FEED

Front-End Engineering Design.

Flowline

Flexible or rigid pipe laid on the seabed for the transport of production or injection fluids.

FPSO (Floating, Production, Storage and Offloading)

A converted or custom-built ship-shaped floater, employed to process oil and gas for a temporary storage prior to transhipment.

GTL

Gas-to-Liquids. Transformation of natural gas into liquid fuel based on Fischer Tropsch technology.

Hydrocracking

A catalytic cracking process assisted by the presence of an elevated partial pressure of hydrogen to transform heavy hydrocarbon fractions into lighter cuts (diesel, kerosene, gasoline).

Industry (DJSI)

All of the companies selected by the Dow Jones Sustainability Index in the gas and oil equipment and services sector.

Liquefied Natural Gas (LNG)

Natural gas, liquefied by cooling its temperature to -162°C , thus reducing its volume by 600 times, allowing its transport by boat.

Natural Gas Liquefaction

Transformation of natural gas into liquid gas to facilitate its transport by boat.

Nitrogen Oxides (NO_x)

Nitrogen forms a number of oxides such as nitrogen dioxide (NO_2), nitric oxide (NO), and nitrous oxide (N_2O). Human activity, in particular industrial processes and the combustion of fossil fuels, release large quantities of nitrogen oxides into the atmosphere which contribute to the formation of smog and ozone at the ground level.

NRE

French law on new economic regulations, passed on May 15, 2001, regulating three areas: finance, competition, and corporate practices.

PDET

Development plan from the Campos Basin (Brazil).

Polypropylene

Plastic material with exceptional shock resistance qualities, used in a wide range of industries including automobile parts, household appliances, fibers and films.

Riser

Pipe or assembly of pipes used to transfer produced fluids from the seabed to the surface facilities or to transfer injection fluids, control fluids or gas from the surface facilities to the seabed.

Sarbanes Oxley Act

American law voted in 2002 and applicable to companies listed on the US stock exchange aiming to increase corporate responsibility and to better protect investors. It regulates three major areas: exactness and accessibility of information, the responsibility of management and the independence of auditors.

Steam Cracker

Petrochemical cracking unit using hydrocarbon steam molecules to produce ethylene and propylene.

SURF (Subsea, Umbilicals, Risers & Flowlines)

Dynamic and static undersea pipes and umbilicals.

Umbilical

An assembly of hydraulic hoses which can also include electrical cables or optic fibres used to control a subsea structure or ROV from a platform or a vessel.

Upgrader

Unit which transforms heavy oil into lighter synthetic fuel.



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