



Letter to Shareholders

SEPTEMBER 2016

2 EDITORIAL



3 HIGHLIGHTS



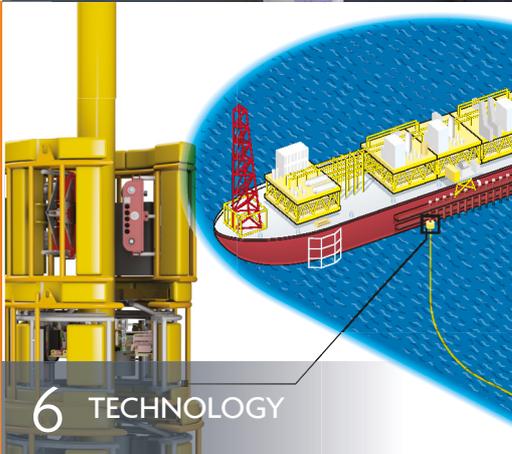
4 A SOCIALLY RESPONSIBLE COMPANY



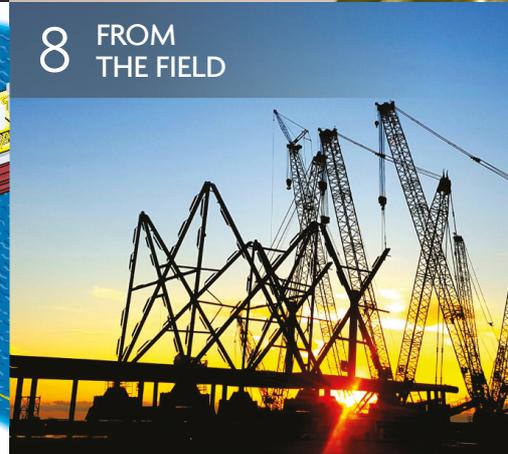
5 KEY FIGURES

€13.5 BILLION BACKLOG

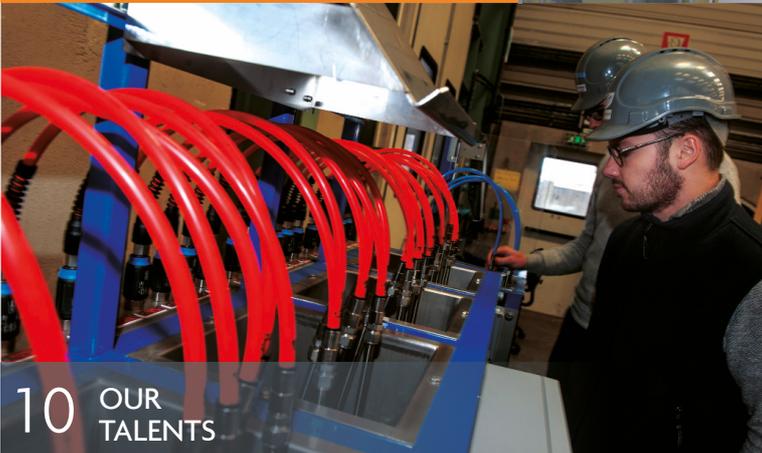
6 TECHNOLOGY



8 FROM THE FIELD



10 OUR TALENTS



11 TECHNIP & YOU





CHAIRMAN EDITORIAL

DEAR SHAREHOLDERS,

The recent rise in the oil price coupled with evident deflation across the supply chain in oil and gas gives all market participants more confidence to plan for the long term. This should not create undue optimism as the prolonged and harsh downturn has not ended. Technip continues to position itself at an early stage for work across our portfolio of activities, particularly for large or complex projects that require integrated skills and experience across different market segments, or where technology expertise is critical.

Operationally, the second quarter performance highlighted our teams' continued drive to win new business, execute our clients' current projects, reduce our cost base and maintain our balance sheet strength. The result was a robust half year of profit and cash generation, with an adjusted revenue of €5.6 billion and an order intake of €2.4 billion.

Strategically, our combination with FMC Technologies is also progressing well: read more on this major step for Technip on this edition of the Letter to Shareholders. An Extraordinary Shareholders Meeting will be held soon in Paris, you will receive more news about this event where we are looking forward to meeting you.

Regarding second quarter performance, a strong Subsea activity across our regions delivered an adjusted operating income from recurring activities of €200 million and a 14.6% operating margin this quarter. Good progress was made on projects across the world as reflected in a satisfying Group vessel utilization rate of 77%, below the 82% in the first quarter of 2016, mainly explained by planned dry-docks of Deep Blue (US Gulf of Mexico) and Skandi Niteroi (Angola).

A resilient Onshore/Offshore performance brought an adjusted operating income from recurring activities of €74 million with a growth of 38% comparing to second quarter 2015. During this period Technip inaugurated the largest ethylene cracker project in the Americas, our first Tension Leg Platform sailed away offshore Malaysia (more on these projects on p9) and Petronas FLNG Satu has been moored. The Yamal project continued its solid progress through the quarter, with 48 modules having departed their fabrication yards since the beginning of 2016.

Technip booked €1.5 billion of new orders, similar to the first quarter 2015 and well ahead of 2016 first quarter, with projects providing visibility and additional workload for both our people and assets. Our cost reduction program is ahead of schedule and expected to deliver €900 million already by 2016, demonstrating our ability to build a leaner business faster. Conversion of this good performance into cash flow was strong and we maintained a solid balance sheet, with a record adjusted net cash position at €2.2 billion.

We stay focused on project execution, controlling our costs and maintaining a strong balance sheet and therefore our capacity to reinforce our leadership. In building a broad-based oilfield services and equipment company, we adapt to resist and shape the future – to win projects, gain new markets, retain and build talents – and create long-term value for all our stakeholders.

I thank you for your trust.

Thierry Pilenko
Chairman and Chief Executive Officer



HIGHLIGHTS

TECHNIP AND FMC TECHNOLOGIES TO COMBINE: driving change by redefining the production and transformation of oil and gas

TechnipFMC will bring together two complementary market leaders and their talented employees, building on the proven success of their existing alliance and joint venture, Forsys Subsea, uniting innovative technologies, common cultures and values, enabling rapid integration.

Strategic benefits of the combination:

- To create a leader in Subsea, Surface and Onshore/Offshore, driven by technology and innovation

The new company will combine Technip's innovative systems and solutions, state of the art assets, engineering strengths and project management capabilities with FMC Technologies' leading technology, manufacturing and service capabilities.

- To build a comprehensive and flexible offering across each market from concept to project delivery and beyond

The combined company allows for a simplified, go-to-market strategy that spans from individual products or services to fully integrated solutions. With a single interface to ensure seamless execution, the combined company will significantly reduce the cost of development for customers for both new and existing fields.

- To accelerate growth: broader portfolio of solutions will increase innovation, improve execution, reduce costs and enhance customer success

The combined company will leverage both FMC Technologies' and Technip's competencies to accelerate technology innovation, integrate and improve project execution and reduce costs for customers.

The combined company expects its global reach, flexibility, advanced engineering capabilities, and distinctive technologies and competencies will position it as a global industry leader. Bringing together the two companies' common cultures, talented employees and customer portfolios is also expected to drive profitable growth and value creation.

- Combined 2015 revenue of \$20 billion
- \$20 billion backlog on March 31, 2016
- Equity value of \$13 billion (based on pre-announcement share prices)
- 49,000 employees in more than 45 countries
- Activities: Subsea (Products, Projects, Services), Surface & Onshore / Offshore
- \$400 million in annual pretax cost synergies in 2019 (estimated)
- Shares listed on New York Stock Exchange (NYSE) and Euronext Paris
- 2 TechnipFMC share for 1 Technip share
1 TechnipFMC share for 1 FMC Technologies share
- Closing expected early 2017

TechnipFMC will have its operational headquarters in:

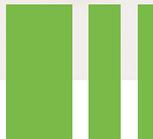
- Paris (France) where Technip Chairman and CEO, Thierry Pilenko, will serve as Executive Chairman of TechnipFMC's Board of Directors ;
- Houston (Texas, USA) where Doug Pferdehirt, currently FMC Technologies' President and CEO, will serve as CEO of TechnipFMC ;
- London (United Kingdom) where the Forsys Subsea joint-venture is located and the new corporation will be domiciled.

/// Together, TechnipFMC can add more value across Subsea, Surface and Onshore/Offshore, enabling us to accelerate our growth. I am confident that we can quickly demonstrate the power of TechnipFMC to our clients, our people and our shareholders. ///

Thierry Pilenko



A SOCIALLY RESPONSIBLE COMPANY



TECHNIP CELEBRATES World Environment Day

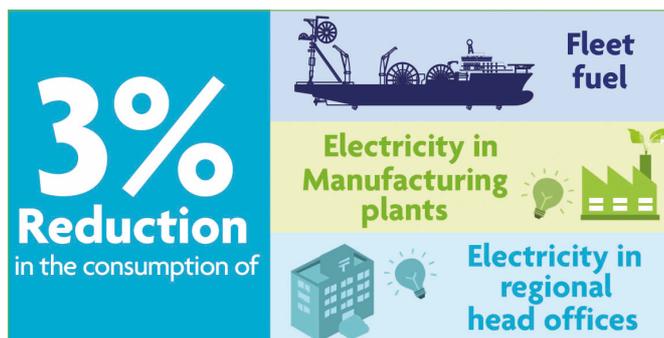
June 5th is World Environment Day (WED), a landmark worldwide event established by the United Nations General Assembly in 1972 to raise environmental awareness. **Since 2008, Technip has celebrated it by promoting positive individual actions among its employees which, combined, boost our collective impact.**

This year, Technip has dedicated the date to Climate Change. "Think Globally, act Locally" is the watchword to face this critical challenge.

That is why **we take a number of actions to mitigate our carbon footprint, embedded in the Technip Climate Change Initiative 2016, while supporting clients to meet greater energy demands with less CO₂.** We made a Group-wide series of environmental engagements for 2016 and aim to reduce the fuel and electricity consumption of our vessels, offices and manufacturing plant by 3% compared to last year.



www.technip.com > Sustainable Development



In the US, TECHNIP BIKES FOR FUNDING RESEARCH



Despite threats of harsh weather conditions, **37 intrepid Technip cyclists recently completed Bike MS 150 2016, a two-day fundraising bike ride organized by the National Multiple Sclerosis Society.**

The National Multiple Sclerosis Society, is a United States-based, non-profit organization, and its network of chapters nationwide help people affected by multiple sclerosis by funding research, driving change through advocacy, facilitating professional education, and providing programs and services that help people with multiple sclerosis and their families.

Technip participants raised over \$30K to benefit the National MS Society by cycling the 103miles (166km) journey from Houston to La Grange (Texas) alongside other teams including major oil & gas companies active in the region.

Globally, Technip's sustainable development mission is to create long-term added-value in all our activities worldwide to make a continuous, positive and responsible contribution for all our stakeholders. **The key to achieving our ambition to be the best-in-class company for sustainable development within our sector lies in our ability to make a permanent, proactive and positive contribution to social, economic and environmental aspects in all our activities,** which includes long-term support for local communities in the countries where we operate.



Adjusted revenue:
€5.6 billion

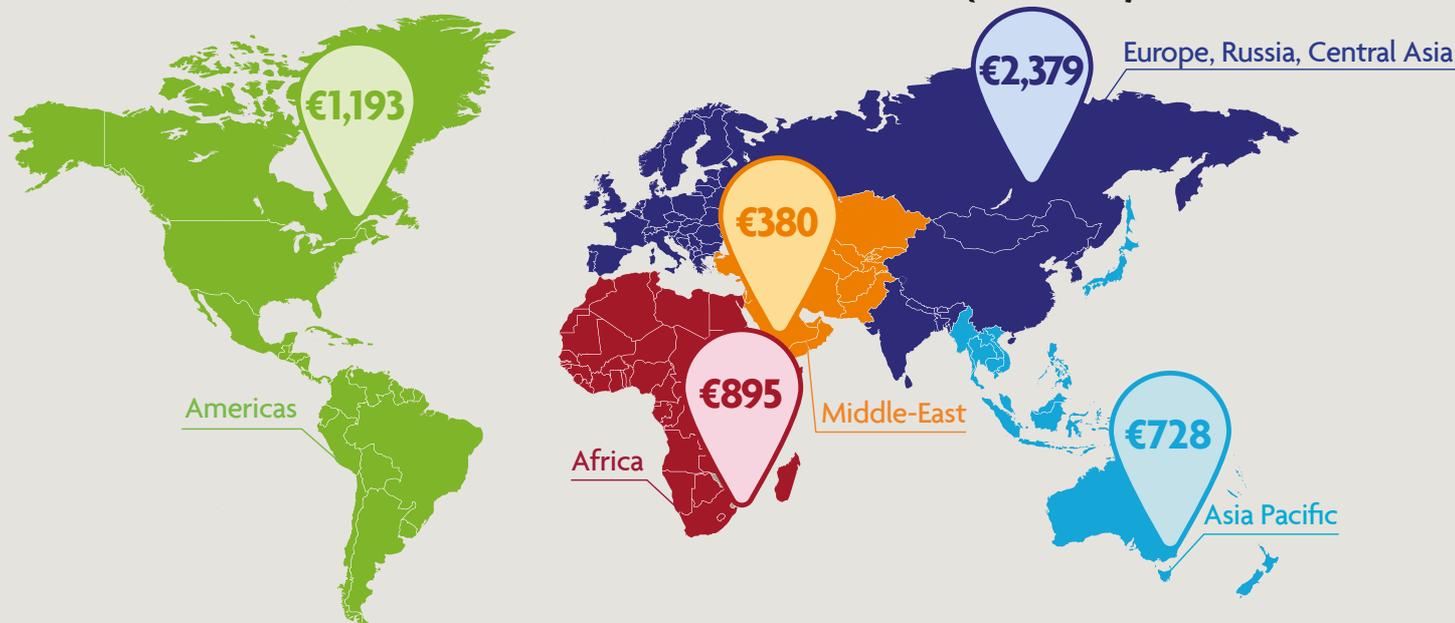


Order intake:
€2.4 billion



Backlog:
€13.5 billion

ADJUSTED REVENUE BY GEOGRAPHICAL AREA (€ MILLION)



■ For 2016 first half, the **adjusted underlying operating income from recurring activities⁽¹⁾** reached €496 million, up to 9.5% compared with €453 million at first half 2015.

■ The **underlying net income⁽²⁾** rose to €321 million, up to 10.2%, compared with €291 million at first half 2015.

■ As of June 30, 2016, the **adjusted net cash position** was €2,192 million, compared with €1,292 million as of December 31, 2015.

■ The Group's balance sheet remained robust and liquid. **Adjusted shareholders' equity of the parent company** as of June 30, 2016 was €4,716 million, compared with €4,501 million as of December 31, 2015.



Subsea adjusted revenue:

€2.75 billion



Onshore/Offshore adjusted revenue:

€2.82 billion

FULL YEAR 2016 OBJECTIVES UPGRADED

■ Subsea:

Adjusted Subsea revenue between €4.7 and €5.0 billion
Adjusted Operating Income From Recurring Activities⁽³⁾ around €680 million

■ Onshore / Offshore:

Adjusted Onshore/Offshore revenue between €5.7 and €6.0 billion
Adjusted Operating Income From Recurring Activities⁽³⁾ around €280 million

(1) (Adjusted) operating income from recurring activities after Income/(loss) of equity affiliates excluding exceptional items.

(2) Net income of the parent company excluding exceptional items.

(3) Adjusted operating income from recurring activities after Income/(loss) of equity affiliates.

In-service Riser Inspection System (IRIS)

Underwater nondestructive testing

Our clients are increasingly focusing on the integrity of their offshore assets (for example flexible pipes) throughout the life of their fields as they are ageing.

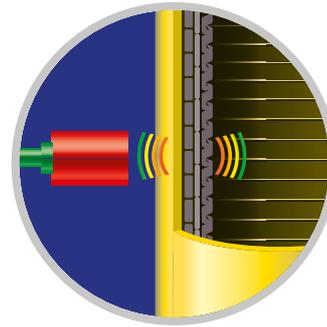
At Technip, since July 2014, we have been developing IRIS, a remotely operated carrier equipped with different Non Destructive Techniques (NDT) to determine the integrity of a material, a component or a structure. It is a first of its kind in the world and will allow to deploy and operate three different NDT technologies in parallel: ultrasonic testing, electromagnetic testing and X-ray computed tomography.

Based on these new inspection technologies, IRIS focuses on detection of defects on multi layers products (corrosion, breaks, and cracks) and flooding detection. The tool has been developed primarily for complex flexible pipes and umbilical structures but is also suitable for inspection of rigid pipes and pipe-in-pipes. IRIS has lots of potential because it addresses the challenge of accessibility of inspection areas. Given its architecture, this “underwater nondestructive testing laboratory” allows also to inspect risers without stopping the production under water, in the splash zone as well as in its aerial part when relevant.

The objective of inspection activities is to gather information in order to establish the current condition and ‘health status’ of a component and to analyze its rate of degradation.

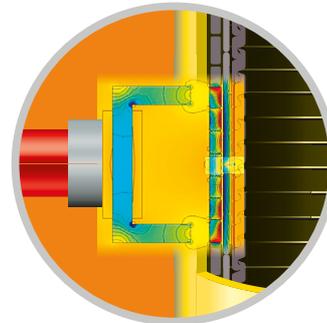
This new Technip product is a great example of collaboration leveraging the R&D expertise and operational know-how of diverse entities of the Group: ITC, Cybernetix, Cyxplus, Remote Intervention Services, Technip in Oslo, Onshore-Offshore Engineering in Region A, Flexi France PED, Seal Engineering.

The objective is for IRIS to become a unique subsea inspection tool that will enable us to work with clients starting from the manufacturing of flexible pipes and throughout the life of the field that will be extended. IRIS shall be available for clients in 2017.



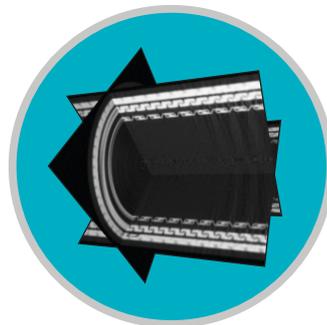
ULTRASONIC TESTING

Ultrasonic testing is based on the propagation of sound with high frequencies, ultrasound, in the inspected piece. Basically, ultrasonic waves are emitted from a transducer into an object and the returning mechanical waves are analyzed (similar to medical sonography).



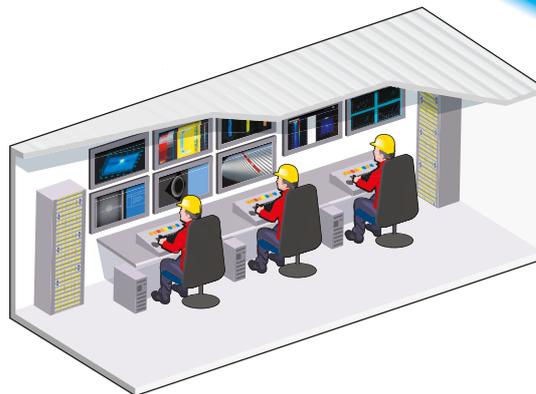
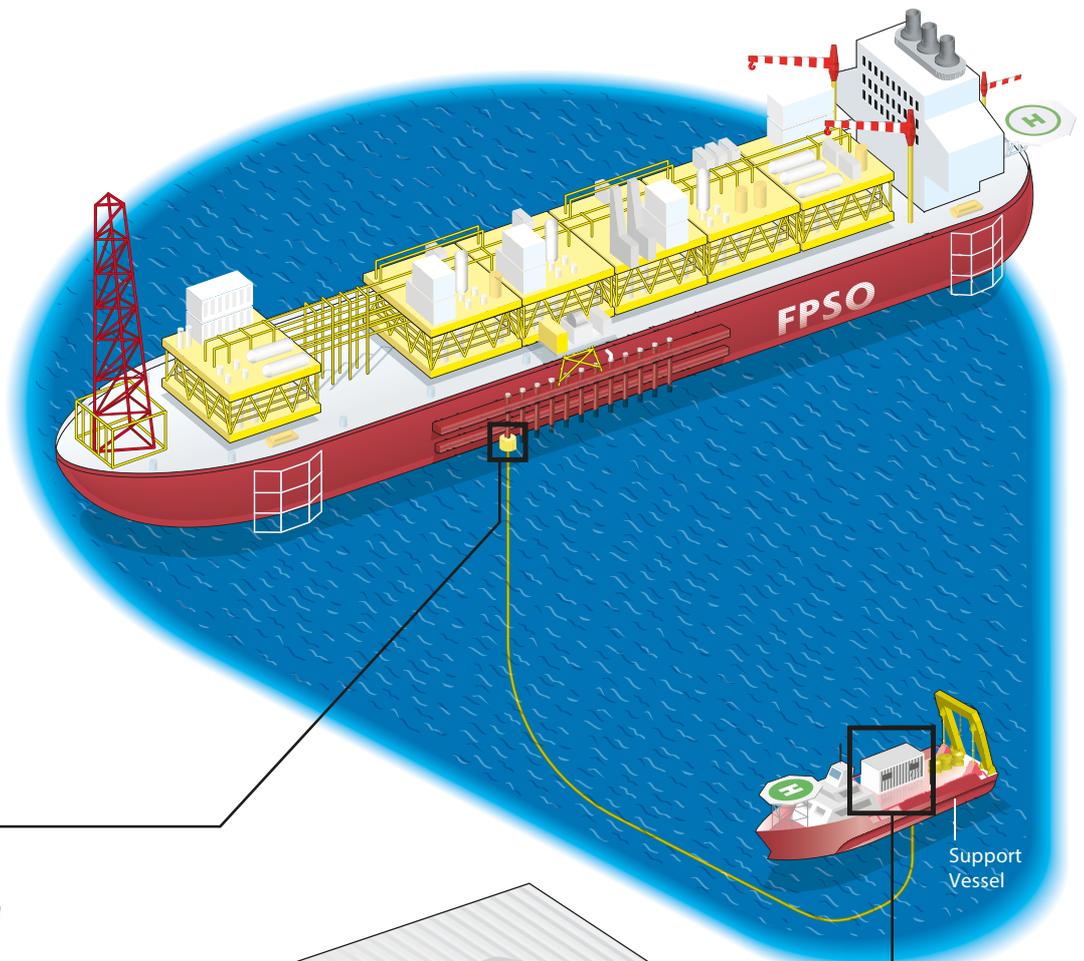
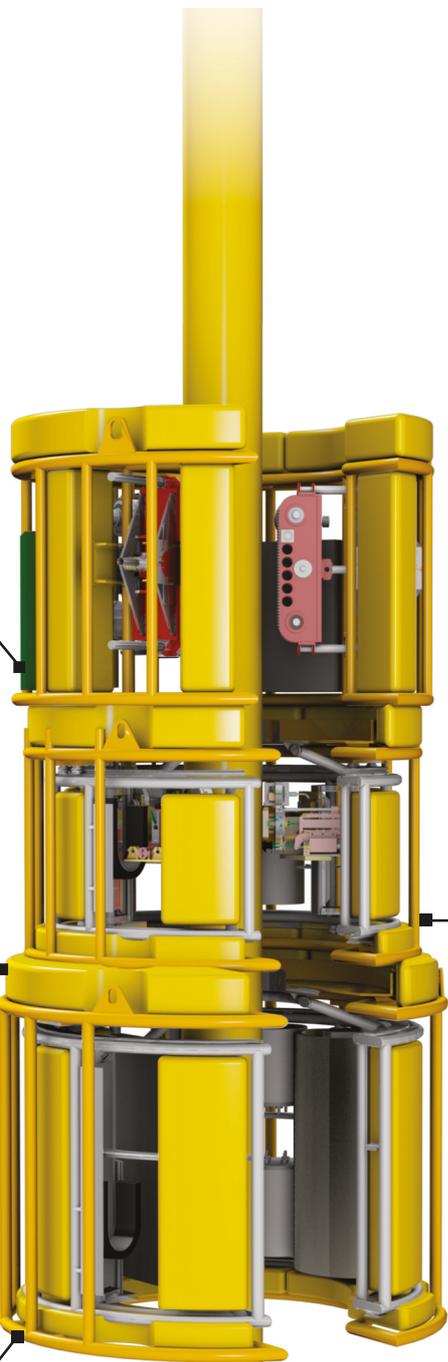
ELECTROMAGNETIC TESTING

Any electrically conductive object will conduct an induced current if it is placed in a changing magnetic field. The measurements of the strength of the magnetic fields produced by the induced currents makes it possible to inspect conductive materials without entering into contact with them.



X-RAY COMPUTED TOMOGRAPHY

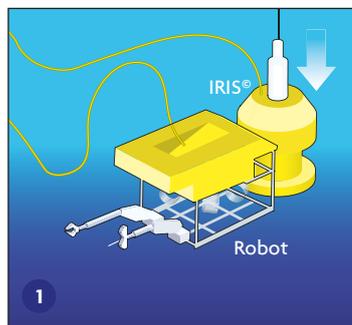
X-ray Computed Tomography (CT) makes use of computer-processed combinations of many X-ray images taken from different angles to produce cross-sectional images of a scanned object, enabling a view inside the object without the need to cut through it. This technique revolutionized the medical field (CT scan).



Inspection supervisory control room

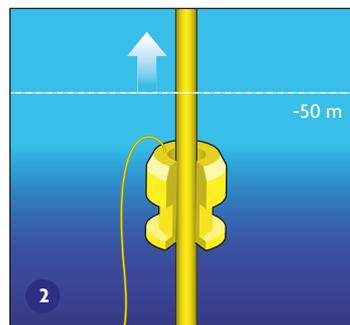
IRIS is remotely controlled and operated in real-time via an umbilical from the control room on the support vessel. All inspected results are displayed and analyzed in real-time using Technip software routines.

IRIS OPERATION



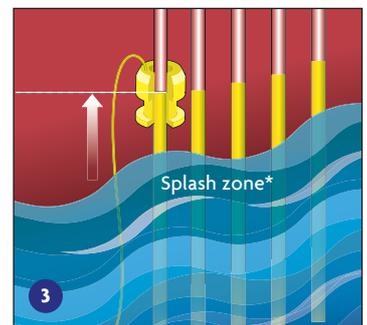
Launch & Recovery

A launch and recovery system will enable IRIS to be operated from the deck of a supply vessel. IRIS will be hung on the ROV until it is clamped to the flexible riser.



Crawler function

IRIS will be lockable and unlock able on the riser. IRIS will also be able to move along the flexible independently.



Access to splash zone*

IRIS will be deployed externally to the pipe underwater. Thanks to its unique crawler function, IRIS will be able to crawl on the riser in the air, in the water and in the splash zone*, from +20m elevation down to -3,000m water depth.

* Splash zone: the transition from air to sea level.



FROM THE FIELD

Technip awarded umbilical supply contract for STATOIL IN NORWAY



Sectional view of a steel tube umbilical manufactured by Technip Umbilicals.

(1) Umbilical: an assembly of steel tubes and/or hydraulic hoses which can also include electrical cables or optic fibres used to control subsea structures from a platform or a vessel.

Technip's wholly-owned subsidiary Technip Umbilicals Ltd. has been awarded a contract by Statoil ASA to supply the umbilical⁽¹⁾ to the Oseberg Vestflanken 2 field, on the Norwegian continental shelf, at water depths of 100 meters.

The contract covers project management, engineering and manufacture of over 9 kilometers of static steel tube umbilical. The umbilical includes a large bore integrated service line and multiple power cables. Technip Umbilicals' facility in Newcastle, UK, will manufacture the project, which is scheduled to be completed during the first half of 2017.

Sarah Cridland, Managing Director of Technip Umbilicals, said: "As a company we have invested significantly in our Newcastle facility and it is encouraging to see the award of contracts, such as Oseberg, from this. This is an extremely important recognition to Technip Umbilicals from Statoil."

Huge petrochemical project in Louisiana, for FLUOR TECHNIP INTEGRATED JOINT VENTURE

In the context of the rebirth of the petrochemical industry in the United States, **Sasol entrusted this strategic investment to the Fluor Technip Integrated joint venture.** Awarded in 2014, the Engineering, Procurement, and Construction Management (EP&CM) contract to build Sasol's ethane cracker and derivative complex is actually more than seven projects in one "mega-project".

At the project's heart is an ethane cracker that will use proprietary Technip ethylene technology from Technip Stone & Webster Process Technology to produce 1,5 million tons of ethylene annually (roughly tripling Sasol chemical production capacity).

"We won the EP&CM because of Technip's early involvement in the technology selection and Front End Engineering Design.", says Mario Tommaselli, Executive Project Director.



Modularized boiler installed on foundation by Fluor Technip Integrated.

SAIL AWAY OF MALIKAI, Technip first tension leg platform

In April 2016, Malikai Tension Leg Platform (TLP) concluded its load out, the 27,500-tonne platform has begun a 755 nautical miles journey in Malaysia from Pasir Gudang to arrive at the Malikai field, where it will be installed in water depths of 500m. Malikai is expected to have a production at peak of 60,000 barrels per day.

The TLP is the first of its kind in Malaysian waters and the first TLP ever designed and built by Technip who is leading the joint-venture with Malaysia Marine and Heavy Engineering (MMHE) for Sabah Shell Petroleum Company Ltd.

“The sail away marks a salient move forward for both Malaysia and Technip in TLP technology and capability in the region. The successful delivery of the project has not only affirmed Shell’s trust in Technip and our partners but also proves our capability in delivering such complex project in this region. The experience gained will better position us to deliver, in future, projects of similar complexity or more, TLP included, in Asia Pacific.”

Arnaud Pieton, President Asia Pacific, Technip



Malikai TLP before its sail away.

PETRONAS FLOATING LIQUEFIED NATURAL GAS SATU arrived at its destination after a long route

Four years after the signing of the contract, **Petronas' first Floating Liquefied Natural Gas (PFLNG) facility built by the Technip-Daewoo Consortium**, has recently reached the Kanowit gasfield, offshore Malaysia, for its startup phase after an historic 2,120 nautical mile journey from its shipyard in South Korea. The installation, hook-up and commissioning of the floating facility are currently taking place.

At 365-metre-long, with a dry weight of 132,000 tonnes and 145 crew onboard the PFLNG SATU will produce 1.2 million tonnes of Liquefied Natural Gas per year and play a significant role to unlock gas reserves in Malaysia's remote.



Petronas FLNG SATU at sea.

AUGUST 25, 2016 

Technip signed agreement with BTG Bioliquids to design and build pyrolysis plants for biomass-to-oil production

AUGUST 23, 2016 

Technip and METabolic EXplorer signed agreement to evaluate combined polymer technology

AUGUST 16, 2016 

Technip and DOF Subsea announced that through their affiliate TechDof Brasil AS, they have taken final delivery of the pipe-lay support vessel Skandi Açu. The vessel has been approved for hire by Petrobras and commenced its 8-year charter contract

AUGUST 4, 2016

Technip entities in Brazil, France and Italy have been recertified to the EDGE (Economic Dividends for Gender Equality) global standard for gender equality in the workplace by the EDGE Certified Foundation

JULY 27, 2016 

RusTechnip has been awarded a significant service contract for the existing Gazprom Neft Refinery located in Omsk, Russia

JULY 27, 2016 

Technip awarded a large subsea contract by Woodside to support the development of the Greater Enfield Project offshore Western Australia

JULY 26, 2016 

Technip awarded a key contract by Repsol Sinopec Resources UK Limited for Inspection, Repair and Maintenance (IRM) works on its North Sea subsea infrastructure.

JULY 21, 2016 

Technip awarded a FEED contract by SCT&E LNG, Inc. for their proposed LNG export terminal located on Monkey Island, in Louisiana, USA

JUNE 15, 2016 

Technip completed acquisition of Hummingbird® ethanol to ethylene technology from BP Chemicals Limited

JUNE 14, 2016 

Technip and GE signed Memorandum of Understanding to explore digital solutions for new LNG projects

MAY 31, 2016 

Technip awarded major natural gas field development contract in Mediterranean Sea

MAY 26, 2016 

Technip awarded contract to provide basic engineering and proprietary equipment for furnace project in Saudi Arabia

MAY 25, 2016 

Technip awarded umbilical supply contract by Statoil in Norway

MAY 11, 2016  

Technip awarded multi-disciplinary engineering services contract by Woodside



OUR TALENTS

R&D MANAGERS: Bringing innovation to the business



550+
specialists and researchers



10+ R&D centers and labs
around the world.



€86 million
investment annually in R&D



4,800 patents
in more than 90 countries

In today's tough market conditions, clients look to Technip for technologies that can help them optimize their investments by reducing capital expenditure, increasing productivity and lowering operating costs. The technologies that come out of the Group's R&D centers are one of our key strategic advantages in this context.

"R&D is an investment. Our goal is to build a diversified R&D portfolio that balances risk and reward and focuses on both near- and long-term impact on our business," explains Ron Birkhoff, Chief Technology Officer, Technip Stone & Webster Process Technology.

R&D managers play a central role in ensuring that our innovation efforts are aligned with our clients' needs to build the future.

In all the Group activities, the R&D Managers (called

Technologists in Onshore) oversee Technip's different R&D programs.

These fall into three categories:

- **Maintaining our leadership position in current technologies**
- **Adding new capabilities to existing ones**
- **Developing new technologies**

To stay on the cutting edge, Technip R&D programs often involve cooperation with third parties. These include Joint Development Projects with the R&D teams of our clients and key suppliers or work with technology licensing partners, industry bodies or universities. R&D Managers play an important role in early involvement with clients and are regularly called upon to present Technip technologies to the client's technology management or technical authorities.

THE R&D MANAGERS points of view



My role is to expand our technological image

I was Risk Quantification Team Leader on Prelude FLNG project and the challenge was to bring a new way of thinking. The main challenge today is to maintain and improve Technip's leadership in FLNG by innovating to secure its future. I am also a Main Expert. Experts play a leading role in R&D by creative design thinking to strengthen our capabilities and develop new technologies. My role is to expand our technological image by offering specific technology services to customers."

Jean-Philippe Dimbour

Director Technology & Consulting, Offshore, EMIA (Europe, Middle-East, India, Africa) and Main Expert, Paris-La Defense, France



We must have project management skills

I am a chemical engineer and have been at Technip since 2000. I've worked in Subsea EPCI projects and proposals in Brazil and in France. I have an unusual profile for R&D, with more of a product and business background than a technical one. I joined the Subsea R&D department in Brazil to build a Project Management Office which is essential for the efficiency and alignment of the Region's R&D objectives. On top of the engineering and analytical skills, R&D managers must have project management skills. They must stay ahead of client needs and expectations while being aligned with the Region and Group strategy."

Marcela Santini

R&D Portfolio & Controls Senior Manager, Subsea, Rio de Janeiro, Brazil

2016 GENERAL MEETING SUMMARY

The Technip Annual General Meeting (AGM) was held on 28 April 2016 at the Salle Wagram (Paris), bringing together more than 150 shareholders. Relive the best moments of this event on:



<http://assembleegenerale2016.webzine.technip.com/>

Following the **2015 AGM Grand Prize won by Technip**, Thierry Pilenko, Technip's CEO, was this year co-president of the jury. That position was a chance to take a close look at CAC 40's AGM with a different perspective and the help of many professionals, to determine the 2016 Grand Prize and co-host this year ceremony award on July.



TECHNIP WELCOMES YOU AT THE ACTIONARIA FAIR on November 18 and 19, 2016



Technip will attend the Actionaria Fair at the Palais des Congrès (Paris) with a booth to answer directly to your questions and show latest projects and innovations by participating to the Top Executives Agora. This fair, dedicated to individual shareholders, is an opportunity to meet listed companies and all the actors of the stockmarket in a same place.

To request your free admission ticket:
<http://www.actionaria.com>

PRESENTATION OF THE YAMAL LNG'S PROJECT: places are still available !

Willing to discover one of the main LNG project in the world and its current progress of achievement, with the insights of Technip's engineers?

Technip, leader of a consortium with JGC and Chiyoda was awarded in 2013 by JSC Yamal LNG a contract to carry out the engineering, procurement, supply, construction and commissioning of an integrated facility for natural gas liquefaction located on the Yamal Peninsula, Russia.

Located in La Garenne Colombes near La Défense (Paris), the Newside building will open its doors to a group of Technip's individual shareholders on October 4, 2016.

To sign up, go to the Club's website (French only):
www.cerclledesactionnaires.technip.com

AGENDA



SEPTEMBER 23, 2016:

Workshop*, Paris (Technip headquarters – Porte Maillot), France



OCTOBER 4, 2016:

Presentation of the Yamal LNG's project*, La Garenne-Colombes, France



OCTOBER 27, 2016:

2016 third quarter results



NOVEMBER 18-19, 2016:

Actionaria Fair, Paris (Palais des Congrès), France



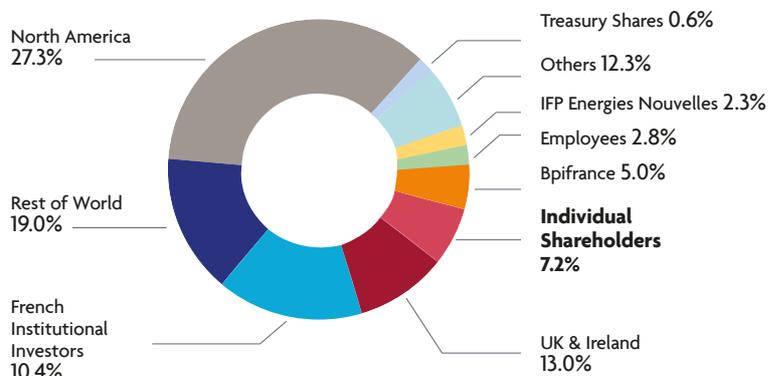
DECEMBER 9, 2016:

Technological conference*, Paris (Technip headquarters – Porte Maillot), France

** Technip Shareholders Club members only*



Shareholding structure May 2016



Technip Stock performance

from January 1, 2016 to June 30, 2016, with dividends reinvested



Source : Bloomberg

Stock market data as of July 31, 2016

At the closing trade date:

■ Share Price:	49,92€
■ Number of outstanding shares:	122,336,890
■ Market Capitalization:	6.1 billions €

Since January 1st, 2016:

■ Change (without dividends):	9.16%
■ Higher Share Price* (€):	53.12€
■ Lowest Share Price* (€):	36.13€
■ Average daily Volume:	1,096,209

TECHNIP SHAREHOLDERS CLUB

The Technip Shareholders Club aims at keeping you inform of our latest news, increasing your knowledge of our activities and offering you numerous events and meetings in France.

The subscription is free of charge so do not wait any longer!

The eligibility conditions are available on the Club's website <https://www.cercledesactionnaires.technip.com/>

YOUR CLUB:

■ New meetings

Tours of plants, technological and financial conferences, workshops, e-learning...

■ A dedicated website

<https://www.cercledesactionnaires.technip.com/>

The Club's website enables you to register to different events, to take note of the Group's latest news, to obtain information about the Club's life (documentaries and photo reports), to access Technip's publications and to manage your own profile.

■ A team at your service

cercledesactionnaires@technip.com
+ 33 (0)1 47 78 66 75
89, avenue de la Grande Armée
75116 Paris, France

SHAREHOLDERS' INFORMATION

Individual Shareholders Relations

89, avenue de la Grande Armée, 75116 Paris, France
Tél.: +33 (0)1 47 78 66 75 - e-mail: actionnaires@technip.com

Technip - Group Direction Communication - September 2016 - Photo Credits: Technip - Director of the publication: Christophe Bêlorgeot - Chief Editors: Stella Fumey, Jauré Simonot - Assistant Editor: Thibaud Duprat
Design and production: Anne-Laure Seguetta, Lydia Marchetti

Find the latest news on
www.technip.com

