

Letter to Shareholders

SEPTEMBER 2015

3 HIGHLIGHTS

FORSYS
SUBSEA

An FMC Technologies and Technip Company



10 OUR TALENTS



2 EDITORIAL

SUMMARY



8 FROM THE FIELD

5 KEY FIGURES

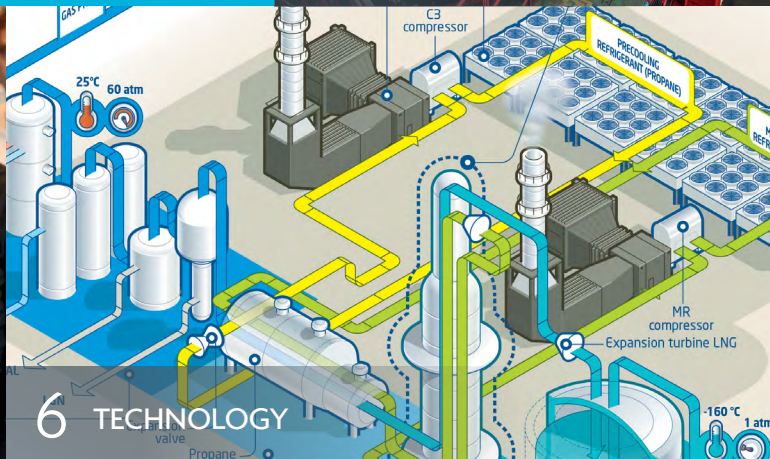
€6 BILLION
OF ADJUSTED
REVENUE



11 TECHNIP & YOU

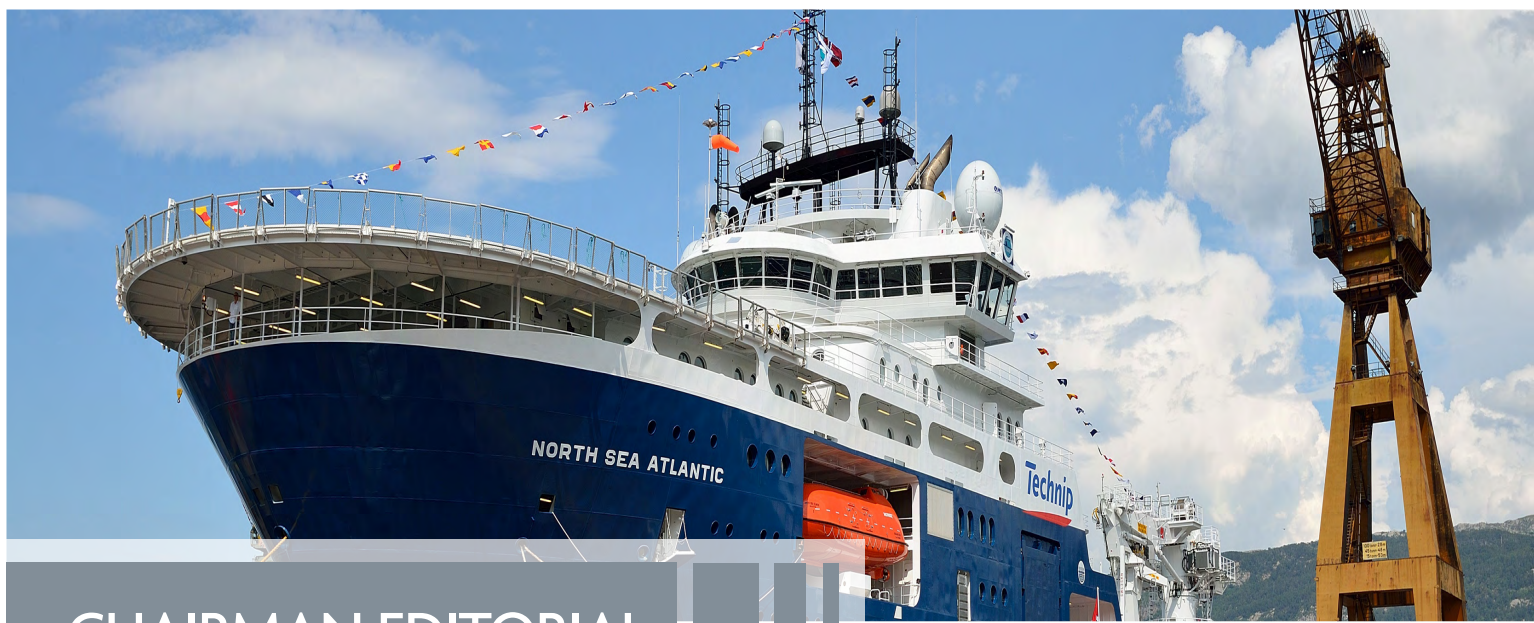


4 A SOCIALLY RESPONSIBLE COMPANY



6 TECHNOLOGY

Technip



CHAIRMAN EDITORIAL

DEAR SHAREHOLDERS,

Over the last 12 months the sharp fall in oil prices has led to a downturn in our market. In 2014 we rapidly adapted to this through cost reduction measures. However, this difficult environment has persevered and worsened.

We have decided to accelerate Technip's measures to adapt to this deteriorating industrial environment by launching on July 6th a restructuring plan. This is a difficult decision and I am well aware of its human impact. Nonetheless, thanks to these efforts, I am confident in our ability to stay on course: we have built a unique competitive position in our industry.

As part of this plan, Technip intends to reduce its costs by 830 million euros through to 2017. This will lead to the gradual reduction of our global workforce by approximately 6,000 and the optimization of our activities. A one-off charge of €650 million has been decided to cover all the different aspects of this announcement of which €570 million for the second quarter.

Our second quarter results are in line with the expectations we set out in our July 6th announcement and whose the main aspects have been described above. During the quarter, we continued to pursue our key strategy initiatives, to position ourselves on significant new projects and we launched a major restructuring plan across the Group.

Subsea continued its outperformance: revenue grew 26%, and adjusted operating income from recurring activities of €250 million demonstrated a robust operating margin of 16.1%. During the quarter, good progress was made on projects across the world, as reflected in a strong vessel utilization rate of 89%. After announcing our alliance with FMC Technologies in March, we formally launched the Forsys Subsea joint venture together, on June 1st as planned.

Onshore/Offshore grew revenues slightly faster than expected at 12%. Adjusted operating income from recurring activities is impacted by the one-off charge announced on July 6th. Stripping this out, underlying operating profits were €53 million, in line with expectations. We have progressed well on some of our key projects, such as Burgas in Bulgaria, Ethylene XXI in Mexico, RAPID in Malaysia and Prelude in Korea.

Technip booked €1.5 billion of new orders, similar to the first quarter 2015 level, diversified and balanced between Subsea and Onshore/Offshore. This order intake reflects key elements of our strategy: a strong contribution from reimbursable and services contracts; success in areas such as Brazil pre-salt where we have technology leadership; positioning in early phase work for future projects such as the Browse FLNG in Australia and the Alexandria refinery in Egypt.

Looking forward, we maintain our strategic direction and will continue to invest in, and expand, our capabilities. By having an earlier and broader view of projects, we are able to apply our technologies, the lessons learned from other projects and intelligent standardization to optimize project returns. Clients across the spectrum are responding positively to these initiatives, giving us confidence that our strategy will position Technip to deliver the lower project costs and value creation our industry needs.



Technip anticipates an even more challenging environment in oil & gas by launching a restructuring plan and accelerating its cost reduction to reinforce the Group.



HIGHLIGHTS

TECHNIP AND FMC TECHNOLOGIES TO LAUNCH FORSYS SUBSEA

On March 22 2015, Technip and FMC Technologies Inc.⁽¹⁾ formed an exclusive alliance aims at **revolutionizing subsea field architecture from concept to delivery and beyond**. These two subsea industry leaders then launched on June 1st 2015 Forsys Subsea, a 50/50 joint venture uniting their skills and capabilities.

" **Simplicity, standardization, innovation, technological creativity and delivering tangible results to clients — this is exactly what Forsys Subsea is about** ", said Thierry Pilenko, Technip Chairman and CEO.

Forsys Subsea brings the industry's most talented subsea professionals together and has the technical capabilities, products and systems to **significantly reduce the cost of subsea field development**. By combining the industry-leading technologies of the parent companies, **Forsys Subsea reduces the interfaces** of the subsea umbilical, flexible pipes and the subsea production and processing systems. It also simplifies the seabed layout, reducing complexity, accelerating time to first oil, and maximizing sustainable peak production. **This unique combination drives a new, step-change approach to how equipment designs and installation methods converge in a new generation of subsea architecture.**

" **Service providers must be involved at the project concept stage, provide innovative technology that reduces costs, standardize processes and equipment for greater efficiency, and execute flawlessly.** " said John Grempe, FMC Technologies Chairman, President and Chief Executive Officer.

⁽¹⁾ *FMC Technologies Inc. is the global market leader in subsea systems and a leading provider of technologies and services to the oil and gas industry.*

Picture: Leadership team, from left to right: **Arild Selvig**, Senior Vice President and Head of Front-End, **Gérald Bouhourd**, Senior Vice President and Head of Life of Field, **Rasmus Sundø**, Chief Executive Officer and **Alain Marion**, Chief Technology Officer;

FORSYS SUBSEA AT A GLANCE



Operational

June 1st 2015



Workforce

320 people



Headquarters

London

Regional hubs



**FORSYS
SUBSEA**

An FMC Technologies and Technip Company

FOR FURTHER INFORMATION:

Find the press release on

www.technip.com and further information on www.forsys-subsea.com





A SOCIALLY RESPONSIBLE COMPANY

"RUN AT WORK" BY TECHNIP: federating our colleagues around our values

On May 2015, 250 Technip employees took part in the race "Run at Work", a giant team-building realized directly after office hours in the heart of Paris La Défense, the biggest business center of Europe.

This convivial event, which gathered 90 companies and for which Technip is the main partner, aims at enabling people working every day in the same company to meet each other in another context.

After an urban route of more than 6 kilometers, the Technip team met at the Group booth to share a well-deserved moment of relaxation between colleagues.

"Being associated with this sportive and festive event is a huge opportunity for Technip to federate its employees around the values of team spirit and surpassing oneself that the Group shares and encourages", said Floriane Lassalle-Massip, Communications Manager of Technip's Region A.

The Group has also distinguished itself with 2 awards, rewarding the largest team and the best time supplemented by its 5 fastest riders. A great illustration of one of our values: "Trusting the team"!



Technip's team during the "Run at Work" race

TECHNIP LEADERS' PARTICIPATION IN THE GLOBAL WOMAN SUMMIT

Last May, Technip supported the 25th Global Summit of Women in Sao Paulo, Brazil. Every year, this event brings together 1,000 women leaders from over 80 countries.

Founded in 1990, the Global Summit of Women is a non-governmental organization aims at **saluting women's achievements while continuing to explore practical strategies and best practices regarding gender diversity.**

Deanna Goodwin, President of Technip in North America took part in the Women CEO⁽¹⁾ "Managing Change, Creating

Opportunity" forum whereas Adriano Novitsky, President of Technip in Brazil, gave a speech at the closing ceremony.

The Group's participation in the Global Summit of Women for a second consecutive year builds on its strong engagement with gender diversity, a strategic priority for Technip rewarded by the EDGE certification⁽²⁾.

Indeed, in January 2015, Technip was the first company of the energy industry to be certified to the EDGE standard for its affiliates in France, Brazil and Italy.



Deanna Goodwin (second to the left) during the Global Summit of Women

⁽¹⁾ Chief Executive Officer

⁽²⁾ Economic Dividends for Gender Diversity.

EDGE is the first global business certification standard for gender equality in the workplace.

KEY FIGURES

First Half 2015 financial results



Adjusted revenue:

€6 billion



Order intake:

€3 billion



Backlog:

€18.8 billion



- For H1 2015, the **adjusted underlying operating income from recurring activities⁽¹⁾** reached €453 million, up to 25.9%, compared with €360 million at H1 2014.
- **The underlying net income⁽²⁾** rose to €291 million, up to 25%, compared with €233 million at S1 2014.

- As of June 30, 2015, the **adjusted net cash position** was €1,415 million.
- The Group's balance sheet remains robust and liquid. **Adjusted shareholders' equity of the parent company** as of June 30, 2015, was €4,268 million, compared with €4,363 million as of December 31, 2014.



Subsea
adjusted
revenue:

**€2.84
billion**

up to **26.7%**
compared with H1 2014



Onshore/Offshore
adjusted
revenue:

**€3.14
billion**

up to **10.5%**
compared with H1 2014

FULL YEAR 2015 OUTLOOK

■ Subsea:



Adjusted revenue between €5.2 and €5.5 billion

Adjusted operating income from recurring activities⁽³⁾
at around €840 million

■ Onshore/Offshore:



Adjusted revenue around €6 billion

Adjusted underlying operating income from recurring activities⁽¹⁾
between €210 and €230 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.

Natural gas liquefaction:

Recognized know-how in process design, equipment selection and project management

Context

Liquefied natural gas (LNG) is a very popular energy because it can be transported to the other side of the world safely. LNG is made up mainly of methane condensed to liquid state at a temperature of about -161°C at atmospheric pressure, which divides its gaseous volume by 600 compared to the volume in a domestic burner. It enables globalization of the gas market and offers greater commercial flexibility compared to gas pipelines. The LNG market increased by 5% per year on average for 20 years and this growth is expected to continue until 2030.

Historically Technip is one of the pioneers in the field of LNG, starting with the world's first plant, built in 1964 in Arzew, Algeria. 50 years later, we have built, in joint venture (JV), one-third of global LNG capacity.

Today, Technip's center of excellence of LNG for the Group is in Paris La Défense and this center as well as those of Houston, Kuala Lumpur, Rome, and Shanghai, are all working on LNG projects at different stages of development, often by combining their resources and expertise.

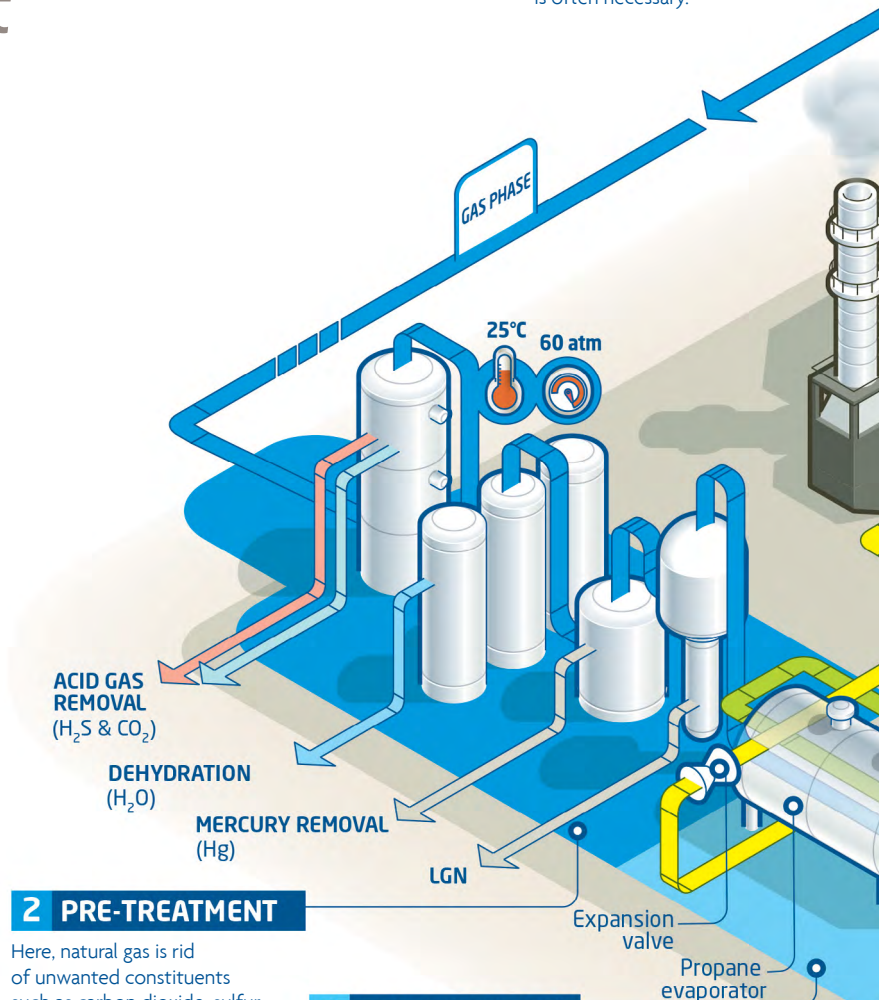
As pioneers in the deployment of liquefaction processes, today we offer Air Products technologies. Our expertise is in the processes and equipment implemented in liquefaction plants. We are also recognised for our ability to handle major projects, including technological risk.

For example Technip is leader of a joint venture with JGC and Chiyoda for the realization of Yamal LNG, one of the largest gas liquefaction projects in the world and one of the largest industrial initiatives in the extreme conditions of the Arctic.

At the same time we are executing Prelude LNG for Shell and PFLNG1 for Petronas, the two first floating LNG platforms, which represent a revolution for the monetization of offshore gas fields located far from the coast.

1 EXTRACTION

In general, LNG originates from a natural gas field where significant facilities for production and conditioning of the gas are required before its transfer by pipeline. At sea a production platform is often necessary.



2 PRE-TREATMENT

Here, natural gas is rid of unwanted constituents such as carbon dioxide, sulfur, water, mercury and heavy hydrocarbons. Some of these are corrosive, others could freeze, clogging equipment.

3 REFRIGERATION

Light hydrocarbons, in a closed cycle, are compressed, condensed, expanded and vaporized after spraying to bring the necessary cold. The heat exchangers and compressors used are the largest in the oil and gas industry.

4 LIQUEFACTION

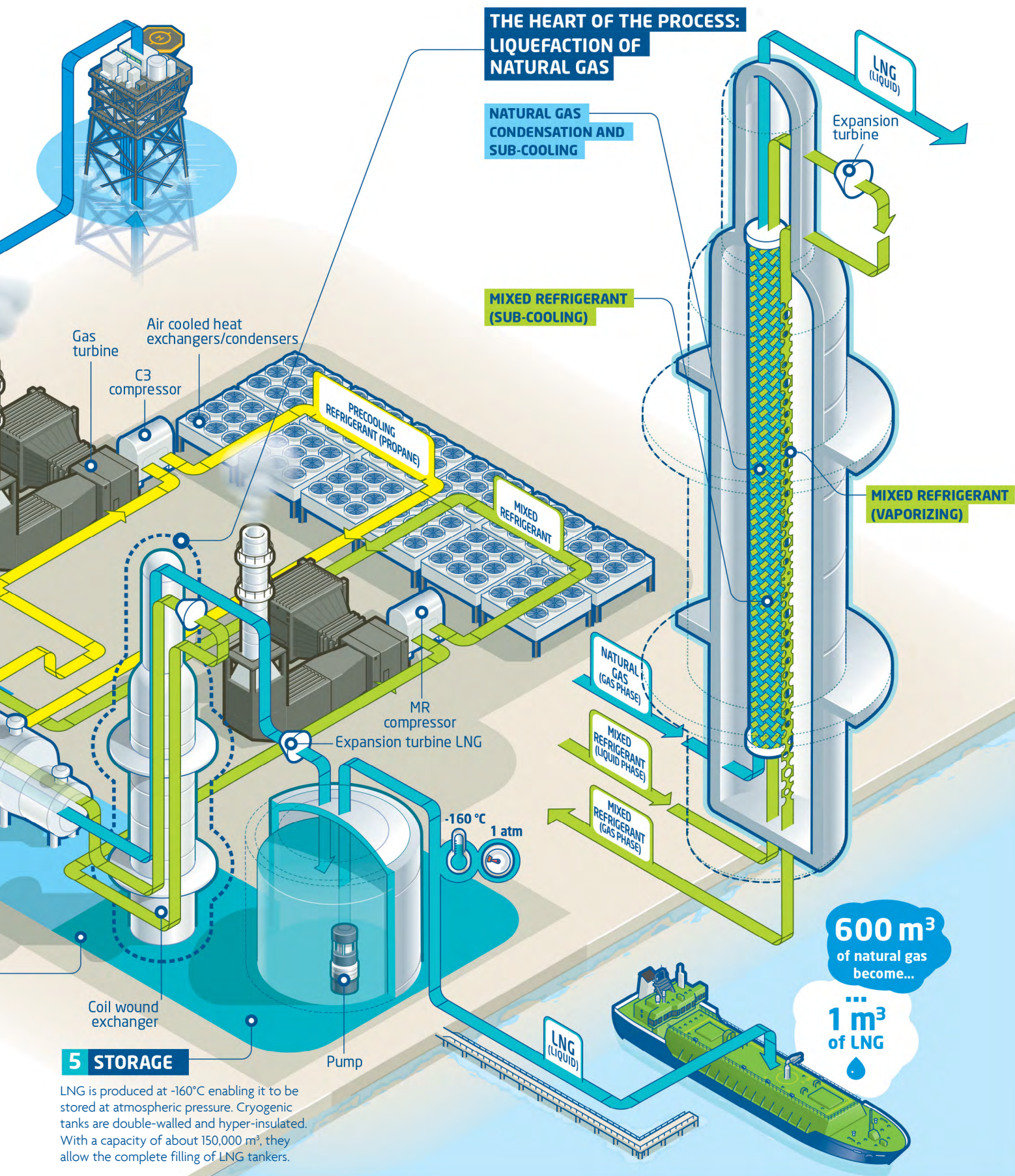
Methane is condensed in long tubes of several hundred meters. In the coil wound heat exchanger, refrigerant flows on the outside of the tubes, vaporizing across a temperature range of -170°C to -40°C . LNG exits from the top of the exchanger.



Watch the videos about the two LNG projects executed by Technip:

- Yemen LNG.
- Ningxia Hanas.







FROM THE FIELD



Technip confirms its leadership in FLNG with the **BROWSE PROJECT**

The Technip Samsung Heavy Industries Consortium was awarded in July 2015 two contracts by Shell for the Browse floating liquefied natural gas (FLNG) project in Australia, operated by Woodside.

The Browse project covers the realization and installation of three FLNG units to develop the Brecknock, Calliance and Torosa fields in the Browse Basin, 425 kilometers North of Broome, Western Australia.

The first contract covers the front-end engineering design (FEED) elements of the project and the second contract covers the engineering, procurement, construction and installation of the three FLNG units. This contract is subject to the final investment decision from the client at the end of the FEED.

This project is part of the master agreement signed between Shell and the consortium in July 2009 and which concerned the design, construction and installation of multiple floating liquefied natural gas (FLNG) facilities over a period of up to fifteen years. The Browse project will thus benefit from insights brought together by these leaders regarding Shell Prelude FLNG, the largest offshore floating facility ever built, under construction in South Korea by the consortium.



The Technip Samsung Heavy Industries Consortium logo



A new important step for **TECHNIP PMC**

In July 2015, our business unit Technip Project Management Consultancy (PMC) has been awarded by Trans Adriatic Pipeline (TAP) a services contract for a project designed to transport gas from the Shah Deniz field, located in the Caspian Sea, to the European market.

The TAP project, which includes an approximately 870 kilometer long pipeline, aims at enhancing security of supply as well as diversifying gas resources in the European market.

The PMC contract covers the onshore portion of the pipeline from Greece to Albania and in Italy. **The services will include the overall project and site management, procurement and subcontracting** for all the EPC packages, as well as warranty management and the project close-out.

Our experienced team will leverage its **world class expertise and high performance standards in project management of complex international projects** to help TAP to deliver its project successfully.

() Engineering, Procurement and Construction*



The route of the Trans Adriatic Pipeline

LULA ALTO, a major project for Technip in Brazil

In March 2015, Technip was awarded a major contract from Tupi BV for the ongoing development of the Lula Alto field, located in the Santos Basin pre-salt area, in Brazil.

This contract covers the supply of around 200 kilometers of high technological flexible pipes designed to meet pre-salt challenges with water depths of up to 2,500 meters and high pressures.

National content in terms of human resources and industrial capabilities is a strategic priority for the Group. Thus Technip's operating center in Rio de Janeiro will perform the project management and engineering whereas the flexible pipes will be produced at Technip's manufacturing sites of Vitória and Açu, the most technologically-advanced plant in the world, which began production in 2014.



Our Flexibras plant in Brazil, will realize the flexible pipes

TWO TECHNIP VESSELS ARE PREPARING for the Moho Nord offshore operations

As part of the Moho Nord project, the largest development ever in the Republic of Congo, two Technip's vessels are mobilized: the G1200, a rigid pipe S-lay and heavy-lift construction vessel, and the Skandi Africa, our new vessel awarded last June "Ship of the Year" by Skipsrevyen, the Nordic leading maritime trade journal.



The Skandi Africa, our vessel designed for harsh environment and deepwater subsea construction and flexlay operations

JULY 24, 2015 

Technip in Italy, EGPC and ASORC agreement for the modernization project of the Assiut refinery in Upper Egypt

JULY 24, 2015 

Technip in Italy, SACE and MIDOR agreement for a project to modernize and expand the MIDOR refinery near Alexandria, Egypt

JULY 21, 2015 

Trans Adriatic Pipeline (TAP) AG selects Technip for a contract for Project Management Services

JULY 3, 2015 

Technip Samsung Consortium awarded contracts for the Browse FLNG project in Australia

JUNE 30, 2015 

Technip selected by Jurong Shipyard Pte Ltd for a FPSO conversion contract

JUNE 19, 2015 

Technip awarded a revamp contract by PetroVietnam Fertilizer and Chemicals Corporation for an ammonia unit in Vietnam

JUNE 10, 2015 

Technip awarded subsea de-commissioning and installation contract in the Gulf of Mexico

MAY 12, 2015 

BP selects Technip for the Thunder Horse South Expansion project in the Gulf of Mexico

APRIL 28, 2015 

Technip wins PMC contract for the Basra Refinery Upgrading project in Iraq

APRIL 21, 2015 

Tipiel, Technip's subsidiary in Colombia, awarded a contract by the Consorcio Constructor Ductos del Sur for a new gas pipeline in Peru

APRIL 16, 2015 

Technip awarded FEED contract by CNOOC Limited for the Liuhua fields in the South China Sea

APRIL 14, 2015 

Technip wins subsea contract on Triton FPSO operated by Dana Petroleum and located in the central North Sea

MARCH 22, 2015 

FMC Technologies Inc. and Technip form an exclusive alliance and launch Forsys Subsea

MARCH 5, 2015

Technip is one of the first five companies to be certified Global Top Employers 2015



OUR TALENTS



COUNTRY MANAGERS: a role of silo-breakers, key to our global footprint

Present on every continent, Technip is often described as a "multi-local" rather than "multinational" company. **The Country Managers are key actors in developing the local knowledge and presence that we are known for.**

The Country Managers are the local embodiment of Technip and the main interface between the Group and the country. On one hand they represent the Group in all contact with local stakeholders, on the other they represent the business requirements of the country within the Group. In this role, Country Managers have to be adaptable people, comfortable working with various stakeholders.

One of the most important parts of their job is building relationships with local authorities, partners, suppliers and experts. Strong local knowledge, a network of contacts and a keen understanding of the country's history and geopolitics are, therefore, a must.

Moreover, Country Managers have to know Technip inside and out, from both a business and a functional point of view. This enables them to mobilize the right internal resources to develop the Group's presence in the country.

Indeed, Country Managers rely on the Regions and Corporate to support their activities. The Regions deliver functional, business and operational support, while Corporate provides the guidance, governance and strategy.



THE COUNTRY MANAGERS' POINT OF VIEW

"I was Country Manager for Ghana for four years. With almost 15 years in Africa, I have a large network of contacts and having me here enables the Group to get into a promising market early and build strong local ties to all stakeholders. One of the most interesting parts of the job is having a foot in business development and a foot in project management."



Stéphane Solé, Vice President East Africa

"Mexico is a strategic country in the region and its oil and gas industry has just recently opened up to allow the participation of foreign companies. My operational and business development experience in the region is very useful for my main role which is to effectively manage the operational results of our center in Mexico and competitively continue to develop new businesses."



José Serra, Country Manager, Mexico

TECHNIP RECEIVES THE 2015 ANNUAL GENERAL MEETING GRAND PRIZE

Organized on July 8 2015 by the communication agency Capitalcom in partnership with eleven institutions, this annual ceremony rewards CAC 40 companies whose Annual General Meeting (AGM) meet best practice standards, based on a list of around a hundred criteria.

For the 10th edition, the jury decided to award the 2015 Annual General Meeting Grand Prize to Technip, recognizing numerous initiatives put in place by the Group during this annual meeting among which:

- the creativity of the format of the AGM, marked by a wide range of materials and various operational speakers,
- the highlight of the quality of the relation between Technip and its shareholders.

During the award ceremony, Thierry Pilenko, Technip's CEO, declared: "We are very proud to receive this award. It reflects the work of our teams who contributed to improve our AGM and who are attentive to shareholders".

Technip would like to share this award with the group of individual shareholders who attended the workshop

"For a better preparation of the Annual General Meeting" last February. Indeed, at the end of this reflection session, they identified several enhancements implemented during the AGM.



Relive the best moments of Technip's 2015 Annual General Meeting on

<http://assembleegenerale2015.webzine.technip.com>

A group of Individual Shareholders go off to explore

TECHNIP'S INNOVATION AND TECHNOLOGY CENTER

On May 29 2015, several Technip Shareholders Club members visited Technip's Innovation and Technology Center (ITC) at Rueil-Malmaison, France. Inaugurated in 2013, the center is dedicated to the Research and Development related to our Subsea activity. After the presentation of the Group and its latest financial results by Laurent Decoret, Group SVP Innovation & Technology, the individual shareholders had the opportunity to attend the simulation of the lift of a module. Then, they virtually visited Flexibras's manufacturing plant located in Vitória, Brazil before discovering the showroom of the center composed of several scale models of our assets.

TOUR OF FLEXI FRANCE: registration is now open!

Willing to discover Flexi France, one of the most efficient flexible manufacturing plant in the world? Do not wait any longer! Registration is now open!

Located in Le Trait (Normandy), Flexi France will open its doors to a group of Technip's individual shareholders on **October 2, 2015**.

To sign up, go to the Club's website

www.cerclledesactionnaires.technip.com

You can also contact the Individual Shareholders Relations Department at +33 (0)1 47 78 66 75 or by email at cerclledesactionnaires@technip.com



AGENDA



SEPTEMBER

Technological conference*

Paris (Technip headquarters – Porte Maillot), France



OCTOBER

Tour of Flexi France*

Le Trait (Normandy), France



2015 third

quarter **results**



NOVEMBER

Actionaria exhibition

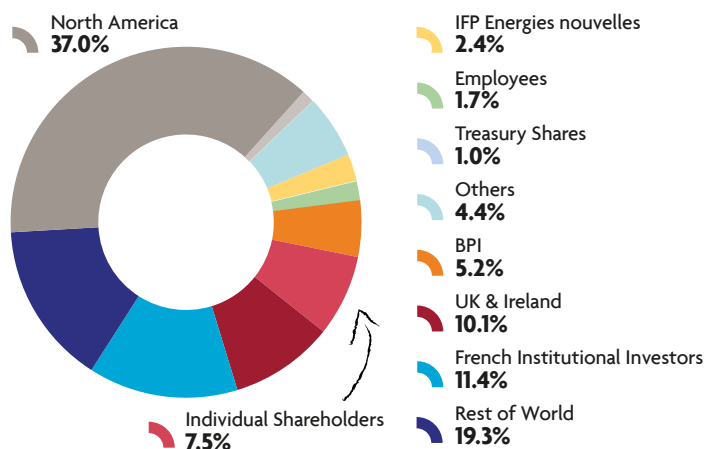
Paris (Palais des Congrès), France



* Technip Shareholders Club members only

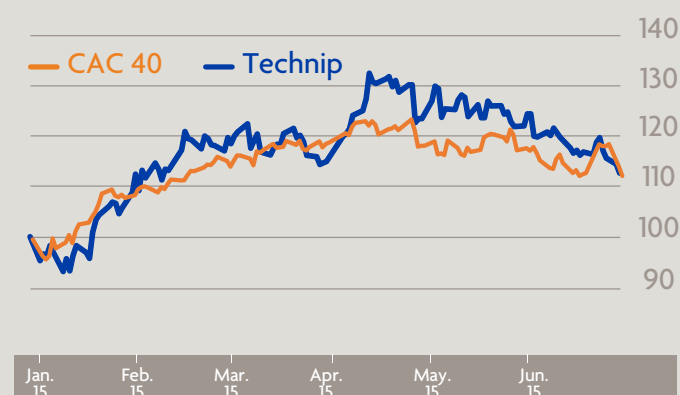
SHAREHOLDER'S LOG

Shareholding structure May 2015



Technip Stock performance

from January 1, 2015 to June 30, 2015 (base 100)



Stock market data as of June 30, 2015

At the closing trade date:

■ Share Price:	€55.52
■ Number of outstanding shares:	117,098,981
■ Market capitalization:	€6.5 billion

**Figures at the closing trade date*

Since January 1, 2015:

■ Change:	+ 12.71%
■ Higher Share Price* (€):	65.31
■ Lowest Share Price* (€):	45.87
■ Average daily Volume:	917,201

Join the 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.



To join the Technip Shareholders Club, you just have to possess one pure registered share or at least 200 bearer⁽¹⁾. The subscription is free of charge so do not wait any longer!

⁽¹⁾ The eligibility conditions are available on the Club's website: www.cercladesactionnaires.technip.com

The Club, it is:

■ new meetings

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



■ a dedicated website (French only)

www.cercladesactionnaires.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

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A step-by-step video tutorial (French only) showing how to sign up is available on the Club's home page.

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