TECHNIP

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

For the year ended December 31, 2008

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. The statutory auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the financial statements. This information includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

TECHNIP

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

For the year ended December 31, 2008

To the Shareholders

Technip
Tour Technip
6-8 allée de l'Arche
92973 Paris La Défense

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2008, on:

- the audit of the accompanying financial statements of Technip;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I - Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the Company's financial position and its assets and liabilities, as of December 31, 2008, and of the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

Without questioning the above expressed opinion, we draw your attention on note 6.20 "Litigation and current procedures " which describes the risk concerning an on-going procedure in connection with a project in Nigeria carried by a joint-venture held in 25 % by Technip.

II - Justification of our assessments

In accordance with the requirements of article L.823-9 of the Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

- As indicated in the note to the financial statements entitled "Provisions on affiliates", investments in subsidiaries were valued taking into account the share of adjusted equity they represent as well as the future profitability outlook. Within the scope of our assessment of the significant estimates used to draw up the financial statements, we reviewed the assumptions used for the forecasting future financial flows on which these estimates were based and the corresponding figures, for the most significant subsidiaries.
- As indicated in the note to the financial statements entitled "Treasury shares", a provision for risks is calculated based on the treasury shares allocated to stock options plans and to free shares plans spread over the maturity dates if the delivery is expected. The assessment of delivery is linked to turnover rate and performance conditions, for which a median hypothesis has been assumed. We have reviewed the relevance of communicated data and hypothesis on which estimates are based on.

We carried out an assessment of the reasonableness of these estimates. As forecasts are inherently uncertain, actual figures may sometimes vary significantly.

The assessments were made in the context of our audit of the financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed in the first part of this report.

III - Specific verifications and information

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

We have no matters to report regarding:

- the fair presentation and the conformity with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements;

- the fair presentation of the information provided in the management report of the Board of Directors in respect of remuneration granted to certain company officers and any other commitments made in their favor in connection with, or subsequent to, their appointment, termination or change in function.

In accordance with the law, we have verified that the the Board of Directors' report contains the appropriate disclosures regarding acquisitions of investments and the identity of shareholders.

Neuilly sur Seine, March 16, 2009
The Statutory Auditors

PricewaterhouseCoopers Audit
Louis-Pierre Schneider

ERNST & YOUNG et Autres
Gilles Puissochet

Technip

TECHNIP SA

STATUTORY FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2008

Contents

1. Balance Sheet

Assets

In millions of Euro	Notes	As of December 31, 2008	2007
Intangible Assets		0.3	1.2
Intangible Assets under Construction		-	17.8
Total Intangible Assets		**0.3**	**19.0**
Land		-	-
Buildings		-	-
Machinery and Equipment		-	-
Other Tangible Assets		3.6	5.0
Advances Paid to Suppliers		-	-
Total Tangible Assets		**3.6**	**5.0**
Investments		3,348.6	3,227.0
Loans Related to Investments		50.8	61.0
Other Financial Assets		59.0	144.3
Total Financial Assets		**3,458.4**	**3,432.3**
Total Fixed Assets (I)	6.1	**3,462.3**	**3,456.3**
Advances Paid to Suppliers		0.1	-
Trade Receivables	6.2	53.1	52.1
Other Current Receivables	6.2	49.8	68.2
Receivables from Group Companies	6.2	9.6	14.1
Marketable Securities	6.3	6.4	-
Cash at Bank and in Hands		1.7	1.2
Total Current Assets, Cash and Cash Equivalent (II)		**120.7**	**135.6**
Accrued Assets (III)	6.4	**4.1**	**7.3**
Redemption Premiums on Bonds (IV)	6.4	**0.7**	**0.9**
Unrealized Exchange Losses (V)		**2.5**	**6.8**
Total Assets (I to V)		**3,590.3**	**3,606.9**

1. Balance Sheet (continued)

Equity and Liabilities

In millions of Euro	Notes	As of December 31, 2008	2007
Issued Capital		83.4	81.9
Share Capital Premiums		1,817.0	1,747.3
Reserves:			
- Legal Reserves		9.8	9.8
- Regulated Reserves		40.8	40.8
- Other Reserves		119.0	141.9
Retained Earnings		-	10.7
Net Income		250.9	91.5
Interim Dividends		-	-
Net equity	6.5	**2,320.9**	**2,123.9**
Regulated Provisions	6.6	-	0.7
Total Shareholder's Equity (I)		**2,320.9**	**2,124.6**
Provisions for Risks		33.3	7.3
Provisions for Charges		-	0.6
Total Provisions for Risks and Charges (II)	6.6	**33.3**	**7.9**
Bonds		650.0	650.0
Bank Borrowings and Credit Lines		18.5	18.3
Other Financial Debts and Liabilities		-	-
Financial Debts towards Group Companies		500.1	725.9
Advances Received from Clients		-	-
Accounts Payables and Related Accounts		36.2	32.5
Tax and Social Liabilities		12.2	42.4
Payable on Assets		2.6	2.1
Other Liabilities		16.3	3.2
Total Liabilities (III)		**1,235.9**	**1,474.4**
Unrealized Exchange Gains (IV)		**0.2**	**-**
Total Equity and Liabilities (I to IV)		**3,590.3**	**3,606.9**

2. Income Statement

In millions of Euro	Notes	12 Months 2008	12 Months 2007
Sales of Goods / Rendering of Services		138.7	113.3
Revenues	6.10	*138.7*	*113.3*
Capitalized Expenses		6.9	7.1
Reversals of Operating Provisions and Charges Transferred		7.4	1.8
Other Operating Income		0.1	0.1
Total Operating Income		**153.1**	**122.3**
General and Administrative Costs		144.5	128.4
Taxes		2.0	2.2
Wages and Salaries, Social Security Costs		8.5	8.4
Allowances for Provisions and Amortization			
- on Fixed Assets	6.1	1.8	2.3
- on Other Current Assets		0.3	0.1
- for Risks and Charges		4.9	-
Other Operating Expenses		0.4	0.5
Total Operating Expenses		**162.4**	**141.9**
Income from Operating Activities (I)		**(9.3)**	**(19.6)**
Dividends and Interim Dividends		394.8	178.8
Other Financial Income related to Fixed Assets and Marketable Securities		3.5	3.1
Financial Interests		-	-
Reversals of Provisions and Charges Transferred		36.8	9.6
Exchange Gains Realized		19.5	5.6
Net Gain on Disposal of Marketable Securities		-	-
Total Financial Income		**454.6**	**197.1**
Allowance for Provisions and Amortization		108.7	3.6
Interest Charges		100.4	103.5
Exchange Loss Realized		23.2	10.9
Net Loss on Disposal of Marketable Securities		-	-
Total Financial Expenses		**232.3**	**118.0**
Financial Result (II)	6.11	**222.3**	**79.1**
Current Income before Tax (I-II)		**213.0**	**59.5**

2. Income Statement (continued)

In millions of Euro	Notes	12 Months 2008	12 Months 2007
Extraordinary Income from Operating Activities		2.3	-
Extraordinary Income from Investing Activities		0.6	4.7
Reversals of Provisions and Charges Transferred		0.8	3.6
Total Extraordinary Income		**3.7**	**8.3**
Extraordinary Expenses from Operating Activities		4.1	0.1
Extraordinary Expenses from Investing Activities		17.8	7.6
Allowance for Extraordinary Provisions		8.2	-
Total Extraordinary Expenses		**30.1**	**7.7**
Extraordinary Result (III)	6.12	**(26.4)**	**0.6**
Profit Sharing (IV)		-	-
Income Tax (V)	6.13	**(64.3)**	**(31.4)**
Income		611.4	327.7
Expenses		360.5	236.2
Net Income (I to V)		**250.9**	**91.5**

3. Cash Flow Statement

In millions of Euro	2008	2007
Net Income	250.9	91.5
Amortization and Depreciation of Fixed Assets and Prepaid Expenses (1)	10.7	2.9
Increase (Decrease) in Provisions (2)	74.0	(11.8)
Net (Gains) Losses on Disposal of Assets and Investments (3)	17.2	2.9
Cash Flow from Operations	**352.8**	**85.5**
Changes in Working Capital	**29.2**	**(7.5)**
Net Cash Generated from Operating Activities	**382.0**	**78.0**
(Purchases) Disposals of Intangible Assets	(7.0)	(7.2)
(Purchases) Disposals of Tangible Assets	-	(0.1)
(Purchases) Disposals of Financial Assets (4)	(104.9)	(1.4)
Net Cash Used in Investing Activities	**(111.9)**	**(8.7)**
(Increase) Decrease in Long-Term loans	10.2	8.9
Changes in Treasury Shares (5)	(0.1)	(86.2)
Increase (Decrease) in Current Account Cash Pooling	(226.3)	235.6
Increase (Decrease) in Short-Term Debts (Credit Facilities)	0.2	0.3
Increase (Decrease) in Long-Term Debts (Bond Loan)	-	-
Capital Increase and Issuance Premium (6)	71.3	36.5
Capital Decrease and Issuance Premium	-	-
Dividends Paid (7)	(125.1)	(274.7)
Net Cash Generated from Financing Activities	**(269.8)**	**(79.6)**
Net Increase (Decrease) in Cash and Cash-Equivalents	**0.3**	**(10.3)**
Cash and Cash-Equivalents as of January 1,	1.2	11.5
Cash and Cash-Equivalents as of December 31,	**1.5**	**1.2**
Cash and Cash Equivalent	1.7	1.2
Bank Overdrafts	(0.2)	
Total	**1.5**	**1.2**

(1) In 2008, including the extraordinary amortization related to cancellation of software projects (€M 8.2).

(2) In 2008, including the provision for risks regarding free shares plans (€M 26.2), provision on treasury shares (€M 78.3), reversal of provisions on current accounts further to winding up of US subsidiary (€M 13.1), reversal of provisions on investments (€M 19.4).

(3) In 2008, write off of software projects (€M 17.0).

(4) In 2008, including acquisition of shares of French subsidiaries.

(5) In 2007, acquisition of 1,729,994 shares (€M 86.2).

(6) In 2007, capital increase dedicated to employees for €M 20.0 and stock option exercised for €M16.5.
In 2008, capital increase dedicated to employees for €M 60.0 and stock option exercised for €M11.3.

(7) In 2007, 2006 dividend and extraordinary dividend for €M 274.7.
In 2008, 2007 dividend for €M 125.1.

4. Notes on Accounting Principles

Accounting principles used by Technip in preparing the financial statements are in compliance with the generally accepted accounting principles in France.

Foreign Currency Transactions

Transactions in foreign currencies related to financial revenues or expenses are recorded in accordance with current accounting policies.

At year-end, receivables and liabilities are translated at the exchange rates prevailing at closing date and any differences are recorded as unrealized exchange gains or losses.

If a potential loss is identified when converting receivables and payables at the closing exchange rate, a provision for exchange risk is booked for the same amount.

Treasury accounts and current account with the cash pooling entity of the Group are translated at the exchange rates prevailing at closing date and any differences are recorded as financial gains or expenses.

Accounting Policies for Provisions on Affiliates

Provisions on investments and related receivables are recognized whenever the gross carrying value of the investment is higher than the share held in the shareholders' equity, which has been adjusted in order to take into account certain commitments entered into by the parent company and the prospects for development of the subsidiary.

For the main subsidiaries, these prospects are assessed on the basis of future forecast cash flows, based on the most likely scenarios adopted by the management.

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

Subsidies and waivers of debts granted to subsidiaries are accounted in financial result.

Treasury Shares

1. The Company has applied the CRC (Comité de Réglementation Comptable, French Authority for accounting standards) note dated December 2008 regarding accounting principles to be used for stock options plans and for free shares plans granted to employees.

   The treasury shares allocated to Company employees are classified under marketable securities. A provision for risks is calculated based on the treasury shares allocated to stock options plans and to free shares plans spread over the maturity dates if the delivery is expected. The assessment of delivery is linked to performance conditions (for which a median hypothesis has been assumed) and turnover rate. Regarding the stock options plans, the assessment of delivery is also linked to a fair value at the closing date (if the exercise price of the stock option is less than the market value of Technip share). When the delivery is not expected, a provision on marketable securities is recognized for the difference between the market value (based upon the average of share prices for the last month of the year) and the gross carrying amount of the treasury shares.

2. The other treasury shares, especially those allocated to stock options plans and free shares plans granted to subsidiaries employees, are classified under other investments. At year-end, if the market value of Technip share (computed on the basis of the average prices for the last month of the year) is less than the gross carrying amount of treasury shares, a provision for depreciation is recognized for the difference. Moreover, for free shares granted to subsidiaries employees, a provision for risks is booked, based upon the net book value of the treasury shares, taking into account the performance conditions and turnover rate.

3. Treasury shares held by the Company are recorded at the acquisition cost, and gain/(loss) on sales of treasury shares are booked according to the FIFO method (First In, First Out).

Intangible Assets and Property, Plants and Equipment

Intangible assets include software, which are amortized over a period of 3 to 5 years, and software development costs, when they fulfill the criteria of eligibility as provided by the French Accounting Standards.

Fixed assets are carried at their acquisition cost, their production cost, or at their fair value in case of business combinations.

Tangible assets mainly relate to Adria Tower equipment and furniture. The straight-line amortization lifetimes represent the useful lives estimated to be likely by the Company:

- Office fixtures and furniture	8 to 10 years
- IT equipment	3 years (gradual)

Trade Receivables

Trade receivables are valued at their nominal value. A provision for doubtful accounts is recorded when receivables are highly expected to be uncollectible.

5. Main Events of the Year

Technip activities consist in holding interests in affiliates, receiving dividends, centralizing and reinvoicing both management fees and other organizational costs, such as insurance and financing costs on guarantees.

- In April 2008, the subsidiary Technip Biopharm (US entity) has been liquidated. Considering the reversal of provisions previously booked, there is no impact on the Company profit and loss statement.
- In May 2008, Technip paid a dividend (€M 125.1) which was made of 1.20 euro per share.
- In July 2008, Technip bought for €M 11.5 all the shares of Eurodim SA, an engineering company located near Paris.
- In October 2008, Technip realized a capital increase reserved for employees by issuing 1,446,260 new shares, which resulted in an increase issued capital (€M 1.1) and increased share capital premiums (€M 59.8) minus net costs linked to this capital increase (€M 0.9), total amount being €M 60.0.
- In December 2008, Technip has recapitalized Technip Offshore International for €M 93.5. The percentage of company ownership remains unchanged (100%).
- In December 2008, Technip granted a subsidy (€M 21.0) to Technip Marine (M) SDN BHD, located in Malaysia, according to the decision of Technip Board dated December 9, 2008.
- In December 2008, Technip bought for €M 0.5 some additional shares of Technip Eurocash. The percentage of company ownership becomes 96%.
- The number of treasury shares is 3,066,144 as of December 31, 2008. 236,100 of these shares are allocated to executive stock options plans and free shares plans granted to the Company employees; 2,830,044 shares are allocated to executive stock options plans and free shares plans granted to subsidiaries employees, or are non-allocated.

6. Notes to the Financial Statements

6.1. Fixed Assets

a) Change of the Year

In millions of Euro	Intangible Assets	Tangible Assets	Financial Assets	Fixed Assets
Gross value				
As of January 1, 2007	**16.5**	**13.1**	**3,484.6**	**3,514.2**
Acquisitions (1)	7.2	0.1	134.1	141.4
Disposals (2)	-	(0.4)	(58.3)	(58.7)
As of December 31, 2007	**23.7**	**12.8**	**3,560.4**	**3,596.9**
Acquisitions (3)	7.0	-	174.7	181.7
Disposals (4)	(18.8)	-	(90.4)	(109.2)
As of December 31, 2008	**11.9**	**12.8**	**3,644.7**	**3,669.4**
Amortization and Depreciation				
As of January 1, 2007	**(4.1)**	**(6.5)**	**(132.3)**	**(142.9)**
Allowance	(0.6)	(1.6)	(1.0)	(3.2)
Reversal	-	0.3	5.2	5.5
As of December 31, 2007	**(4.7)**	**(7.8)**	**(128.1)**	**(140.6)**
Allowance	(8.7)	(1.4)	(77.6)	(87.7)
Reversal	1.8	-	19.4	21.2
As of December 31, 2008	**(11.6)**	**(9.2)**	**(186.3)**	**(207.1)**
Net book value as of December 31, 2008	**0.3**	**3.6**	**3,458.4**	**3,462.3**

(1) Increase of intangible assets due to software projects, increase in financial assets due to equity increase of subsidiaries (€M 6.0), to increase of loan granted to subsidiaries (€M 41.9) and to increase of the number of treasury shares (€M 86.2).

(2) Decrease of financial assets due to disposals of shares in subsidiaries (€M 7.5), and repayments of loans by affiliates (€M 50.8).

(3) Increase of intangible assets due to software projects, increase in financial assets due to equity increase of subsidiaries (€M 105.5), to increase of loan granted to subsidiaries (€M 68.4) and to increase of the number of treasury shares (€M 0.8).

(4) Software projects write-off; decrease in financial assets due to disposals of shares in subsidiaries (€M 0.2), repayments of loans by affiliates (€M 78.6), decrease of treasury shares (€M 1.4) and reclassification of treasury shares to marketable securities (€M 10.1).

(5) Allowance of extraordinary amortization on software projects (€M 8.2); allowance for provision on treasury shares (€M 74.6).

(6) Reversal of provisions on investments (€M 19.4).

b) Financial Assets

Financial assets can be analyzed as follows:

In millions of Euro	As of December 31, Gross value 2008	Provisions 2008	Net value 2008	Net value 2007
Investments	3,459.2	(110.6)	**3,348.6**	**3,227.0**
Loans Related to Investments	51.9	(1.1)	**50.8**	**61.0**
Treasury Shares	133.6	(74.6)	**59.0**	**144.3**
Total Financial Assets	**3,644.7**	**(186.3)**	**3,458.4**	**3,432.3**

The detail of investments is given in note 7.

As the financial situation of a German subsidiary improves, the provision on this investment has been partly reversed in 2008 for €M 17.8.

Loans related to investments mainly consist in loans granted to subsidiaries both directly and indirectly held.

During the year, Technip bought 27,699 treasury shares and sold 28,183 of them. Also 236,100 treasury shares have been reclassified as marketable securities. As of December 31, 2008, the balance of treasury shares (2,830,044) is either allocated to stock options plans and free shares plans granted to subsidiaries employees, or not allocated.

6.2. Current Assets

Current assets can be analyzed as follows:

In millions of Euro	As of December 31, Gross value 2008	Provisions 2008	Net value 2008	Net value 2007
Trade Receivables	**53.4**	**(0.3)**	**53.1**	**52.1**
Other Receivables, Income Tax and VAT	45.7	-	**45.7**	**43.2**
Other Current Receivables	4.2	(0.1)	4.1	**25.0**
Total Other Current Receivables	**49.9**	**(0.1)**	**49.8**	**68.2**
Current Accounts with subsidiaries	12.7	(3.1)	9.6	**14.1**

6.3. Marketable Securities

The treasury shares allocated to executive stock options plans and free shares plans granted to Company employees have been reclassified from financial assets to marketable securities, according to the CRC note dated on December 2008. As of December 31, 2008, the number of treasury shares is 236,100 for a gross book value of €M 10.1 and a provision for €M 3.7.

6.4. Accrued Assets and Redemption Premium

Accrued Assets (€M 3.2 as of December 31, 2008):

They mostly include insurance costs.

Deferred Charges (€M 0.9 as of December 31, 2008):

They include:

- issuing fees (for a gross amount of €M 2.2) related to a €M 650 corporate bond loan issued in May 2004, to be amortized over 7 years. The amortization of the year amounts to €M 0.3 in 2008 and the net value is €M 0.8 as of December 31, 2008;
- issuing fees (for a gross amount of €M 1.6) related to a €M 850 credit facility to be amortized over 5 years. The amortization of the year amounts to €M 0.3 in 2008 and the net value is €M 0.1 as of December 31, 2008.

Redemption Premium (€M 0.7 as of December 31, 2008):

They relate to a €M 650 bond loan and are amortized on a straight line basis over 7 years.

6.5. Shareholders' Equity

a) Change in Shareholders' Equity

Change in shareholders' equity is as follows:

In millions of Euro	**2008**	**2007**
As of January 1,	**2,123.9**	**2,270.5**
Stock Options Exercised	11.3	16.6
Capital Increase Reserved for Employees	60.0	20.0
Net Income	250.9	91.5
Dividends	(125.1)	(274.7)
As of December 31,	**2,320.9**	**2,123.9**

b) Changes in Common Stock

Common stock changes as follows:

	2008	2007
Number of Shares as of January 1,	**107,353,774**	**106,117,174**
Increase Related to Equity Increase to Employees	1,446,260	516,207
Increase Related to Stock Options Exercised	517,530	720,393
Cancellation	-	-
Number of Shares as of December 31,	**109,317,564**	**107,353,774**
Share Nominal Value in Euro	0.7625	0.7625
Common Stock as of December 31, in millions of Euro	**83.4**	**81.9**

The number of shares that carry double voting rights amounts to 5,209,911 as of December 31, 2008.

c) Stock Options and Free Shares Plans

1/ Technip Stock Options Plans

Technip stock options plans can be described as follows:

Year of the Plan	2002 Remaining Portion of Part B	2005				
		Part A	Part B	Part C	Re-Granting Part A and B	Re-Granting Part A, B and C
Date of the Shareholder's Meeting	June 20, 2002	April 29, 2005	April 29, 2005	April 29, 2005	April 29, 2005	April 29, 2005
Date of the Board of Directors that has Implemented the Plan	May 21, 2003	Decembre 14, 2005	July 26, 2006	March 12, 2007	December 12, 2007	June 12, 2008
Validity	6 years	6 years	6 years	6 years	6 years	6 years
Remaining Number of Options to be Exercised	2,465	895,316	903,025	930,400	80,310	106,858
Current Exercice Price in €	18.0	46.9	41.4	49.2	55.7	60.0

Except for 2002 stock option plan (remaining portion of part B), these stock options have been granted under condition of achieving certain targets. The final number of stock options granted to employees is linked to the realization of a good performance by the Group. For 2005 stock option plan, performance will be based on earnings per share compared to the average earnings per share of a panel of competitors.

2/ Coflexip Stock Options Plans

Coflexip stock options plans can be described as follows:

Plan Numbers	10	11
Date of the Shareholder's Meeting	June 2, 1999	May 30, 2000
Date of the Board of Directors that has Implemented the Plan	December 14, 1999	March 20, 2001
Validity	10 years	10 years
Remaining Number of Options to be Exercised	30,943	149,650
Current Exercice Price in €	16.6	33.4

3/ Technip Stock Options Purchase Plans

Technip stock options purchase plans can be described as follows

Year of the Plan	2008
Date of the Shareholder's Meeting	May 6, 2008
Date of the Board of Directors that has Implemented the Plan	July 1, 2008
Validity	6 years
Remaining Number of Options to be Exercised	942,060
Current Exercice Price in €	58.2

These stock options have been granted under condition of achieving certain targets. For 2008 stock option plan, performance will be based on consolidated result of the Group compared to the average consolidated result of a panel of competitors.

4/ Free Shares Plans

Free shares plans have been implemented in 2007 and 2008. They can be described as follows:

Year of the Plan	2007			
	Part 1	Part 2	Re-Granting	Re-Granting
Date of the Shareholder's Meeting	April 28, 2006	April 28, 2006	April 28, 2006	April 28, 2006
Date of the Board of Directors that has Implemented the Plan	March 12, 2007	March 12, 2007	December 12, 2007	July 1,2008
Validity	5 years	4 years	4 or 5 years	4 or 5 years
Remaining Number of Shares to be Exercised	380,700	635,370	42,700	20,300

Year of the Plan	2008			
	Part 1 List 1	Part 1 List 2	Part 2 List 1	Part 2 List 2
Date of the Shareholder's Meeting	May 6, 2008	May 6, 2008	May 6, 2008	May 6, 2008
Date of the Board of Directors that has Implemented the Plan	July 1,2008	July 1,2008	December 9, 2008	December 9, 2008
Validity	5 years	4 years	5 years	4 years
Remaining Number of Shares to be Exercised	368,900	478,450	18,300	1,800

These free shares have been granted under condition of achieving certain targets. For 2007 free shares plan, performance will be measured based on earnings per share compared to the average earnings per share of a panel of competitors. For 2008 free shares plan, performance will be based on consolidated result of the Group compared to the average consolidated result of a panel of competitors

d) Capital Increase reserved for Employees

Technip realized a capital increase reserved for employees in 2008.

Following this capital increase, the number of shares issued on October 17, 2008 is 1,446,260 shares, the increase in common stock amounts to €M 1.1, and the increase in Paid-in-Surplus amounts to €M 59.8, minus €M 0.9 charge being administrative costs linked to this operation, for a total of €M 60.0.

The capital increase has been realized by Technip SA, the mother company of the Group. Employees that could take advantage of this offer were from Technip SA as well as Technip affiliates in 18 countries.

Three different plans were offered to these employees to subscribe to the capital increase:

-Technip Classic Plan allows recipients to subscribe Technip shares within a FCPE (Fonds Commun de Placement d'Entreprise, a FCPE is a French collective savings vehicle allowing employees to hold a portfolio invested in securities). Recipients can benefit from an Employer contribution as well as a 20% discount on the subscription price but are fully exposed to the change of the share value on the stock market.

-Technip Secure Plan allows employees to subscribe Technip shares within a FCPE and to benefit from an Employer contribution as well as a 20% discount on the subscription price while guaranteeing the initial investment at the end of the five years period, increased by the greater between the capitalized annual return of 3.6% and the protected average increase Technip share value compared to the reference price,

-Technip Multiple Plan allows the recipients to subscribe Technip shares within a FCPE or directly and to benefit from an Employer contribution as well as a 20% discount on the subscription price while guaranteeing at the end of the five years period, the initial investment increased by the greater between the capitalized annual return of 3.6% and 7.6 times the protected average increase in Technip share value compared to the reference price. In this case, the bank in charge of structuring the operation, finance nine Technip shares for one Technip share subscribed by one employee.

For some countries, depending of the national laws, only one or two of the three plans have been proposed. Terms and conditions of these plans have been adapted depending of local constraints on legal, tax or social matters. In some countries, Technip Multiple Plan has been proposed as SAR subscription plan (Stock Appreciation Rights).

The split by plan in the number of shares subscribed is the following:

	2008
Classic Plan	67,503
Multiple Plan	985,155
Secure Plan	93,389
Stock Appreciation Rights (SAR)	300,213
Total of subscribed Shares	**1,446,260**

The reference share price is € 52.66, the subscription price is € 42.13 due to the 20% discount awarded to employees and the price of the share at the end of the withdrawal period is € 47.80.

e) Distributable Retained Earnings

As of December 31, 2008, the distributable retained earnings of Technip amount to €M 369.9 after estimated due taxes.

6.6. Provisions

a) Nature of Provisions for Risks and Charges

As of December 31, 2008, provisions for risks mostly include the provisions for foreign exchange losses for €M 2.5, the provision for risks on treasury shares allocated to stock options plans and free shares plans granted to Company employees (booked as marketable securities) and granted to subsidiaries employees (booked as financial assets) for €M 26,2.

Provisions for charges mostly include the provisions for pensions (€M 0.03). The calculation of this provision is based on an actuarial computation; the actuarial assumptions used are the French mortality table, staff turnover, salary increase discount and inflation rates

b) Change in Provisions

Change in provisions is as follows:

In millions of Euro	December 31, 2007	Allowance	Used Provisions Reversals	Unused Provisions Reversals	2008
Regulated Provisions	0.7	-	0.7	-	-
Provisions for Risks	7.3	30.2	4.2	-	33.3
Provisions for Charges	0.6	0.9	1.5	-	-
Total Provisions in Liabilities	**8.6**	**31.1**	**6.4**	**-**	**33.3**
Provisions on Investments	127.0	3.0	-	19.4	110.6
Provisions on Loans	1.1	-	-	-	1.1
Provisions on Treasury Shares	-	78.3	-	-	78.3
Provisions on Current Assets	1.8	0.2	1.7	-	0.3
Provisions on other Current Assets	-	0.1	-	-	0.1
Provisions on Current Accounts	14.4	0.1	11.4	-	3.1
Total Provisions on Assets	**144.3**	**81.7**	**13.1**	**19.4**	**193.5**
Total Provisions	**152.9**	**112.8**	**19.5**	**19.4**	**226.8**

c) Breakdown of Provision Changes

Allowance and reversal of provisions can be analyzed as follows:

In millions of Euro	**2008**	**2007**
Operating Allowance	5.2	0.1
Financial Allowance	107.6	2.7
Extraordinary Allowance	-	-
Total Allowance	**112.8**	**2.8**
Operating Reversal	1.5	1.4
Financial Reversal	36.7	9.6
Extraordinary Reversal	0.7	3.6
Total Reversal	38.9	14.6
Operating Charges Transferred	5.9	0.4
Total Reversal of Provisions and Charges Transferred	**44.8**	**15.0**

6.7. Accrued Charges and Accrued Incomes Included in Assets and Liabilities

Accrued incomes included in assets amount to €M 31.3 as of December 31, 2008, against €M 43.0 as of December 31, 2007.

Accrued charges included in liabilities amount to €M 13.9 as of December 31, 2008, and €M 44.3 as of December 31, 2007.

6.8. Maturity of Assets and Liabilities

The maturity of assets (net of provisions) and liabilities can be analyzed as follows:

In millions of Euro	As of December 31, 2008 Total	Less than 1 Year	More than 1 Year
Financial Assets (1)	50.8	3.9	46.9
Trade Receivables	53.1	53.1	-
Receivables from Group Companies	9.6	9.6	-
Other Current Receivables	49.8	49.8	-
Accrued Assets	4.1	3.6	0.5
Total Assets	**167.4**	**120.0**	**47.4**

(1) without investments and treasury shares.

In millions of Euro	As of December 31, 2008 Total	Less than 1 Year	Between 1 Year and 5 Years	More than 5 Years
Bond (1)	650.0	-	650.0	-
Bank Borrowings / Credit Lines	18.5	18.5	-	-
Other Financial Debts and Liabilities	-	-	-	-
Financial Debts and Liabilities towards Group Companies (2)	500.1	0.5	499.6	-
Accounts Payables	36.2	36.2	-	-
Tax and Social Liabilities	12.2	12.2	-	-
Payable on Assets	2.6	2.6	-	-
Other Liabilities	16.3	16.3	-	-
Deferred Income	-	-	-	-
Total Liabilities	**1,235.9**	**86.3**	**1,149.6**	-

(1) On May 26, 2004, Technip issued a corporate bond loan for an amount of €M 650.0.

Main characteristics of this bond (listed on the Luxembourg Stock Exchange on May 26, 2004), are the following:

- Issuance price of € 997.07 per bond (650,000 issued bonds),
- The coupon payable on May 26 of each year amounts to 4.625% per year of the bond nominal value,
- Redemption date: May 26, 2011,
- Gross rate of yield at the issuance date for the bondholder: 4.675% per annum.

(2) Including current account with the group cash pooling entity: €M 499.6.

6.9. Trade Bills Included in Assets and Liabilities

Technip does not have any outstanding trade bill as of December 31, 2008 and 2007.

6.10. Revenues

Revenues amount to €M 138.7 in 2008 and €M 113.3 in 2007. In 2008, they have been realized for €M 77.1 in France.

Revenues mostly consist in reinvoicing management fees and insurance costs to other Goup entities.

6.11. Financial Result

Financial result can be analyzed as follows:

In millions of Euro	**2008**	**2007**
Dividend Income	394.8	178.9
Allowance/Reversal of Provisions on Investments	16.3	-
Allowance/Reversal of Provisions on Loans	-	1.1
Allowance/Reversal of Provisions on Trade Receivables	1.7	(1.7)
Allowance/Reversal of Provisions on Current Accounts	11.3	1.2
Allowance/Reversal of Provisions on Treasury Shares	(78.3)	-
Allowance/Reversal of Provisions on Free Shares	(26.2)	-
Amortization of Redemption/Issuance Premium Related to Bond Loan	(0.3)	(0.3)
Allowance/Reversal of Provision on Exchange Losses	4.2	6.3
Interest Income from Loans	3.6	3.0
Interest Expense on Bond	(30.1)	(30.1)
Subsidies and Write-Down on Financial Assets	(35.8)	(41.0)
Interest on Cash Pooling Current Account	(32.4)	(29.4)
Others	(6.5)	(8.9)
Financial Result	**222.3**	**79.1**

Change in financial result between 2007 and 2008 is mostly due to:

- Increase in received dividends (€M 215.9),
- Increase in change in provisions on current accounts (€M 11.3 in 2008 against €M 1.2 in 2007),
- Allowance of provisions on treasury shares (€M -78.3) and on risks on free shares (€M -26.2).

6.12. Extraordinary Result

Extraordinary result can be analyzed as follows:

In millions of Euro	2008	2007
Allowance for Amortization	(8.2)	-
Reversal of Provisions	0.8	3.6
Gains and Losses on Sales of Intangible Assets	(17.0)	-
Gains and Losses on Sales of Tangible Assets	-	-
Gains and Losses on Sales of Investments	0.4	(2.9)
Others	(2.4)	(0.1)
Extraordinary Result	(26.4)	0.6

In 2008, extraordinary result mainly comes from the cancellation of some software projects.

6.13. Income Tax

Technip is the leading company of a consolidated tax group. Due to the non-taxation of dividends (Parent Company and Subsidiaries' regime), Technip income tax is negative. This tax deficit is set off against the income tax of the other companies within the consolidated tax group.

The impact on 2008 income statement is a €M 64.3 tax credit that can be detailed as follows:

- Tax credit generated by Technip : €M 60.8 ;
- Tax credit generated by the tax group : €M 3.5.

Technip income tax (€M 60.8) comes for €M 51.8 from current income and for €M 9.0 from extraordinary result.

Temporary Differences: as of December 31, 2008, the temporary differences are not material (€M 0.1) and consist in ORGANIC (Social French tax) and retirement benefit provision.

6.14. Related Parties Disclosure

The following amounts represent Technip's accumulated shares in the assets, liabilities, financial income and expense with respect to related parties (companies in which Technip holds directly or indirectly more than half of the share capital).

In millions of Euro	As of December 31, 2008	2007
Financial Assets	3,506.9	3,412.1
Current Assets, Receivables from Group Companies	64.7	88.1
Total Assets	**3,571.6**	**3,500.2**
Financial Debts (Group and Affiliates)	500.1	725.9
Current Liabilities	29.5	22.6
Total Liabilities	**529.6**	**748.5**
Financial Charges	46.4	32.8
Financial Income	385.3	172.8

6.15. Off-Balance Sheet Commitments

Off-balance sheet commitments can be analyzed as follows:

In millions of Euro	As of December 31, 2008	2007
Parent Company Guarantees (1)	27,009.5	24,595.7
Commitments Given (2)	805.8	829.9
Commitments Received	None	None
Trade Bills Discounted before Maturity	None	None

(1) Parent company guarantees given by Technip to clients cover the proper performance of the specified contracts for which the average period until the release of the commitment guarantees is around 5 years. Regarding joint ventures, the amounts disclosed in the parent company guarantees, also include the contract part allocated to the Group's partners in joint venture and are not reduced according to the projects' percentage of completion.

(2) These commitments are given on behalf of Group companies and mainly relate to:
- guarantees given towards third parties;
- guarantees or counter-guarantees given to banks;,
- guarantees given to various customers or partners for the realization of contracts.

Moreover, Technip entered into the following commitments:

- Technip granted in 2007 a subsidy to Technip Saudi Arabia for €M 37.6, with a conditional clause under which Technip Saudi Arabia will reimburse Technip, until the subsidy is totally reimbursed, if its results are positive.

- Technip Board of Directors, dated December 9, 2008, authorized a subsidy to Technip Marine (M) SDN BHD. The maximum for this subsidy is MUSD 102 and it takes into account insurance reimbursements which should occur. 2008 subsidy amounts to €M 21.0 and a complementary subsidy, up to the authorized ceiling, could be paid in 2009 if insurance reimbursements to Technip Marine (M) SDN BHD are lower than expected.

Adria Tower:

At the end of 2002, Technip entered into a 12 year lease contract related to Adria Tower. This lease is for the period from March 1, 2003 to February 28, 2015. Technip benefited from a free rent until December 31, 2003.

In millions of Euro	**Operating Leases**
2009	33.9
2010	34.3
2011	34.3
2012	34.7
2013 and beyond	75.4
Total (1)	**212.6**

(1) Preliminary amount, as the rent amount varies according to the INSEE Construction cost index.

Technip did not enter into any significant leasing contract in 2008 and 2007.

6.16. Financial Instruments

Technip has no financial instruments as of December 31, 2008 or as of December 31, 2007.

6.17. Liabilities Covered by Securities

Technip has no material liabilities covered by securities.

6.18. Average Number of Employees

The average number of employees amounts to 7 people in 2008 and 6 people in 2007.

6.19. Compensation of the Board of Directors' Members

The amount of director's fees paid by Technip to the members of the Board of Directors during 2008 was 374,600 euros.

No loan has been granted to the Members of the Board during the year.

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

The total compensation paid in 2008 by the Company to Mr. Pilenko amounted to €1,349,111.

The variable portion of compensation is based on the fixed compensation for the previous year.

For 2008 the target variable portion is equal to 100% of the annual base compensation. 50% of the target variable portion is linked to the financial performance of the Group based on 2008 operating income, 25% is linked to the achievement of individual objectives and 25% to the implementation of Group values and cooperation within the Group. The share of the variable portion linked to Group financial performance is nil (i) if real performance is below 75% of the budgeted amount (performance floor), (ii) between 50% and 100% for a performance equal to 75% to 100% of the budgeted amount and (iii) between 100% and 200% for a performance equal to 100% to

125% of the budgeted amount (outperformance). If achieved financial results are superior to the budgeted objective, a multiplier rate is calculated, up to a maximum of 2.0. The multiplier is calculated based on the financial portion of the objectives, representing 50% of the variable portion criteria. It is then applied to other criteria in order to calculate the final variable portion, which is capped at 200% of the target variable portion. The variable portion to be paid in 2009 to Mr. Pilenko for 2008 is 1,060,920 euros.

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

There is no specific retirement plan for the Chairman and Chief Executive Officer. The Chairman and Chief Executive Officer is a beneficiary of the supplementary retirement plan for Group executives, with fixed contributions of 8% of gross annual compensation paid up to income bracket 3, i.e., eight times the annual French Social Security limit. The contribution for 2008 amounted to €21,297.

The Chairman and Chief Executive Officer also benefits from the Company's existing supplementary retirement plan for Executive Committee members: a retirement income guarantee of 1.8% per year of service on income bracket 4 of gross annual compensation paid, i.e., exceeding eight times the Social Security limit. The years of service required in order to benefit from this plan is 5 years as a member of the Executive Committee, and limited to 15 years. The amount of gross compensation to which this retirement income guarantee applies corresponds to the yearly average of the gross base compensation (including variable compensation within the limit of the target variable portion of 100%), received over the five complete financial years prior to the date of departure from the Company. The retirement income guarantee will only be due in the following events: a departure from the Company after his 60th birthday; a departure from the Company as a result of a 2nd or 3rd category disability (as defined under French law); a departure from the Company after his 55th birthday provided that such departure is not the result of gross misconduct or negligence on his part and that no salaried activity is resumed between leaving the Company and receiving a pension under the general French Social Security scheme.

During the 2008 financial year, 80,000 share purchase options and 30,000 free shares were granted to Mr. Pilenko. Mr. Pilenko has not exercised any Technip share subscription option or share purchase option. Mr. Pilenko does not benefit from any share subscription warrants from Technip or any other Group company.

At the time of his appointment Mr. Pilenko signed a worldwide non-compete agreement. In compliance with the October 6,2008 AFEP-MEDEF recommendations, at its meeting on February 18, 2009 the Board of Directors decided to limit the amount of the indemnity to 24 months' compensation, calculated based on base compensation plus the target variable compensation of the last twelve months, corresponding to a two-year non-compete clause.

On the same date, the Board decided against paying an indemnity to the executive officer in case of the termination or non-renewal of his term of office by decision of the Company.

6.20. Litigations and Pending Investigations

Technip is one of four shareholders of TSKJ, which carried out the construction of a natural gas liquefaction complex in Nigeria for Nigeria LNG Limited ("NLNG") from 1994 onwards. The companies KBR (formerly a subsidiary of the US Group Halliburton), Snamprogetti Netherlands BV (a subsidiary of the Italian Group ENI) and JGC Corporation (Japan) each hold 25% of TSKJ's share capital.

The United States Securities and Exchange Commission ("SEC") and the United States Department of Justice ("DOJ") have since 2004 been conducting formal investigations into payments made in connection with the construction by TSKJ of a natural gas liquefaction complex for NNLG. A similar investigation by a French magistrate against "unidentified persons" which also commenced in 2004 is still ongoing.

During the summer of 2004, the SEC requested Technip (which registered its shares with the SEC between October 2001 and November 2007) to voluntarily provide information relating to the implementation of this project. Technip has fully cooperated on a voluntary basis with both formal and informal requests from the SEC and the DOJ since this request.

On 11 February 2009, KBR, which was at all relevant times, between 1994 and 2007, a domesctic issuer under US securities laws, pleaded guilty to a five count criminal information in the United States District Court involving charges related to the United States Foreign Corrupt Practices Act ("FCPA") for conduct arising from its participation in TSKJ. In its plea agreement, KBR asserted that it had conspired to pay bribes to Nigerian Government Officials. As part of its plea agreement, KBR agreed to pay a criminal fine of $M 402.0. Contemporaneously, KBR and its former parent company Halliburton also reached a settlement of a related civil complaint filed by the SEC alleging civil violations of the FCPA. KBR and Hallibuton jointly agreed to pay $M 177.0 in settlement of the civil complaint. The US Government has also brought criminal charges against certain individuals for conduct related to the project.

A person or entity found in violation of the FCPA could be subject to criminal fines and civil penalties of up to $M 0.5 per violation and equitable remedies including disgorgement (if applicable) of profits including pre-judgment interest on such profits. Criminal penalties could range up to $M 2.0 per violation or twice the pecuniary gain or loss from the violation. The amount of any fines or monetary penalties depends on factual findings, including among others, the amount, timing, nature and scope of any improper payment and related business transactions and the level of cooperation provided to the authorities during the investigations. Investigations of this nature and any related settlements could result in (i) third party claims against Technip which could include claims for special, indirect or consequential damages (ii) adverse consequences on Technip's ability to obtain or continue financing for current or future projects and/ or (iii) damage to Technip's business or reputation via negative publicity adversely affecting Technip's prospects in the commercial market place.

French law was modified in September 2000 to attach for the first time, liability for the corruption of foreign public officials. Under that law, criminal fines of up to € 750,000, the confiscation of the direct and indirect profits of the offence and various prohibitions and civil damages may be imposed on a legal entity.

Technip and its counsel have held meetings with the US authorities since July 2008 and continue to cooperate with the US authorities in their investigation. While there are many complex factual and legal issues relating to this matter, based on currently available information, Technip cannot exclude an adverse conclusion of the investigations which could have a material financial impact on Technip. Technip is unable to estimate an amount of probable cost or a range of possible costs related to this matter.

7. Subsidiaries and Investments

In millions of Euro	Country	Percentage of Ownership (%)	Issued Capital	Reserves and Retained Earnings Before Allocation	Share Book Value Gross	Share Book Value Net	Outsanding Loans and Advances	Bonds Posted and Guarantees Given	Revenues 2008	Net Income 2008	Dividends Received 2008
A - Detailed informations concerning investments for which gross-value exceeds 1% of Technip's issued capital											
Subsidiaries with more than 50% of issued capital held by Technip											
Technip France	France	77,79%	22,7	(42,8)	43,5	43,5	-	9 506,5	1 819,9	75,7	78,3
Technip Offshore International	France	100,00%	6,9	847,0	2 960,5	2 960,5	19,9	-	-	371,0	252,0
Technipnet	France	100,00%	2,0	(0,1)	2,0	2,0	-	2,2	22,9	(1,1)	-
SCI CB3 Défense	France	100,00%	0,4	0,1	86,1	-	-	-	-	0,1	-
Seal Engineering	France	99,76%	0,1	0,4	1,1	1,1	-	-	4,5	0,9	0,8
Eurodim	France	99,89%	0,2	1,5	11,5	11,5	-	-	1,8	0,3	-
Technip International AG	Switzerland	99,90%	3,4	(2,3)	3,1	-	-	-	-	(0,4)	-
Engineering Re	Switzerland	99,50%	1,4	2,4	1,7	1,7	-	10,3	7,3	2,8	-
Technip Italy	Italy	100,00%	25,8	45,0	22,1	22,1	-	3 717,1	940,7	37,0	16,0
TPL - Tecnologie Progetti Lavori	Italy	100,00%	9,0	1,1	7,8	7,8	-	-	-	(0,9)	-
Technip Iberia	Spain	99,99%	0,6	2,0	0,8	0,8	-	0,5	25,8	1,4	1,9
Technip Capital	Belgium	100,00%	19,3	(0,1)	19,3	19,3	-	-	-	0,5	-
Technip Far East	Malaysia	100,00%	6,2	(3,0)	5,9	5,9	-	-	26,3	1,0	-
Technip Holding Benelux BV	Netherlands	100,00%	9,1	(9,8)	26,7	26,7	-	-	-	30,5	34,0
Technip Germany	Germany	100,00%	12,8	4,6	100,2	80,2	-	189,5	82,6	4,1	2,0
Investments between 10% and 50% of issued capital held by Technip											
TPG (M)	Malaysia	30,00%	0,2	10,6	1,2	1,2	0,8	770,4	116,5	4,0	-
Technip USA Holding Inc	USA	30,75%	-	0,4	160,0	160,0	-	-	-	-	15,7
B - Other Subsidiaries and Investments											
Other Subsidiaries											
French Subsidiaries		NA	NA	NA	2,1	1,7	1,0	70,4	NA	NA	4,3
Foreign Subsidiaries		NA	NA	NA	2,0	1,8	2,4	59,2	NA	NA	-
Other Investments											
French Investments		NA	NA	NA	-	-	-	-	NA	NA	-
Foreign Investments		NA	NA	NA	1,4	0,6	0,4	1 646,6	NA	NA	12,8
Total		**NA**	**NA**	**NA**	**3 459,0**	**3 348,4**	**24,5**	**15 972,7**	**NA**	**NA**	**417,8**