



FIRST HALF 2008 FINANCIAL REPORT



A French corporation (société anonyme) with capital of € 82 033 633,41
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I – MANAGEMENT REPORT FOR THE FIRST HALF 2008

SECOND QUARTER 2008

- Revenue stable yoy at €1.8 billion, and increased 6.1% excluding exchange rates translation impact
- Strong operating performance in Subsea: EBITDA up 21.7% yoy at 24.8%
- Offshore/Onshore continue to improve with combined operating margin 3.7%
- Significant increase in Net Income, up 29.4% yoy to €103 million
- Sound Backlog of €8.1 billion

FULL YEAR 2008 OUTLOOK

- Group revenue ~€7.4 billion with Subsea revenue of €2.7 billion
- Subsea operating margin >18%
- Offshore and Onshore combined operating margin of 3.8% reaffirmed
- Group operating margin revised upward ~8%

€ in millions, (except EPS)	2Q 07	2Q 08	% change	ex. FX impact	1H 07	1H 08	% change	ex. FX impact
Revenue	1,844.6	1,823.7	(1.1)%	6.1%	3,619.3	3,640.5	0.6%	7.8%
EBITDA⁽¹⁾	163.5	195.3	19.4%	23.9%	307.3	366.2	19.2%	23.2%
EBITDA Margin	8.9%	10.7%	184bp		8.5%	10.1%	157bp	
Operating Income⁽²⁾	128.1	157.5	23.0%	26.5%	236.0	294.4	24.7%	28.0%
Operating Margin	6.9%	8.6%	169bp		6.5%	8.1%	157bp	
Net Income	79.6	103.0	29.4%		147.7	192.9	30.6%	
EPS (€)	0.75	0.97	29.2%		1.41	1.83	29.8%	

⁽¹⁾ Calculated as Operating Income from recurring activities pre depreciation and amortization

⁽²⁾ From recurring activities

On July 30, 2008, Technip's Board of Directors approved the non-audited second quarter 2008 consolidated accounts. Thierry Pilenko, Chairman and CEO, commented: "Second quarter Group net income increased 29.4% on a stable revenue year-on-year. The Subsea business continues to perform well thanks to good execution of projects and the successful completion of a few projects resulting in an EBITDA margin of 24.8%, the strongest quarterly Subsea performance to date, in spite of delayed activity in Nigeria due to security incidents. In the Offshore business, major milestones have been achieved on the Akpo FPSO and the Perdido Spar projects. Onshore projects are in general progressing according to plan. Delivery of the first LNG train on QatarGas II, Train 4, is planned for late summer. The combined Offshore and Onshore operating margin of 3.7%, is on track for the 3.8% full year target.

We anticipate that activity in the second half of 2008 will be sustained in the Subsea business and significant awards from West Africa are expected before year end, further extending our backlog and visibility in this segment. Whilst we have observed delays in projects awards in the Offshore and Onshore segments, the workload of our engineering centers continues to be very high, fueled by existing projects as well as numerous conceptual or detailed studies for which we have been retained. We expect that some of these studies will result in projects to be awarded by the end of 2008 / first half 2009.

The overall market remains buoyant, particularly for gas and unconventional oil projects but project award processes have been slower than in the recent years because of cost and price

volatility and human and technical resources constraints. We expect 2008 revenue to be approximately €7.4 billion with a margin revised upward in Subsea above 18%, an Onshore-Offshore margin target maintained at 3.8% and an overall Group margin of about 8%. This quarter we completed two acquisitions: EPG, which will strengthen our presence and expertise in the Benelux area and Eurodim, which broadens our patent portfolio, particularly in offshore LNG transfer technology.”

I. SECOND QUARTER 2008

1. Operational Highlights

The **Subsea** business segment project execution remains very good. Main events were:

- High vessel utilization rate of 82% during the second quarter 2008,
- Technip’s flexible pipe manufacturing plants continue to work at full capacity,
- Successful completion in June of the MA-D6 phase I project, offshore India,
- Offshore Nigeria the Agbami field project was slowed down by security events which occurred during the second quarter,
- Engineering is progressing well and procurement has started on Pazflor (Angola).

The **Offshore** business segment has several projects nearing completion:

- Perdido Spar hull is currently in Texas being fitted with belly-side strakes and prepared for wet tow for hand over to Shell in the coming weeks,
- Akpo FPSO sailed away from Korea on June 26th and is expected in Nigeria this October,
- In Brazil the P-51 semi-submersible is nearing completion and sail-away is planned for October, P-56 engineering and procurement are progressing inline with plans,

Diversification of the Pori yard (Finland) is advancing quickly, as previously subcontracted projects are brought in-house including reels, buoyancy cans and pressure vessels.

On the Tahiti Spar project, Technip and Chevron are continuing their discussions to resolve their contractual differences relative to the shackles replacement. Arbitration as per the contract cannot be excluded. The replacement of mooring shackles on the other Spar project is progressing according to plan.

The large projects are ongoing in the **Onshore** business segment:

- In Qatar the LNG and Gas treatment projects are progressing according to plan. QatarGas II first train, number 4, to be delivered at summer end. Negotiations on Qatargas III & IV project are progressing between the client and Chiyoda/Technip joint venture,
- LNG Project in Yemen is inline with plan,
- In Saudi Arabia, the Khursaniyah field development is delayed for reasons outside Technip’s responsibility and thus has no material financial impact; on the Yansab project, most of the ethylene and propylene production plant systems will be handed over during the second half of 2008,
- Dung Quat refinery in Vietnam is progressing according to plan,
- CNRL Horizon project in Canada, the hydrogen plant and the heavy oil upgrader units are nearing completion,
- In Poland the Gdansk refinery for Grupa Lotos is progressing well,
- In UAE, delivery and installation of the first OAG modules on Das Island are advancing according to schedule.

2. Order intake and Backlog

During the second quarter 2008, Technip's **order intake** was €1,407.6 million compared to €1,684.6 million during the second quarter 2007 and €1,592.3 million during the first quarter 2008. Subsea enjoyed strong order intake, yet no major EPC lumpsum contracts were awarded during the quarter in both Offshore and Onshore. Listed in annex II (d) are the main contracts that came into force during the second quarter 2008 along with their approximate value (Technip's share) if publicly disclosed. The breakdown of the order intake by business segment for the second quarter is as follows:

	2Q 2007	2Q 2008
Subsea ⁽¹⁾	40.8%	46.8%
Offshore	9.8%	4.7%
Onshore	49.4%	48.5%

At the end of second quarter 2008 Group **backlog** amounted to €8,053.2 million, compared to €9,669.7 million at the end of second quarter 2007 and €8,625.3 million at the end of first quarter 2008. The backlog breakdown by business segment is as follows:

	June 30, 2007	June 30, 2008
Subsea ⁽¹⁾	26.1%	43.4%
Offshore	6.2%	6.0%
Onshore	67.7%	50.6%

3. Capex

Technip's capex for the second quarter 2008 amounted to €79.7 million (cash impact) compared to €30.5 million for the same quarter 2007, inline with full year forecast of €400 million.

II. SECOND QUARTER 2008 FINANCIAL RESULTS

1. Revenue

Second quarter 2008 Group **revenue** was €1,823.7 million, stable year-on-year. Excluding exchange rate translation impact, revenue increased 6.1% compared to last year. This negative change impact of €133.9 million on Group revenue was primarily due to the 16% depreciation of the US dollar and associated currencies compared to last year.

- **Subsea** revenue was flat at €603.1 million, compared to €606.0 million during second quarter 2007. The major contributing projects were the MA-D6 in India and Agbami in Nigeria despite delays aforementioned,

⁽¹⁾ Concerning long term frame agreement for offshore inspection repair and maintenance, Technip books in its backlog the estimated expected value of these activities for the current year only.

- **Offshore** revenue was €159.2 million, down 12.9% compared to the same period last year. In the second quarter 2007 the Akpo FPSO and Dalia FPSO were strong contributors,
- **Onshore** revenue was essentially flat, up 0.5% to €1,061.5 million compared to €1,055.8 million during second quarter 2007. Main contributors were the Khursaniyah project in Saudi Arabia, the four LNG projects in Qatar and Yemen, the three large ethylene steam-cracker projects in Qatar, Kuwait and Saudi Arabia, the two contracts for CNRL in Canada, as well as the Dung Quat refinery in Vietnam.

2. Operating Income from Recurring Activities

Second quarter 2008 Group **operating income from recurring activities** was €157.5 million, up 23.0% compared to €128.1 million in the second quarter 2007. Excluding foreign exchange translation impact, operating income year-over-year was up 26.5%. Operating margin from recurring activities continues to improve at 8.6% compared to 6.9% for the same quarter year ago.

- **Subsea** operating income from recurring activities was €118.6 million during second quarter 2008, up 26.3% compared to the same period a year ago. EBITDA margin was strong at 24.8% versus 20.3% for the same quarter last year. Operating margin from recurring activities reached 19.7%, compared to 15.5% during second quarter 2007, thanks to good execution of projects and successful closeout of a few projects,
- **Offshore** operating income from recurring activities was flat at €8.9 million, compared to €9.0 million during the second quarter 2007. The associated margin was 5.6% during the second quarter 2008 with a good contribution from the Perdido Spar project compared to 4.9% a year ago,
- **Onshore** operating income from recurring activities during the second quarter 2008 was up 6.8% at €36.1 million, compared to €33.8 million year ago. The associated margin was 3.4% during the second quarter 2008 compared to 3.2% a year ago.

The combined operating margin for Offshore/Onshore was 3.7%.

Financial income on projects accounted as revenue, amounted to €7.7 million during the second quarter 2008, of which €3.2 million for Onshore, which is a significant decrease compared to €23.3 million and €18.1 million during second quarter 2007, respectively.

3. Income from Activity Disposal

There was no income from activity disposal in the second quarter 2008. During second quarter 2007, income from activities disposal, amounted to €(0.2) million.

4. Operating Income

Second quarter 2008 Group operating income amounted to €157.5 million, up 23.1% compared to €127.9 million recorded a year ago.

5. Results

Net financial charges were €14.0 million including a €3.7 million negative impact of foreign currency exchange rate variation and from IAS 32-39 on hedging instruments' fair market value.

Income tax was €40.2 million. The effective tax rate was 28.0% compared to 28.4% one year ago.

Net income was up 29.4% at €103.0 million, compared to €79.6 million during the second quarter 2007.

Diluted EPS was €0.97 in the second quarter 2008, an increase of 29.2%, compared to €0.75 one year ago.

Average number of shares during the period on a diluted basis is calculated as per IFRS. For the second quarter 2008 this number of shares stood at 105,645,849 versus 105,510,784 shares for the second quarter 2007.

6. Cash and Balance Sheet

At the end of June 2008, the **net cash** position decreased to €1,465.9 million compared to €1,591.0 million March 31, 2008.

During the first half 2008 cash generated from operations increased 31.4% to €268.9 million compared to the same period year ago, working capital declined by €172.3 million inline with the main projects progress. Capital expenditures for the first half 2008 amounted to €147.8 million.

Cash generated from operations increased 17.6% during second quarter 2008 to €145.6 million and during the same period, working capital declined by €107.8 million inline with the main projects progress. Capital expenditures amounted to €79.7 million.

Shareholders' equity, excluding minority interests, as of June 30, 2008 was €2,269.9 million compared to €2,178.4 million as of December 31, 2007.

7. 2008 Full Year Outlook

Revenue

- **Subsea** revenue of €2.7 billion on strong third and fourth quarters foreseen in particular in the North Sea and North America,
- **Offshore** and **Onshore** combined revenue for around €4.7 billion consistent with backlog scheduling,
- **Group** revenue of around €7.4 billion.

Operating margin

- **Subsea**: revised upward to above 18.0%,
- **Offshore** and **Onshore**: combined margin maintained at 3.8%
- Therefore **Group** operating margin updated to around 8.0%

Net Cash situation: €1.1 to €1.3 billion at year end 2008

ANNEX I (a)
CONSOLIDATED STATEMENT OF INCOME
IFRS, Not Audited

€ in millions
(except EPS, E/ADS and number of
shares)

	Second Quarter		First Half	
	2008	2007	2008	2007
Revenue	1,823.7	1,844.6	3,640.5	3,619.3
Gross Margin	253.7	236.2	495.4	436.9
Research & Development Expenses	(8.6)	(10.7)	(19.5)	(19.2)
SG&A & Other Operating Expenses	(87.6)	(97.4)	(181.5)	(181.7)
Operating Income from Recurring activities	157.5	128.1	294.4	236.0
Income from Sale of Activities	-	(0.2)	-	14.4
Operating Income	157.5	127.9	294.4	250.4
Financial Income (Charges)	(14.0)	(13.5)	(22.3)	(34.1)
Income of Equity Affiliates	0.2	0.3	0.4	1.7
Profit Before Tax	143.7	114.7	272.5	218.0
Income Tax	(40.2)	(32.6)	(79.0)	(59.4)
Tax on Sale of Activities	-	-	-	(7.2)
Minority Interests	(0.5)	(2.5)	(0.6)	(3.7)
Net Income	103.0	79.6	192.9	147.7
Number of shares on a diluted basis	105,645,849	105,510,784	105,459,931	104,971,742
EPS (€) on a Diluted Basis ⁽¹⁾	0.97	0.75	1.83	1.41
E/ADS (\$) on a Diluted Basis ⁽²⁾	1.54	1.19	2.88	2.22

¹⁾ As per IFRS, the Earnings Per Share (diluted) is calculated by dividing profit or loss attributable to Parent Company's Shareholders by, the weighted average number of outstanding shares during the period, plus the effect of dilutive stock options and performance shares calculated according to the "Share Purchase Method" (IFRS 2), less treasury shares. In conformity with this method, anti dilutive stock options are ignored in calculating EPS. Dilutive options are taken into account if the subscription price of the stock options plus the future IFRS 2 charge (i.e. the sum of annual charge to be recorded until the end of the plan of stock option) is lower than the share average market price during the period.

²⁾ Earnings per American Depositary Share (E/ADS) are in U.S. dollars and, for all periods, are calculated based upon diluted EPS in euros converted into US dollars using the Federal Reserve Bank of New York noon buying rate (USD/EUR) of 1.5748 as of June 30, 2008.

ANNEX I (b)
CONSOLIDATED BALANCE SHEET
IFRS

€ in millions	June 30, 2008 (not audited)	Dec. 31, 2007 (audited)
Fixed Assets	3,319.5	3,279.1
Deferred Taxes and Other Non-Current Assets	194.9	184.7
NON-CURRENT ASSETS	3,514.4	3,463.8
Construction Contracts	384.4	280.6
Inventories, Customer & Other Receivables	1,872.9	1,953.4
Cash & Cash Equivalents	2,155.8	2,401.5
CURRENT ASSETS	4,413.1	4,635.5
TOTAL ASSETS	7,927.5	8,099.3
Shareholders' Equity (Parent Company)	2,269.9	2,178.4
Minority Interests	17.3	18.4
SHAREHOLDERS' EQUITY	2,287.2	2,196.8
Non-Current Debts	652.8	653.3
Non-Current Provisions	113.5	109.7
Deferred Taxes and Other Non-Current Liabilities	183.9	174.2
NON-CURRENT LIABILITIES	950.2	937.2
Current Debts	37.1	43.9
Current Provisions	154.7	123.0
Construction Contracts	1,575.1	1,860.1
Accounts Payable & Other Advances Received	2,923.2	2,938.3
CURRENT LIABILITIES	4,690.1	4,965.3
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES	7,927.5	8,099.3

Changes in Shareholders' Equity (Parent Company), Not Audited	
Shareholders' Equity as of December 31, 2007	2,178.4
First half 2008 Net Income	192.9
Capital Increases	6.0
IAS 32 and 39 Impacts	26.4
Dividend Payment	(125.1)
Treasury Shares	-
Translation Adjustments and Other	(8.7)
Shareholders' Equity as of June 30, 2008	2,269.9

ANNEX I (c)
CONSOLIDATED STATEMENT OF CASH FLOWS
IFRS
Not audited

€ in millions	First Half	
	2008	2007
Net Income	192.9	147.7
Depreciation of Property, Plant & Equipment	71.8	71.3
Stock Option and Performance Share Charges	6.2	4.0
Long-Term Provisions (Including Employee Benefits)	1.3	2.3
Reduction of Goodwill Related to Realized Income Tax Loss	-	2.5
Carry Forwards not previously Recognized	(3.5)	(10.2)
Deferred Income Tax	-	(15.0)
Capital (Gain) Loss on Asset / Activity Sales	0.2	2.0
Minority Interests and Other	<u>268.9</u>	<u>204.6</u>
Cash from Operations		
Change in Working Capital	<u>(172.3)</u>	<u>115.4</u>
Net Cash Provided by (Used in) Operating Activities	<u>96.6</u>	<u>320.0</u>
Capital Expenditures	(147.8)	(65.8)
Cash Proceeds from Asset Sales	0.9	1.5
Change of Scope of Consolidation	-	66.1
Net Cash Provided by (Used in) Investment Activities	<u>(146.9)</u>	<u>1.8</u>
Increase (Decrease) in Debt	(6.5)	(20.7)
Capital Increase	6.0	30.8
Dividend payment	(125.1)	(274.7)
Treasury shares	-	(86.2)
Net Cash Provided by (Used in) Financing Activities	<u>(125.6)</u>	<u>(350.8)</u>
Foreign Exchange Translation Adjustment	<u>(70.2)</u>	<u>(25.2)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(246.1)</u>	<u>(54.2)</u>
Cash and Cash Equivalents at Period Beginning	2,401.5	2,402.8
Bank overdraft at Period Beginning	(1.1)	(4.3)
Cash and Cash Equivalents at Period End	2,155.8	2,351.6
Bank overdraft at Period End	(1.5)	(7.3)
	<u>(246.1)</u>	<u>(54.2)</u>

ANNEX I (d)
TREASURY AND FINANCIAL DEBT - CURRENCY RATES
IFRS

€ in millions

	Treasury and Financial Debt		
	June 30, 2008	Dec. 31, 2007	June 30, 2007
	(not audited)	(audited)	(not audited)
Cash Equivalents	1,630.1	1,815.9	1,944.1
Cash	525.7	585.6	407.5
Cash & Cash Equivalents (A)	2,155.8	2,401.5	2,351.6
Current Debts	37.1	43.9	188.0
Non Current Debts	652.8	653.3	661.5
Gross Debt (B)	689.9	697.2	849.5
Net Financial Cash (Debt) (A - B)	1,465.9	1,704.3	1,502.1

€ versus Foreign Currency Conversion Rates

	Statement of Income				Balance Sheet as of	
	2Q 08	2Q 07	1H 08	1H 07	June 30 2008	Dec. 31 2007
USD	1.56	1.35	1.53	1.33	1.58	1.47
GBP	0.79	0.67	0.77	0.68	0.79	0.73

ANNEX II (a)
REVENUE BY REGION
IFRS
Not audited

€ in millions

	Second Quarter			First Half		
	2008	2007	Change	2008	2007	Change
Europe, Russia, C. Asia	401.9	294.0	36.7%	681.4	547.1	24.6%
Africa	163.3	249.4	(34.5)%	363.5	547.7	(33.6)%
Middle East	550.3	724.3	(24.0)%	1,228.3	1,414.6	(13.2)%
Asia Pacific	279.9	252.4	10.9%	542.9	441.8	22.9%
Americas	428.3	324.5	32.0%	824.4	668.1	23.4%
TOTAL	1,823.7	1,844.6	(1.1)%	3,640.5	3,619.3	0.6%

ANNEX II (b)
ADDITIONAL INFORMATION BY BUSINESS SEGMENT
IFRS
Not audited

€ in millions	2Q 08	2Q 07	Change
SUBSEA			
Revenue	603.1	606.0	(0.5)%
Gross Margin	156.9	140.0	12.1%
Operating Income from Recurring Activities	118.6	93.9	26.3%
Depreciation	(31.0)	(29.0)	6.9%
EBITDA ⁽¹⁾	149.6	122.9	21.7%
OFFSHORE			
Revenue	159.2	182.7	(12.9)%
Gross Margin	21.7	23.3	(6.9)%
Operating Income from Recurring Activities	8.9	9.0	(1.1)%
Depreciation	(2.2)	(1.7)	29.4%
ONSHORE			
Revenue	1,061.5	1,055.8	0.5%
Gross Margin	74.7	72.4	3.2%
Operating Income from Recurring Activities	36.1	33.8	6.8%
Depreciation	(3.9)	(4.1)	(4.9)%
CORPORATE			
Operating Income	(6.1)	(8.6)	(29.1)%
Depreciation	(0.7)	(0.6)	16.7%

⁽¹⁾ Calculated as Operating Income from recurring activities pre depreciation and amortization

ANNEX II (c)
ORDER INTAKE & BACKLOG
 Not audited

€ in millions

	Order Intake by Business Segment		
	Second Quarter		
	2008	2007	Change
Subsea	658.1	686.4	(4.1)%
Offshore	66.5	165.3	(59.8)%
Onshore	683.0	832.9	(18.0)%
TOTAL	1,407.6	1,684.6	(16.4)%

	Backlog by Business Segment		
	As of June 30, 2008	As of Dec. 31, 2007	As of June 30, 2007
Subsea	3,498.6	3,477.1	2,522.8
Offshore	481.5	550.9	601.9
Onshore	4,073.1	5,361.5	6,545.0
TOTAL	8,053.2	9,389.5	9,669.7

	Backlog by Region		
	As of June 30, 2008	As of Dec. 31, 2007	As of June 30, 2007
Europe, Russia, C Asia	1,772.6	1,691.8	1,649.6
Africa	1,410.9	1,623.3	974.1
Middle East	2,148.1	3,198.0	4,250.0
Asia Pacific	804.5	944.0	995.0
Americas	1,917.1	1,932.4	1,801.0
TOTAL	8,053.2	9,389.5	9,669.7

	June 30, 2008 Backlog Estimated Scheduling			
	SUBSEA	OFFSHORE	ONSHORE	GROUP
2008 (6 months)	1,436	265	1,899	3,600
2009	1,243	160	1,939	3,342
2010 and Beyond	820	56	235	1,111
TOTAL	3,499	481	4,073	8,053

ANNEX II (d)
ORDER INTAKE
Not audited

First half 2008, Technip's order intake reached €2,999.9 million compared to €3,165.9 million in 2007, a decrease of 5.2% year-on-year. Listed below are the main contracts that came into force during the first half 2008 along with their approximate value (Group share) if publicly disclosed:

- a contract with Motor Oil for the engineering, procurement and construction management (EPCM) of a crude oil distillation unit at the Corinth refinery, Greece,
- a contract with KNM Process Systems Sdn Bhd to provide assistance in the detailed engineering of the fatty acids methyl ester transesterification unit for a biodiesel production plant to be located at the port of Kuantan, Malaysia,
- two Subsea contracts with Petrofac Energy Developments Ltd (Petrofac) for the development of the Don West and Don South West oil fields, North Sea (approximately EUR36 million),
- a partnership with Areva to develop major mining projects. The objective is to double Areva's uranium production capacity in the next five years, starting with approximately 10 new mining operations, mostly in Africa,
- a Front End Engineering Design (FEED) contract with Shtokman Development Company for the onshore portion of the first phase of the Shtokman gas project in Russia,
- a contract with Husky Oil Operations Limited, a subsidiary of Husky Energy for the engineering, procurement, installation and commissioning (EPIC) of the development of the Husky White Rose oil field's North Amethyst Satellite (approximately €190 million),
- a frame agreement with BP to provide all diving construction services for extensions to existing hydrocarbon field development projects in the North Sea. Technip will be the exclusive provider of these services for the next two years, with two additional 12 month options available to BP,
- two contracts in joint venture with Subsea 7 for subsea installation and pipeline supply in New Zealand with Shell Todd Oil Services Limited and in Vietnam with MISC Berhad,
- a lump sum contract with Rominserv and Rompetrol Rafinare which covers licensing, basic engineering, detailed engineering, procurement and supply of main equipment and materials for a hydrogen plant to be constructed in Romania (approximately €40 million),
- a service contract with Nautilus Minerals Singapore Pte Ltd which covers engineering and project management services for the delivery and commissioning of all components for a riser and lifting system for the Solwara 1 subsea mining operations located offshore Papua New Guinea,
- a 3 year frame agreement with Oilexco North Sea Ltd to provide subsea services for development of UK North Sea fields which could include conceptual engineering, project management, procurement, construction, installation, provision of diving support, trenching, support and umbilical installation vessels, inspection, repair and maintenance (approximately €190 million),
- two services contracts in joint venture with Chiyoda and Fluor, for two LNG developments in Australia for Woodside,
- a contract with StatoilHydro for the engineering, procurement, construction and installation (EPCI) for a substructure of a floating wind turbine,
- a LSTK contract, as the leader of a consortium with Dodsal, with Transco for extension of the Fujairah water transmission system in the United Arab Emirates (approximately US\$610 million),
- a cost plus fee services contract with Neste Oil Corporation for the engineering and management of procurement and construction activities for a new generation biodiesel plant in The Netherlands,
- a 4-year charter with Petrobras in a 50/50 joint venture with DOF for the first Brazilian pipelay vessel with a 4-year additional option (approximately US\$250 million), plus a separate contract between Technip and Petrobras for engineering and support services for offshore operations of the vessel,
- a lump sum contract with StatoilHydro for the engineering, procurement, construction and installation (EPCI) for the Gjoa field development in Norway (approximately €60 million),
- a lump sum installation contract with Callon Petroleum Company for the Entrada oil field development in the Gulf of Mexico,

Since July 1st, 2008, Technip also announced the following contracts award **which are included** in the backlog as of June 30th, 2008:

- a LSTK contract, as the leader of a consortium with Pireco, with TIFERT which covers engineering, procurement and construction (EPC) for a sulphuric acid unit to be built in Tunisia,
- a LSTK contract with Agip in Nigeria for the development of the OYO oil field in Block OML 120/121 offshore Nigeria (approximately €75 million).

As of July 1st, 2008, Technip also announced the following contract award **which is not included** in the backlog as of June 30th, 2008:

- a major framework agreement for the engineering, procurement of equipment, construction and installation (EPCI) of subsea flowlines for a major development program in offshore West Africa; the first call-off contract signed under the frame agreement has an estimated value of €300 million.

This first call-off contract is for the development of the Plutao, Saturno, Venus and Marte (PSVM) fields located off the coast of Angola in block 31 for BP. It covers 45 kilometers of rigid water injection flowlines and 20 kilometers of rigid gas injection flowlines, with an option for 70 kilometers of rigid gas export flowlines. The offshore work will take place in 2010 using the Deep Blue.

II – STATEMENT OF THE PERSON RESPONSIBLE FOR THE FIRST HALF 2008 FINANCIAL REPORT

I hereby declare that to the best of my knowledge,

- the condensed interim consolidated financial statements for the first half of 2008 have been prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities, financial position and results of Technip and of entities included in the consolidation,
- the first half 2008 management report describes the material events that occurred in the first six months of the year and their impact on accounts, together with the main related-party transactions and a description of the main risks and uncertainties for the remaining six months of the year.

Paris, July 31, 2008

Thierry Pilenko
Chairman and Chief Executive Officer

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(FIRST HALF 2008)**

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1 - CONSOLIDATED INCOME STATEMENT

In millions of Euro		<u>1st Half Year 2008</u>	<u>1st Half Year 2007</u>
	Notes		
Revenues		3,640.5	3,619.3
Cost of Sales		(3,145.1)	(3,182.3)
Gross Margin		495.4	437.0
Research and Development Expenses		(19.5)	(19.2)
Selling Costs		(51.1)	(52.7)
Administrative Costs		(131.7)	(129.2)
Other Operating Income		8.0	8.5
Other Operating Expenses		(6.7)	(8.4)
Operating Income/(Loss) from Recurring Activities		294.4	236.0
Income from Sale of Activities		-	20.7
Charges from Sale of Activities		-	(6.3)
Operating Income/(Loss)		294.4	250.4
Financial Income	4	5.6	7.2
Financial Expenses	4	(27.9)	(41.3)
Share of Income / (Loss) of Associates Accounted for Using the Equity Method		0.4	1.7
Income / (Loss) before Tax		272.5	217.9
Income Tax Expense	5	(79.0)	(66.6)
Income / (Loss) from Continuing Operations		193.5	151.4
Income / (Loss) from Discontinued Operations		-	-
Net Income / (Loss) for the Year		193.5	151.4
Attributable to:			
Shareholders of the Parent Company		192.9	147.7
Minority Interests		0.6	3.7
Earnings per Share (in Euros)	6	1.85	1.42
Diluted Earnings per Share (in Euros)	6	1.83	1.41

2 - CONSOLIDATED BALANCE SHEET

In millions of Euro		<u>June 30, 2008</u>	<u>December 31, 2007</u>
	Notes		
Property, Plant and Equipment, Net	7	854.9	818.0
Intangible Assets, Net	8	2,420.4	2,419.5
Investments in Associates Accounted for Using the Equity Method		5.3	4.9
Other Financial Assets		17.9	21.0
Deferred Tax Assets		194.8	183.4
Available-for-Sale Financial Assets		21.1	17.0
Total Non-Current Assets		<u>3,514.4</u>	<u>3,463.8</u>
Inventories		152.8	173.7
Construction Contracts - Amounts in Assets	9	384.4	280.6
Advances Paid to Suppliers		373.0	464.4
Derivatives		25.6	5.2
Trade Receivables		749.2	783.4
Current Income Tax Receivables		57.7	68.4
Other Current Receivables		514.6	458.4
Cash and Cash Equivalents	10	<u>2,155.8</u>	<u>2,401.5</u>
Total Current Assets		<u>4,413.1</u>	<u>4,635.5</u>
Assets of Disposal Group Classified as Held for Sale		-	-
TOTAL ASSETS		<u><u>7,927.5</u></u>	<u><u>8,099.3</u></u>

CONSOLIDATED BALANCE SHEET (CONTINUED)

EQUITY AND LIABILITIES

In millions of Euro		June 30, 2008	December 31, 2007
	Notes		
Common Stock	11 a	82.0	81.9
Paid-in-Surplus		1,645.8	1,640.0
Retained Earnings		476.3	458.0
Treasury Shares	11 c	(144.3)	(144.3)
Foreign Currency Translation Reserve		(57.8)	(46.7)
Fair Value Reserve		74.9	63.2
Net Income		192.9	126.3
Total Equity Attributable to Shareholders of the Parent Company		2,269.9	2,178.4
Minority Interests		17.3	18.4
TOTAL EQUITY		2,287.2	2,196.8
Other Non-Current Financial Debts	12	652.8	653.3
Provisions	13	113.5	109.7
Deferred Tax Liabilities		137.2	128.7
Other Non-Current Liabilities		46.7	45.5
Total Non-Current Liabilities		950.2	937.2
Current Financial Debt	12	37.1	43.9
Trade Payables		1,861.7	1,866.3
Construction Contracts - Amounts in Liabilities	9	1,575.1	1,860.2
Derivatives		9.2	5.1
Provisions	13	154.7	123.0
Current Income Tax Payables		165.1	201.7
Other Current Liabilities		887.2	865.2
Total Current Liabilities		4,690.1	4,965.3
TOTAL LIABILITIES		5,640.3	5,902.5
Liabilities Directly Associated with the Assets Classified as Held for Sale		-	-
TOTAL EQUITY AND LIABILITIES		7,927.5	8,099.3

3 - CONSOLIDATED CASH FLOW STATEMENT

In millions of Euro	1st Half Year 2008	1st Half Year 2007
Net Income for the Period (Minority Interests included)	193.5	151.4
Adjustments for :		
Depreciation of Property, Plant and Equipment and Intangible Assets	71.8	71.3
Stock Option and Free Shares Charge	6.2	4.0
Non-Current Provisions (including Employee Benefits)	1.3	2.3
Share of Income / (Loss) of Associates Accounted for Using the Equity Method	(0.4)	(1.7)
Net (Gains) / Losses on Disposal of Assets and Investments	-	(15.0)
Reduction of Goodwill related to Realized Income Tax Loss Carry Forwards	-	2.5
Deferred Tax	(3.5)	(10.2)
	268.9	204.6
Decrease (Increase) in Advance to Suppliers	73.0	(10.9)
Decrease (Increase) in Construction Contracts - Amounts in Assets	(85.8)	107.3
Decrease (Increase) in Trade and Other Receivables	(126.5)	43.1
(Decrease) Increase in Construction Contracts - Amounts in Liabilities	(191.0)	112.8
(Decrease) Increase in Trade Payables and Other Payables	158.0	(136.9)
Net Cash Generated from Operating Activities	96.6	320.0
Purchases of Property, Plant and Equipment	(141.4)	(60.9)
Proceeds from Sales of Property, Plant and Equipment	0.9	1.5
Purchases of Intangible Assets	(6.4)	(4.9)
Acquisitions of Investments, Net of Cash Acquired	-	-
Proceeds from Sales of Investments	-	66.1
Changes in Scope of Consolidation	-	-
Net Cash Used in Investing Activities	(146.9)	1.8
Increase in Borrowings	25.0	5.9
Decrease in Borrowings	(31.5)	(26.6)
Capital Increase	6.0	30.8
Share Buy-Back	-	(86.2)
Dividends Paid	(125.1)	(274.7)
Net Cash (Used in) / Generated from Financing Activities	(125.6)	(350.8)
Effects of Foreign Exchange Rate Changes on Cash and Cash Equivalents	(70.2)	(25.2)
Net Increase in Cash and Cash Equivalents	(246.1)	(54.2)
Cash and Cash Equivalents as of January 1,	2,401.5	2,402.8
Bank overdrafts as of January 1,	(1.1)	(4.3)
Cash and Cash Equivalents as of June 30,	2,155.8	2,351.6
Bank overdrafts as of June 30,	(1.5)	(7.3)
	(246.1)	(54.2)

4 - CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In millions of Euro	Common Stock	Paid-in-Surplus	Retained Earnings	Treasury Shares	Foreign Currency Translation Reserve	Fair Value Reserve	Net Income (Parent Company)	Shareholders' Equity (Parent Company)	Minority Interests	Total Equity
As of January 1st, 2008	81.9	1,640.0	458.0	(144.3)	(46.7)	63.2	126.3	2,178.4	18.4	2,196.8
Fair Value Adjustment on Financial Assets Available for Sale	-	-	-	-	-	3.3	-	3.3	-	3.3
Cash-Flow Hedging	-	-	-	-	-	12.0	-	12.0	(0.1)	11.9
Total Income and Expense Recognized Directly in Equity	-	-	-	-	-	15.3	-	15.3	(0.1)	15.2
Net Income of 1st half year 2008	-	-	-	-	-	-	192.9	192.9	0.6	193.5
Total Recognized Income of 1st half year 2008	-	-	-	-	-	15.3	192.9	208.2	0.5	208.7
Capital Increase	0.2	5.8	-	-	-	-	-	6.0	-	6.0
Capital Decrease	-	-	-	-	-	-	-	-	-	-
Appropriation of Net Income 2007	-	-	126.3	-	-	-	(126.3)	(0.0)	-	(0.0)
Dividend	-	-	(125.1)	-	-	-	-	(125.1)	-	(125.1)
Treasury Shares	-	-	-	-	-	-	-	-	-	-
Foreign Currency Translation Reserves	-	-	-	-	(17.2)	5.0	-	(12.2)	(0.8)	(13.0)
Stock Option Charge	-	-	-	-	-	6.0	-	6.0	-	6.0
Reclassification	-	-	14.6	-	-	(14.6)	-	-	-	-
Others	-	-	2.5	-	6.1	-	-	8.6	(0.7)	7.9
As of June 30, 2008	82.0	1,645.8	476.3	(144.3)	(57.8)	74.9	192.9	2,269.9	17.3	2,287.2
As of January 1st, 2007	80.9	1,604.5	531.8	(58.1)	(19.8)	61.9	200.1	2,401.3	15.5	2,416.8
Fair Value Adjustment on Financial Assets Available for Sale	-	-	-	-	-	(2.9)	-	(2.9)	-	(2.9)
Cash-Flow Hedging	-	-	-	-	-	0.6	-	0.6	(0.3)	0.3
Total Income and Expense Recognized Directly in Equity	-	-	-	-	-	(2.3)	-	(2.3)	(0.3)	(2.6)
Net Income of 1st half year 2007	-	-	-	-	-	-	147.7	147.7	3.7	151.4
Total Recognized Income of 1st half year 2007	-	-	-	-	-	(2.3)	147.7	145.4	3.4	148.8
Capital Increase	0.8	30.0	-	-	-	-	-	30.8	-	30.8
Capital Decrease	-	-	-	-	-	-	-	-	-	-
Appropriation of Net Income 2006	-	-	200.1	-	-	-	(200.1)	(0.0)	-	(0.0)
Extraordinary and 2006 Dividends	-	-	(274.7)	-	-	-	-	(274.7)	-	(274.7)
Treasury Shares	-	-	-	(86.2)	-	-	-	(86.2)	-	(86.2)
Foreign Currency Translation Reserves	-	-	-	-	(4.4)	-	-	(4.4)	0.8	(3.6)
Stock Option Charge	-	-	-	-	-	4.0	-	4.0	-	4.0
Others	-	-	0.6	-	0.1	-	-	0.7	(0.1)	0.6
As of June 30, 2007	81.7	1,634.5	457.8	(144.3)	(24.1)	63.6	147.7	2,216.9	19.6	2,236.5

5 - NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Technip's principal business includes the following:

- Lump sum or cost plus engineering service contracts performed over a short period;
- Engineering, manufacturing, installation and commissioning service contracts lasting approximately 12 months;
- Turnkey projects related to complex industrial facilities with engineering, procurement, construction and start-up, in respect of industrial performances and a contractual schedule. The average duration of these contracts is three years but can vary depending on the contract.

Note 1 – Accounting Principles

(a) *Interim Condensed Information*

The interim consolidated financial statements for the six-month period ended 30 June, 2008 have been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed by the European Union and available on the internet site http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission.

The interim consolidated financial statements for the six-month period ended 30 June 2008 have been prepared in accordance with IAS 34 Interim Financial Reporting. Consequently, the interim consolidated financial statements only include a selection of disclosures and notes and thus must be read in conjunction with the full year consolidated financial statements as of December 31, 2007.

(b) *Accounting Principles*

The accounting policies applied in the interim consolidated accounts for the six-month period ended June 30, 2008 are in conformity with those applied in the consolidated financial statements as of December 31, 2007.

Standards Applicable from January 1, 2008:

The adoption by the Group of new standards applicable from January 1, 2008 had no significant impact on Group's financial situation or performance.

IFRIC 11: This interpretation requires to be applied from March 1, 2007 and relates to options granted within a Group and treasury shares acquired to cover plans of options.

Standards with a Mandatory Application after December 31, 2008.

Technip interim condensed consolidated financial statements at June 30, 2008 do not include the possible impact of standards published as of June 30, 2008 whose applications are only mandatory for periods starting after December 31, 2008. The Group is currently working on the changes in disclosures required by the following standards applicable as from January 1, 2009:

IFRS 2 (Amendment): This standard relates to share-based payments. The amendment clarifies vesting conditions and cancellation conditions.

IFRS 8, Segment Information: This standard deals with additional information which must be disclosed in the notes. It requires to be applied for annual period as from January 1, 2009. Segment information disclosed by the Group as of June 30, 2008 is compliant with IAS 14.

IAS 23 (Amendment), Borrowing Costs: This standard requires capitalization of borrowing costs that relate directly to the acquisition, construction or production of an asset. The previous option that allowed recording these borrowing costs as an expense has been removed. This standard requires to be applied for annual period as from January 1, 2009.

IAS 32 (Amendment), Financial Instruments: This amendment clarifies the classification of a financial instrument (instruments redeemable at the option of the holder and instruments with obligations on liquidation). The amendment is effective for annual periods beginning on or after January 1, 2009 but is not applicable to the Group.

IFRIC 14: This standard requires to be applied for annual periods as from January 1, 2008 but has not been adopted by the European Union yet. It describes limit on a defined benefit asset (IAS 19).

IAS 1 revised, Presentation of Financial Statements: This amendment is applicable for annual periods as from January 1, 2009.

IFRS 3 revised, Business Combinations, and IAS 27 revised, Consolidated and separate financial statements: These standards are applicable for annual periods as from July 1, 2009.

(c) *Rules and Estimates*

Interim condensed consolidated financial statements have been prepared in accordance with the IFRSs: fair presentation, consistency, going concern, relative extent and business combinations. The consolidated assets have been evaluated under the historical cost convention, except for financial assets and derivative financial instruments, which have been measured at fair value. The Group interim condensed consolidated financial statements are presented in millions of €, except when otherwise indicated.

The preparation of financial statements in compliance with the IFRSs requires the use of certain critical accounting estimates. The main assessments and accounting assumptions made in the Group's financial statements relate to the construction contracts, to the valuation of Group exposure to litigations and to residual goodwill valuation.

(d) *Seasonality*

Interim revenues and operating result are received seasonally due to a lower activity during last quarter of fiscal year for the Subsea segment due to poor climate conditions which can affect activities in the North Sea. That phenomenon varies from a year to the other. In compliance with the IFRSs, revenues are recognized following the same rules as for the annual closing, which means revenues are reported for the six-month period.

Note 2 – Scope of Consolidation

Doftech and Techdof were created to manufacture and operate vessels. They are consolidated under proportionate method at 50% starting first half-year 2008.

There is no other change in scope of consolidation compared to scope of consolidation as of December 31, 2007.

Note 3 – Segment Information

Segment information is presented by business segment, the primary segment-reporting format of the Group being determined to be a business segment. The business segments consist in a separate component of an entity which produces or provides goods or a line of services linked to different risks or different probability.

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

- Subsea, formerly called SURF,
- Offshore, formerly called Facilities,
- Onshore, formerly called Onshore Downstream.

Until December 31, 2007 Technip organized the reporting of its operating performance along five segments: SURF, Facilities, Onshore Downstream, Industries and Corporate. From January 1, 2008 onwards the Industries segment is combined with the segment Onshore.

The segment results disclosed by Technip in its business segment information are the operating income from recurring activities and the operating income.

Consequently, the segment result does not include financial income and expenses (except financial result on contracts), income tax expense, nor the share of income/ (loss) of associates accounted for using the Equity Method.

In millions of Euro	1st Half Year 2008							
	Subsea	Offshore	Onshore	Corporate	Not Allocable	Total Continuing Operations	Discontinued Operations	Total
Revenues	1,152.2	346.0	2,142.2	0.1	-	3,640.5	-	3,640.5
Gross Margin	300.6	44.7	150.0	0.1	-	495.4	-	495.4
Operating Income/(Loss) from Recurring Activities	216.8	18.6	69.3	(10.3)	-	294.4	-	294.4
Income from Sales of Activities	-	-	-	-	-	-	-	-
Operating Income/(Loss)	216.8	18.6	69.3	(10.3)	-	294.4	-	294.4
Financial Income / (Expenses)	-	-	-	-	(22.3)	(22.3)	-	(22.3)
Share of Income / (Loss) of Associates Accounted for Using the Equity Method	-	-	-	-	0.4	0.4	-	0.4
Income Tax Expense	-	-	-	-	(79.0)	(79.0)	-	(79.0)
Discontinued Operations	-	-	-	-	-	-	-	-
Net Income / (Loss) for the Year	-	-	-	-	-	193.5	-	193.5
Other Segment Information								
Backlog as of June 30, 2008	3,498.6	481.5	4,073.1	-	-	8,053.2	-	8,053.2
In millions of Euro	1st Half Year 2007							
	Subsea	Offshore	Onshore	Corporate (1)	Not Allocable	Total Continuing Operations	Discontinued Operations	Total
Revenues	1,182.3	405.5	2,031.4	0.1	-	3,619.3	-	3,619.3
Gross Margin	248.1	48.7	139.1	1.1	-	437.0	-	437.0
Operating Income/(Loss) from Recurring Activities	160.1	20.7	65.7	(10.5)	-	236.0	-	236.0
Income from Sales of Activities	14.4	-	-	-	-	14.4	-	14.4
Operating Income/(Loss)	174.5	20.7	65.7	(10.5)	-	250.4	-	250.4
Financial Income / (Expenses)	-	-	-	-	(34.1)	(34.1)	-	(34.1)
Share of Income / (Loss) of Associates Accounted for Using the Equity Method	-	-	1.7	-	-	1.7	-	1.7
Income Tax Expense	-	-	-	-	(66.6)	(66.6)	-	(66.6)
Discontinued Operations	-	-	-	-	-	-	-	-
Net Income / (Loss) for the Year	-	-	-	-	-	151.4	-	151.4
Other Segment Information								
Backlog as of June 30, 2007	2,522.8	601.9	6,545.0	-	-	9,669.7	-	9,669.7

Note 4 – Financial Income and Expenses

The financial result is a charge of €M (22.3) as of June 30, 2008 to be compared with €M (34.1) as of June 30, 2007. The breakdown is as follows:

In millions of Euro	1st Half Year 2008	1st Half Year 2007
Interest Income from Treasury Management	8.1	7.0
Dividends from Non-Consolidated Investments	-	0.2
Financial Income related to Employee Benefits	1.8	2.3
Changes in Derivative Fair Value (excluding Hedging)	(4.3)	(2.3)
Total Financial Income	5.6	7.2

In millions of Euro	1st Half Year 2008	1st Half Year 2007
Bond Interest Expense	(14.9)	(14.9)
Fees Related to Credit Facilities	(0.5)	(0.4)
Financial Expenses related to Employee Benefits	(4.2)	(4.2)
Interest Expenses on Bank Borrowings and Overdrafts, Commercial Papers	(3.8)	(7.3)
Net Foreign Currency Translation Losses	(0.7)	(10.6)
Inefficient Part of Hedging Instruments	(2.0)	(0.1)
Others	(1.8)	(3.8)
Total Financial Expenses	(27.9)	(41.3)
Net Financial Expenses	(22.3)	(34.1)

Note 5 – Income Tax

The income tax expense can be analyzed as follows:

In millions of Euro	1st Half Year 2008	1st Half Year 2007
Current Income Tax Credit/(Expense)	(82.5)	(75.7)
Deferred Tax Credit/(Expense)	3.5	18.8
Reduction of Goodwill related to Realized Income Tax Loss Carry Forwards	-	(2.5)
Tax on Net Gains related to Investment Disposals	-	(7.2)
Tax Credit/(Expense) as reported in the Consolidated Income Statement	(79.0)	(66.6)
Deferred Income Tax related to Items Booked Directly to Opening Equity	0.1	(2.3)
Deferred Income Tax related to Items Booked to Equity during the Year	(10.1)	1.9
Other Equity Operations	-	-
Income Tax Expense as reported in the Consolidated Equity	(10.0)	(0.4)
Effective Tax rate	29.0%	28.2%

Note 6 – Earnings per Share

Earnings per share can be analyzed as follows:

In millions of Euro	1st Half Year 2008	1st Half Year 2007
Net Income Attributable to Shareholders of the Parent Company	192.9	147.7
Net Income Attributable to Shareholders of the Parent Company	192.9	147.7
In thousands		
Weighted Average Number of Outstanding Shares during the Period (excluding Treasury Shares) used for Basic Earnings per Share	104,349	103,756
<i>Effect of Dilution :</i>		
- Stock Options	543	729
- Free Shares	568	486
Weighted Average Number of Outstanding Shares during the Period (excluding Treasury Shares) Adjusted for Diluted Earnings per Share	105,460	104,971
In Euro		
Diluted Earnings per Share (1)	1.83	1.41
Basic Earnings per Share (2)	1.85	1.42

- (1) Diluted earnings per share take into account the possible dilutive effects that may be generated by equity instruments (stock options, free shares).
- (2) Basic earnings per share are calculated based on the average number of ordinary shares outstanding during the period, less the treasury shares.

During the first half-year 2007, the Group attributed free shares and the last edge of the plan of stock options 2005 under condition of performance and realized a capital increase reserved for the employees which brought an additional dilution of the earnings per share. During the first half-year 2008, no attribution of stock options or free shares was done except reattribution of outstanding stock options.

The average market price per Technip shares during the first half-year 2008 amounted to € 54.42 compared to € 51.15 during the first half-year 2007.

Note 7 – Property, Plant and Equipment

During the six months ended June 30, 2008, the Group acquired assets with a cost of €M 141.4. Investments are mainly made of vessels (€M 7.0 for the Skandi Arctic, €M 20.5 for the NPV, €M 8.3 for the PLSV and €M 27.2 for Orelia's useful life extension) and flexible plant under construction in Malaysia (€M 6.8). Maintenance investments amounted to €M 48.0.

The Group does not have any tangible asset acquired through a lease contract.

Note 8 – Intangible Assets

There was no significant change over the six-month period ended June 30, 2008. During the first half of 2008, no meaningful event occurred which might have caused to impair the value of goodwill or other intangible assets. Therefore no impairment test was performed as of June 30, 2008.

Note 9 – Construction Contracts

Construction contracts can be analyzed as follows:

In millions of Euro	June 30, 2008	December 31, 2007
Construction Contracts - Amounts in Assets	384.4	280.6
Construction Contracts - Amounts in Liabilities	(1,575.1)	(1,860.2)
Total Construction Contracts, Net	(1,190.7)	(1,579.6)
Costs and Margins Recognized at the Percentage of Completion	13,188.0	11,806.5
Payments Received from Clients	(14,224.0)	(13,201.7)
Losses at Completion	(156.2)	(188.5)
Bid Costs	1.5	4.1
Total Construction Contracts, Net	(1,190.7)	(1,579.6)

The net position in liabilities was reduced during the period due to the percentage of completion of huge contracts granted in 2005 and 2006.

Note 10 – Cash and Cash Equivalents

In millions of Euro	June 30, 2008	December 31, 2007
Cash at Bank and in Hands	525.6	585.5
Cash Equivalents	1,630.2	1,816.0
Total Cash and Cash Equivalents	2,155.8	2,401.5
Euro	543.3	709.8
U.S. Dollar	930.7	1,062.6
Pound Sterling	131.7	117.5
Japanese Yen	117.2	149.1
Canadian Dollar	59.7	26.5
Australian Dollar	9.3	36.5
Brazilian Real	100.5	94.0
Norwegian Crown	53.0	53.8
Others	210.4	151.7
Total Cash and Cash Equivalents per Currency	2,155.8	2,401.5
Historical Cost	1,630.2	1,816.0
Valuation Allowance	-	-
Total Marketable Securities' Market Value	1,630.2	1,816.0
Mutual Funds	-	-
Certificates of Deposits	180.4	91.4
Fixed Term Deposits	1,445.2	1,670.1
Others	4.6	54.5
Total Marketable Securities	1,630.2	1,816.0

The market value of cash equivalents is equal to their historical cost.

Note 11 – Shareholders' Equity

(a) Changes in the Parent Company's Common Stock

As of June 30, 2008, Technip common stock consisted of 107,585,093 outstanding authorized shares with a par value of €0.7625. The changes since December 31, 2006 can be analyzed as follows:

	Number of Shares Outstanding	Common Stock (In millions of Euro)
Common Stock as of December 31, 2006	106,117,174	80.9
Capital Increase due to Stock Option Exercised (1)	720,393	0.6
Capital Increase reserved to Employees	516,207	0.4
Common Stock as of December 31, 2007	107,353,774	81.9
Capital Increase due to Stock Option Exercised (1)	231,319	0.1
Capital Increase reserved to Employees	-	-
Common Stock as of June 30, 2008	107,585,093	82.0

(1) This increase corresponds to the exercise of stock options granted to employees.

(b) Technip Shareholders as of June 30, 2008

Technip Shareholders are as follows:

	June 30, 2008	December 31, 2007
Axa Investment Managers	7.4%	-
ING Group NV	5.2%	5.2%
Oppenheimer Funds Inc	4.8%	5.4%
Capital Research	4.7%	4.7%
Barclays Plc	4.7%	-
Causeway	4.4%	5.1%
Artisan	4.1%	4.0%
Tradewinds NWQ	3.6%	3.6%
Institut Français du Pétrole	2.9%	2.9%
UBS	2.2%	-
Barclays Global Investor UK Holding	1.7%	-
T. Rowe Price Associates Inc	1.5%	-
Amber Capital	0.7%	-
Group Employees	2.3%	1.9%
Treasury Shares	2.9%	2.9%
Others	46.9%	64.3%
Total	100.0%	100.0%

(c) *Treasury Shares*

The total value of treasury shares, shown as a deduction from equity, amounted to €M 144.3 as of June 30, 2008, representing 3,066,658 shares, unchanged compared to December 31, 2007:

	<u>Number of Shares</u>	<u>Treasury Shares (in €M)</u>
Treasury Shares as of December 31, 2006	1,336,664	(58.1)
Cancellation of Treasury Shares	-	-
Increase	1,729,994	(86.2)
Decrease due to Stock Options Exercised	-	-
Treasury Shares as of December 31, 2007	3,066,658	(144.3)
Cancellation of Treasury Shares	-	-
Increase	-	-
Decrease due to Stock Options Exercised	-	-
Treasury Shares as of June 30, 2008	3,066,658	(144.3)

(d) *Dividends Paid*

2007 dividends paid are as follows:

	<u>June 30, 2008</u>	<u>December 31, 2007</u>
Extraordinary Dividend Paid in May 2007 (€ 2.10 per share)	-	(176.2)
Remaining amount of 2006 Dividend paid in May 2007 (€ 0.55 per share)	-	(46.1)
2007 Dividend paid in May 2008 (€ 1.20 per share)	(125.1)	-
Total	(125.1)	(222.3)

(e) *Executive Stock Option Plans*

On June 12, 2008 the Board of Directors authorized an additional attribution of 106,858 shares. This part is exercisable under the same condition of performance as the former part of stock option plan 2005 which had been authorized by General Shareholders' Meeting held on April 29, 2005.

The total stock options charge amounted to €M 2.7 at the end of June 2008 against €M 2.2 at the end of June 2007.

(f) *Free Shares Allocation Plans*

No free share was granted during the first half of 2008.

The corresponding charge amounted to €M 3.3 at the end of June 2008 compared to €M 1.9 at the end of June 2007.

Note 12 – Financial Debts

Financial debts can be analyzed as follows:

In millions of Euro	June 30, 2008	December 31, 2007
Convertible Bonds OCEANE	-	-
Bond Loan (1)	650.0	650.0
Bank Borrowings and Credit Lines	2.8	3.3
Refundable Advances (Non-Current)	-	-
Others	-	-
Total Non-Current Financial Debts	652.8	653.3
Commercial Paper	20.0	-
Bank Overdrafts	13.7	25.2
Accrued Interest Payable	3.4	18.7
Refundable Advances (Current)	-	-
Capital Lease	-	-
Total Current Financial Debts	37.1	43.9
Total Financial Debts	689.9	697.2

- (1) On May 26, 2004, Technip SA issued a corporate bond for an initial amount of €M 650. The redemption date was set on May 26, 2011. The coupon payable on May 26 of each year amounts to 4.625% per year of the bond nominal value.

Financial debts due within less than one year amounted to €M 37.1.

Note 13 – Provisions

Changes in provisions over the first half of 2008 can be analyzed as follows:

In millions of Euro	As of January 1, 2008	Increase	Used Provision Reversals	Unused Provision Reversals	Foreign Exchange Adjustments	Others	As of June 30, 2008
Employee Benefits	96.0	9.7	(9.0)	(0.1)	-	-	96.6
Tax	0.3	0.1	-	-	-	-	0.4
Litigation	3.0	-	-	-	-	-	3.0
Reinsurance (1)	8.6	2.5	-	-	-	0.1	11.2
Other Provisions (Non-Current)	1.8	0.5	-	-	-	-	2.3
Total Non-Current Provisions	109.7	12.8	(9.0)	(0.1)	-	0.1	113.5
Employee Benefits	8.5	0.1	(0.6)	-	-	-	8.1
Contingencies related to Contracts	30.8	28.2	(4.8)	(1.2)	(0.5)	2.8	55.3
Restructuring	3.9	2.6	-	-	-	(3.2)	3.3
Tax	7.4	2.0	(0.5)	-	-	0.2	9.1
Litigation	7.3	0.1	(0.3)	(0.1)	-	(0.1)	6.9
Reinsurance (1)	13.0	0.1	(2.0)	-	0.2	(0.1)	11.2
Other Provisions (Current)	52.1	10.5	(0.9)	(0.4)	(0.7)	0.2	60.8
Total Current Provisions	123.0	43.6	(9.1)	(1.7)	(1.0)	(0.2)	154.7
Total Provisions	232.7	56.4	(18.1)	(1.8)	(1.0)	(0.1)	268.2

- (1) Reinsurance provisions have been recorded at the level of the Group's insurance captive (Engineering RE AG) as per IFRS 4.

As mentioned in the Group accounting principles, the criteria of asset / liability classification as "Current" in the balance sheet relies either on the term of contracts' operating cycle, or on the maturity of the liability less than one year. Therefore, current provisions on contingencies related to contracts may have maturities greater than one year because of the contracts' operating cycle.

Note 14 – Related Party Disclosures

Technip signed an agreement of research cooperation on offshore deep waters with IFP (Institut Français du Pétrole). Related royalties amounted to €M 1.7 for the first half of 2008. These royalties are calculated under ordinary conditions of competition.

During first half of 2008 Technip paid € 191,360 to Mr Daniel Valot for his consulting contract.

Note 15 – Off-Balance Sheet Commitments and Contingencies

The off-balance sheet commitments are presented below. Off-balance sheet commitments related to financial debts are disclosed in note 12- Financial Debts. There is no material off-balance sheet commitment that is not described below.

In millions of Euro	As of June 30, 2008			
	Amounts of Commitments per Period			Total
	2008	2009-2012	2013 and beyond	
Operating Leases	22.8	297.9	197.3	518.0
Foreign Exchange Rate Financial Instruments	791.6	974.5	-	1766.1
Total Contractual Commitments	814.4	1,272.4	197.3	2,284.1

In millions of Euro	As of June 30, 2008			
	Amounts of Commitments per Period			Total
	2008	2009-2012	2013 and beyond	
Parent Company Guarantees	8,251.3	16,946.8	459.7	25,657.8
Other Commitments Given	1,232.8	1,640.3	22.0	2,895.1
Total Commitments Given	9,484.1	18,587.1	481.7	28,552.9

In millions of Euro	As of June 30, 2008			
	Amounts of Commitments per Period			Total
	2008	2009-2012	2013 and beyond	
Commitments Received	331.0	465.8	1.3	798.1
Total Commitments Received	331.0	465.8	1.3	798.1

(a) Capital Leases and Operating Leases

The Group rents various equipment, vessels and buildings, mainly under lease contracts that will end during the next ten years. It is likely that the Group will have to renew or to replace them.

The rental expense recorded for the first half of 2008 amounted to €M 38.1 including €M 22.0 for rental of buildings and €M 11.4 for rental expense on vessels.

As of June 30, 2008 the Group's commitments related to operating leases break down as follows:

In millions of Euro	As of June 30, 2008
2008	22.8
2009	86.5
2010	77.6
2011	71.0
2012	62.8
2013 and beyond	197.3
Total Current Net Value of Operating Leases	518.0

There was no significant change of rental expense during the first half of 2008. There is no significant lease contract.

(b) *Bank and Commercial Guarantees*

Commitments given and received are summarized hereafter:

In millions of Euro	June 30, 2008	December 31, 2007
Parent Company Guarantees	25,657.8	25,598.0
Other Commitments Given	2,895.1	3,027.1
Total Commitments Given	28,552.9	28,625.1
Total Commitments Received	798.1	933.8

Parent company guarantees given by the parent company or its subsidiaries to clients cover the due and proper performance of the specified construction contracts for which the average expiration period until the release of the commitment guarantees is about 5 years. These amounts are not reduced according to the projects' percentage of completion.

The following table illustrates the breakdown of these €M 16,870.8 of parent company guarantees issued by Technip within joint venture contracts, according to the Group's percentage of ownership in these joint ventures, as of June 30, 2008.

In millions of Euro	June 30, 2008			
	Allocation as per % of Technip's Ownership in Joint Ventures			Total
Less or equal to 25%	Greater than 25% and less or equal to 40%	Greater than 40%		
Parent Company Guarantees Given within Joint Ventures	2,320.3	10,622.7	3,927.8	16,870.8

Regarding joint ventures, the amounts disclosed in the parent company guarantees (€M 16,870.8), also include the contract part allocated to the Group's partners in joint venture and are not reduced neither according to the projects' percentage of completion nor from the amount of parent company received from Technip partners within these joint ventures, whereas Technip issues parent company guarantees in their favor. The parent company guarantees issued by Technip for contracts out of joint-venture frameworks amount to €M 8,787.2 as of June 30, 2008.

Other commitments given mainly relate to guarantees or counter-guarantees given by banks and insurance companies to various customers in connection with ongoing contracts, in order to secure due and proper performance of the contracts or following the payment of retention guarantees and advance billings.

Commitments received mainly relate to similar guarantees obtained from suppliers or subcontractors in connection with ongoing contracts.

Note 16 – Litigations and Contingent Liabilities

Between January 1 and June 30, 2008, the situation of litigation and contingent liabilities described in 2007 report changed as follows:

ITP litigation: The appeal is currently pending before the Paris Court of Appeals (Cour d'Appel de Paris).

TSKJ pending investigation: nothing material happened during the first half of 2008. Technip is a 25% shareholder of the joint venture TSKJ.

Chevron: Technip and Chevron are still in discussion to resolve certain contractual differences as foreseen by the terms of the contract. An arbitration in accordance with the terms of the contract can not be excluded at this stage.

Note 17 – Market Related Exposure and Financial Instruments

Technip uses financial instruments to manage its exposure to currency risks incurred in the normal course of its business. The Group does not use financial instruments for trading or speculative purposes. The exchange hedging contracts are divided up between several bank counter parties who are selected after due analysis.

The primary hedging instruments used to manage Technip exposure to currency risks are as follows:

In millions of Euro	June 30, 2008		December 31, 2007	
	Maturity		Nominal value	Nominal Value
	2009 and beyond	2008		
Buy Foreign Currency, Sell National Currency	176.6	162.5	339.1	198.2
Sell Foreign Currency, Buy National Currency	632.7	405.2	1,037.9	1,209.6
Buy / Sell Foreign Currencies	165.2	223.9	389.1	395.9
Total Hedging Instruments	974.5	791.6	1,766.1	1,803.7

The fair value of financial instruments is booked in equity with counterpart either in assets or in liabilities. The increase of derivatives between January 1, 2008 (€M 5.2) and June 30, 2008 (€M 25.6) is due to the changes of dollar spot price.

Note 18 – Subsequent Events

On July 1, 2008 the Board of Directors decided to grant 1,033,100 stock options and 889,050 performance shares according to the authorisation granted by the May 6, 2008 General Shareholders' Meeting and an additional 20,300 performance shares according to the authorisation granted by the April 26, 2006 General Shareholders' Meeting.

On July 1, 2008 Technip Benelux BV acquired EPG, a specialized engineering company based in The Netherlands. EPG employs 120 people and its 2007 revenue was €M 8.0 in 2007. This entity will be consolidated starting third quarter 2008.

On July 10, 2008 Technip acquired Eurodim, an entity based near Paris. Eurodim employs around 20 people and its 2007 revenue was around €M 2.5. This entity will be consolidated starting third quarter 2008.

Investigations in the US (DOJ/SEC) and France dating from 2004 relating to payments made by TSKJ (in which Technip was a 25% participant) in connection with the construction of an LNG complex in Nigeria, are ongoing. Technip continues to cooperate with the investigations and has recently held meetings with the US authorities. Currently available information does not enable Technip to determine the outcome of these investigations and whether there would be any financial impact, material or otherwise.

IV- STATUTORY AUDITORS' REVIEW REPORT ON FIRST HALF-YEAR FINANCIAL INFORMATION FOR 2008

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STATUTORY AUDITORS' REVIEW REPORT ON FIRST HALF-YEAR FINANCIAL INFORMATION FOR 2008 (Period from January 1st, 2008 to June 30th, 2008)

To the Shareholders,

TECHNIP S.A.
La Défense 12
Allée de l'Arche
92973 PARIS LA DEFENSE
France

In compliance with the assignment entrusted to us by your Annual General Meeting, and in accordance with the requirements of articles L 232-7 of French Commercial Law ("Code de Commerce") and L. 451-1-2 III of the Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the limited review of the accompanying condensed half-year consolidated financial statements of Technip S.A., for the period from 2008, 1st January to 2008, 30th June;
- the verification of information contained in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

In accordance with professional standards applicable in France, we have also verified the information given in the half-year management report on the condensed half-year consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Neuilly-sur-Seine, July 31, 2008

The Statutory Auditors

PricewaterhouseCoopers Audit

ERNST & YOUNG et Autres

Louis Pierre Schneider

Gilles Puissochet