

TECHNIP: 2005 TRADING UPDATE AND 2006 OUTLOOK

Ahead of the publication of its full year 2005 consolidated results on February 23, 2006, Technip is today publicly disclosing some preliminary information.

Technip's 2005 order intake reached EUR 9.8 billion ⁽¹⁾, an increase of more than 90% compared to 2004. The resulting backlog at December 31, 2005 was EUR 11.2 billion ⁽¹⁾, compared to EUR 6.8 billion at the end of 2004.

Full year 2005 revenues are estimated to be around EUR 5.4 billion, as previously indicated. Full year 2005 net income, however, will be below the Group's full year target. The execution of a subsea pipeline contract has led to substantial additional costs in 2005 related primarily to modifications to the original execution schedule and various technical incidents. Technip is pursuing recovery claims with the client and insurance companies, but was, contrary to expectations, unable to reach resolution prior to finalizing the fourth quarter 2005 results.

Under these conditions, in strict application of current accounting principles, Technip has decided to record a net charge of EUR 71 million related to this contract, which is 99% complete. Consequently, full year 2005 income from operations and fully diluted earnings per share are now expected to be similar to the levels achieved in 2004 (as reported under IFRS).

Daniel Valot, Chairman and CEO, commented: "We have decided to report without delay this prudent accounting treatment, which has offset the expected increase in our full year 2005 earnings."

At the same time the Group's net cash position continued to strengthen during the fourth quarter of 2005. Our net cash position grew from EUR 351 million at September 30, 2005 to over EUR 600 million at December 31, 2005.

Our business activity and profitability prospects remain unchanged: our 2006 objectives are to achieve an operating income margin ratio in excess of 5% on revenues of about EUR 6.8 billion."

¹ 2005 order intake does not include the Qatargas III & IV contract signed at the end of December 2005. This contract entered into the Group's backlog in January 2006.



Cautionary note regarding forward-looking statements

This presentation contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, or statements of future expectations; within the meaning of Section 27A of the Securities Act of 1933 or Section 21E of the Securities Exchange Act of 1934, each as amended. These forward-looking statements are not based on historical facts, but rather reflect our current expectations concerning future results and events and generally may be identified by the use of forward-looking words such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “likely”, “should”, “planned”, “may”, “estimates”, “potential” or other similar words. Similarly, statements that describe our objectives, plans or goals are or may be forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied by these forward-looking statements. Risks that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among other things: our ability to successfully continue to originate and execute large integrated services contracts, and construction and project risks generally; the level of production-related capital expenditure in the oil and gas industry as well as other industries; currency fluctuations; interest rate fluctuations; raw material, especially steel, price fluctuations; the timing of development of energy resources; armed conflict or political instability in the Arabic-Persian Gulf, Africa or other regions; the strength of competition; control of costs and expenses; the reduced availability of government-sponsored export financing; the timing and success of anticipated integration synergies; and the evolution, interpretation and uniform application and enforcement of International Financial Reporting Standards (IFRS), according to which we prepare our financial statements as from January 1, 2005.

Some of these risk factors are set forth and discussed in more detail in our Annual Report on Form 20-F as filed with the SEC on June 30, 2005, and as updated from time to time in our SEC filings. Should one of these known or unknown risks materialize, or should our underlying assumptions prove incorrect, our future results could be adversely affected, causing these results to differ materially from those expressed in our forward-looking statements. These factors are not necessarily all of the important factors that could cause our actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could have material adverse effects on our future results. The forward-looking statements included in this release are made only as of the date of this release. We cannot assure you that projected results or events will be achieved. We do not intend, and do not assume any obligation to update any industry information or forward looking information set forth in this release to reflect subsequent events or circumstances. Except as otherwise indicated, the financial information contained in this document has been prepared in accordance with IFRS, and certain elements would differ materially upon reconciliation to US GAAP.



With a workforce of more than 20,000 people, Technip ranks among the top five corporations in the field of oil, gas and petrochemical engineering, construction and services. Headquartered in Paris, the Group is listed in New York and Paris. The Group's main operations and engineering centers and business units are located in France, Italy, Germany, the UK, Norway, Finland, the Netherlands, the USA, Brazil, Abu-Dhabi, China, India, Malaysia and Australia. In support of its activities, the Group manufactures flexible pipes and umbilicals, and builds offshore platforms in its manufacturing plants and fabrication yards in France, Brazil, the UK, the USA, Finland and Angola, and has a fleet of specialized vessels for pipeline installation and subsea construction.



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Technip's shares trade
on the following exchanges:

